



EAST AFRICAN COMMUNITY

"One People. One Destiny"



ANNUAL REPORT

FINANCIAL YEAR
2018/2019





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List of Abbreviations/Acronyms

AAU	Association of African Universities	IDA	International Development Association
ACE II	The Eastern and Southern Africa Higher Education Centers of Excellence Project	IGAD	Intergovernmental Authority on Development
ACP	African Caribbean Pacific	IEC	Information, Education and Communication
ACOA	African Congress of Accountants	IOM	International Organization for Migration
AfDB	African Development Bank	IoT	Internet of Things
AMREF	African Medical and Research Foundation	IPSAS	International Public-Sector Accounting Standards
APPPF	Academia-Public-Private Partnership Forum	IT	Information Technology
BCAA	Burundi Civil Aviation Authority	ITS	Inspectors Training System
BMU	Beach Management Unit	IUCEA	Inter-University Council of East Africa
CAAs	Civil Aviation Authorities	KCAA	Kenya Civil Aviation Authority
CAAU	Civil Aviation Authority Uganda	LVBC	Lake Victoria Basin Commission
CAM	Centre for Aviation Medicine	LVEMP	Lake Victoria Environmental Management Project
CAPs	Corrective Action Plans	LVFO	Lake Victoria Fisheries Organization
CASSOA	Civil Aviation Safety and Security Oversight Agency	LVRI	Lake Victoria Research Initiative
CCPAD	Corporate Communications and Public Affairs Department	LVWATSAN	Lake Victoria Water Supply and Sanitation
CMP	Common Market Protocol	M&E	Monitoring and Evaluation
CIPP	Certified International Procurement Professional	MEAs	Mutual Environmental Agreements
CPA	Chartered Public Accountants	MERECF	Mount Elgon Regional Ecosystem Conservation Project
COMESA	Common Market for Eastern and Southern Africa	MoU	Memorandum of Understanding
COP	Conference of Parties	NCD	Non- Communicable Diseases
DAAD	Deutscher Akademischer Austausch Dienst (German Academic Exchange Service)	NEPAD	New Partnership for Africa Development
DLI/R	Disbursement Linked Indicators/Results	NFPOs	National Focal Point Officers
DMEs	Designated Medical Examiners	NGO	Non-Governmental Organizations
DRC	Democratic Republic of Congo	NTBs	Non-Tariff Barriers
DRR	Disaster Risk Reduction	OSBP	One Stop Border Posts
DVC	Deputy Vice Chancellor	PEL	Personnel Licensing
EABC	East African Business Council	PF	Partnership Fund
EAC	East African Community	PR	Public Relations
EACDF	East African Community Development Fund	PSs	Partner States
EACHEA	East African Community Common Higher Education Area	RCAA	Rwanda Civil Aviation Authority
EACJ	East African Court of Justice	RFU	Regional Facilitation Unity
EADB	East African Development Bank	RSC	Regional Steering Committee
EAHEMIS	East African Higher Education Management Information System	RTD	Retired
EALA	East African Legislative Assembly	SADC	Southern African Development Community
EALP	EAC/AMREF Lake Victoria Partnership Programme	SARPs	Standards and Recommended Practices
EAQAN	East African Higher Education Quality Assurance Network	SARUA	Southern Africa Regional Universities Association
EASA	European Aviation Safety Agency	SAUT	Saint Augustine University of Tanzania
EASTECO	East African Community Science and Technology Commission	SIDA	Swedish International Development Cooperation Agency
ECSA	Eastern, Southern and Central Africa	SMS	Safety Management System
EDF	European Development Fund	SOFIA	Safety Oversight Facilitated Integration Application
ELP	English Language Proficiency	SSP	State Safety Program
EOI	Expression of Interest	STI	Science Technology & Innovation
EPA	Economic Partnership Agreement	TCAA	Tanzania Civil Aviation Authority
ESAF	Eastern and Southern African Office	TCM	Transport, Communication and Meteorology
EU	European Union	TGMs	Technical Guidance Materials
FAA	Federal Aviation Administration	TMEA	Trade Mark East Africa
FY	Financial Year/Fiscal Year	UK	United Kingdom
GIZ	German Society for International Development Cooperation	USA	United States of America
HAQAA	Harmonization of African Higher Education Quality Assurance and Accreditation	USAP	Universal Security Audit Programme
HRK	Hochschul rektoren konferenz (German Rectors Conference)	USOAP	Universal Safety Oversight Audit Programme
ICAO	International Civil Aviation Organization	UTANA	Uganda Textbook Academic and Non-Fiction Authors Association
ICF	International Cooperation Forum	VC	Vice Chancellor
ICT	Information Communication Technology	WG	Working Group

Foreword by Chairperson of the Council of Ministers



In line with Article 49(2c) of the Treaty, the Chairperson of the Council of Ministers annually presents a report of the activities of the Community describing the key developments, achievements and milestones made during the year. The 2018/2019 EAC Annual Report gives a description of the key achievements and accomplishments by the various EAC

Organs and Institutions. They include the EAC Secretariat; the East African Legislative Assembly; the East African Court of Justice; the Civil Aviation and Safety and Security Oversight Agency (CASSOA); the Lake Victoria Basin Commission (LVBC); the Lake Victoria Fisheries Organization (LVFO); the Inter University Council of East Africa (IUCEA); The East African Kiswahili Commission (EAKC); the East African Health Research Centre (EAHRC); the East African Competition Authority (EACA); the East African Science and Technology Commission (EASTECO) and the East African Development Bank (EADB).

Since our last Annual Report, the Community has witnessed a number of important developments in our quest for greater and deeper integration

for the people of East Africa. In the period under review, a Bill for the establishment of East African Monetary Institute (EAMI) was passed by EALA in April 2018 for assent by the 20th Summit. The Bill for the establishment of the EAC Bureau of Statistics was passed by EALA in October 2018. Partner States further harmonized a list of raw materials and industrial inputs for duty remission to manufacture textiles and footwear which will allow regional market access to final products manufactured using the harmonized inputs and raw materials.

Allow me to extend my warm appreciation to the Summit of EAC Heads of State for its strong political goodwill and unwavering commitment to the EAC integration agenda. As a Treaty requirement and on behalf of the Council of Ministers, I hereby present the EAC Annual Report of the Financial Year 2018/2019, providing key highlights on the implementation of EAC activities during the period of July 2018- Jun 2019.

Hon. Dr. Vincent BIRUTA
Minister of Foreign Affairs and
International Cooperation
CHAIRPERSON OF THE COUNCIL OF MINISTERS

Report by the EAC Secretary General



The EAC Annual Report 2018/2019 covers the period of one year from July 2018 to June 2019. It captures the progress made in the implementation of planned activities and achievement of targeted results as at the end of June 2019, highlighting the key success stories and challenges encountered during the period under review. It also portrays innovative solutions the various

Organs and Institutions adopted to overcome challenges encountered; insight into the priority programs and other strategic actions and the status of budget performance as at the end of the financial year.

Overall, implementation and delivery of planned outputs was below expectations during the financial year largely due to limited financial resources occasioned by delays in remittance of funds by Partner States, as well as Development Partners, especially those under the EAC Partnership Fund. Notwithstanding, as reported during the 24th Meeting of the Sectoral Council of Ministers Responsible for EAC Affairs and Planning, the Secretariat held a number of meetings with the Partnership Fund Steering Committee and other Development Partners to discuss ways and means of ensuring sustainable flow of funds during the coming financial year. The Secretary General further instituted a number of internal control measures and guidelines, all aimed at enhancing efficiency in the use of community resources. It is expected that the Secretariat will mobilize more external resources during the FY2019/2020.

In spite of the financial and other technical constraints, the Secretariat was able to deliver some key achievements as listed below:

1. CUSTOMS UNION

Key Priorities under the Customs Union

Key progress made in the area of Customs Union is in respect to the implementation of the Single Customs Territory (SCT); establishment and roll-

out of operations of One Stop Border Posts (OS-BPs); enhancement of the regional Authorized Economic Operator Programme; and development of a regional inter connectivity platform. Also worth recording is the review of regional Customs legal and procedure instruments; and elimination of Non-Tariff Barriers.

Implementation of the Single Customs Territory: Roll-out of movement of maritime goods on the Single Customs Territory (SCT) has been successfully undertaken. Roll-out of the export regime under SCT commenced in July 2018 on a pilot basis. Stakeholders have been trained on SCT processes.

Customs Interconnectivity Programmes: The Secretariat embarked on a four-phased approach to the implementation of the SCT Centralized Platform which is expected to be completed by July 2020.

Inputs for textiles and footwear under duty remission: Partner States harmonized list of raw materials and industrial inputs for duty remission to manufacture textiles and footwear. This will allow regional market access to final products manufactured using the harmonized inputs and raw materials.

Resolution of Non-Tariff Barriers: As of November 2018, 45 NTBs had been resolved while 17 remain unresolved. Of the 17 unresolved NTBs, two were referred to Council for further guidance.

Integration of the Republic of South Sudan: In accordance with the Roadmap for integration of RSS into the Community, the Secretariat organized a capacity building programme to train and sensitize officials and stakeholders in the RSS by June 2019.

COMESA-EAC-SADC Tripartite Free Trade Area (TFTA) Agreement: All Partner States except South Sudan have signed the TFTA Agreement. Uganda and Kenya have already ratified the Agreement. The remaining Partner States have committed to ratify the Agreement.

2. COMMON MARKET

Issuance of the New International EA e-Passport: Partner States are at different stages of issuing the International EA e-Passport. Republic of Kenya, Republic of Burundi and Republic of Uganda and the United Republic of Tanzania commenced the issuance of EA e-Passport.

Free Movement of Persons and Workers: The EAC Common Market Protocol guarantees free movement of persons across the borders without restrictions. Since accession to the Community, the Republic of South Sudan has maintained a visa regime with the Republic of Kenya, Republic of Uganda and the United Republic of Tanzania. Since visa regimes are reciprocal, the three Partner States have also maintained a visa regime with the Republic of South Sudan. The Republics of Rwanda and Burundi maintain a bilateral visa free entry for their citizens with the Republic of South Sudan.

Mutual Recognition Agreements: So far, four Mutual Recognition Agreements (MRAs) have been signed and are under implementation for the following professionals: Accountants; Engineers; Architects and Veterinarians. The Council has directed Partner States to support the establishment of regulatory bodies/associations for professional services to facilitate movement of professional services in the Community.

Competition: The East African Community Competition Authority (EACA) is reviewing the EAC Competition Act which will facilitate the smooth implementation and enforcement of regional competition policy and law in line with international best practices.

Research Collaboration Grant Initiative: The East African Science and Technology Commission (EASTECO) has partnered with respective Partner States' Science and Technology institutions in piloting the Research Collaboration Grant Initiative (CGI). Partner States' institutions involved in this pilot include: i) Uganda National Council for Science and Technology (UNCST); ii) Tanzania Commission for Science and Technology (COSTECH); iii) National Council for Science and Technology (NCST) of Rwanda; and iv) National Research Fund (NRF) of Kenya.

Development and Use of Kiswahili: The East Af-

rican Kiswahili Commission carried out a capacity assessment of the development and use of Kiswahili in the EAC. The assessment will guide the Commission in providing evidence-based policy advice to Partner States in institutionalizing Kiswahili.

Achievements in the Agricultural Sector: Key achievements in the agriculture sector are: adoption of the EAC CAADP Regional Agriculture Investment Plan; development of a draft regional Seed Bill and Regulations; adoption of Harmonized Pesticides Management Guidelines; identification of four program areas for potential joint resource mobilization by the EAC and FAO to support the implementation of the EAC-FAO project on promoting youth employment; Approval of nine sets of Policy Briefs on Aflatoxin management; and Adoption of the Mutual Recognition Procedure in order to harmonize registration procedures of Immunological Veterinary Products in the Community.

The Proposed Methodology and Work Plan for the EAC Common Market Scorecard 2019 on Free Movement of Goods, Services and Capital: Article 50 of the Protocol establishing the East African Community (EAC) Common Market Protocol (CMP) requires that the EAC Partner States develop a framework for monitoring and evaluating the implementation of the Protocol. In 2013, to complement regional efforts to monitor implementation of the CMP, the EAC Partner States adopted the EAC Common Market Scorecard (CMS) as a monitoring tool to measure and assess compliance with commitments under the CMP. The CMS sets a framework for Partner States to track their progress towards integration as well as to assess the integration gaps. Overall, the CMS aims to enhance the implementation of the CMP by pointing out areas where implementation is lagging, establishing the reasons thereof and offering solutions based on international best practice.

The first and second Scorecards were published in February 2014 and October 2016 respectively. Given the large number of commitments under the CMP, the scorecard covered only some of them, namely: Capital (all the 20 operations committed in the CMP); Services (Professional Services—architecture, engineering, accounting/auditing/book keeping and legal; Distribution - retail and wholesale; Transport - road and air;

and Telecommunication services) and Goods (NTBs, Standards and CET). The 2014/2016 Scorecards assessed and tracked de jure compliance with commitments in the above sectors, with the analysis focusing on a review of laws and regulations relevant to the CMP commitments in the above areas; along with key legal notices, reports and trade statistics. In 2017, a separate Scorecard that tracked compliance in the free movement of Labour (workers and self-employed persons) and Right of Establishment and Residence was developed and validated in October 2018.

The three Scorecards found several bottlenecks to the implementation of the EAC CMP in the laws and regulations of EAC Partner States: for example, the 2016 CMS indicated that 18 out of 20 Capital Market operations continue to have restrictions in at least one Partner State; numerous barriers remain to free movement of goods; and in the four service sectors addressed, over 59 non-conforming measures slow down trade in important sectors such as professional services, distribution, transport and communication. EAC Partner States therefore continue to operate as separate and distinct markets, keeping their economies small and disconnected.

The EAC Common Market Scorecard (Scorecard 2019) builds on the successes of the three Scorecards and aims at contributing to Partner States efforts to create an integrated EAC Common Market. Importantly, the Scorecard 2019 is being developed under a backdrop of renewed push towards regional integration with initiatives such as the Tripartite Free Trade Area (TFTA) and the African Continental Free Trade Area (Af-CFTA) underway. The success of these initiatives hinges on full implementation of commitments made at each Regional Economic Community (REC) level.

As a monitoring tool, the Scorecard 2019 will also help the key stakeholders focus attention and resources on the most critical implementation requirements to achieve the CMP objectives. Stronger implementation of the Protocol will accelerate the removal of barriers to the movement of goods, services and capital across the region, thereby increasing the region's competitiveness and expanding its volumes of trade and investment.

In this regard, the EAC Secretariat with the WBG and TMEA financial and technical support prepared a draft Methodology and work plan for the EAC Common Market Scorecard 2019 on Free Movement of Goods, Services and Capital.

3. MONETARY UNION

Establishment of EAMU Institutions: To expedite the establishment of the East African Monetary Institute, the Bill for the establishment of EAMI was passed by EALA in April 2018 for assent by the 20th Summit. The Bill for the establishment of the EAC Bureau of Statistics was passed by EALA in October 2018. Preparation of Bills for the establishment of the two institutions necessary for bringing EAMU into effect is ongoing.

Streamlining of EADB into the EAC Main Structure: A Regional Technical Working Group (RTWG) has been constituted and its Terms of Reference have been developed. The RTWG is composed of experts from the Ministries of Finance, Attorney General's Chambers, and EADB, Ministries responsible for EAC affairs and Central Banks.

4. POLITICAL FEDERATION

Constitution-Making Process for the Confederation: A joint Partner States and Constitutional Experts meeting was held in September, 2018 to review and harmonize the Experts' Terms of Reference and Roadmap for the assignment.

Rapid Decision Making Framework for the Peace and Security Sector: Experts were tasked to develop an enabling institutional support structure for the Council of Ministers on peace and security matters.

5. CROSS-CUTTING ISSUES

Joint Heads of State Retreat on Infrastructure and Health: The Secretariat has continued to engage Development Partners to mobilize resources to implement the 286 infrastructure projects which have been prioritized in the next ten years at an estimated cost of US\$79 billion. On health financing and development, a detailed costed implementation matrix has been prepared.

Promotion of the Automotive Industry: The 38th Extra-ordinary Council approved the TORs for the Establishment of a Regional Automotive Industry Platform and directed the Secretariat to develop a harmonized regional standard for Pre-Shipment inspection and standards/code of practice for inspection of imported used vehicles and report to the 39th Council.

Promotion of Textile and Leather Industries: Two consultancy studies were finalized in March 2019 and have been commissioned with the aim of developing regional strategies for cotton & textiles; and leather industries in the region.

Implementation of the EAC Institutional Review: The EAC Ad hoc Service Commission has completed the exercise and their report was tabled and considered by 38th Extra-ordinary Council for consideration.

Sustainable Financing Mechanism for the Community: The Secretariat is in the process of evaluating bids on the study on Sustainable Financing Mechanism which is expected to start soon.

Cooperation in Defense: The United Republic of Tanzania successfully hosted the 11th EAC Armed Forces Field Training Exercise (FTX) USHIRIKI-ANO IMARA 2018 in Tanga in November, 2018.

Roadmap for the Integration of the Republic of South Sudan (RSS)

Under Gender, a comprehensive study on the status of children in South Sudan was conducted in April 2019 in a bid to guide the implementation of the EAC Child and Youth Policies which were adopted before South Sudan joined the EAC. A national sensitization workshop for the private sector and civil society organizations in the Republic of South Sudan on opportunities and benefits of Regional Integration will be held from 4th to 5th June 2019 in Juba.

Under Civil Aviation, a Roadmap for integration of South Sudan into Civil Aviation projects and programmes was developed and adopted by the 20th Meeting of the Heads of Civil Aviation and Airports Authorities.

Under Human Resources Management, a visit was made to Juba to assess the records management with the aim of extending limited access

to the TRIM document management system to the Ministry Responsible for EAC Affairs to ease information sharing with the EAC Secretariat in Arusha.

Under Immigration, Labour/Employment & Refugee Management a study was conducted "Assessment of the Current State and Effectiveness of Social Protection in South Sudan" in March 2019, to support the Republic of South Sudan to undertake assessment studies on Social security benefits.

6. INFRASTRUCTURE DEVELOPMENT

Civil Aviation and Airports: A multilateral agreement for Partner States cooperation in handling the regional Aircraft Accidents and Incidents Investigations has been developed and is awaiting final adoption at the Transport, Communications and Meteorology (TCM) Sectoral Council. The roadmap for operationalization of the EAC Agreement on Aeronautical and Maritime Search and Rescue has been adopted and is under implementation. Priority airport projects have been adopted and included in the EAC Heads of States priority infrastructure projects. The priority airports are currently in various stages of development. The EAC Secretariat jointly with Partner States is mobilizing the necessary budget to implement the projects.

The EAC Regulations for Liberalization of Air Transport Services have been developed and are awaiting final approval by all the Partner States. Rwanda and Kenya have already joined the Single African Air Transport Market (SAATM) and EAC Secretariat in collaboration with AFCAC and AUC are addressing issues that are preventing the remaining Partner States from joining.

Transport and Works Department: Funds were secured from AfDB under the NEPAD_IPPF arrangements to undertake a feasibility study and detailed engineering design of the Multinational Tanzania/Uganda road project. The EAC procured and entered into a contract with a consultant in August 2018. The consultant is now undertaking the study. The feasibility studies and detailed engineering designs for the central corridor project connecting Rwanda and Burundi (Rehabilitation of selected roads in East Africa) were completed towards the end of 2018.

The studies involved two multinational roads, namely;

1. The Multinational Tanzania/Burundi: Nyakanazi-Kibondo-Kasulu-Manyovu/Rumonge-Rutunga-Bujumbura road sections.
2. The Multinational Tanzania/Rwanda: Lu-sahunga-Rusumo/Kayonza-Kigali Road sections.

The multinational TZ/BI road was completed in November 2018 while the multinational TZ/RW road was completed in December 2018. During the study closure period, the AfDB in collaboration with EAC and respective Partner States conducted an appraisal mission to the TZ/BI multinational and to that effect, the bank agreed to extend loans and grants for the construction phase of the following:

1. Construction of the Kabingo-Kasulu-Manyovu road section (260kms) including sub project components as part of social upgrade along the societies living along and within the main project alignment.
2. Construction of the Gitaza-Rumonge road section (45kms) including sub project components as part of social upgrade along the societies living along and within the main project alignment.

The projects are in different stages of implementation by the respective Partner States. The EAC Secretariat is part of the implementation team as proposed in the draft Memorandum of Understanding (MoU) between the Governments of Burundi and Tanzania, the Central Corridor (CCTFA) and the EAC Secretariat.

The road sections are part of the Multinational TZ/KE: Arusha-Holili/Taveta Road. The Kenyan side was completed and commissioned in July 2017. For Tanzania sections, the dual section was completed in 2018 and the bypass was completed and commissioned in April 2019 and is now under the defect notification period of one year.

EAC was invited by the Economic Community of Central African States (ECCAS) in order to collab-

orate with them in the construction project of the Bangui River Bridge, the Road and Transport Facilitation on the Bangui-Kisangani-Kampala and the Kisangani-Bujumbura corridors. The goal was to develop implementation documents towards project implementation and the following have been achieved;

1. The signed MoU between the Government of the Republic of Burundi, the Government of the Central African Republic, the Government of the Democratic Republic of Congo and the Government of the Republic of Uganda on the implementation of the project.
2. Memorandum of Cooperation between ECCAS and EAC on the preparation and implementation of the Project.
3. A joint request for funding of the Project from the Governments of the four States.
4. A joint request for funding from the EC-CAS and EAC Secretariats.

In December 2018 AfDB provided a grant worth USD 2 million to ECCAS. The EAC is now required to participate in project preparatory activities for the two corridors which connect to two EAC countries (Uganda and Burundi). This is part of enhancing trade with other regions.

Meteorology: Tanzanian Meteorological Agency was the only ISO 9001: 2015 Certified agency in the Quality Management System (QMS) for aeronautical meteorological services which is an International Civil Aviation Organization (ICAO) requirement while Kenya Meteorological Department and Uganda National Meteorological Authority were at advanced stages of the certification process. The World Meteorological Organization (WMO) in collaboration with EAC Secretariat continued the implementation of the HIGH Impact Weather Lake System (HIGHWAY) project aimed at developing an early warning system for the Lake Victoria Basin in order to reduce the high fatalities reported on the lake due to weather related hazards.

7. FSDRP

In regard to FSDRP project, the 38th Ordinary Council of Ministers held on May 2019 Council of Ministers approved the following:

- the EAC financial education strategy (2019-2022) with an indicative budget of US\$ 8,275,000;
- the EAC insurance certification program implementation strategy (2019-2024) with an indicative budget of US\$ 7,000,000;
- the EAC guidelines on consumer protection for the pensions sub sector;
- approved the draft paper on extending pension coverage to the informal sector in the region and underlying principles; and
- The revised Financial Services Commission (FSC) Policy.

Further, the May 2019 Sectoral Council on Finance and Economic Affairs approved the following:

- *Minimum standards for agreements between trading participants*
- *Terms of Reference for the Training Committee*
- *Criteria for training institutions and identifying potential trainers*
- *Smart Order Router (SOR) and matching engine rules*
- *Central Securities Depositories (CSD) master agreement*
- *EAC-CMI data management and confidentiality agreement.*

Development of a draft EAC regional Payment System roadmap

FSDRP undertook a scoping mission to the Republic of South Sudan to assess the status of the financial sector and the needs to better inform development of a road map to integrate her into EAC financial sector activities and where necessary design specific country interventions.

8. FOOD SECURITY AND AGRICULTURE

The 11th and 12th Sectoral Councils on Agriculture and Food Security were convened in June and December 2018 respectively, a technical

meeting was convened to draft EAC Seed and Plant Varieties Bill in June 2018. The draft Bill was presented to regional stakeholders for validation in August/September, 2018. The draft Bill was adopted by the Sectoral Council on Agriculture and Food Security in December 2018 and subsequently presented to the Council of Ministers in May 2019.

TORs for the development of EAC RAIP Implementation Plan were validated and approved by EAC Partner States in October 2018. In October and November, 2018, the Secretariat convened national consultations in the EAC Partner States to validate draft SPS regulations and SOPs. A regional validation meeting was held in February 2019.

On the EAC SPS Pest Risk, a draft EAC Pest Risk Analysis Framework and Pest Information Management System is ready for validation in June 2019. The three sets of guidelines were approved by the Council of Ministers in January 2019. In March 2019 EAC Secretariat convened a meeting of the EAC TWG on pesticides and crop protection companies. The main objective of the meeting was to discuss modalities of pilot testing of pesticides that can be used to control the Fall Army Worm under the EAC harmonized system.

The Secretariat convened a regional forum to launch nine sets of policy briefs on aflatoxin prevention and control in August 2018. The policy briefs contain recommendations on interventions required to mitigate impacts and effects of aflatoxin along the food and feed value chains).

In February/March 2019, the Republic of Kenya made reference to EAC Policy brief No.8 of 2018 which contains recommendations on disposal and alternative use of aflatoxin contaminated food. As per the recommendations of the policy brief, maize with contamination levels of up to 20 ppb, will be used as feed for mature animals, including dairy animals. The consignments that have contamination levels of above 20 ppb will be disposed according to options prescribed in the policy brief.

The Secretariat with support from USAID Kenya and East Africa and Africa Lead II project convened a regional stakeholder meeting on combating the FAW in September, 2018. Objectives of the workshop included taking stock of FAW

management efforts and identification of priority strategic actions to enhance implementation and up-scaling of FAW interventions.

9. ENVIRONMENT AND NATURAL RESOURCES

Alignment of EAC policies and program with the Sendai Framework through inclusion of DRR provisions in the EAC Policies and Program. EAC participated in the sixth session of Global Platform for DRR in May 2019. A Draft Comprehensive Action Plan on the implementation of DRR matters was developed and considered.

Terms of Reference of studies were adopted in December 2018 on: Integration of Disaster Risk Reduction into education curriculum; and development of an EAC DRR Training manual; development of regional emergency response plans and mapping out disasters evacuation centers in Partner States; strengthening and harmonizing existing regional early warning systems; and development of harmonized mechanisms and coordination in addressing transboundary hazards.

Program description on improving collaborative Conservation and Management of Transboundary Natural Resources in the East African Community (RDOAG-Environment) was adopted on 17th December 2018. Project on Supporting Climate Change Adaptation and Mitigation Actions in the EAC region was adopted in December 2018. Achievements of EAC on addressing climate change were showcased during the UNFCCC COP 24 in December 2018.

Mechanisms and elements for implementation of the Strategy have been incorporated in the Regional Development Assistance Agreement (RDOAG). The report was considered by the 6th Sectoral Council on Environment and Natural Resources Management on 17th December 2018. The design and development of the regional program on the conservation and management of the natural capital in the EAC (RDOAG) was completed. The draft EAC Forests Policy and Strategy was prepared and validated in May 2019.

EAC Water Vision was adopted in December 2018. Accreditation process of the Regional Implementing Entity for Adaptation Fund is above 95%. Terms of Reference for development of the EAC Climate Change Bill were adopted in

December 2018. Terms of Reference for the final evaluation of the PREPARED Program were adopted in December 2018.

10. TOURISM AND WILDLIFE

Natural stakeholders' consultative meetings were held by all Partner States. Draft EAC Tourism Marketing Strategy was developed and validated. Draft EAC Tourism Marketing Strategy was submitted to the 9th Meeting of Sectoral Council on Tourism and Wildlife Management for consideration which recommended that Partner States give further inputs.

Joint tourism promotion was undertaken at the World Travel Market in London in November 2018 and at the International Tourism Bourse in Berlin in March 2019. The 2nd Meeting of panel of experts which reviewed the assessment sheets and criteria for town and vacation hotels was held. The draft Protocol was presented to the 38th Meeting of the Council of Ministers. The Council asked the United Republic of Tanzania to finalize internal approval processes.

11. GENDER, COMMUNITY DEVELOPMENT & CIVIL SOCIETY MOBILIZATION

The 4th Meeting of the Sectoral Council on Gender, Youth, Children, Social Protection and Community Development was held in May 2018. The meeting considered the status report of the sector and adopted major policy instruments including the EAC Gender Policy; The Minimum Standards for Comprehensive Services for Children and Young People; The Framework for Strengthening Child Protection Systems among others.

The 2nd Participatory Gender Audit has been successfully conducted in all EAC Organs, Institutions and Key Ministries in the Partner States. The department has finalized the development of the training manual of the Simplified Guide for Micro and Small Women Cross Border Traders and Service Providers in the EAC (Info Pack) and conducted a validation and Training of Trainers with Women Cross Border Traders in November 2018 at the Busia border, Uganda/Kenya.

The info pack has been packaged as a pocket size booklet, translated into Kiswahili and both versions designed and printed. Through the Project 50 Million African Women Networking Platform,

the sector has built capacity of women in business on financial and non-financial facilities. It has put in place the country team to collect the content for the platform which is being finalized. The Sector also successfully launched the EAC Gender Policy; printed copies for dissemination and in September 2018 conducted the first ever Training of Trainers on Gender Mainstreaming for EAC Organs.

The Sector has successfully conducted a study on the harmonization of Child Laws in the EAC Partner States and developed an M&E Framework and Reporting Mechanism for the EAC Child Policy that seeks to harmonize reporting of Partner States on the EAC Child Policy, the African Charter on the Rights and Welfare of the Child (ACRWC) and the United Nations Convention on the Rights of the Child (UNCRC).

The 6th Annual EAC Secretary General's Forum was conducted in July 2018 in Nairobi, Kenya. The Forum brought together all dialogue parties from the Civil Society, Private Sector, and Trade Union Associations, Employer Organizations, the East Africa Law Society, the East Africa Youth Network, Local Government Organizations and other interest groups. The Dialogue Parties made several commitments to the responsiveness, impact and sustainability of the Consultative Dialogue Framework.

12. IMMIGRATION, LABOUR/EMPLOYMENT & REFUGEE MANAGEMENT

The application form for a special pass for the citizens of EAC Partner States was finalized and the special pass approved by Chiefs of Immigration and Directors of Labour during their meeting held on 15th February 2019.

A zero draft EAC e-Immigration Policy went through consultations in the EAC Partner States from November 2018 to March 2019. Comments were captured and updated in the policy for the final review by the Chiefs of Immigration. A capacity building meeting of social security experts was conducted from 6th-9th November 2019 with support from the International Labour Organisation. Experts at the meeting reviewed the draft EAC Council directive on Coordination of Social Security Benefits (ref. report EAC/SSE/L&E/ 2/2018). A study on "Assessment of the Current State and Effectiveness of Social Protection in South Sudan was conducted

in March 2019. The draft methodology for the review of the EAC Decent Work Program (DWP) was developed and is ready for validation.

A draft EAC Common Policy on Refugee Management was developed in the Meeting of Chiefs of Refugee Management (ref. report No EAC/ IMM/2/2019) held on 17th May 2019 and the road map for implementation was developed.

13. HEALTH

On Health systems, policy and regulation, the 17th and 18th Ordinary Meetings of the Sectoral Council on Health were convened on 26th October 2018 and 26th March 2019 respectively. The reports of the 16th and 17th Ordinary Meetings that could not be considered by Council of Ministers since Republic of Burundi had not attended the two meetings were finally endorsed by the 18th Meeting of the Sectoral Council. All the three reports were subsequently considered by the 38th Ordinary Meeting of the Council of Ministers held in May 2019.

The first ever meeting of the Regional Steering Committee for the East African Centres of Excellence for Higher Medical Education, Health Services and Research was convened from 25th to 26th February 2019 with support from IUCEA.

On Medicines, Food Safety and Health Technologies; EAC Compendium of Guidelines for Safety and Vigilance was adopted by the EAC Sectoral Council on Health in March 2019. Cross-border inspection of healthcare facilities and piloting of the pharma covigilance safety reporting tools at Namanga border (Kenya/Tanzania) was done in February 2019.

EAC joint post market surveillance of quality of five (5) selected antibiotics in EAC region was conducted and one (1) Medical product was found to be Substandard Falsified (SF) and regulatory actions (withdrawal from market) were taken by all EAC Partner States National Medicines Regulatory Authorities. Ten (10) Medicinal Products were recommended for registration under EAC Joint Assessment and Registration Procedures. Five (5) Pharmaceutical Manufacturing Facilities were jointly inspected by EAC experts.

On EIHP RMNCAH & HIV&AIDS, the protocol and data collection tools for the EAC Regional As-

essment of Integrated Reproductive Maternal Newborn Child and Adolescent Health and HIV/AIDS Services in the EAC Partner States were finalized and adopted by the 17th Ordinary Meeting of the Sectoral Council on Health held on 26th October 2018. The regional and national study teams were trained and commenced data collection in all Partner States for national level ethical approvals. The report of the assessment will be the primary reference material for drafting the EAC regional minimum package of integrated RMNCAH services, standards and Guidelines in FY 2019/20 as recommended by the 16th Sectoral Council on Health.

The protocol and data collection tools for a regional assessment of the burden and management of Sexually Transmitted Infections (STIs) in the EAC were finalized and adopted by the 17th Ordinary Meeting of the Sectoral Council on Health held on 26th October 2018. All the Partner States are now adapting the study protocol of ethical approval by respective national ethical review boards. The report of the assessment will be the primary reference material for drafting the harmonized EAC regional algorithm for prevention, treatment and diagnosis of STIs.

The EAC health sector-wide knowledge management web portal for the health sector was developed. The portal helps the Secretariat to integrate physical and online KM activities including conferences, workshops, and meetings of experts, Sectoral Council and national events without having to create parallel websites for specific projects and units. The web portal was approved on 26th March 2019 by the 18th Ordinary Meeting of the Sectoral Council on Health.

The first ever EAC State of Women, Children and Adolescent Health and HIV&AIDS Report 2018 was drafted and approved on 26th March 2019 by the 18th Ordinary Meeting of the Sectoral Council on Health.

Disease prevention and control unit held three meetings of the regional Expert Working Group (EWG) and Regional Steering Committee (RSC) for the mobile laboratories project through which the following project targets were achieved:

- Finalized the specifications for mobile laboratory equipment, consumables/ supplies and vehicles (9 mobile laboratory units and 18 vehicles).

- Commenced contracting supplies of various technologies under the mobile laboratory project that will help Partner States to be better prepared for and respond to epidemics/pandemics such as Ebola.
- Two mobile laboratory experts per Partner State were trained in Hamburg, Germany in collaboration with the Bernard Nocht Institute of Tropical Medicine – BNITM as Trainers of Trainees on handling and diagnosis of the highest biosafety level (BSL 3&4) disease causing agents.
- An accelerated training of medical laboratory experts was conducted from 20th May to 14th June 2019 at the EAC Secretariat with support from BNITM. The training was on diagnosis and handling of the Ebola Virus Disease that has so far infected more than 1600 people and caused 1,000 deaths in the Democratic Republic of Congo.
- Drafted a proposal for Phase II of the mobile laboratory project with special focus on curtailing antimicrobial resistance in the region (13 million euros).

The EAC Health Department in collaboration with GIZ has been able to achieve the following results:

- Developed the following Standard Operating Procedures (SOPs) to facilitate operationalization of the EAC Regional Contingency Plan for Epidemics due to communicable diseases, conditions and other events of Public Health Significance (reporting emergencies and activating EAC regional emergency response based on regional defined framework; cross-border surveillance, data and information sharing; Logistics management; Setting up a Regional Pool of rapid deployable experts; and Risk and Crisis Communication) - these were approved by the 17th and 18th Meetings of the Sectoral Council on Health.
- Developed a One Health Curriculum on Pandemic Preparedness that was adopted by the Sectoral Council on Health and being tested by various institutions in the region.

III. Convened a table top simulation exercise for disease prevention and control stakeholders using the one health approach from 4th to 5th September 2018, in Arusha Tanzania. One of the largest ever health sector led cross field simulation exercise in Africa was scheduled for the Namanga border point from 11th to 14th June 2019.

14. CULTURE AND SPORTS

The Sector held a meeting of Culture and Statistics experts to finalize the draft Regional Report on the Mapping of Culture and Creative Industries in the EAC in Kampala Uganda and prepare it for printing. A Regional Steering Committee was constituted and its 1st meeting to initiate preparations for the 4th Edition of the EAC Art and Culture festival – JAMAFEST 2019. The first preparatory meeting was held from 4th to 8th March 2019 in Dar es Salaam, United Republic of Tanzania. The Festival was scheduled for 21st - 28th, September, 2019 in Dar es Salaam.

1st Edition of the East African Community Games was held from August 16th –20th 2018 in Bujumbura, Republic of Burundi under the theme “Fostering EAC Integration and Peace through Sports”. Four Partner States including the Republic of Kenya, Republic of Uganda, United Republic of Tanzania and the Republic of Burundi, who were the hosts, participated in the Games. The Republic of Rwanda and Republic of South Sudan were not represented. The games attracted approximately 641 Players, 60 Team officials, 45 Match officials and 27 dignitaries. The EAC Secretariat was also represented by 18 members of staff (TZ: 58, Uganda: 172, Kenya: 59, Burundi: 352).

15. TRADE

International Trade

The Final Export Promotion Strategy was adopted by SCTIFI on 31st May 2019. WTO successfully reviewed EAC Partner States’ trade policies and practices in March 2019. Concrete recommendations that provided the way forward for EAC Partner States to adhere to their multilateral obligations were given.

The Republic of Kenya and Uganda ratified the Tripartite Free Trade Area (TFTA) Agreement and the Republics of Kenya, Rwanda and Uganda

ratified the African Continental Free Trade Area (AfCFTA) Agreement.

TFA measures under category B and C Trade Portals were launched in Kenya, Rwanda, Tanzania, and Uganda. Development of the Trade Portal in Burundi is ongoing. Concept papers for priority project proposals at regional and national levels have been developed and will be tabled to development partners for funding.

Trade in Services

All Partner States except RSS have concluded and submitted their revised schedules of commitment and initialed them for adoption by SCTIFI and the Ordinary Council. The Secretariat has presented a draft Mechanism for the Removal of Restrictions on Trade in Services that is to be presented to SCTIFI for approval and has drafted the terms of reference for the development of the strategy.

Internal Trade

The review of the EAC Elimination of NTBs Act 2017 and the draft regulations to operationalize the Act were finalized. Trade performance was monitored and key trade-related information was provided by the EAC Trade & Investment Report 2017 which was adopted by the Council of Ministers. The 19th EAC Jua Kali/Nguvu Kazi Exhibition was successfully undertaken in December 2018, in Eldoret, Kenya.

Standardization and Conformity Assessment (SQMT)

Forty-four (44) standards declared by SCTIFI in May 2018 as East African Standards, were gazetted and adopted by all the Partner states. 107 international standards were endorsed. 105 standards were harmonized and are ready for SCTIFI declaration as East African Standards in May 2019, and for adoption by Partner States after gazetting.

The SQMT Strategic plan that lays out strategies to harmonize standards, measurement systems, accreditation and conformity assessment regimes to reduce NTBs related to standards; and increase trade across and beyond the borders of EAC Partner States was developed and approved. The plan is in line with the 5th EAC Development Strategy.

Training was done on WTO transparency requirements and procedures, Notification systems in

the Partner States, use of the ePing alert system and TBT/SPS online notification submission systems. EAC Partner States were recognized among the best 10 WTO notifying countries.

Kenya, Rwanda and Uganda adopted ISO IT tools (ISolutions) to enhance stakeholder participation in standards development and harmonization. EAC is set to adopt ISolution given the implementation by three Partner States.

Consensus at technical level on the review of the SQMT Act 2006 resulted in the draft Metrology Bill and the Standardization, Accreditation and Conformity Assessment (SACA) Bill. The two draft Bills were approved to proceed for legal drafting and enactment. Development of the updated catalogue of harmonized standards available at the EAC web portal; Development of the NSBs Information Standards Platform (ISP) to be completed in six months for information sharing on all SQMT activities.

Additional achievements included NSBs monitoring visits to validate adoption and implementation status by each Partner State; Peer assessment of the conformity assessment systems to harmonize their procedures for inspection, certification, market surveillance and testing with a view to reduce standards implementation related NTBs; building trust and confidence in each Partner State’s systems leading to mutual recognition of the certification marks and test certificates resulting into enhanced intra EAC trade. A draft monitoring mechanism on adoption and use of the harmonized standards by the Partner States has been developed and is awaiting validation. A database of conformity assessment bodies and competences of EAC laboratories and inspection bodies which contributes to enhanced service delivery including fast clearance of goods is under development.

16. LEGAL

Achievements under Legal include; legal advice to seven Organs of the Community provided in FY 2018/19. Cases in point include the 20th Ordinary Summit, 38th Extra Ordinary Council; 38th Ordinary Council; 20th and 21st Sectoral Council of Legal and Judicial Affairs (SCLJA); Joint meeting on Interstate Security and other Sectoral Councils. This includes background papers; advisory opinions in meetings, interpretations; final reports follow ups; perusal of Contracts and Agree-

ments, Council Assignments; Work on Rules of Procedure for Council and Proposing Sanctions Regime; Bills for Council and Private Members Bills i.e. Appropriation and Supplementary Bill 2018; Publication of Community law and supplementary appropriation Bill; EAMU Bills.

In addition, legal support was given to the Council & Assembly including preliminary briefs; support to council members; reports on outcome of the assembly; EALA plenary interventions. Advisory services were offered to nine institutions including the CASSOA Board meetings; IUCEA, LVBC; Follow up on Amendment of Protocols for EAKC, EAHRC, EASTECO, LVFO.

Over 12 litigations were conducted as indicated in cause lists for First Instance & Appellate Division with Community as a party, Arbitration Proceedings- (Avitech); Two Regional Judicial Trainings; Four Harmonization of laws including in the Republic of South Sudan and the revival of the East African Law Reports and Journal.

17. CCPAD

The Concept Note on the evaluation of the 1st EAC Communication Policy and Strategy and development of a 2nd EAC Communication Policy and Strategy was prepared. However, the evaluation of 1st EAC Communication Policy and Strategy was not undertaken.

The 2nd EAC Media Reportage Mission was undertaken to all Partner States except the Republic of South Sudan - 15 journalists (three [3] per Partner State) joined the Media Caravan. More than 40 articles were published in major national newspapers and in The East African.

Two (2) documentaries were developed on the 1st EAC Games held in Bujumbura, Burundi and LVWATSAN Project. ToR were developed, approved and a consultant was engaged by GIZ to develop two episodes of the children’s cartoon series on EAC integration. EAC Video documentaries on infrastructure and LVWATSAN were broadcast on various electronic media outlets in the Partner States; EAC video documentaries on health, infrastructure, LVWATSAN and 1st EAC Games were shared on the EAC YouTube account and on social media channels. The documentaries were also used to entertain guests during the 20th Summit of the EAC Heads of State held on 1st February, 2019 in Arusha.

Funding was secured from GIZ towards the finalization of the Brand Architecture Strategy. An advert was prepared and placed in The East African newspaper to call for Expressions of Interest from brand design experts who would assist selected youth to finalize EAC brand architecture strategy. A Concept Note on the Implementation of Decision of the 37th Council of Ministers on the EAC Brand Architecture Strategy was presented to and approved by the 38th Council. The Council approved a supplementary budget for the finalization of the Brand Architecture Strategy.

The 8th and 9th EAC Communication Forums were held and brought together Communication Experts from all six EAC (6) Partner States Ministries of EAC Affairs, Organs and Institutions. The 9th EAC Communication Experts Forum: (a) Adopted the revised Concept Note and ToR for the Consultant to undertake the evaluation exercise and develop the 2nd EAC Communication Policy and Strategy, and; (b) Directed that the Evaluation of the 1st EAC Communication Policy and Strategy, and the Development of the 2nd EAC Communication Policy and Strategy be undertaken as a single consultancy.

18. EAST AFRICAN LEGISLATIVE ASSEMBLY

The Assembly conducted oversight activities through its Standing Committees. The findings from these activities were debated in the House which adopted a number of recommendations to the Council of Ministers, the EAC Secretariat and Partner States aimed at improving the overall performance of the Community in the implementation of its integration agenda. The Reports of the Assembly were also transmitted to the National Parliaments of the Partner States and other key stakeholders to inform their necessary action to support the attainment of the objectives of EAC integration.

The Regional Speakers launched the East African Parliamentary Institute (EAPI) in Nairobi, Kenya on 4th March, 2019. The Institute is expected to harness capacities and narrow the skills gap of Parliamentarians and staff in the quest to further reinforce the integration process. The launch of EAPI follows the commencement of the East African Parliamentary Institute Act, 2012 on 1st October, 2017, effected by the Council of Ministers through the Legal Notice No. EAC/51/2017.

The Legislative Assembly passed a total of six different bills; a) the East African Community Monetary Institute Bill, 2018; b) the East African Community Oaths Bill, 2018; c) the East African Community Customs Management (Amendment) (No.2) Bill, 2018; d) the East African Community Supplementary Appropriation Bill, 2018; e) the East African Community Appropriation Bill, 2018; and f) the East African Community Statistics Bill, 2018.

The Legislative Assembly conducted on-spot assessment of progress of EAC institutions, installations, facilities and challenges. On the basis of the findings from the on-spot assessment, the Assembly passed a number of recommendations to the Council, the EAC Secretariat and relevant institutions of the Community to address the challenges that East Africans are still facing in relation to free movement of goods, persons, services, labour and capital and to improve the infrastructure that facilitates the freedoms of movement.

The East African Legislative Assembly (EALA) conducted sensitization activities in the Partner States in February 2019. The sensitization activities which were carried out by the EALA local chapters in the Partner States were anchored on the theme: "EAC Integration Agenda: Accessing the gains and assessing the Challenges". These sensitization activities reached out to 150 Parliamentarians, 567 business community, 87 from government authorities, 125 women and 8 Ambassadors. Other groups included 70 persons from the private sector, 100 from Civil Society Organizations, 30 from women organizations, 1508 from learning institutions and 128 from media.

19. EAST AFRICAN COURT OF JUSTICE (EACJ)

EACJ held six sessions; three for the First Instance Division and three for the Appellate Division. In all, a total of 47 matters were handled. A Proposal (narrative, action plan and budget) on the establishment of a permanent seat of the East African Court of Justice was developed and submitted to Council for permanent judges of the Court. Council is yet to take a decision.

20. EAST AFRICAN HEALTH RESEARCH COMMISSION

The EAHRC Secretariat designed the Young East African Health Research Scientist's forum (YEARS' Forum) which is an initiative of the EAHRC to empower East African Community young researchers to shape the future of research for health in the region. The YEARS' Forum was approved by the 15th EAC Sectoral Council of Ministers of Health as one of the preconference meetings of the East African Health and Scientific Conference.

The 15th Sectoral Council on Health (EAC/Health/15 SCM/Decision 21) and subsequently the 35th Extra-ordinary Council of Ministers (EAC/EX-CM/35/Decision 18) approved the Digital Regional East African Community Health roadmap (Digital REACH roadmap) and recommended the EAHRC Secretariat to develop a strategic plan for its implementation. The Digital Health was approved by the 19th Ordinary Summit of the EAC Heads of State as one of the health sector investment priorities for the region for the next 10 years.

The EAHRC established the East African Health Research Journal (EAHRJ), "Basis for better health policy and practice". This peer reviewed journal was launched during the 6th East African Health and Scientific Conference, and is regularly produced and publishes material generated from the region that can inform policy and improve practice. Its issue 1, volume 3 was released at the end of July 2019. The East Africa Science Journal (EASci) "Search: Discover: Develop," was approved by the 15th ordinary meeting of the Sectoral Council of Ministers. It is established to promote innovation, discovery, and development in the region. The EASci was launched during the 7th EAHSC held in Dar es Salaam 27th-29th March 2019 by the publication of the EASci supplement on the abstracts of the 7th East African Health and Scientific Conference.

The East Africa Web Portal for health information (www.eahealth.org) was approved by the 12th Sectoral Council of Health (EAC/Health/12 SC-VII/ Decision 073). As a knowledge management platform for health, the East Africa Web Portal is an official East African comprehensive compendium of health information for all. It is a dynamic, structured, and interactive single-point-of-access for health information in the

region. The implementation of the East Africa Web Portal for health Information was delayed due to lack of a senior ICT officer and web administrator. The East Africa Web Portal for health information was launched during the opening ceremony of the 7th EAHSC.

The 7th East African Health and Scientific Conference (EAHSC) was held in the Julius Nyerere International Convention Center, Dar es Salaam, from 27th to 29th March 2019. The main theme was: Technology for health systems transformation and attainment of the UN-Sustainable Development Goals. The Opening Ceremony was officiated by Her Excellence Samia Suluhu Hassan, Vice President, of the United Republic of Tanzania. The conference was attended by about 1,000 participants. The comprehensive report on the conference is under development and will be presented to the 19th Sectoral Council of Ministers of Health.

Two baseline assessments namely the baseline assessment of ethics review frameworks in health research for the purpose of harmonization of the frameworks and the baseline assessment and mapping of sources for domestic financing health research were conducted. The findings were presented to the 17th Sectoral Council. In addition, the findings on ethics review frameworks have been shared at national level in all EAC PS with discussions focusing on specific strategic interventions and are informing field activities. Furthermore, the EAHRC in collaboration with facilitators developed a document comprising optimum requirements of ethics review bodies that constitutes a basis for harmonization.

21. INTER-UNIVERSITY COUNCIL FOR EAST AFRICA

The Inter-University Council for East Africa launched the East Africa Skills for Transformation and Regional Integration Project (EASTRIP) Project in Ethiopia and the East African Centre for Mathematical Research (EACMaR). A Regional Steering Committee (RSC) for the Centre was established and a Regional Coordinator and Node Centre Leaders for participating universities were appointed. *The East African Community: Journey towards Regional Integration*, a book on the East African Community was launched. It was developed as a strategy to promote local authorship.

Benchmarks for Agriculture and Engineering were developed as part of IUCEA continued efforts to enhance the quality of academic programmes and provide a framework for harmonization of higher education, regional quality assurance system, which will contribute to implementation of the East African Common Higher Education Area.

Scholarships to undertake MSC training in the East and Southern Africa under the ACE II Project were awarded to 32 female candidates. In April 2018, the East African Community and Government of the Federal Republic of Germany signed an agreement for a non-repayable grant worth EUR 5,000,000 (Five million Euros). The Inter-University Council for East Africa was selected as the Project Executing Agency. Ten universities were selected to host the EAC Scholarships Programme supported by KfW, and selection of the first cohort of 60 students for award of the EAC-KfW Scholarships was planned for later in the year.

IUCEA entered into a Memorandum of Understanding (MOU) with Kyungdong University with the goal of promoting sustainable development through the training of qualified middle-level professional manpower in East Africa. This goal will be achieved through facilitating the training of students from EAC Partner States in South Korea and establishment of Academic Collaboration Centers in EAC Partner States. Of the 30 students planned for the first cohort, only 24 students from all EAC Partner States met the requirements to undertake a four-year graduate studies program in: Smart Computing, Business Administration and Hotel Management in Kyungdong University. The first cohort of the five agreed upon in the MOU, left for South Korea on 26th August 2019 and commenced studies in September 2019.

IUCEA coordinated the establishment of East African center of excellence in ICT (CENIT@EA). Working with the East African Community (EAC) and the German Federal Ministry for Economic Cooperation and Development (BMZ). The Masters of ICT embedded and mobile system was accredited in February 2019 by Tanzania Commission for Universities (TCU). In March 2019, the call for admission and scholarship started, 651 applications were received, 257 provisional admissions were granted, of which 28 were awarded scholarship and started studies at CENIT@EA on 3rd June 2019.

Under the IUCEA and EASTECO joint collaboration, the East Africa Journal for Science, Technology and Innovation (EAJSTI) was established and so far, its Editorial Board is in place, and board meetings have been facilitated. In addition, abstracts/articles were solicited and selected for presentation during the STI Conference due in October 2019 for publication in the first edition of the EAJSTI.

Under the ACE II Project, IUCEA finalized the selection and funding of proposals for establishment of four (4) Incubation Centers at: University of Rwanda for Center of Excellence in Energy and Sustainable Development; Moi University for Center of Excellence in Phytochemicals and Renewable Energy; Mbarara University of Science and Technology for Pharm-Bio Technology and Traditional Medicine Center; and Nelson Mandela Africa Institution of Science and Technology for Center of Excellence in Research Advancement, Teaching Excellence and Sustainability in Food and Nutrition Security.

In collaboration with Ubuntu Net Alliance and Southern African Regional Universities Association (SARUA), IUCEA organized the first inaugural Vice Chancellor ICT Forum that was held on 20-21 November 2018 at Hotel Verde in Zanzibar, United Republic of Tanzania. This was followed by the 11th Annual Conference of Ubuntu Net Alliance which was held from 22nd – 23rd November 2018.

IUCEA entered into an MOU with Education Sub-Saharan Africa (ESSA) to jointly develop a web-based information system guiding a wide range of Higher Education stakeholders on effective scholarship systems dubbed Scholarship Impact Hub and that on Demography of Faculty, geared to enhance effectiveness of students and staff mobility. The Key Performance Indicators for the Scholarship Impact Hub were jointly developed and the Hub is now ready for development of instruments for its operationalization through a web-portal.

22. THE CIVIL AVIATION SAFETY AND SECURITY OVERSIGHT AGENCY (CASSOA)

In May 2019 CASSOA exhibited at the 6th AFI (Africa & Indian Ocean) week in Kampala. EAC CASSOA communication plan for FY 2018/19 was issued to participants together with CASSOA branded promotional materials.

The Agency carried out consultations in the Partner States of Burundi, Kenya, Tanzania and Uganda on the proposed sustainable funding mechanism. The 46th Board Meeting held in May 2019 directed the Agency to develop a paper on all sentiments from stakeholders' consultation to be presented to the board in August 2019 during the board retreat.

23. EAST AFRICAN COMPETITION AUTHORITY

EACA and Partner States drafted the EAC Competition (Amendment) Bill, 2019 in order to address gaps in the EAC Competition Act, 2006. The Bill was considered by the Sectoral Council on Legal and Judicial Affairs held in May, 2019 and is awaiting consideration and approvals by the Council and the East African Legislative Assembly respectively.

24. LAKE VICTORIA FISHERIES ORGANIZATION

LVFO mobilized funds to the tune of USD 3.8 million through GIZ Project 'Responsible Fisheries Business Chains on Lake Victoria'; EEOFISH project 'Contribution of sustainable fisheries to the blue economy of the Eastern Africa, Southern Africa and the Indian Ocean region'; University of Denver through the project titled, "The potential for aquaculture in Lake Victoria and implications for wild fisheries and fish commodity markets"; University of St. Andrews Scotland through funding from Global Challenges Research Fund Networking (GCRF) Grants and Smart Fish Project 'Implementation of Regional Fisheries Strategies for the ESA-IO (IRFS)' funded under the 10th EDF.

The Financial Rules and Regulations and the Procurement Manual were revised to customize to EAC and were approved by the LVFO Sectoral Council in March 2018. Proposals for resource mobilization were developed in-house covering fisheries and aquaculture management and development, fisheries research, fish quality assurance, trade and marketing and support to the Organization in preparation for Donor's conference.

Fisheries and Aquaculture Policy was developed and approved by LVFO Sectoral Council in March 2018. The Policy provides a negotiated position to guide the management and development of fisheries and aquaculture in contributing to economic growth and development.

The draft LVBC resource mobilization strategy was finalized. LVBC coordinated preparation of LVEMP-III, which started officially in January 2018. The preparation of the 3rd phase is funded by the World Bank and the Governments of the Partner States. To date each Partner State has prepared their Project Concept Note (PCN) and they have contributed to the Regional Concept Note, also spearheaded by LVBC. Other running projects are being coordinated and reports being submitted to the Regional Policy Steering Committee and the Sectoral Council on Lake Victoria Basin.

25. LAKE VICTORIA BASIN COMMISSION

Over 357 industries/enterprises were mapped; 167 of those enterprises' effluent were sampled and analysed for BOD and COD as baseline; Computation of baseline BoD5 and COD figures which stood at an average of 3,111 for BoD5 and 17,003 for COD of the 167 enterprises sampled and analysed.

Over 313 new enterprises were trained on RECP out of the target of 300 enterprises. These trainings have benefited over 785 industry personnel both male and female; In-plant assessments were conducted for over 107 enterprises against a target of 100 (translating to 107% achievement) with around 20% of them committing to and initiating to co-finance in-plant assessment.

The Project facilitated the identification of 106 potentials IS relationships (translating to 212% of the total project target of 50); the project also computed the baseline Greenhouse Gas (GhG) emissions for the targeted enterprises using data gathered during the in-plant assessments. This provides basis for analysis of GhG emission avoidance as a result of RECP technology investments by targeted enterprises.

26. EAST AFRICAN SCIENCE AND TECHNOLOGY COMMISSION

EASTECO developed a Regional policy for Science, Technology and Innovation (STI) which will provide for key long term objectives and targets in relation to EAC long term development and integration pillars, as well as the Partner States' common areas of interest as per their respective Science, Technology and Innovation policies. In the policy development process, stakeholder consultation workshops were held in the six EAC

Partner States where 295 stakeholders from governments, private sector, academia, research organizations and civil society were engaged in discussions, with views and recommendations on what the EAC STI Policy ought to address and how.

The draft EAC Policy for STI was validated by the Regional Stakeholder Workshop in September 2018 and later adopted by the EASTECO Governing Board. The draft EAC Policy for STI is anchored on 4 pillars (Capacity Building for STI Skills and Infrastructure; Research, Innovation and Entrepreneurship; Financing, Partnerships and Collaborations; Enabling Environment).

Development of the EAC Policy for Intellectual Property (IP): To support technological development and innovation, the draft EAC Policy for Intellectual Property was validated through a regional stakeholder workshop before the adoption by the EASTECO Governing Board in May 2019. The Regional IP Policy intends to encourage technology development and promote the industrial and commercial use of technical inventions and innovations so as to contribute to the social, economic, industrial and technological advancement of the Community.

In order to support and enhance Scientific Research and dissemination of R&D Production and Findings, the East African Journal of Science, Technology and Innovation (EAJSTI) was established and a Regional Cooperative Research Grant Initiative launched. The following activities were conducted:

In the establishment and launch of the Journal (EAJSTI), the Policy and Governing Instruments and structure for East African Journal of Science, Technology and Innovation (EAJSTI) were set up with the adoption of the Scope and thematic areas of the Journal and the constitution of the Editorial committee and Reviewer teams. The online platform of the Journal (www.eajsti.org) was developed and call for papers was published in April 2019.

To establish a Collaborative Research Programme in the EAC, i) the draft Regional Research Agenda and management Framework were developed; and ii) a Regional Cooperative Research Grant Initiative (CGI) launched in partnership with the National Commissions/Councils of Science and Technology (Kenya, Rwanda, U.R. Tanzania and Uganda) and the Science Granting Councils Initiative for Sub-Saharan Africa (SGCI), where two research grants were awarded for collaborative projects.

In a bid to support the enhancement of research publications, training in scientific paper writing was conducted in November 2018 in Arusha, Tanzania for 105 beneficiaries including students and faculty from the Nelson Mandela African Institute of Science and Technology (NMAIST) and a number of other participants from other Higher Education institutions in the EAC Partner States. Furthermore, EASTECO has designed an online module that will apply Massive Online Open Course (MOOC) through EASTECO website portal to support training of researchers in EAC Partner States, in collaboration with the International Network for the Availability of Scientific Publications (INASP).

A training in Entrepreneurship Skills and Job Creation for STEM graduate and post-graduate students and researchers was conducted; 100 students were trained in developing entrepreneurial competences and practical business managements. An online platform (pilot version) for regional repository on STI expertise and available technologies was developed to support access and transfer of manufacturing and industrial technologies for the business sector.

CONCLUSION

In light of the prevailing regional development challenges met during the financial year, which include: inadequacy of resources and delays in disbursements of financial commitments from Partner States; delays in the implementation of policy decisions; recurring Non-Tariff Barriers that affect movement of goods across borders; slow pace of implementation of the Common Market Protocol mainly due to delays in amending national policies to conform to the Protocol; and delays in ratification and accession of legal instruments, the EAC remains focused on the following key priorities as stipulated in the 5th EAC Development Strategy:

1. Enhanced free movement of goods in the region and further liberalization of free movement of labour and services
2. Improved cross-border infrastructure to ease cost of Doing Business in the region
3. Enhanced regional socioeconomic development and transformation through investment in key productive sectors, skills development and technological advancement
4. Implementation of the Roadmap for the attainment of the EAC Monetary Union
5. Strengthening of legal, institutional and policy framework for peace, security, and good governance for EAC Political Confederation
6. Improved socio-cultural welfare of the people in the region
7. Institutional transformation.

The Community has further registered considerable achievements and will strengthen collaboration with the Private Sector towards greater and deeper integration for the people of East Africa. In the next Financial Year, the Secretariat will continue engaging Partner States and Development Partners to ensure timely disbursement of funds to facilitate timely implementation of projects and programs and expedite the process of formulating alternative financing options for consideration by the Council.

I take the opportunity to thank all our key stakeholders, particularly the Partner States and Development Partners for the continued commitment and support towards enabling the region to realize its objectives.

Amb. Libérat Mfumukeko
EAC SECRETARY GENERAL

01 /

INTRODUCTION

1.1 BACKGROUND

The East African Community (EAC) is a regional organization mandated by the Governments of Burundi, Republic of Kenya, Republic of Rwanda, Republic of Uganda and the United Republic of Tanzania. The EAC expanded in 2007 with the admission of the Republic of Burundi and the Republic of Rwanda and was further expanded in 2016 with the admission of the Republic of South Sudan. The Treaty for the establishment of the EAC was signed in November 1999 and came into force on 7th July 2000. The regional cooperation and integration envisaged in EAC is broad based. Article 5 (1) of The Treaty for the Establishment of the East African Community states that "The objectives of the Community shall be to develop policies and programmes aimed at widening and deepening cooperation among the Partner States in political, economic, social and cultural fields, research and technology, defence, security and legal and judicial affairs for their mutual benefit." Since then, the EAC Customs Union was established in March 2005 and has made significant progress. In 2010, the EAC established a Common Market followed by Monetary Union signed in 2013 that will come into force in 2023 and then a Political Federation as the ultimate goal.

As one of the fastest growing Regional blocs in Africa, the EAC has a population of about 150.6 million people with a combined GDP of US\$150 billion by 2015. The economies of the EAC mainly depend on export of agricultural commodities although industrial production especially manufacturing has recently increased in all the countries that comprise the trading bloc. At the same time, the services sector has grown mainly with respect to tourism, ICT and financial services.

The Vision of the EAC is to attain a prosperous, competitive, secure and politically united East Africa, while the Community's 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".

1.2 EAC ORGANS AND INSTITUTIONS

The Treaty establishes the following Organs and Institutions for the Community: The Summit composed of the Heads of State of the Governments of Partner States; The Council composed of the Ministers responsible for East African Community Affairs and other Ministers as each Partner State may determine; and the Coordination Committee composed of Permanent Secretaries. The Sectoral Committees composed of Senior Officials from the Partner States are responsible for preparation of comprehensive programmes implementation reports and priorities in the respective sectors.

Other Organs are:- The Secretariat, as the executive organ of the Community responsible for initiating and coordinating the harmonization of policies and strategies relating to the development of the Community and general administration and financial management of the Community; East African Legislative Assembly, the legislative organ of the Community composed of fifty two members consisting of nine elected members from each National Assembly of the Partner States; seven ex-officio members who include the Ministers responsible for EAC Affairs, the Secretary General and the Counsel to the Community; and the East African Court of Justice, a judicial body of the Community responsible for administration of justice.

The EAC Institutions that handle specific and specialized mandates are:- Inter-University Council for East Africa (IUCEA); Lake Victoria Fisheries Organization (LVFO); Lake Victoria Basin Commission (LVBC); and Civil Aviation Safety and Security Oversight Agency (CASSOA); the East Africa Kiswahili Commission (EAKC); the East Africa Science and Technology Commission (EASTECO); and the East African Health Research Commission (EACHRC); East African Competition Authority (EACA); and the East African Development Bank (EADB).

1.3 STRUCTURE OF THE REPORT

The report is structured as follows: Chapter 1 presents the introduction, followed by a brief analysis of recent social economic development in Chapter 2. Performance on planned activities across the EAC Secretariat is presented in chapter 3 through Chapter 8. Performance registered by the EAC Organs and Institutions is presented in Chapter 9 through Chapter 17. The report ends with presentation of challenges faced and proposed solutions in Chapter 18.

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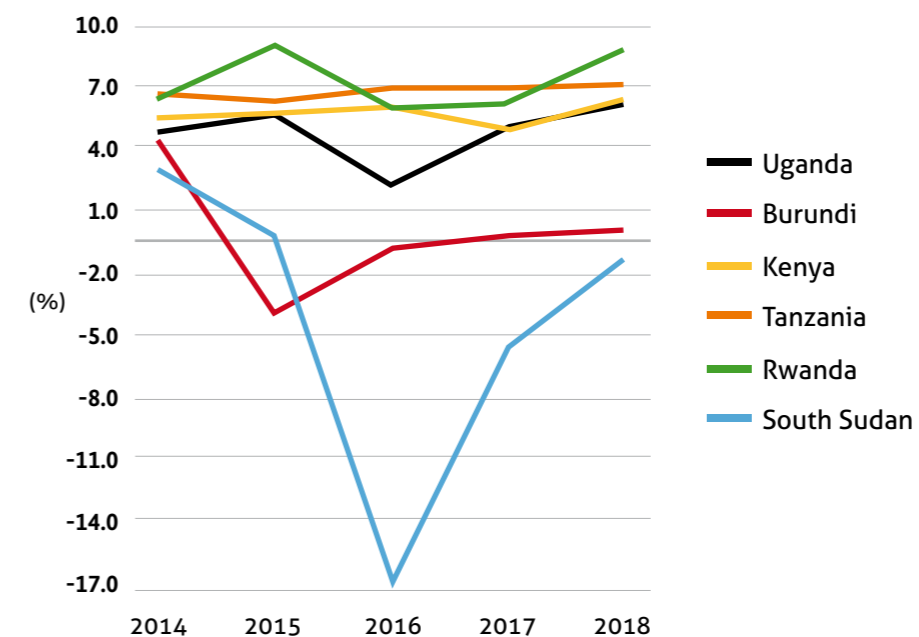
RECENT SOCIO-ECONOMIC DEVELOPMENT IN EAST AFRICA

The East African Community with its six Partner States constitutes an important regional economic block in Africa in terms of its coverage, population and economic strength. The region with its territorial area of around 2,462,000 km² is endowed with vast ranges of arable land, massive water resources, forest coverage, tourist attractions, and a number of mineral resources such as gold, diamonds, gas and petroleum resources. Complimented to its population of around 177.8 million people in 2018 and Gross Domestic Product (GDP) of around US\$190.4 billion in 2018; the region is a home of a number of foreign investment opportunities. With the exception of the Republic of South Sudan, and the Republic of Burundi, the rest of the EAC Partner States have registered remarkable economic growth averaging 5.5% in 2018.

2.1 ECONOMIC TRENDS

The region's economic performance for the period 2018/19 was generally positive. Available data indicate that real GDP growth in EAC Partner States varied over the past three years from 2016 to 2018, with an annual average growth of 5.5%. In Kenya, real GDP grew on average by 5.7% while Tanzania and Rwanda experienced the highest annual average growth each at 6.9%. Uganda on average recorded moderate growth of 4.5%, while Burundi experienced an economic downturn leading to an average negative growth of around 1.2% as a result of the political instability experienced since 2015.

Figure 1: Real GDP Growth of EAC Partner States (%), 2014 – 2018



Source: IMF Country Dataset, 2020

The Republic of South Sudan has also shown continued economic downturn, having recorded negative economic growth 1.1% in 2018, against a downturn of negative 5.5% in 2017.

Growth in Partner States is attributed to the growth across sectors especially in construction, transport, storage, financial services, information and communication. The service sector also contributed to the remarkable performance, marked by expansion in hotels, restaurants, and transport and communications activities, especially in Uganda.

In terms of purchasing power of the region, while the overall GDP stood at around US\$190.4 billion in 2018; Kenya had the highest per capita income estimated at around US\$1,830, followed by Tanzania with US\$1040, Rwanda US\$786 and Uganda US\$724. Burundi and South Sudan recorded the least per capita income at around US\$307 and US\$353 respectively. Overall, the EAC region had per capita income of around US\$1071 in 2018.

2.2 DEMOGRAPHIC TRENDS

a) Population

The EAC had a combined population of around 177.8 million in 2018, compared to an estimated 172.7 million persons in 2017¹. Tanzania had the largest population accounting for 30.8% of the regional population, followed by Kenya and Uganda at 27% and 21.8% respectively; while South Sudan accounted for 7.3%, Rwanda 6.8% and Burundi 6.3% of the regional population. The average population growth rate in the region was estimated at about 2.9 per cent in 2018. It is thus estimated that the region's population is likely to double its current level by 2050.

Table 1: Annual Population Growth rate (in %)

Partner State/Years	2014	2015	2016	2017	2018
Burundi	3.0	3.0	3.0	3.0	3.0
Kenya	2.6	2.7	2.7	2.7	2.8
Rwanda	2.4	2.4	2.4	2.4	2.4
Tanzania	2.7	2.7	2.7	2.2	3.1
South Sudan	-	-	-	3.2	3.0
Uganda	3.0	3.0	3.0	3.3	3.0
East Africa	2.9	2.9	2.9	2.5	2.9

Source: EAC Facts and Figures, 2019, IMF Country Dataset

The population density for the EAC region in 2018 continued to surge ranging from as high as 460 and 447 persons per Km² respectively in Rwanda and Burundi, to as low as 27 persons in South Sudan, 61 in Tanzania and 83 in Kenya, and 194 persons in Uganda; with overall regional population density of 81 persons. The persistent high total fertility rate is among the factors contributing to population increase in the region. Total fertility rate across the EAC Partner States averages at 4.8 births per woman², with Burundi and Uganda respectively recording the highest rates of 5.5 and 5.8 births in 2018.

Table 2: East Africa's Population Trends

Country	Land Area ('000 Sq. Km)		Population (in Millions)			
	Including water	Excluding Water	1950	2000	2017	2018
Burundi	27.8	25.0	2.456	6.356	10.867	11.193
Kenya	582.7	580.7	6.265	30.669	46.729	48.033
Rwanda	26.3	24.2	2.120	7.609	11.811	12.091
South Sudan	644.3	482.7	na	na	12.585	12.976
Tanzania	939.3	886.3	7.886	35.119	53.074	54.680
Uganda	241.6	200.5	5.21	23.30	37.674	38.823
EAC	2,463,146	2,199.4	23.937	103,053	172.740	177.796

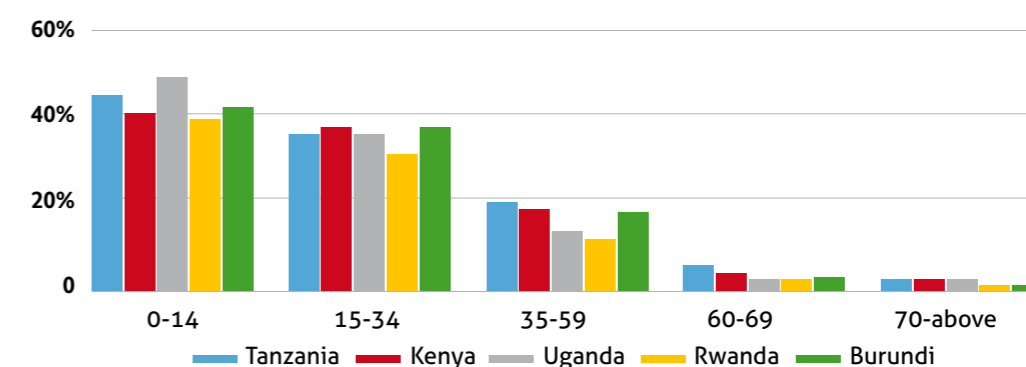
Source: EAC Facts and Figures, 2019; IMF Country Dataset

¹ IMF Country Data

² EAC Facts and Figures 2019; World Bank at <https://data.worldbank.org/indicator/>

The above-noted demographic trend, contrasted with the population structure, indicates that the EAC population remains one of the youngest in the world. The youthful population at the age groups of 0-14 and 15-34 years respectively accounted for 44% and 34% of the region's total population and that proportion is expected to have been maintained into 2017. The middle age (between 35-59 years) accounted for just 17% of the population, while the old age (60 years and above) constituted only 5% of the region's population. Against this background, such a large young population presents a potential of an abundant labour force that can drive the envisaged growth and transformation agenda for the region. It also presents a high dependency burden, if the population is not turned into productive human capital. Similarly, the low proportion of the population at age 60 years and above, is justified by the rather low life expectancy rate of around 63 years.

Figure 2: EAC Population Distribution by Age Group in 2018



Source: EAC Facts and Figures 2019

b) Employment

The EAC young labour force is one of the region's greatest resources for accelerated socioeconomic transformation. According to Tanzania's labour survey, 2.4 million Tanzanians were unemployed in 2011, yielding an unemployment rate of 10.7%. In Rwanda, statistics indicate that by end of 2006, unemployment rate was 1.2% of the labour force. By 2010, Uganda had a total labour force of 13.4 million with unemployment rate of 4%. In Kenya, unemployment was 40% by end of 2009, with 60% of this unemployed category being the youth. In 2009, Burundi had unemployment of 35%, with an estimate of 60% youth aged 15-30 being unemployed or underemployed. In view of the state of employment in the EAC region, it is evident that unemployment remains a major challenge that impacts the livelihood of the entire citizen, especially the youth, and this is despite the fact that the EAC region is endowed with abundant arable land and numerous other natural resources.

Table 3: Unemployment Rates (%) in East Africa

Country	Labour force survey	Unemployment Rate %
Burundi	2009	35.0
Tanzania	2011	10.7
Uganda	2010	4.0
Kenya	2009	40.0
Rwanda	2006	1.2

Source: EAC Facts and Figures 2015 and Partner States Integrated Household and Labour force Surveys

2.3 SOCIO-ECONOMIC INDICATORS

(a) Life Expectancy

Expectancy at birth on average stood at 62.74 years in the East African countries, slightly higher than the life expectancy for Sub Saharan Africa that stands at 60.80 years in 2017³. Rwanda has the highest life expectancy at 67.49 years, with Burundi ranking the least at 57.86 years. The under-five mortality rate per 1000 births was on average at 55 in 2012, while average maternal mortality (per 100,000 births) stood at 446, which is slightly below the Africa average of 460⁴. The state of health systems in the region is a contributing factor to the current life expectancy and mortality rates.

(b) Poverty Dimensions

Population living below the national poverty line (US\$1.90 a day) as measured through Purchasing Power Parity approach varies quite widely across the EAC Partner States.

While in Burundi it is indicated that around 70% of the population are living below the national poverty line, in Uganda and Tanzania the situation is a bit better as over 50% of the population are living above the poverty line. Kenya recorded the lowest poverty level at around 37% of population below the poverty line. Overall poverty situation in the region remains a big challenge, with women and children constituting the majority of the affected groups.

Table 4: Selected Socioeconomic Indicators for East African Countries

Country	Total Population (millions) in 2018	Life Expectancy at birth, 2017	Under Five Mortality Rate, 2012	Poverty Head-count ratio at US\$1.90 a day (PPP) (% of Population)	Adult literacy rate (%), 15+ yrs., 2005-2010
Burundi	11.193	57.86	142	71.8 (2013)	67.2
Kenya	48.038	67.29	52.4	36.8 (2015)	87.4
Rwanda	12.091	67.49	50	55.5 (2016)	71.1
Tanzania	54.680	66.31	49.7	49.1 (2011)	73.2
Uganda	38.823	60.18	57.8	41.7 (2016)	73.2
South Sudan	12.976	57.29	-	42.7 (2009)	-
East Africa	177.796	62.74	70.4	-	74.4
Sub-Sahara Africa	1,007.054	60.80	71.4	-	64.9

Source: EAC Fact and Figures 2019; World Bank Data (<https://data.worldbank.org/country>), IMF Country Data.

(c) Literacy

The East Africa Community has an average literacy rate of 74.4%, which is higher than the African average (64.9%), but lower than the world average of 84.1%. EAC's youth literacy rate stands at 81.9% compared to the global average of 89.5%. Within the EAC, the youth literacy rates are generally higher for men than women, with exception of Kenya and Rwanda which is almost equal.

³ EAC Facts and Figures 2016; World Bank at <https://data.worldbank.org/indicator>

⁴ EAC Facts and Figures 2016; United Nations Sustainable Development Report 2015.

Table 5: Literacy Rates for 15-24-year-old in East African Countries

Country	Year	Both sexes	Men	Women
Burundi	2000	73.7	76.8	70.4
Kenya	2008	92.3	91.8	92.9
Rwanda	2008	77.1	77.1	77.1
Uganda	2009	88.0	90.0	87.0
Tanzania	2002	78.4	80.9	76.2

Source: Final Report on the status of achievement of MDGs by the East African Community, 2010



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OFFICE OF THE SECRETARY GENERAL

The office of the Secretary General is headed by the Secretary General assisted by three Deputies and coordinates all regional projects and programs in the Community. The office, however, directly supervises the following functions: Legal and Judicial Affairs; Cooperation in Defense; Corporate Communications and Public Affairs; Internal Audit; and Resource Mobilization.

3.1 OFFICE OF THE CHEF DE CABINET

During the financial year 2018/2019, the Office of the Secretary General had planned to achieve the following targets: Strengthen the relationships with the private sector and Civil Society by June 2019; Strengthen the Inter-organ/Institutional collaboration and co-operation; Strengthen the relations with other regional and international organizations; Hold annual inter-Organ and Institutions meetings and briefing sessions with the Summit Chair; Strengthen the Coordination of EAC Organs/Institutions; and Strengthen Policy formulation capacity. These targets were to be achieved through different activities such as conducting consultation meetings to Partner States and official functions, coordinate EAC Organs/Institutions, participate in statutory and EALA meetings.

Key Achievements registered in the period under review include the following: -

- a) **Relationships with the private sector and Civil Society strengthened by June 2019.**
Conducted 1 (one) SG's Forum in Nairobi in July 2018.
- b) **Inter-organ/institutional collaboration and co-operation strengthened**
Convened an Ordinary Summit of the EAC Heads of State on 30th November 2018 in Arusha, Tanzania.
- c) **Relations with other regional and international organizations strengthened**
A number of Agreements were signed: Agreement with the People's Republic of China in November 2018 for USD200,000; In July 2018 EAC and WB signed an agreement of \$ 20 million to support statistics project in EAC; In July 2018 EAC and USAID signed a USD 20.5 million agreement for energy projects \$2.5M AfDB and \$6M. Participated in two (2) AU Meetings in Addis Ababa, Ethiopia,

- d) **Annual inter-Organ and Institutions meetings and briefing sessions with the Summit Chair held**
A briefing Session was held with the Chairperson of the Summit in November 2018 in Kampala, Uganda.
- e) **Policy formulation capacity strengthened**
Attended two EALA Sessions and the Signing of the Audit Report in December 2018.

Budget Execution

The budget allocated to the Secretary General's Office amounted to US\$ 274,800.00 for the Financial Year 2018/2019 with an expenditure of US\$ 204,766.53. The budget performance was 74.5% indicating that more than **56%** of planned activities were implemented.

3.2 RESOURCE MOBILIZATION

The Department of Resource Mobilization is responsible for coordinating all EAC Resources mobilization initiatives and processes for its projects and programmes. The mandate of Resource Mobilization Office (RMO) originates from the Treaty for the Establishment of the EAC. Article 71(i) states "the Secretariat shall be responsible for the mobilization of funds from development partners and other sources for the implementation of projects of the Community". Article 132 (4) states that "the budget of the Community shall be funded by equal contributions by the Partner States and receipts from regional and international donations and any other sources as may be determined by the Council. The Treaty further provides that other resources shall include: - grants, donations, funds for projects and programmes, technical assistance and income earned from activities undertaken by the Community.

In the period under review, Resource Mobilization Office had planned to develop and validate the EAC Resource Mobilization Strategy by 2019; conduct and organize donor missions and donor round tables; Network and participate in Donor Forums/Donor missions for resource Mobilization; develop a framework for the proposed EAC Development fund (EACDF) and private sector fund and present it to the EAC technical and Policy meetings; review and validate the Framework of engagement with Development Partners; maintain Partnership fund account; enhance capacity of Partnership Fund

Unit Staff and maintain and increase support from Development Partners.

During FY 2018/19, financing agreements totaling USD \$93,759,655 were signed with various DPs as follows:

Table 6: Financial Agreements signed 2018/19

Financing Agreement / Objective	DP	Amount	Time Frame
Additional Financing Agreement to support Energy	USAID	\$20,592,755	Aug 19- Sept 21
Integrated Water Resource Management with the Lake Victoria Basin with High Priority Investments	KFW	\$11,400,000	Mar 18-TBC
Market Access Upgrade Programme (MARK-UP)	EU	\$29,166,900	Mar 18-TBC
EAC Scholarship Programme	KFW	\$11,400,000	Apr 18- Dec 26
Partnership towards catalyzing the implementation of AUC CAADP - Business Plan 2017-2020	AGRA	\$500,000	Aug 18- Aug 21
Support from China	China	\$200,000	Oct 18-NA
Support from Bill and Melinda Gates for the EAC MEDICINES REGULATORY HARMONISATION (MRH) PROGRAMME	BMG	\$500,000	Oct 18- TBC
East African Community Statistics Development and Harmonization Project	WB	\$20,000,000	Oct 18-Dec 23
TOTAL (\$)			\$93,759,655

Other achievements were registered during the period under review as follows: -

A) The EAC Resource Mobilization Strategy developed;

The RM Strategy was developed. Presentation to the policy organs is scheduled to take place during FY 2019/2020.

B) The framework of the proposed EAC Development fund (EACDF) and private sector fund presented to the EAC technical and Policy meetings;

On 23-24 October 2018, a meeting of Permanent Secretaries and EAC Executives was organized to review the status report on EAC Resource Mobilization and Donor funded projects. The draft concept note on the proposed Private Sector Fund was presented and the Permanent Secretaries directed the Secretariat to finalize the concept note.

C) The EAC Partnership Fund maintained

The EAC Partnership Fund is one of the EAC resources mobilization instruments and initiatives started by the EAC Secretariat and Development Partners to enhance donor coordination in support of the EAC Regional Integration Agenda. The overall objective of the Fund is to strengthen the attainment of regional integration and socio-economic development goals of the EAC and facilitate harmonization and alignment of Development Partner Support to the EAC into a common basket. During the Financial year 2018/19, the Fund Steering Committee approved a work plan and budget worth **USD 1,930,893** to be financed from contributions in form of grants from Government of Denmark and Norway through their respective embassies in Dar es Salaam. **Table 7** below provides a summary of budget performance as per agreed priority areas by comparing actual and planned expenditure.

Table 7: Summary Budget Performance as at 30th June 2019

Description	Approved Budget (Us\$)	Actual Expenditure (Us\$)	% Utilization
Support the Implementation of EAC Common Market Protocol and the Customs Union Protocol	976,375	574,937	59%
Support to Sensitization and Public Awareness	125,250	85,592	68%
Support to capacity strengthening of EAC Organs and Fund Management and other crosscutting issues	829,268	382,512	46%
TOTAL	1,930,893	1,043,041	54%

D. EU partnership strengthened

To date, the whole of the EAC 11th EDF envelope of EURO 85M has been committed. Of the six programmes being prepared, one, RESP (Euro 5M), has been implemented and closed. Three (3) new ones have been finalized and signed; namely MARK Up (Euro 40M), Integrated Water Resources Management (Euro 10M), and TRUE FISH (Euro 10M). Implementation of these three are commencing in 2019. The remaining two programmes EU-EAC common objectives in regional economic integration programme (Euro 15M) and Programme to combat counter terrorism (15M) - are at the preparation stage where the key activities are being defined. They have been submitted to EU Headquarters in Brussels and if approved are expected to be signed in the third Quarter of 2019.

Budget Execution

The budget allocated to the Resource Mobilization Unit amounted to US\$ 644,417.00 for the Financial Year 2017/2018 with 119,575.98 utilized. The budget performance stood at 19% due to the low disbursement by the Partnership Fund. Funds were insufficient for maximum budget performance.

3.3 DEFENCE LIAISON

Defence Liaison Unit at the EAC Secretariat provides a coordination link between Armed Forces of Partner States and the Secretariat; does research on all agreed matters of Defence; and such other duties as may be assigned by the Secretary General. Defence Liaison Officers report to both the Secretary General and the Chiefs of Defence Forces of Partner States.

During the period under review, the Defence Liaison Unit planned: Military Training Syllabi and Doctrines harmonized by June 2019; Joint operations implemented by June 2019; To carry out visits and exchange information by the EAC Partner States Armed Forces; Chief Executives of Military Industrial facilities earmarked for shared utilization improved and increased; Mutual Defence Pact concluded by June 2019;

Key Achievements registered during the period under review were:

a) Military Training Syllabi and Doctrines harmonized by June 2019;

Two meetings of Commandants of Senior Command and Staff and Military Academies were held in Nairobi and Kampala respectively. Commandants commended Burundi Military Academy for implementing the approved military academy curriculum and urged the Republic of South Sudan to fast track benchmarking with sister colleges for the support of establishing a Command and Staff College.

A meeting of Defence experts on Training and Operations took place in Bujumbura to review the Core subjects taught in the EAC Senior Command and Staff Colleges in order to include the new emerging security threats, the added core topics on emerging threats were approved by the 29th Sectoral Council on Defence and will be taught in the EAC Senior Command and Staff Colleges.

b. Joint operations Implemented by June 2019;

All Partner States participated in the main planning conference that took place in Tanga, URT to plan for the execution of FTX *USHIRIKIANO IMARA* 2018. Participants developed special ideas in the thematic areas of PSO, Counter Terrorism, Counter Piracy and Disaster Management to be exercised during the conduct of the FTX.

Expert on SOPs drawn from Military, Police and civilian components held a meeting in Kigali to streamline, harmonize and standardize the EAC SOPs on Police and civilian operations with the Existing Military SOPs on: PSO, Counter terrorism, Counter Piracy and Disaster Risk Management. The standardized draft SOPs were approved by the 29th Sectoral Council on Defence for validation during the conduct of FTX *USHIRIKIANO IMARA* 2018.

The FTX *USHIRIKIANO IMARA* 2018 was successfully conducted. All the Partner States, except the Republic of South Sudan, participated in the exercise. Lessons for improvement in future exercises were identified and will be considered during the planning meetings and conduct of future military exercises. The United Republic of Tanzania was commended by the Defence Sectoral Council for the successful hosting of planning meetings and the conduct of FTX *USHIRIKIANO IMARA* 2018.

c. To carry out visits and exchange information by the EAC Partner States Armed Forces;

Two of the quarterly meetings of the EAC Military Chiefs/Directors of Intelligence happened in Juba and Mwanza respectively and participants exchanged information and intelligence. DLOs made two visits to their national capitals for consultations.

d. Chief Executives of Military Industrial facilities earmarked for shared utilization improved and increased;

One meeting of CEOs of Military Industries met in Arusha to exchange best practices in the industry. The Republic of Burundi was urged to fast track completion of the renovation of the Muzinda Engineering Bat-

tion Facility for shared utilization. Further, the EAC Secretariat was urged to provide adequate budget to allow the CEO meetings to take place on a rotational basis while the Republic of South Sudan was urged to formulate and present a Roadmap for implementation of her projects in the next CEO meeting.

One meeting of the Chiefs of Military Health Facilities met in Arusha, URT and made recommendations to the Sectoral Council on Cooperation in Defence Affairs on which basis the latter urged the EAC Secretariat to constitute a Defence Expert Working Group to study the offer, carry out an assessment and evaluate the Medical Modeling and Simulation Centre in the Republic of Rwanda and come up with modalities for sharing the facility; the EAC Secretariat to maintain the rotational nature of the meetings of the Chiefs/Directors of Medical Services and the Republic of Rwanda to offer the Radiotherapy Centre at Rwanda Military Hospital for joint utilization.

Budget Execution

The budget allocated to the Defence Office amounted to US \$ 402,200.00 for the Financial Year 2018/2019 with an expenditure of US\$392,967.59 with a budget performance of 98%.

3.4 COOPERATION IN LEGAL AND JUDICIAL AFFAIRS

The Office of the Counsel to the Community is established under Article 69 of the Treaty and is responsible for legislative drafting and parliamentary services; advisory services and litigation; agreements and legal instruments; and corporate secretarial services among others.

In the period under review, the Office of the Counsel to the Community planned to harmonize five laws by June 2019; provide Legal advice to Organs and Institutions of the Community by June 2019; Bills for Council and Private Members' Bills drafted by June 2018; train Judges of Partner States on the EAC Treaty; improve capacity of Legal officers on new and emerging legal trends; provide Legal Support to Meetings of Organs and Institutions of the Community;

Publicize the East Africa Law Journal by 2019; prepare and submit the Draft 2nd EAC Communication Policy and Strategy (2018-2023) to SC-MEAP by April 2019.

Key Achievements registered during the period under review include:

a. Five laws harmonized by June 2019

No Laws were harmonized during this period. However the Meeting of the Sub-Committee on the Harmonization/approximation of national laws, which took place on 18th-19th October 2018 in Kigali, Rwanda, identified the following priority areas for harmonization for the period 2018-2021:

- (a) Investment laws;
- (b) Financial laws and regulations- specifically banking, insurance and capital markets;
- (c) Tax laws;
- (d) Transport sector- specifically road and air transport;
- (e) Information and communication technology systems;
- (f) Industrial development and SMEs- specifically for the mining and mineral sector to promote mineral value addition;
- (g) Agriculture and food security; and
- (h) The education sector.

b. Legal advice to Organs and Institutions of the Community provided by June 2019;

Legal advice is a routine exercise and is done on a daily basis. All Sectoral Councils and technical meetings that convened during the period under review sought and were afforded legal advice.

The Court held six sessions, three for the First Instance Division and three for the Appellate Division. A total of 47 cases were handled with 32 cases in the First Instance Division and 15 in the Appellate Division. 60 percent of the aforementioned litigation that was registered by the Court during the time under review involved the Secretary General as a nominal defendant but were ably defended and no requests for costs for cases lost were presented to the Council.

In the process of attending to litigations; consultations with Attorney Generals though denied budget, are important. An

effort to consult was made notwithstanding that budget. However this meant that this activity was removed during the EALA rationalization of the budget. A Supplementary Budget to defray these costs was only considered in February 2019.

There was considerable legal advice on the proposed Annex VII of the Common Market Protocol. Draft Regulations were prepared by December 2018 and were awaiting Partner States validations and legislative drafting.

c. Bills for Council and Private Members Bills drafted;

Six Bills for the Council were gazetted: EAC Oath Bill, 2018, the EAC Monetary Institute Bill 2018, the EAC Statistics Bill 2018, the EAC Customs Management (Amendment) Bill, 2018, and the EAC Supplementary Appropriation Bill, 2018.

d. Judges of Partner States are trained on the EAC Treaty

Training of Judges and Judicial Officers from EAC Partner States was successfully conducted on 5th- 6th November 2018, with the objective of enhancing knowledge of laws relating to EAC Regional Integration and Evolving Jurisprudence. The Training was attended by 20 participants.

e. Legal Support to Meetings of Organs and Institutions of the Community provided;

The Office of the CTC provided legal support to the 21st Meeting of the Sectoral Council on Legal and Judicial Affairs held on 25th May 2019, the Extraordinary Meeting of the Council held on 18th September 2019, the 38th Extraordinary Meeting of the Council held on 30th January 2019, the 38th Meeting of the Council held on 6th- 10th May 2019, and a number of technical/Sectoral Committee Meetings held.

f. Publication of the East Africa Law Journal by 2019;

There were five articles received from lawyers in private practice from the region. The articles featured various issues on regional integration. However there was no budget given to complete this activity.

Budget Execution

The budget allocated to support cooperation in Legal and Judicial Affairs amounted to \$ 334,225.00 for the Financial Year 2018/2019, with an expenditure of \$ 205,675.37. The budget performance was 62%.

Challenges and recommendations

1. Limited funding (2018/19 budget cut/ severe rationalization).
2. Short or no prior notice to support policy organ meetings
3. Poor adherence to Rules of Procedure
4. Late budget remittances making it difficult to execute the budget.

Recommendations

1. Partner States ought to support the programmes so that the Community does not have to seek donor support.
2. Need for stakeholders to provide reasonable prior notice when requesting legal opinions to allow for adequate preparation.

3.5 CORPORATE COMMUNICATIONS AND PUBLIC AFFAIRS

The Department of Corporate Communications and Public Affairs (CCPAD) is responsible for increasing public awareness of the EAC and its projects and programmes. CCPAD derives its mandate from Article 71 of the Treaty for the Establishment of the EAC (Functions of the Secretariat), Section 1 [f] which states that; *the Secretariat shall be responsible for "the general promotion and dissemination of information on the Community to the stakeholders, the general public and the international community."*

During the period under review, CCPAD planned to undertake to: Draft the 2nd EAC Communication Policy and Strategy (2018-2023) and submit it to SCMEAP by April 2019; undertake an EAC Media Reportage Mission for journalists from Partner States to key EAC Programmes and Projects by June 2019; produce and distribute infomercials and public education programmes on EAC Integration to stakeholders; provide PR Management Support for EAC Meetings and Events; print and distribute EAC Publications and Harmonized IEC Materials to stakeholders; and develop and popularize the New EAC Brand Architecture.

The key achievements made during the Financial Year 2018/2019 were:

a) Draft 2nd EAC Communication Policy and Strategy (2018-2023) prepared and submitted to SCMEAP by April 2019;

- The SCMEACP adopted the revised Concept Note and ToR for the Consultant to undertake the evaluation exercise and develop 2nd EAC Communication Policy and Strategy, and;
- Directed that the Evaluation of the 1st EAC Communication Policy and Strategy, and the Development of the 2nd EAC Communication Strategy be undertaken as a single consultancy.

b) An EAC Media Reportage Mission for journalists from Partner States to key EAC Programmes and Projects was undertaken;

- The 1st EAC Media Reportage Mission was conducted from 24th September to 6th October 2018 in the Partner States (Burundi, Kenya, Rwanda, Tanzania and Uganda). As a result of the mission, forty (40) news articles/stories were published in the regional newspapers. More than 200 photos were documented and short video documentaries produced.
- The 2nd EAC Media Reportage Mission was undertaken to all Partner States except the Republic of South Sudan - 15 journalists (three [3] per Partner State) joined the Media Caravan - More than 40 articles were published in major national newspapers including *The East African*.

c) Infomercials and public education programmes on EAC Integration produced and distributed to stakeholders;

Video documentaries were produced and distributed focusing on the following areas:

- Lake Victoria Water and Sanitation (LVWAT-SAN) project
- Infrastructure
- Single Customs Territory
- 6th EAC Students Debate EAC Games.

d) PR Management Support for EAC Meetings and Events Provided

Twelve (12) press conferences were organized in various EAC meetings including;

- EALA sessions
- EAC games
- Workshop on media caravan

10 interviews were done including;

- EAC Heads of State Summit (November 2018 and February 2019)
- Special session Commissioners of Customs

Eighty-two (82) press releases were issued

Social Media Engagement grew by 7,400 followers:

- Facebook group for Journalists on EAC Affairs - 684 members,
- EAC Twitter handle for EAC Media Centre has increased to 2305 followers,
- Jumuiya Twitter Account has 49,668 followers,
- EAC Facebook group, Proudly East African - 9,762 Followers
- EAC Facebook group has 6,777 members

Re-established EAC YouTube Account (https://www.youtube.com/channel/UC_Nt3M0n4ftThoVVQMK_D3A) which has 5,212 views, and 100 Subscriptions.

e) EAC Publications and Harmonized IEC Materials Printed and Distributed to Stakeholders:

Publications produced and disseminated:

- Issues of the EAC Magazine,
- EAC 5th Development Strategy,
- The Rise of the EAC,
- Agriculture Aflatoxin Policy Briefs,
- Infrastructure Projects brief,
- 6 monthly e-Newsletters,
- JAMAFEST 2017 Report,
- EAC Games 2018 Report, and
- Discover EAC- An Avenue for greater livelihood.

f) New EAC Brand Architecture Developed and Popularized

The 8th EAC Communication Experts Forum adopted the ToR for the Brand Design Expert to enable the Secretariat implement the Council Decision on finalization of the EAC Brand Architecture Strategy. The Secretariat obtained the support of GIZ, which advertised for an individual Brand Design Consultant to work with the six (6) youth from each of the Partner States to finalize the EAC Brand Architecture Strategy. Unfortunately, those that applied did not fit the profile of the proposed consultant. The process was therefore re-started.

g) Held two EAC Communication Experts Forums to harmonize sensitization programmes in the region

The 8th and 9th EAC Communication Forums brought together Communication Experts from Ministries of EAC Affairs of all six EAC (6) Partner States, Organs and Institutions.

The 9th EAC Communication Experts Forum: (a) Adopted the revised Concept Note and ToR for the Consultant to undertake the evaluation exercise and develop the 2nd EAC Communication Policy and Strategy, and; (b) Directed that the Evaluation of the 1st EAC Communication Policy and Strategy, and the Development of the 2nd EAC Communication Policy and Strategy be undertaken as a single consultancy.

Budget execution

The budget allocated to the Corporate Communications and Public Affairs Department Affairs amounted to US\$430,749 for the Financial Year 2018/2019 with an expenditure of US\$147,874, marking a budget performance of 34%.

Challenges

- Lack of funds to evaluate the 1st EAC Communication Policy and Strategy, and to develop the 2nd EAC Communication Policy and Strategy.
- Reportage mission limited to a few sectors namely; pharmaceuticals, Mutual Recognition Agreements (MRAs) and Single Customs Territory.

Recommendations

- Develop a PR Matrix as an interim measure to guide the Communications function at EAC.
- Finalize the evaluation of the 1st EAC Communication Policy and Strategy.
- Mobilize funds from either Partner States or Development Partners to finance the development of the 2nd EAC Communication Policy and Strategy.
- Undertake the 3rd EAC Media Caravan to document EAC achievements in various sectors including infrastructure development, investment promotion, education, EAC Centres of Excellence, health, peace and security, One Stop Border Posts (OSBPs).
- Media articles and video news clips from reportage mission shared on EAC social media channels.

3.6 INTERNAL AUDIT

The Internal Audit Unit is under the Office of the Secretary General. The Unit is headed by the Principal Internal Auditor who reports administratively to the Secretary General and functionally to the EAC Audit and Risk Committee. The mandate of the Unit is to provide an independent and objective assurance and consulting services designed to add value and improve the Community's operations.

In the period under review, Internal Audit planned to conduct at least 14 Audit assignments by the end of the financial year 2018/19; maintain the Risk Registers for EAC Organs by June 2019; coordinate the ending of the External Audit of the Financial Statements for the financial year by 30th June 2017; effectively support the Oversight Committees and Council as required; and enhance the EAC Internal Auditors Skills and Competences by June, 2019.

Key Achievements registered during the period under review include;

- i) **Conducted 10 out of 14 Audit assignments by the end of the financial year 2018/2019;** Audit reports were shared with senior management and considered by the EAC Audit and Risk Committee.

- ii) **Coordination of the External Audit of the Financial Statements for the financial year ended by 30th June 2019;**

Coordinated the Audit Commission audit processes and issued audit opinion on the Audited Financial Statements for the financial year 2017/2018 of the EAC Organs and Institutions.

- iii) **Effectively support the Oversight Committee and Council as required**

Convened 3 out of 4 meetings to consider Audit reports from East African Organs and Institutions. 1 out of 4 meetings held to prepare the Annual report of the Committee to the Council of Ministers.

- iv) **Enhancement of the EAC Internal Auditors Skills and Competences by June, 2019**

Internal Audit staff were trained and attended CPD to improve their competency and comply with professional standards requirements.

Budget Execution

The budget allocated to the Internal Audit amounted to US\$ 319,224.00 for the Financial Year 2018/2019, with an expenditure of US\$ 232,160.70. The budget performance was thus 73% of planned activities.

Challenges and recommendations

Delayed disbursement of funds from the Partner States resulted in failure to implement some of the activities.



THE OFFICE OF DEPUTY SECRETARY GENERAL - PLANNING AND INFRASTRUCTURE

4.1 REGIONAL INFRASTRUCTURE DEVELOPMENT

The Office of the Deputy Secretary General - Planning and Infrastructure is responsible for the following sectors: Infrastructure development comprising of Roads, Railways, Civil Aviation and Airports; Meteorology, Information and Communication Technology, Monetary, Fiscal, Financial Sector development, Harmonization of Regional Statistics, Private Sector Investments and Corporate Strategic Planning.

4.1.1 TRANSPORT AND WORKS DEPARTMENT

The Department of Transport and Works coordinates' cooperation in programmes for the road transport and railway transport sectors as provided for in Articles 90 and 91 of the Treaty.

The following were achieved under Transport and Works:

a) Acquired funding for undertaking feasibility studies and detailed engineering designs for at least one multinational project

Funds secured from AfDB under the NEPAD_IPPF arrangements to undertake feasibility study and detailed engineering design of the Multinational Tanzania/Uganda road project. The EAC procured and entered into a contract with the consultant in August 2018. The consultant is now undertaking the study.

b) Secure funds to undertake construction phase for completed studies of multinational projects

The feasibility studies and detailed engineering designs for the central corridor project connecting Rwanda and Burundi (Rehabilitation of selected roads in East Africa) were completed towards the end of 2018. The studies involved two multinationals, namely;

-The Multinational Tanzania/Burundi: Nyakanazi – Kibondo – Kasulu – Manyovu/Rumonge - Rutunga – Bujumbura road sections.

- The Multinational Tanzania/Rwanda: Lusahunga – Rusumo/Kayonza – Kigali Road sections.

The multinational TZ/BI was completed in November 2018 while the multinational TZ/RW

was completed in December 2018. During the study closure period, the AfDB in collaboration with EAC and respective Partner States conducted an appraisal mission to the TZ/BI multinational and to that effect, the bank agreed to extend loans and grants for the construction phase of the following:

Construction of the Kabingo – Kasulu – Manyovu road section (260kms) including sub project components as part of social upgrade along the societies living along and within the main project alignment. Construction of the Gitaza – Rumonge road section (45kms) including sub project components as part of social upgrade along the societies living along and within the main project alignment. The projects are in different stages of implementation by the respective Partner States.

EAC is still part of the implementation team as proposed in the draft Memorandum of Understanding (MoU) between the Governments of Burundi and Tanzania, the Central Corridor (CCT-TFA) and the EAC.

c) Completion of the Multinational TZ/KE: Arusha – Holili/Taveta Road: Widening to Dual Carriageway of Sakina – Tengeru Section (14.1kms) and construction of Arusha Bypass (42.4kms) road sections

The road sections are part of the Multinational TZ/KE: Arusha – Holili/Taveta Road. The Kenyan side was completed and commissioned in July 2017. For the Tanzania sections, the dual carriageway was completed in 2018 and the bypass was completed and commissioned in April 2019. The bypass is now under the defect notification period of one year.

d) Collaboration with other RECs

EAC was invited by the Economic Community of Central African States (ECCAS) in order to collaborate with them in the construction project of the Bangui River Bridge, the Road and Transport Facilitation on the Bangui – Kisangani – Kampala and the Kisangani – Bujumbura corridors.

The goal was to develop implementation documents towards project implementation and the following have been achieved;

1. AnMoU was signed between the Government of the Republic of Burundi, the Government of the Central African Republic, the Government of the Democratic Republic of Congo and the Government of the Republic of Uganda on the implementation of the project.
2. Memorandum of Cooperation was signed between ECCAS and EAC on the preparation and implementation of the Project.
3. A joint request for funding of the Project was made from the Governments of the four States.
4. A joint request for funding was made from the ECCAS and EAC Secretariats.
5. In December 2018, the AfDB provided ECCAS a grant worth USD 2 million. The EAC is now required to participate in project preparatory activities for the two corridors which connect to two EAC countries (Uganda and Burundi). Again this is part of enhancing trade with other regions.

Budget execution

The budget allocated to Transport and Works amounted to US\$1,506,890.00 for the Financial Year 2018/2019 with an expenditure of US\$1,120,283.20 leading to budget performance of 74%.

4.1.2 METEOROLOGY

The Department of Meteorology coordinates cooperation programmes on meteorology, including collection, processing and dissemination of meteorological information; expansion and upgrading of meteorological infrastructure, human resource development, and climate analysis. Article 100 of the Treaty makes provisions for cooperation in meteorology.

During the period under review, Meteorology planned to enhance the capacity in weather and climate prediction and to enhance Regional seaports to meet international standards in infrastructure and services and maritime safety.

The following were achieved under regional Meteorology:

- a) Capacity in weather and climate prediction enhanced**
Launched the EAC Highway project whose objective is to develop an early warning system for the Lake Victoria Basin in

collaboration with Partner States and the World Meteorological Organization.

The seasonal forecast for the March to May 2018 rainfall season was developed on 12th to 14th February 2018.

Development of operational and policy related recommendations for implementation by the Meteorological Services and for consideration by the 15th TCM (Done 11th -16th December 2017)

Development of Cost recovery strategies for aeronautical meteorological services (done 14th to 16th March 2018)

b) Regional seaports meet international standards in infrastructure and services and maritime safety

Developed the TOR for the establishment/selection of EAC maritime University as directed by the 14th Sectoral Council on Transport, Communication and Meteorology (TCM) and shared with Partner States. Updated the status of the development of ports within the EAC region in preparation for the 4th EAC Retreat on Infrastructure (Done in February 2018).

Budget execution

The budget allocated to Meteorology amounted to US\$70,375 for the Financial Year 2018/2019 with an expenditure of US\$56,871.74, leading to budget performance of 81%.

4.1.3 CIVIL AVIATION AND AIRPORTS

As per Article 92 of the Treaty, the Department of Civil Aviation and Airports coordinates the harmonization of policies, regulations, and programmes on civil aviation to promote the development of safe, reliable and economically viable civil aviation.

In the period under review, the Department of Civil Aviation and Airports planned to establish and implement the Regulations for the Liberalization of Air Transport Services; establish the Partnership with all Aviation key stakeholders; sensitize the Eligible Air Operators to benefit from a Liberalized Air Transport Market; establish A Unified Upper Flight Information Region;

review and approve the Regional Framework for Aircraft Accidents and Incidents Investigations developed and implemented; review and approve all Civil Aviation and Airports Projects and Programmes by the Heads of Civil Aviation and Airport Authorities.

The following were achieved under Civil Aviation and Airports Office:

(a) **The Regulations for the Liberalization of Air Transport Services implemented, and Partnership with all Aviation key stakeholders established;**

The EAC Regulations for Liberalization of Air Transport Services have been developed and await final approval by all the Partner States. Rwanda and Kenya have already joined the Single African Air Transport Market (SAATM) and EAC Secretariat in collaboration with AFCAC and AUC are addressing issues that are preventing the remaining Partner States from joining.

(b) **A Unified Upper Flight Information Region established;**

The 15th Sectoral Council on TCM held from 25th to 29th September considered the progress report of the EAC UFIR Implementation and noted that the following activities had been completed: Development of a draft Memorandum of Understanding for establishment of EAC Seamless Upper Airspace.

- Development of a Draft multilateral letter of procedures between EAC Area Control Centers
- Sectorization and route structuring for establishment of EAC Seamless Upper Airspace
- Review of EAC Air Navigation Services Regulations to incorporate Seamless Upper Airspace (Done in February 2018).
- Review of Manuals of operations in all Partner States to incorporate Seamless Upper Airspace (done in March 2018).

The 15th TCM adopted the multilateral Letter of Procedures between EAC Area Control Centers (ACC) and requested EAC Secretariat to submit the draft MoU for

operationalization of EAC Seamless Upper Airspace for review by Attorney General's Offices before signature by the Heads of Civil Aviation and Airports Authorities.

(c) **The Regional Framework for Aircraft Accidents and Incidents Investigations developed and implemented;**

A multilateral agreement for Partner States cooperation in handling the regional Aircraft Accidents and Incidents Investigations has been developed and is awaiting final adoption by the Sectoral Council in June 2019.

(d) **All Civil Aviation and Airports Projects and Programmes by the Heads of Civil Aviation and Airport Authorities reviewed and approved**

The meetings of the Heads of Civil Aviation and Airport Authorities to review all Civil Aviation Projects and Programmes was not held as planned due to urgent CASSOA Board meetings. It was rescheduled to June 2019 before the 16th Sectoral Council on TCM.

Priority Airport projects have been adopted and included in the EAC Heads of States priority infrastructure projects. The priority airports are currently in various stages of development. EAC Secretariat jointly with Partner States, is mobilizing the necessary budget to implement the projects.

(e) **Integration of South Sudan into EAC Civil Aviation Projects and Programmes starting with the Seamless Upper Airspace Project (A working session with Juba Civil Aviation Authority is planned in August 2019)**

A Roadmap for integration of South Sudan into Civil Aviation projects and programmes was developed and adopted by the 20th meeting of the Heads of Civil Aviation and Airports Authorities.

Budget Execution

The budget allocated to the Civil Aviation and Airports amounted to US\$182,175.00 for the Financial Year 2018/2019 with an expenditure of US\$.75,661.84, thus the budget performance was 42%.

4.1.4 COMMUNICATIONS

In line with Articles 98 and 99 of the Treaty, the Department of Communications coordinates Partner States cooperation in the communications sector (i.e. Telecommunications and Postal Services). Cooperation activities encompass harmonization of policies, laws and regulations and promoting investment in infrastructure and services.

During the period under review, the Communications Department planned to develop the harmonized framework for broadcast content regulation by June 2019; review the implementation of the EAC Framework for Roaming; develop the harmonized framework for broadcast content regulation by June 2019; develop the Draft framework for harmonization of spectrum management by June 2019; complete the Development of EAC cross-border interconnections regulations in progress by June 2019; Strategic framework for implementation of last-mile broadband ICT infrastructure finalized; A framework for implementing the EAC E-Government Strategy; M&E reports prepared, considered and adopted by June 2019; develop the EAC Postal Strategy by June 2019.

The following were achieved under Communications:

- a) **Harmonized framework for broadcast content regulation developed by June 2019**
Baseline survey on broadcast content regulation in progress.
- b) **Implementation of the EAC Framework for Roaming Reviewed; and Harmonized framework for broadcast content regulation developed by June 2019;**
Implementation progress reports considered by the 7th Meeting of Heads of Communications Regulatory Authorities in January 2019.
- c) **Development of EAC cross-border interconnections regulations in progress completed by June 2019; Strategic framework for implementation of last-mile broadband ICT infrastructure;**
Revised draft cross-border ICT interconnection regulations considered by 7th meeting of ICT regulators in January 2019

d) **M&E reports prepared, considered and adopted by June 2019;**
National reports on the implementation of the EAC Framework for Cyber laws are being received. Compilation, consideration and approval of the reports is scheduled for May 2018.

e) **EAC Postal Strategy developed by June 2019**
Draft EAC Postal Development Strategy was finalized by the 5th Meeting of the Technical Committee on Postal Services in January 2017 in Nairobi. Uganda, Burundi Tanzania, and Rwanda completed national stakeholder validations of the draft Strategy by May 2017. The Draft is now awaiting national stakeholder validations in Kenya before submission to Technical Committee for Postal Services in June 2018.

Budget execution

The budget allocated to communication amounted to US\$97,550.00 for the Financial Year 2018/2019 with an expenditure of US\$ 45,061.48, thus the budget performance was 46%.

4.2 REGIONAL PLANNING DEVELOPMENT

4.2.1 PLANNING, MONITORING AND EVALUATION

The Department of Planning, Research, and Monitoring & Evaluation coordinates the Community's strategic planning, management and monitoring of programmes for the development of the Community, as outlined in Article 71 of the Treaty for the Establishment of the East African Community.

During the FY 2018/19, the Planning and Research Unit focused on: i) establishment of a National Implementation Committee (NIC) for the Republic of South Sudan; ii) monitoring of implementation of the EAC Common Market; iii) policy generation; iv) development of a Coordination Framework for Regional Planning; and v) maintenance of the EAC Secretariat Quality Management System.

The following were the key achievements under Planning and Research during the period under review: -

a) Establishment of a National Implementation Committee for the Republic of South Sudan (RSS)

A mission to RSS to appraise MEACA officials was conducted in February, 2019 and modalities rationalized. Twenty-five (25) NIC members were trained and baseline data on the Common Market Framework collected and validated by the Regional Monitoring Group Meeting in May, 2019,

b) Monitoring of Implementation of the EAC Common Market Protocol

The Framework for Monitoring and Evaluating the Implementation of the EAC Common Market Protocol provides for regular monitoring and reporting on the status of implementation of regional commitments at national and regional levels. The status of implementation of Partner States' commitments during the period under review is as detailed below:

Two NIC meetings were convened and held from September – October, 2018 () and March – May, 2019 on the *Implementation of the EAC Common Market Protocol* in Partner States' respective Capital cities.

Two Regional Monitoring Group Meetings to validate the NIC Report were held from 16th – 18th October, 2018 (report was presented to the 29th SMEACP), and the second held from 21st – 24th May, 2019. The report of the meeting will be presented to the 30th SCMEACP.

The analysis as per the approved status of the Common Market Protocol by the 30th Sectoral Council on EAC Affairs is as follows:

Free Movement of Goods

Article 6 (1) of the EAC Common Market Protocol provides that *the free movement of goods between the Partner States shall be governed by the Customs law of the Community as specified in Article 39 of the Protocol on the establishment of the East African Community Common Market.*

Partner States continued to accord free movement of goods originating from EAC Partner States. The main achievements in this area during the period July – December, 2018 were as follows:

Application of the EAC Common External Tariff (CET)

Partner States continued to implement the EAC CET across the board. The table below shows the number of tariff lines implemented by a Partner State out of 5,440 tariff lines agreed upon at the EAC level.

Table 8: Number of Tariff lines implemented by Partner States

Reporting Period	Burundi	Kenya	Rwanda	South Sudan	Tanzania	Uganda
January-June 2018	2,866	4,256	3,467	NA	4,189	4,143
July-December 2018	2,786	4,283	3,560	NA	4,203	No data

Source: CMP M&E Framework

The number of Tariff lines implemented by Partner States increased over the period for the Republic of Kenya, the Republic of Rwanda and the United Republic of Tanzania. The number of Tariff lines implemented by the Republic of Burundi decreased to 2,786 Tariff lines during the period July-December 2018 from 2,866 Tariff lines during the period January-June 2018.

The Republic of Uganda informed the meeting that she is in the process of collecting data for July – December, 2018 and would report in the next reporting period.

Imports from the rest of the world

The Partner States imported goods from the rest of the world into the Community under the EAC CET as shown in the table below:

Table 9: Value of Imports from the rest of the world (in USD)

Reporting Period	Burundi	Kenya	Rwanda	South Sudan	Tanzania	Uganda
January-June 2018	474,969,256	No data	738,420,997	No Data	4,030,607,432	3,144,605,340
July-December 2018	340,990,042	6,625,082,232	856,974,512	NA	4,363,493,080	3,716,562,034
Total	815,959,298	6,625,082,232	1,595,395,509	NA	8,394,100,512	6,861,167,374

Source: CMP M&E Framework

The overall value of imports from the rest of the world increased in all Partner States except in the Republic of Burundi where the value of imports fell down from USD474, 969,256 during the period January – June, 2018 to USD340, 990,042 during the period July – December, 2018.

The Republic of Kenya informed the meeting that she is in the process of collecting data and would report in the next reporting period.

Exports to the rest of the world

The Partner States exported goods to the rest of the world as shown in the table below:

Table 10: Value of Exports to the rest of the world (in USD)

Reporting Period	Burundi	Kenya	Rwanda	South Sudan	Tanzania	Uganda
January-June 2018	189,503,649	2,562,274,397	454,897,862	NA	2,443,677,455	1,690,284,218
July-December 2018	60,523,901.2	2,832,743,155	503,830,295	NA	2,648,836,078	1,303,639,566
Total	250,027,550	5,395,017,552	958,728,157	NA	5,092,513,533	2,993,923,784

Source: CMP M&E Framework

There was a slight increase in the value of exports to the rest of the World in the Republic of Kenya, Republic of Rwanda and the United Republic of Tanzania during the period July-December 2018 compared to the value of exports to the rest of the world during the period January-June 2018.

- **According Community Tariff Treatment**

During the period July-December 2018, Partner States continued to accord community tariff treatment to imports from EAC Partner States where imports were charged 0 tariffs by the importing Partner State. Table 4 below shows imports that were accorded Community Tariff Treatment by the importing Partner State.

Table 11: Value of Imported goods accorded Community Tariff Treatment (in USD)

Reporting Period	Exporting Partner State	Importing Partner State					
		Burundi	Kenya	Rwanda	RSS	Tanzania	Uganda
January-June 2018	Burundi	0	198,962	863,881	NA	455,614	336,256
	Kenya	17,208,048	0	47,567,824	NA	120,006,980	180,380,421
	Rwanda	2,191,970	8,321,470	0	NA	962,980	5,400,641
	RSS	0		0	NA	0	0
	Tanzania	20,658,382	885,476,610	34,618,256	NA	0	39,275,547
	Uganda	17,447,375	209,705,780	86,149,903	NA	20,911,976	0
	Total	57,505,775	1,103,702,822	169,199,865	NA	142,337,550	225,399,865
July-December 2018	Burundi	0	102,186	1,345,942	NA	570,806	516,431
	Kenya	21,862,598	0	39,821,793	NA	126,532,126	204,101,895
	Rwanda	2,142,581	3,697,560	0	NA	452,529	3,260,617
	RSS	0	89,213	0	NA	144,002	0
	Tanzania	25,354,432	89,661,035	46,485,434	NA	0	46,156,240
	Uganda	22,621,627	182,514,830	82,176,102	NA	31,547,308	0
	Total	71,981,239	276,064,825	169,829,270	NA	159,232,074	254,035,183
Grand Total	129,487,014	1,379,767,647	339,029,135	NA	301,569,624	479,435,048	

Source: CMP M&E Framework

The value of imported goods accorded Community Tariff Treatment increased across all the Partner States during the period under review.

- **Implementation of the SQMT Act of 2006.**

105 Standards were harmonized and declared by SCTIFI in May, 2019 as East African Standards and 129 international standards were endorsed for adoption by the Partner States after gazetting in accordance with the EAC procedures. The approved standards were on the most traded goods in the region covering the following key sectors: -

- EASC/TC 001 Animal feeding, feeds and feeding stuffs – 5 standards
- EASC/TC 002 Coffee, Cocoa, tea and related products – 4 standards
- EASC/TC 017 Milk and milk products – 9 standards
- EASC/TC 018 Nutrition & Foods for Special Dietary Uses-3 standards
- EASC/TC 035 Steel – 7 standards
- EASC/TC 020 Agriculture and Agrochemicals – 11 standards
- EASC/TC 006 Spices, culinary herbs and condiments – 9 standards
- EASC/TC 014 Cereals and pulses – 7 standards

- EASC/TC 070 Paints, varnishes and related products – 5 standards and 8 Amendments
- EASC/TC 066- Packaging – 6 standards
- EASC/TC 019 Sugar and sugar products – 2 standards
- EASC/TC/068 Petroleum and Petroleum products – 2 standards
- EASC/TC 016/SC 02 Processed Horticulture Products – 5 standards
- EASC/TC 007, Alcoholic and non-alcoholic drinks – 2 standards
- EASC/TC 061 – Textile, Textile products and Accessories – 2 standards
- EASC/TC 052 Energy Resources – 15 standards (IEC)

During the period under review, Partner States implemented standards harmonized and adopted at the regional level as shown in the table below:

Table 12: Number of standards adopted and applied in a Partner State

Reporting Period	Burundi	Kenya	Rwanda	South Sudan	Tanzania	Uganda
January-June 2018	105	474	146	NA	324	146
July-December 2018	326	348	492	N/A	0	0
Total	431	822	638	NA	324	146

Source: CMP M&E Framework

Partner States continued to adopt and implement standards, the Republic of Rwanda adopted and applied the highest number of standards during the period under review followed by the Republic of Kenya.

• **Status on the elimination of identified NTBs as at 31st May, 2019**

The Meeting of the Sectoral Council on Trade, Industry, Finance and Investment (SCTIFI) held on 31st May, 2019 considered the updated EAC Time Bound Programme on elimination of NTBs. The status of NTBs as at May 2019 is as follows:

- (i) Seven (7) NTBs were resolved;
- (ii) Eleven (11) NTBs remained unresolved;
- (iii) Five (5) new NTB were reported;
- (iv) One Hundred Seventy-four (174) NTBs were resolved cumulatively since 2009
- (v) One (1) re-occurring NTB

The resolved NTBs are as follows:

- i. Tanzania Food and Drugs Authority (TFDA) TFDA delays issuance of registration certificate causing Kenyan companies to lose out on trade. The finalization of the accepted label can take between 3-12 months. This additionally increases the cost of doing business as a manufacturer would have to pay certification fees more than three times to have one label approved due to the deadlines imposed in terms of getting labels approved. Kenyan products have been stranded at the borders or manufacturers' warehouse because they have not passed TFDA requirements.
- ii. Kenya complained that Uganda had placed a ban on beef imports
- iii. Holding of Tanzania mineral consignment by Kenya without any given reason
- iv. Denial, delays and mis-handling of Uganda beverages especially soft drinks and Bella wines from Uganda entering Burundi, Tanzania, Kenya and Rwanda markets. Customs Officials usually delay clearing of Uganda soft drinks and Bella wines manufactured in Uganda entering Burundi and Rwanda without any justification thus causing damages and losses.

- v. Denial of market access to sunflower oil.
- vi. Tanzania does not recognize price adjustments for duty purposes, particularly the reduction by milk processors in Kenya.
- vii. KNCCI as a business membership organization, is in receipt of complaints that the chemical sector is being requested by the United Republic of Tanzania to:

- a) Pay Tshs 90,000 (equivalent to Kshs 4,500) annually for the Government Chemical Laboratory Transport Permit to allow them to transport their chemical products to their customers. The permit takes about 3 weeks to be approved.
- b) Register the companies in Tanzania and to use Tanzanian registered vehicles instead of Kenyan registered vehicles to transport their products to the customers. The above is in addition to the import tax that the companies pay hence it is felt that these are additional costs being levied on the manufacturers/exporters.

The unresolved NTBs are as follows:

- i. Requirement by Tanzania Food and Drugs Authority (TFDA) for companies exporting to URT to register, re-label, and retest certified EAC products exported by other Partner States reported in 2003;
- ii. TFDA registers injectables per pack size and treats each product individually rendering retaining licenses for the product very expensive;
- iii. TFDA imposes a 1.5% fees on FOB value on all imports (food, drugs & cosmetics). This is affecting local and regional trade as well as local manufacturers adversely;
- iv. Namanga/Kajiado County charges 2,000 Ksh for all Burundi cargo trucks transiting Kenya.
- v. Lack of preferential treatment on Kenyan Cement transferred to Tanzania. Payment of full CET duty on cement exports from Kenya to Tanzania due to interpretation of Chapter 25. This also affects situations where the local content is at a high percentile. Tanzania authorities attach a 35% duty to cement that is not 'wholly produced' in an EAC state. This is opposed to previous practice which had other categories on the rules of origin certificate, that for cement included 'value addition' and/or 'substantially transformed using material content not exceeding 60%'

- the Authorities do not consider these categories anymore; the rules of origin must state whether the item is either wholly produced or not;

- vi. Despite Kenyantobacco raw material being fully sourced in Kenya, the manufacturers are required to pay 80% higher excise duties for cigarette exports into Tanzania;
- vii. Tanzania still charges US\$500 to Uganda trucks compared to US\$152 charged on Rwanda trucks;
- viii. Lack of Preferential Treatment to Confectionery Products from Kenya by Tanzania;
- ix. Milk exported to Tanzania attracts numerous charges collected by different institutions including Tanzania Bureau of Standards, Tanzania Foods and Drugs Authority and Tanzania Dairy Board. Also, to import a kilogramme of milk in Tanzania, under the newly signed Animal Diseases and Animal Products Movement Control Regulations published on 31st August 2018 (Government Notice No 476) and which entered into force on 1st October 2018, Tanzania now requires one to pay Tsh 2,000 per killogramme of milk imported from outside the country up from Tsh150. This is a 1,233% increase (<https://allafrica.com/stories/201810030671.html>). This is a total ban since milk imported cannot compete with the local one.
- x. Tanzania charging Business Visa USD 250 Business Visasto EAC business persons entering URT charged as Certificate of Temporary Assignment (CTA) at all borders; and
- xi. Discriminatory treatment of Kenyan manufactured products among others Pharmaceutical products and Juices.

The new NTBs reported with documentary evidences are as follows:

New NTBs reported by the Republic of Kenya
South Sudan is subjecting Kenyan exports to Certificate of Conformity (CoC); South Sudan through their Ministry of EAC and Industry has written letters to Kenya manufacturers informing them that there will be a penalty of 15% CIF on all imports into the Republic of South Sudan without CoC. Exporters are required to have their consignments verified in the country of export before shipment.

New NTBs reported by the Republic of Burundi
The application of VAT for transit goods that spend more than one month in URT without being loaded.

New NTBs reported by the Republic of Rwanda
Multiple police check points from Mombasa to Malaba (Miritini, Samburu, Mariakani, Mtito Andei, Kibwezi, Machakos, Mlolongo, Nairobi, Mahimahu, Naivasha, Nakuru, Salgaa, Molo, Kapsabet, Malaba, Eldoret).

New NTBs reported by the Republic of Uganda
Posting of sufficient personnel to Mutukula One Stop Border Post (OSBP). Tanzania has already deployed staff necessary to work 24/7 working hours, but Ugandan border officials do not work 24/7. Thus, business from Tanzania to Uganda is severely affected.

New NTBs reported by the United Republic of Tanzania
Uganda does not recognize the Calibration Certificate issued by the Weight and Measures Agent (WMA) for oil tanks from URT. As a result, the traders are forced to undergo recalibration by the Ugandan counterpart Authority (Uganda Bureau of Standards) at a charge of USD 230 which increases the cost of doing business. The traders paid Uganda shillings 2,655,600. It was stated that the certificate from URT is valid for one year.

• **Operationalization of the EAC Competition Act, 2006**

In regard to the implementation of the EAC Competition Authority, the Republic of Burundi regulation framework is still waiting for the Cabinet approval. In the Republic of Rwanda, a law operationalizing RICA was gazetted and relevant regulations are being drafted to operationalize the Competition Authority. The Structure of the Authority is waiting for approval by Cabinet. Republic of Uganda is yet to establish the EAC Competition Authority. Republic of Kenya and the United Republic of Tanzania have Competition Authorities.

• **Implementation of the Harmonised Sanitary and Phyto-Sanitary (SPS) Measures**

Table 13: Status of ratification of SPS Protocol as of 31st December, 2018

Partner state	Date of ratification	Remarks
Burundi	Ratified on 27 th July 2017	Implementation awaits ratification by the United Republic of Tanzania
Kenya	Ratified in June, 2016	Implementation awaits ratification by the United Republic of Tanzania
Rwanda	Ratified in 2014	Implementation awaits ratification by the United Republic of Tanzania
Tanzania	In the process of commencing	The SPS protocol is awaiting parliamentary approval and ratification
Uganda	Ratified on 17 th May 2017	Implementation awaits ratification by the United Republic of Tanzania
South Sudan	NA	NA

The EAC SPS Protocol was assented to by the five (5) Heads of State of EAC Partner States (“The Summit”) in 2012 and was expected to be ratified by 30th June 2014. However, the implementation is still pending due to the delay of the Ratification by the United Republic of Tanzania which is to pave the way for its domestication and implementation at EAC Partner State level.

EAC SPS Bill, SPS regulations and SOPs have been developed with support from EAC Trade and Investment Hub. In October and November, 2018, the Secretariat convened national consultations in the Partner States to validate draft SPS regulations and SOPs. A regional validation meeting was held in February 2019 and the draft SPS regulations, and SOPs will be adopted by the next SCTIFI.

• **Free Movement of Persons**

Article 7 (1) of the Protocol provides that the *Partner States hereby guarantee the free movement of persons who are citizens of the other Partner States, within their territories.*

The main achievements in the area of the Free Movement of Persons were as follows:

• **Movement of Citizens across the Borders without Restrictions**

Below is the status on the citizens who moved into other Partner States without restrictions.

Table 14: Citizens of other Partner States that moved to another Partner State and granted entry

Reporting Period	Nationalities	Partner States to which Citizens moved					
		Burundi	Kenya	Rwanda	South Sudan	Tanzania	Uganda
January-June 2018	Burundi	0	12,744	149,749	No data	27,742	147
	Kenya	2,606	0	27,034	No data	136,418	384
	Rwanda	14,718	15,336	0	No data	13,722	201
	South Sudan	0	8,688	612	No data	0	0
	Tanzania	17,580	101,270	129,195	No data	0	215
	Uganda	2,857	87,910	139,399	No data	25,789	0
	Total	37,761	225,948	445,989	No data	203,671	947

Reporting Period	Nationalities	Partner States to which Citizens moved					
		Burundi	Kenya	Rwanda	South Sudan	Tanzania	Uganda
July-December 2018	Burundi	0	15,093	166,737	169	48,233	152
	Kenya	3413		31,785	4,381	80,753	524
	Rwanda	12742	19,584		718	0	220
	South Sudan	124	11,709	843	0	146	0
	Tanzania	15371	111,516	22,027	513	0	152
	Uganda	3550	117,578	149,441	6,685	12,172	0
	Total	35,200	275,480	370,833	12,466	167,469	1,217
Grand Total	72,961	501,428	816,822	12,466	371,140	2,164	

Source: CMP M&E Framework

During the period under review, there was a decrease in the number of citizens who moved to the Republic of Burundi, Republic of Rwanda and United Republic of Tanzania compared to the period January-June 2018. Table 7 shows that there was an increase in the number of citizens who moved to the Republic of Kenya and the Republic of Uganda.

• **Issuance of student passes/exemption certificates issued gratis to stay in other Partner States**

In accordance with Regulation 6 of Annex I of the EAC Common Market (Free Movement of Persons) Regulations, the Partner States continued to issue student passes/exemption certificates issued gratis to stay in other Partner States.

Table 15: Number of students' gratis passes issued to EAC Citizens

Reporting Period	Nationalities	Partner States that issued the Gratis Pass					
		Burundi	Kenya	Rwanda	South Sudan	Tanzania	Uganda
January-June 2018	Burundi	0	61	601	NA	7	101
	Kenya	11	0	36	NA	68	201
	Rwanda	72	81	0	NA	9	136
	South Sudan	0	0	0	NA	0	0
	Tanzania	7	281	33	NA	0	245
	Uganda	2	236	55	NA	7	0
	Total	92	659	725		91	683
July-December 2018	Burundi	0	78	569	NA	7	99
	Kenya	7	0	107	NA	69	231
	Rwanda	87	122	0	NA	10	122
	South Sudan	0	572	0	NA	0	0
	Tanzania	0	284	41	NA	52	221
	Uganda	1	146	52	NA	56	0
	Total	105	1,202	769	NA	194	703
Grand Total	197	1,861	1,494		285	1,386	

Source: CMP M&E Framework

Table 15 shows that there was a considerable increase in the number of students gratis passes issued to the EAC Citizens during the period under review across all Partner States. The Republic of Kenya issued the highest number of students passes followed by Rwanda and the United Republic of Tanzania.

- **Issuance of New EA E-Passport**

Pursuant to the directive of the 17th Ordinary Summit of the EAC Heads of State for Partner States to commence issuance of the New EA e-Passport, the 35th Meeting of the Council of Ministers held on 4th April 2017, directed Partner States to commence the issuance of the EA e-Passport by 31st January 2018 (EAC/CM 35/Directive 11). The 37th Meeting of the Council of Ministers held on 2nd-8th May 2018, directed the Republic of Burundi, Republic of Rwanda, Republic of Uganda, Republic of South Sudan to expedite the issuance of the EA e-Passport by 31st August 2018 and report progress to the 38th Meeting of the Council of Ministers (EAC/CM 37/directive 03). The 29th Ordinary Council of Ministers held on 20th September 2014, adopted computer generated new generation EA e-Passport Sample designs for Diplomatic, Service and Ordinary EA e-Passports (EAC/CM/29/Decision 09).

Table 16: Status of commencement of the issuance of the New International EA e-Passport

Partner state	Date of commencement of issuance	Remarks
Burundi	31 st May 2018	All three categories being issued. (i) Diplomatic (ii) Service and (iii) Ordinary EA e-Passports
Kenya	1 st September 2017	Two categories being issued (Diplomatic and Ordinary)
Rwanda	1 st July 2019	All three categories are being issued. (i) Diplomatic (ii) Service and (iii) Ordinary EA e-Passports
Tanzania	31 st January 2018	All three categories issued (i) Diplomatic (ii) Service and (iii) Ordinary EA e-Passports
Uganda	19 th December 2018	All three categories to be issued. (i) Diplomatic (ii) Service and (iii) Ordinary EA e-Passports
South Sudan		NA

All Partner States commenced the issuance of the EA e-Passport in all the three categories as recommended except the Republic of Kenya that is issuing the two categories.

- **The EAC e Immigration Policy**

The national validation meetings on the draft EAC e- Immigration Policy were conducted in Kigali from 12th-13th November 2018; Kampala from 15th -16th November 2018; and Nairobi from 18th-19th November 2018.

- **Social security systems coordinated and modernized on quarterly basis**

The EAC Secretariat conducted a capacity building meeting of social security experts to review the draft EAC Council directive on Coordination of Social Security Benefits from 6th-9th November 2018. The EAC Secretariat also conducted a study on "Assessment of the Current State and Effectiveness of Social Protection in South Sudan" in March 2019 in line with the roadmap developed by the meeting of social security experts in June 2018.

- **Free Movement of Workers**

Article 10 (1) of the Protocol provides that the Partner States hereby guarantee the free movement of workers, who are citizens of the other Partner States, within their territories.



The main achievements in the area of the Free Movement of Workers were recorded as follows:

- **Issuance of Work Permits to the Citizens of EAC Partner States**

Partner States performance as regards the issuance of work permits is as shown in the table below:

Table 17: Work permits issued to EAC Citizens in Partner States

Reporting Period	Nationalities	Partner States issuing work permits					
		Burundi	Kenya	Rwanda	South Sudan	Tanzania	Uganda
January-June 2018	Burundi	0	46	168	NA	17	21
	Kenya	7	0	308	NA	419	468
	Rwanda	5	89	0	NA	38	46
	South Sudan	0	11	0	NA	0	0
	Tanzania	0	161	46	NA	0	45
	Uganda	0	233	742	NA	94	0
	Total	12	540	1,264	NA	568	580
July-December 2018	Burundi	0	176	255	NA	No data	9
	Kenya	7	358	404	NA	No data	149
	Rwanda	4	0	0	NA	No data	7
	South Sudan	0	80	0	NA	No data	16
	Tanzania	0	699	51	NA	No data	16
	Uganda	0	1020	581	No data	No data	0
	Total	12	2,333	1,381			189
Grand Total	24	2,873	2,645			769	

Source: CMP M&E Framework

During the period July-December 2018, there was an increase in the number of work permits issued to EAC Citizens in the Republic of Kenya and Republic of Rwanda. A decrease in the number of work permits was noted in the Republic of Uganda.

Table 18: Registered business entities from other EAC Partner States

Reporting Period	Nationalities	Partner States Where Business entities were established					
		Burundi	Kenya	Rwanda	South Sudan	Tanzania	Uganda
January-June 2018	Burundi	0	60	57	NA	0	0
	Kenya	7	0	117	NA	5	14
	Rwanda	1	102	0	NA	0	2
	South Sudan	0	19	0	NA	0	10
	Tanzania	3	198	27	NA	0	3
	Uganda	6	302	93	NA	1	0
	Total	15	681	294		6	29
July-December 2018	Burundi	0	36	2	NA	0	0
	Kenya	6	0	0	NA	1	0
	Rwanda	4	249	0	NA	0	0
	South Sudan	0	167	0	NA	0	0
	Tanzania	4	684	0	NA	0	0
	Uganda	2	915	7	NA	1	0
	Total	16	2051	12		2	0
Grand Total	31	681	306		8	29	

Source: CMP M&E Framework

During the period under review, the overall number of registered business entities reduced across all Partner States compared to the number of registered business entities during the period January-June 2018. The Republic of Rwanda registered the highest number of business entities during the period July-December 2018.

• **Right of Residence**

Partner States guarantee the right of residence to the citizens of the other Partner States who have been admitted in their territories in accordance with Articles 10 and 13 of this Protocol.

Table 19. Residence permits that were issued by a Partner State to workers and self-employed persons who qualify in accordance with article 14 of the EAC Common Market Protocol

Reporting Period	Nationalities	Residence permits that were issued by a Partner State to workers and self-employed persons					
		Burundi	Kenya	Rwanda	South Sudan	Tanzania	Uganda
January-June 2018	Burundi	0	38	1,884	NA	0	0
	Kenya	43	0	567	NA	97	12
	Rwanda	66	91		NA	2	1
	South Sudan	1	28		NA	0	0
	Tanzania	44	170	101	NA	0	1
	Uganda	17	265	905	NA	122	0
	Total	171	592	3457		221	14

Reporting Period	Nationalities	Residence permits that were issued by a Partner State to workers and self-employed persons					
		Burundi	Kenya	Rwanda	South Sudan	Tanzania	Uganda
July-December 2018	Burundi	0	No data	975	NA	16	350
	Kenya	43	No data	867	NA	471	904
	Rwanda	47	No data	0	NA	15	379
	South Sudan	1	No data	0	NA	2	07
	Tanzania	54	No data	120	NA	0	389
	Uganda	23	No data	741	NA	115	0
	Total	168		2,703		619	2,029
Grand Total	339		6,160		840	2,043	

Source: CMP M&E Framework

During the period under review, there was an increase in the number of resident permits issued by the United Republic of Tanzania and the Republic of Uganda. Table 7 also shows a decrease in the number of resident permits issued by the Republic of Burundi and the Republic of Rwanda during the period July-June 2018 compared to the number of resident permits issued during the period January-June 2018. However, the Republic of Rwanda issued the highest number of resident permits followed by the United Republic of Tanzania during the period July-December 2018.

a) The Proposed Methodology and Work Plan for the EAC Common Market Scorecard 2019 on Free Movement of Goods, Services and Capital

Article 50 of the Protocol establishing the East African Community (EAC) Common Market Protocol (CMP) requires that the EAC Partner States develop a framework for monitoring and evaluating the implementation of the Protocol. In 2013, to complement regional efforts to monitor implementation of the CMP, the EAC Partner States adopted the EAC Common Market Scorecard (CMS) as a monitoring tool to measure and assess compliance with commitments under the CMP. The CMS sets a framework for Partner States to track their progress towards integration as well as to assess the integration gaps. Overall, the CMS aims to enhance the implementation of the CMP by pointing out areas where implementation is lagging, establishing the reasons there-

of and offering solutions based on international best practice.

The first and second Scorecards were published in February 2014 and October 2016 respectively. Given the large number of commitments under the CMP, the scorecard covered only some of them, namely: Capital (all the 20 operations committed in the CMP); Services (Professional Services – architecture, engineering, accounting and legal; Distribution - retail and wholesale; Transport - road and air; and Telecommunication services) and Goods (NTBs, Standards and CET). The 2014/2016 Scorecards assessed and tracked de jure compliance with commitments in the above sectors, with the analysis focusing on a review of laws and regulations relevant to the CMP commitments in the above areas; along with key legal notices, reports and trade statistics. In 2017, a separate Scorecard that tracked compliance in the free movement of Labour (workers and self-employed persons) and Right of Establishment and Residence was developed and validated in October 2018.

The three Scorecards found several bottlenecks to the implementation of the EAC CMP in the laws and regulations of EAC Partner States: for example, the 2016 CMS indicated that 18 out of 20 capital market operations continue to have restrictions in at least one Partner State; numerous barriers remain to free movement of goods; and in the four service sectors addressed; over 59 non-conforming measures slowed down trade in important sectors such as professional

services, distribution, transport and communication. EAC Partner States therefore continue to operate as separate and distinct markets, keeping their economies small and disconnected.

The EAC Common Market Scorecard (Scorecard 2019) builds on the successes of the three Scorecards and aims at contributing to Partner States efforts to create an integrated EAC Common Market. Importantly, the Scorecard 2019 is being developed under a backdrop of renewed push towards regional integration with initiatives such as the Tripartite Free Trade Area (TFTA) and the African Continental Free Trade Area (AfCFTA) underway. The success of these initiatives hinges on full implementation of commitments made at each regional economic community level.

As a monitoring tool, the Scorecard 2019 will also help the key stakeholders focus attention and resources on the most critical implementation requirements to achieve the CMP objectives. Stronger implementation of the Protocol will accelerate the removal of barriers to the movement of goods, services and capital across the region, thereby increasing the regions competitiveness and expanding its volumes of trade and investment.

The EAC Secretariat with the WBG and TMEA financial and technical support prepared a draft Methodology and work plan for the EAC Common Market Scorecard 2019 on Free Movement of Goods, Services and Capital.

b) Global Priority Areas for the Financial Year 2018/19

Under the theme: “*Enhancing Prosperity and Welfare of EAC Citizens*”, the MTEF for the Financial Year 2018/19 – 2020/21 was prepared in line with the outcome of the Pre-Budget Conference that was held in August 2017 and subsequently approved by the 36th Meeting of the Council of Ministers.

During the FY 2018/19, the Community focused on the following key priority programmes:-

- a) enhanced free movement of goods in the region and further liberalization of free movement of labor and services;

- b) improved cross-border infrastructure to ease cost of doing business in the region;
- c) enhanced regional agricultural productivity, industrial development through investment in key priority sectors including leather and textile; skills development, technological advancement and innovation to stimulate economic development;
- d) implementation of the Roadmap for the attainment of the EAC Monetary Union;
- e) strengthened Peace, Security and Good Governance and Institutional Framework for EAC Political Confederation;
- f) improved socio-cultural welfare of the people in the region; and
- g) Institutional transformation.

c) Development of a Regional Planning, Implementation Monitoring & Evaluation Framework

Pursuant to the recommendation of the 12th Meeting of the Sectoral Council of Ministers responsible for East African Community Affairs; that the Council establishes an institutional framework to enable efficient and evidence based planning, institutional development and reporting, a Concept Paper was developed and an internal task force constituted by the Secretary General to develop the framework.

d) Policy Research

The 31st Extra-Ordinary Meeting of the Council of Ministers approved the Project for the establishment of a Policy Research Unit under the Planning Directorate with the support from the African Capacity Building Foundation. The EAC Policy Research Unit is responsible for all research activities at the Secretariat and is mandated among others; to conduct policy research and analysis on core regional integration issues in order to inform the decision making process of the Council and coordinate research efforts across the Secretariat.

In the year 2017/18, the Unit embarked on finalization of two Studies that commenced in the previous year and also commissioned two other Studies. The Study reports on the

Status of EAC Integration and Factors Affecting Implementation of Project and Programs of EAC were validated in September 2018. The preliminary Study findings indicate that:

- a) Implementation of the Single Customs Territory has led to reduction of documentation and enabled real-time exchange of information between Customs and other agencies, and drastic reduction of the period taken to transport goods from the port from over 22 days to five (5) days to Kigali and to (7) days to Burundi on the Central Corridor; and from 21 days to four (4) days from Mombasa to Kampala and from 21 days to six (6) days to Kigali, and seven (7) days to Bujumbura on the Northern Corridor; and
- b) 12 out of the 15 border posts earmarked to operate as One Stop Border Posts have been completed and are already operational. The average time to cross the Busia border has reduced by 84%.

The Studies highlight a number of reasons for non-implementation of some projects and programs, mainly resource constraints caused by delays and inconsistency in remittance of funds from Partner States and Development Partners to the Organs and Institutions of the Community.

The Studies suggest policy recommendations that include;

- a) sustainable financing through increasing the sources of finance and broadening the resource base for implementation of projects and programs;
- b) development and implementation of a monitoring and evaluation policy that will provide a clear framework for strengthening the coverage, quality and utility of the assessment of all policies, strategies, programmes and projects managed by East African community; and
- c) application of the Principle of Subsidiarity by focusing on programs and projects that are regional in nature

e) EAC Secretariat Quality Management System

During the period under review, the Unit carried out QMS staff awareness and sensitisation sessions, and reviewed the EAC Secretariat’s quality policy statement, quality objectives, Quality Manual and Standard Operating Procedures in preparation for the re-certification of the EAC Secretariat. Following an external quality audit carried out in June, 2019, the Secretariat was recommended for ISO 9001:2015 certification.

Budget Execution

The budget allocated to planning amounted to US\$ 747,350.00 for the Financial Year 2018/2019 with an expenditure of US\$ 352,773.55 marking budget performance 47%.

4.2.2 MONITORING AND EVALUATION

During the period under review, the Monitoring and Evaluation Unit planned to regularly monitor and report on the status of implementation of EAC projects, programmes and policy decisions, establish a web-based Management Information System (MIS) linked to MEACAs, and to operationalize a coordination framework for regular sharing of M&E information.

The following were achieved under Monitoring and Evaluation during the period under review.

a) Status of Implementation of EAC Projects, Programmes, and Policy Decisions.

The EAC Secretariat conducted an assessment of all outstanding Council decisions and directives of the 37th Council of Ministers through EAMS. The meeting of the Focal Point Officers was held in Nairobi, Kenya and the report of the meeting was presented and considered by the 38th Ordinary Council of Ministers held from 6th – 10th May, 2019.

b) Establishment of a Web-based MIS linked to MEACAs.

The functionality of EAMS was enhanced to include a module for reporting on the status of implementation of Summit, Council and Sectoral Council decisions and directives. Partner States are now able to update progress reports directly online into EAMS.

c) Operationalization of a Coordinated Framework for Regular Sharing of M&E Information.

A regional meeting of the African Union was held in Botswana -to discuss on Agenda 2063. Another meeting was scheduled for June 2019.

Budget Execution

The budget allocated to the Monitoring and Evaluation Unit amounted to US\$ 167,590.00 for the Financial Year 2018/2019 with an expenditure of US\$ 108,092.22, which is about 64% of the budget estimate.

4.2.3 STATISTICS

During the period under review, Statistics Department planned to enhance efficiency and effectiveness of the regional statistical systems; improve usage of statistics for evidence based policy and planning; harmonize the key concepts and methodologies for compilation of data consumer prices, balance of payments, national accounts, monetary and financial indicators; and update the existing statistical database with the most recent socio-economic regional data.

The Department achieved the following during the period under review:

a) Enhancement of Efficiency and Effectiveness of the Regional Statistical Systems

The East African Statistics Bureau (EASB) Bill was debated and adopted by EALA in November 2018. The bill provides for the establishment of an institutional framework for the efficient operation of the Regional Statistical Systems.

b) Harmonization of key concepts and methodologies for Data Compilation

The Secretariat, with support from the IMF finalised five (5) chapters of the EAC guidelines for compilation of Government Finance Statistics which are awaiting adoption by the Council. Implementation of national work plans for harmonisation of compilation of Consumer Price Indices and Balance of Payments is ongoing.

With support from the World Bank, the Secretariat commenced the implementation of a five-year Statistical Development and Harmoni-

zation Project (StatDHP). The development objective of the Project is to strengthen the capacity of the National Statistical Systems of the EAC Partner States and the EAC Secretariat to produce harmonized and quality statistics in support of the regional integration and development. The priority statistical areas of focus under the Project are: National Accounts Statistics; Government Finance Statistics; External Sector Statistics; Consumer Price Indices; Monetary and Financial Statistics; Poverty Statistics; and Agriculture, Food and Nutrition Statistics; Database Management; and Communication and advocacy for statistics. Implementation of the Project is expected to commence in 2019/20.

Budget performance

The budget allocated to the Statistics Department amounted to US\$ 1,243,341.00 for the Financial Year 2018/2019. However, only US\$ 35,825 was accessible as no allocation was received from the Development Partners. The total expenditure by the department was US\$ 35,534.14, about 3% of budget estimates.

4.2.4 FISCAL AND MONETARY AFFAIRS

During the 2018/19 fiscal year, various activities were held to support the formation of 4 institutions required for the establishment of the East African Monetary Union (EAMU). The required institutions are (i) the East African Monetary Institute (ii) East African Statistics Bureau (iii) East African Surveillance, Compliance and Enforcement Commission and (iv) East African Financial Services Commission.

The EAC Secretariat facilitated the formulation and approval of a number of financial sector policies/programs and guideline papers together with their implementation strategies. These papers aimed to support the broadening and deepening of the financial sector through the establishment of a single market in financial services among EAC Partner States. The Community has continued harmonizing the Coordination of Fiscal Policies necessary for operation of Monetary Union.

Capacity building workshops were provided in areas of; Forecasting and Policy Analysis System (FPAS), Establishment of the Burundi Securi-

ties Market, Financial Sector Regulators, Market Players and Institutions in Burundi and Rwanda and legal and regulatory framework for Payment and Settlement Systems in the EAC region.

Under the Payment and Settlement Systems, the EAC Secretariat has continued modernizing and harmonizing the Payment System Platforms in the Central Banks of the EAC Partner States.

The Department achieved the following during the period under review:

a) Establishment of the East African Monetary Union (EAMU) Institutions

The EAC Secretariat implemented various activities aimed at achieving preconditions for the establishment of the East African Monetary Union (EAMU). These preconditions include, among others, the establishment of 4 institutions to support the establishment of the Monetary Union as stipulated in the EAMU protocol. These institutions are (i) the East African Monetary Institute (ii) East African Statistics Bureau (iii) East African Surveillance, Compliance and Enforcement Commission and (iv) East African Financial Services Commission.

During the period under review the department planned to; ensure the 20th EAC Heads of State assented to the Bill for the establishment of the East African Monetary Institute; the Bill for the establishment of East African Bureau of Statistics was passed by the Legislative Assembly (EALA) in September 2018 and is waiting to be assented to by the Summit, and Bills for the establishment of EAC Surveillance, Compliance and Enforcement Commission and the Financial Services Commission were considered by the Council in May 2019 and forwarded to the Sectoral Council on Legal and Judicial Affairs for legal input.

The Key achievements made were: -

b) Coordination of fiscal and monetary policies

During the period under review, a study on "Monetary and Fiscal Policy Coordination in the East African Monetary Union was con-

ducted and adopted by the Sectoral Council on Finance and Economic Affairs in May 2019. The key message from the study is the need to reconcile the tension between the 'fiscal free-rider problem' and the stabilization burden in the context of a Monetary Union.

c) Progress on the Financial Sector Development and Regionalization Project (FSDRP I)

The Financial Sector Development and Regionalization Project (FSDRP) has facilitated the formulation and adoption of a number of financial sector policy papers. The policy papers aimed to support the broadening and deepening of the financial sector through the establishment of a single market in financial services among EAC Partner States.

The following are some of the activities implemented by the Project during 2018/19:

d) Strengthening of Market Participants in the Insurance and Banking Sectors

The Secretariat finalized the development of the draft Insurance Certification Program Implementation Strategy (2019-2024) with an indicative budget of US \$ 7,000,000. Among others, the Strategy aims to; i) create an integrated and sound insurance legal and regulatory regime which meets the best international practices of insurance supervision; ii) provide an enabling environment for widening and deepening of the insurance market and thereby contributing to economic development; iii) provide a requisite framework of insurance consumer protection and evolution of professionalism in the industry; iv) nurture a self-regulation culture in the insurance industry; and v) provide for establishment of sound and effective risk transfer mechanisms for the insurance industry. The strategy was approved by the Capital Market Insurance and Pension Committee, Sectoral Council of Finance and Economic Affairs and Council of Ministers in May 2019.

Further, the Secretariat finalized the development of i) the Terms of Reference for the Training Committee for the implementation of Insurance Certification program, ii) Terms of Reference for the Examination Committee for the implementation of Insurance Certification program, iii) Terms of Reference for the Quality

Assurance Committee for the implementation of Insurance Certification program and iv) the criteria for training institutions and identifying potential trainers for implementation of the Insurance Certification program. The above Terms of References were approved by Sectoral Council of Finance and Economic Affairs in May 2019.

The EAC Secretariat finalized the development of the EAC Banking Certification Policy and Implementation Strategy. The main objectives of the EAC Banking Certification Policy are to; i) harmonize the regulatory frameworks in the EAC Partner States regarding the EAC banking certification program, ii) scale up skills and capacity of professional bankers and other stakeholders, iii) promote the creativity, research and innovation among the EAC banking certification candidates and iv) promote the practical banking experience and use of ICT infrastructure in the banking certification. The Banking Certification Policy will be submitted to Capital Market Insurance and Pension Committee, Sectoral Council on Finance and Economic Affairs and the Council of Ministers for approval in 2019/2020 FY.

The EAC Secretariat also finalized the development of the EAC financial education strategy (2019-2022) with an indicative budget of US\$ 8,275,000. The Strategy aims to foster a broad-based financial education framework that promotes financial inclusion and consumer protection resulting in improved livelihoods and wealth creation in the EAC. The draft Financial Education Implementation Strategy was approved by the Capital Market Insurance and Pension Committee, Sectoral Council of Finance and Economic Affairs and Council of Ministers in May 2019.

In collaboration with the Regional Payment Systems Stakeholders, the Secretariat continued with implementation of the recommendations of the diagnostic studies on interoperability of card switches and cross border mobile banking/ payments.

e) Harmonization of the Legal and Regulatory Framework for the Pensions, Insurance and Capital Markets Sub-sector

The EAC Secretariat finalized the development of the third set of four (4) Securities Market Council Directives in August 2018. The four Council Directives will be submitted to the Sectoral Council

on Legal and Judicial Affairs before presentation to the Council of Ministers for approval.

The Secretariat and EAC Pension Stakeholders finalized the development of the draft EAC consumer protection guidelines for the pension sector and the draft EAC principles for regulation and supervision of the pension sector. The draft guideline and principles were approved by the Capital Market Insurance and Pension Committee, Sectoral Council on Finance and Economic Affairs and the Council of Ministers in May 2019.

Further, the Secretariat with other financial sector stakeholders finalized the development of the Financial Services Commission (FSC) Policy. The policy will facilitate effective functioning of the financial system in the region. The Policy was approved by the Capital Market Insurance and Pension Committee, Sectoral Council on Finance and Economic Affairs and the Council of Ministers in May 2019.

f) Support to the Establishment of the Burundi Capital Markets Institutional Framework

The EAC Secretariat organized capacity building programs for the Regulatory Department at Central Bank of Burundi (BRB). The programs covered the following areas of securities; investment advisory services in securities; investment and fund management; corporate finance, investment banking; trading and settlement of securities; trustee services; custodial services; underwriting services; and credit rating services. The Burundi Securities will be launched in the Financial Year 2019/2020.

g) Strengthening of Capacity of Regulators, Market Players and Institutions

The EAC Secretariat together with the National Advisory Committees in Burundi and Rwanda organized the Training of Trainers capacity building for Light University of Bujumbura- Burundi and University of Rwanda - College of Business Economics in Rwanda and other financial stakeholders. The Training of Trainers aims to build the capacity (and create a pool of experts) of the two institutions to deliver training in financial sectors. In this financial year a total of 121 experts have been trained in Microfinance, Pension, Banking, Insurance and Capital Market.



Training of Trainers in the Insurance Sector in Kigali, May 2019

Budget Utilization

The budget allocated to the EAC-FSDRP project in 2018/19 was US\$ 5,118,198 and the Project was able to spend a total of US\$ 3,087,732 which is equivalent to 60.3% of the annual budget. Over the same period, the Project had committed a total of US\$ 1,357,603.81 to various vendors and consultants, therefore the total disbursement and committed amounts totaled US\$ 4,400,646.81 and the percentage of actual disbursements and commitments over budgeted funds for the Financial Year 2018/19 was 86%.

h) Progress on the Payment and Settlement Systems Integration Project (EAC- PSSIP)

The objective of the EAC Payment and Settlement Systems Integration Project (EAC-PSSIP) is to enhance convergence and regional integration of payments and settlement systems. The Project also aims to develop a harmonized legal and regulatory framework for the financial sector and capacity building in the payments and settlement sectors in all the Partner States.

The Project has achieved the following during the Financial Year 2018/19:

- i) procured and implemented automated clearing houses (ACH) to mitigate credit and liquidity risks through reduction of clearing cycle to near real time, that is now two days

- ii) procured and installed security software for IT operating environment to mitigate risks associated with interfaces
- iii) upgraded Real Time Gross Settlement (RTGS) and core banking system and allow automatic confirmation of settled cross border (EAPS) transactions enabling fast processing of transactions;
- iv) implementation of SWIFT Transaction Monitoring Solution & Business Intelligence (BI) for Uganda to enable monitoring of payments within and outgoing payments as well as mitigate money laundering activities;
- v) supported the development of the National Payment System (NPS) and Central Securities Depository (CSD) legal and regulatory framework to protect payment flows; and
- vi) Carried out a training needs assessment in EAC Partner States in the areas of payment & settlement systems to enable the project to provide targeted training and capacity building through courses and study visits.

Budget Utilization

During the year 2018/2019 the EAC PSSIP's overall budget utilization was at 80%.

Challenges

The Community continued to face financial difficulties due to delayed donor fund disbursement. All activities financed under Partner

States budget were implemented but activities earmarked under Partnership Fund were not implemented due to unavailability of funds. Also, the establishment of East African Monetary Institute which was envisaged to take place during the review period was not possible partly because the Bill had been assented to by five out of six EAC Heads of States. The 38th Ordinary meeting of the EAC Council of Ministers held in May 2019 decided that establishment of the Institute will commence once the Bill is assented to by all six EAC Heads of States.

4.2.5 INVESTMENT PROMOTION AND PRIVATE SECTOR DEVELOPMENT

During the period under review, the Investment Promotion and Private Sector Development Department planned to develop the EAC Investment Guide; undertake impact assessment of the EAC Annual Investment Conference; develop bankable and sector project profiles to be jointly marketed; and convene a regional investment conference and one outward investment mission.

The Department also planned to participate in five (5) regional and three (3) international forums to promote the image of EAC as an ideal investment destination; develop the EAC Investment Guide; convene six (6) national and one (1) regional SG's Forum; convene two capacity building workshops for the private sector; coordinate activities of national investment authorities in the Community; develop and operationalize the EAC e-business registry; develop the EAC Public Private Partnership (PPP) Policy; and develop an EAC Private Sector Development Strategy.

The following were the achievements under investment promotion and private sector development:

- a) Development of the EAC Investment Guide**
The procurement process has been completed which includes evaluation of the bids from interested firms that had submitted proposals, approval of the evaluation reports and negotiation report by the Procurement Committee. The assignment is expected to be completed by the end of September, 2019.
- b) Development of Bankable and Sector Project Profiles**
A compendium of more than 100 Bankable and Sector Profiles have been compiled from

Partner States. The investment profiles comprise of projects in agriculture, agro-processing, tourism, infrastructure, minerals, energy, ICT, real estate and health sectors. Some of the projects will be marketed and presented to investors for financing during the Africa Investment Forum in November, 2019 in South Africa.

- c) Coordination of Activities of National Investment Promotion Authorities (IPAs)**

The EAC Investment Policy was adopted by Sectoral Council on Trade, Industry, Finance and Investment in November, 2018. The Policy provides a framework for joint investment promotion and coordination of investment activities.

- d) Development and Operationalization of the EAC E-business Registry**

The roadmap towards the development of the EAC e-business registry was finalized in December, 2018. Further, the model for an EAC e-business registry has been agreed by the Business Registrars. Partner States will need to expedite the automation of their business registries to enable the finalization of development of the EAC e-business Registry.

- e) Development of the EAC Private Sector Development Strategy**

The procurement process for the development of the EAC Private Sector Development Strategy was completed and a suitable consultancy firm awarded the contract to undertake the assignment. Due to the delay in the disbursement of funds and the lengthy procurement process, the activity is expected to commence in August, 2019.

Budget Execution

The budget allocated to the Investment and Private Sector Promotion Department amounted to US\$ 383,755.00 for the Financial Year 2018/2019 with an expenditure of US\$161,372.35, resulting to 42% budget utilisation.

Challenges

The main challenge encountered by the Department in 2018/19 is the delay in the disbursement of funds, thus unavailability of financial resources to undertake key activities of the Department. Delayed procurement was also a major challenge.



THE OFFICE OF DEPUTY SECRETARY GENERAL - PRODUCTIVE AND SOCIAL SECTORS

The Office of the Deputy Secretary General Productive and Social Sectors contributes directly to the strategic objective of promoting sustainable social, economic and political integration. The Office oversees the following functions: Agriculture and Food Security; Labour, Employment and Immigration; Gender and Community Development and Civil Society; Education, Culture and Sports; Training, Science and Technology; Health; Energy; Tourism and Wildlife Management; Environment and Natural Resources; and Industry.

5.1 PRODUCTIVE SECTORS

5.1.1 AGRICULTURE, FOOD SECURITY AND LIVESTOCK SECTOR

The Department of Agriculture and Food Security is mandated to coordinate activities relating to co-operation in the agricultural sector, achievement of food security and rational agricultural production within the Community as per Articles 105 and 110 of the Treaty. This includes coordinating undertakings to adopt a scheme for the rationalization of agricultural production with a view to promoting complementarity and specialization and the sustainability of national agricultural programmes in order to ensure a common agricultural policy, food sufficiency within the Community; an increase in the production of crops, livestock, fisheries and forest products for domestic consumption, exports within and outside the Community; and as inputs to agro-based industries within the Community; as well as post-harvest preservation and conservation and improved food processing.

During the period under review, the Department of Agriculture and Food Security Department, planned to hold the Sectoral Council on Agriculture and Food Security (SCAFs) meetings by June 2019; finalize the EAC harmonized seed regulatory framework; submit the CAADP RAIP implementation plan to the Sectoral Council on Agriculture and Food Security by December 2018; Convene EAC CAADP Business meeting to mobilize resources for RAIP implementation; harmonize the EAC fertilizer registration standards and procedures; support the enactment of SPS Bill by EALA; develop and validate the EAC SPS Bill regulations; finalize and validate the EAC SPS measures on animal health; develop and validate EAC SPS Pest Risk Analysis Frame-

work; facilitate the participation in quarterly EAC-USAID coordination and planning meetings; validate and adopt the EAC pesticides management guidelines; develop the EAC regional framework on alternative uses and disposal systems for products contaminated with aflatoxin; enhance the awareness of Aflatoxin prevalence, prevention and control mechanisms among stakeholders; Improve regional coordination and emergency response capacity for priority transboundary plant and animal diseases (TADs) and pests; strengthen the regional and national capacities to manage TADs by June 2019 and develop and disseminate the reports and Policy Briefs on implementation of ARIS and MRP for Veterinary vaccines.

The key achievements during the period under review were as follows:

a. Sectoral Council on Agriculture and Food Security (SCAFs) Meetings held by June 2019;

The 12th Sectoral Council on Agriculture and Food Security (SCAFs) was held in December, 2019 to discuss progress held for the second half of 2019 and provide guidance moving forward.

b. EAC harmonized seed regulatory framework finalized;

The EAC Secretariat convened a regional meeting of Partner States in August 2018 to validate and finalize the draft Seed and Plant Varieties Bill. The draft Seed and Plant Varieties Bill was adopted by the 12th SCAFs in December 2018. Upon its enactment, the Act will improve regional availability of quality seeds and planting materials through creation of an enabling and facilitative environment.

(c) CAADP RAIP implementation plan submitted to the Sectoral Council on Agriculture and Food Security by December 2018 Convene EAC CAADP Business meeting to mobilize resources for RAIP implementation;

The draft ToRs for the development of the RAIP implementation plan was validated in 2018 by Secretariat and Partner State experts. The consultant to facilitate development of EAC RAIP was procured and the RAIP validation is on-go-

ing. The Business Meeting to mobilize resources for implementation of RAIP Action Plan was scheduled for June 2019 after approval of the RAIP implementation plan by SCAFs.

(d) EAC fertilizer registration standards and procedures harmonized;

With funding from AGRA, the Secretariat initiated the process of developing EAC harmonized fertilizer policy and Bill. The two instruments covering matters of harmonized registration standards and procedures were validated and the SCAFS approved these documents to be domesticated by EAC partner states. Upon its enactment, the Act will improve regional availability of quality fertilizer and fertilizer supplements through creation of an enabling and facilitative environment.

(e) Enactment of SPS Bill by EALA supported;

The 10th SCAFS adopted SPS Bill in June 2017. The Bill has not been submitted to the Council of Ministers and EALA because of delayed ratification by all Partner States.

(f) EAC SPS Bill regulations developed and validated;

SPS regulations and SOPs have been developed with support from EAC Trade and Investment Hub. In October and November, 2018, the Secretariat convened national consultations in the Partner States to validate draft SPS regulations, SOPs and through the Regional validation workshop the draft SPS Bill regulations and SOPs was developed in February 2019. This framework will create a smooth trading environment in the region and facilitate inter and intra trade in the region.

(g) EAC SPS measures on animal health finalized and validated;

International Livestock Research Institute (ILRI) was contacted to give technical and financial support to finalize the SPS measure on animal health. These SPS measures will be finalized before the end FY 2019/2020. The measures once developed will control movement of animals within transboundary countries hence control animal diseases.

(h) EAC SPS Pest Risk Analysis Framework developed and validated;

With support from USDA, a consultant developed the EAC SPS Pest Risk Analysis Framework. Validation of the Framework was held on 30th June 2019. The PRA will help the region be aware of the emerging pests and diseases and how to control them.

(i) EAC pesticides management guidelines validated and adopted;

EAC harmonized pesticides management guidelines were adopted by the 11th SCAFs in June 2018. Subsequently, they were also approved by the 38th Extra-Ordinary Council of Ministers in January 2019. A meeting of the Technical Working Group was convened in March 2019 to support implementation of the guidelines.

(j) EAC regional framework on alternative uses and disposal systems for products contaminated with aflatoxin developed;

EAC regional framework on alternative uses and disposal systems for products contaminated with aflatoxin was developed and finalized in the FY 2019/2020. This framework will help in minimizing and controlling environmental pollution and hazards facing human beings and animals.

(k) Awareness of Aflatoxin prevalence, prevention and control mechanisms among stakeholders enhanced;

EAC in collaboration with International Institute of Tropical Agriculture (IITA) convened a regional forum to launch nine sets of policy briefs on aflatoxin prevention and control in August, 2018, in Nairobi, Kenya. The Forum aimed to create awareness and sensitize high level policy makers and other key stakeholders on the necessary policy action and interventions to mitigate aflatoxin in the region. The Forum generated key recommendations to catalyze aflatoxin prevention and control efforts.

(l) Improve regional coordination and emergency response capacity for priority transboundary plant and animal diseases (TADs) and pests;

Disbursement of funds from the Development Partner (USAID) delayed and affected convening of the steering committee meeting on transboundary plant and animal diseases (TADs) and pests.

(m) Regional and national capacities to manage TADs strengthened by June 2019 and Reports and Policy Briefs on implementation of ARIS and MRP for Veterinary vaccines developed and disseminated;

Policy Briefs on animal health, animal production and fisheries/aquaculture have been developed. TORs for the development of TADs Strategy and Action Plan were approved by SCAFs in June 2018. The Strategy and the Implementation Action Plan offer the Partner States and the EAC-Secretariat the opportunity to operate in a better coordinated and harmonized way in the management of these priority transboundary animal and zoonotic diseases in the region. ARIS reports have been generated and published by 30th June 2019. The ARIS report is an important tool for generation of data and information to guide decision-making and influence policy actions on strategic investments in the livestock and fisheries sub-sectors.

During the period under review, the meeting on implementation of MRP was not held by December 2018 as planned due to delayed disbursement of funds.

Budget Execution

The budget allocated to the Agriculture, Food Security and Livestock Sector amounted to US\$ 1,075,625.00 for the financial year 2018/2019 with an expenditure of US\$ 307,795.10, leading to budget performance of 29%.

5.1.2 ENERGY SECTOR

The Department of Energy is charged with the responsibility of coordinating development of policies and mechanisms for promoting the efficient exploitation, development, joint research and utilization of various energy resources available within the region in accordance with Article 101 of the Treaty. In particular, this includes

promoting the least cost development and transmission of electric power, efficient exploration and exploitation of fossil fuels and utilization of new and renewable energy sources; and joint planning, training and research. It is also charged with the exchange of information on the exploration, exploitation, development and utilization of available energy resources; development of integrated policy on rural electrification; development of inter-Partner State electrical grid interconnections; and the construction of oil and gas pipelines, as well as all such other measures to supply affordable energy to their people taking cognizance of the protection of the environment as provided for by the Treaty.

In the period under review, the Energy Sector planned to: prepare Projects from the Power Master for funding; Plan for the 9th East African Petroleum Conference & Exhibition to be held in 2019; Hold Technical and Sectoral Council meetings for technical and policy guidance.

The key achievements during the year were as follows; Inter connection Project commissioned by June 2019; Feasibility study for Kigali-Bujumbura Oil Pipeline and Mbarara -Dares Salaam completed by June 2019;

(a) Prepare Projects from the Power Master for funding;

TOR for recruiting the consultant were prepared, Expression of interest was prepared, RFP prepared, TOR for recruitment of expert prepared and submitted.

(b) Inter connection Project commissioned by June 2019;

Status of implementation of the interconnection projects updated; Construction of Kikagati/Murongo hydro power project started; Two joint meetings of the steering committee held at the site to resolve outstanding cross border issues; Interconnection projects being implemented; Funding gap of 3 million Euro for the component of Burundi interconnector secured from AfDB; Funding for ZTK inter-connector secured and contractor is on site.

(c) Preparations for the 9th East African Petroleum Conference & Exhibition to be held in 2019.

Steering Committee and National Organizing Committee was formed and four Steering Committee meetings were held. The first conference circular was prepared and sent out. Letters requesting for sponsorship were also prepared and sent out and the Conference website was set up. One Sectoral Council on energy was held.

(d) Feasibility study for Kigali-Bujumbura Oil Pipeline and Mbarara -Dar Es Salaam completed by June 2019;

The two projects had been cancelled; however EAC appealed and the projects are now under consideration. However, Burundi is no longer interested in the Kigali- Bujumbura project, and wants to join the Mbarara-Mwanza-Isaka- Dar es Salaam pipeline with a connection at Isaka to Bujumbura.

Budget Execution

The budget allocated to the Energy Sector amounted to US\$ 431,975.00 for the Financial Year 2018/2019, with an expenditure of US\$63,209.62. This translates to 15% of budget execution.

5.1.3 ENVIRONMENT AND NATURAL RESOURCES

The Department of Environment and Natural Resources is charged with coordinating the implementation of Chapter 19 of the Treaty for Establishment of the East African Community (EAC). Under Chapter 19 of the Treaty, Partner States agree amongst other things to undertake through environmental strategy, to co-operate and co-ordinate their policies and actions for the protection and conservation of natural resources and environment against all forms of degradation and pollution arising from developmental activities. The activities undertaken by Environment and Natural Resources Department seek to develop and strengthen the Regional and Sustainable Productive Sectors to Support Regional and Global Integration Process.

During the period under review, the Department of Environment and Natural Resources planned to have; EAC Disaster Risk Reduction Management Strategy reviewed and implemented by June 2019; Awareness on Environment and

Natural Resources Management Programmes and activities at the strategic regional and international conferences raised by June 2019; The Regional Strategy to Combat poaching and illegal wildlife trafficking adopted and implemented by June 2019; Framework for conservation and management of transboundary ecosystem implemented by June 2019; Finalization of the Protocol on Environment and Natural Resources Management Coordinated by 2019.

The key achievements during the year were as follows:

(a) EAC Disaster Risk Reduction Management Strategy reviewed and implemented by June 2019;

Aligned EAC policies and programmes with the Sendai Framework and developed Comprehensive Action Plan on the implementation of disaster risk reduction (DRR) through inclusion of DRR provisions in the EAC Policies and Programmes. EAC DRR training manual to guide regional capacity building initiatives on disasters risk reduction, the regional emergency response plan and mapping out disasters evacuation centers initiated.

(b) Awareness on Environment and Natural Resources Management Programmes and activities at the strategic regional and international conferences raised by June 2019;

Program description on improving collaborative Conservation and Management of Transboundary Natural Resources in the East African Community was adopted on 17th December 2018. EAC Project on climate change adaptation and mitigation funded by European Union was adopted in December 2018.

The Regional Strategy to combat poaching and illegal wildlife trafficking adopted and implemented by June 2019;

Mechanisms and elements for implementation of the regional anti-poaching strategy have been incorporated in the Regional Development Assistance Agreement (RDOAG) for the period 2017-2022. The implementation of the strategy is jointly coordinated by the Tourism and Wildlife & Environment and Natural Resources Departments.

(c) Framework for conservation and management of transboundary ecosystem implemented by June 2019;

- The State of Protected Areas (SoPA) report was developed and considered by the 6th Sectoral Council on Environment and Natural Resources Management on 17th December 2018.
- Completed the development of the regional program on the conservation and management of the natural capital in the EAC.
- Draft EAC Forestry Policy and Strategy developed and shared with Partner States for inputs.

(d) Finalization of the Protocol on Environment and Natural Resources Management Coordinated by 2019;

Following the establishment of the Multi Sectoral Task Force and adoption of the terms of the reference to guide the review of the EAC Protocol on Environment and Natural Resources, EAC secretariat coordinated the review of the Protocol by Partner States. A revised draft Protocol on Environment and Natural Resources Management was developed and subjected to national and regional consultations and validation processes.

Budget execution

The budget allocated to the Environment and Natural Resources amounted to USD 536,550 for the financial year 2018/2019 with an expenditure of USD66,126.21. The budget performance was thus 12% of the budget estimate.

Challenges

- Implementation stalled due to lack of funds from the Partnership Fund budget.
- Understaffing remains a key challenge.
- The program did not start in the current year as planned.
- RDAG did not start as planned.
- There were no funds to validate draft SoPA.
- Revised Protocol was not validated due to lack of funds.
- Lack of funds to support Climate Change Coordination Unit.

Recommendations

- Increase the budget of the department.
- Resource mobilization through programmes and projects.
- Increase staff under the department.
- Implementation of the Strategy under RDO-AG will be implemented in the next financial year.
- Program on conservation and management of natural capital will be implemented after signing the agreement with USAID.
- Validation of SoPA through either Video Conference or mobilize resources for a physical validation meeting.
- Validation planned in 2019/2020.

5.1.4 TOURISM AND WILDLIFE MANAGEMENT

The Department of Tourism and Wildlife Management is charged with the responsibility of coordinating activities aimed at developing a collective and coordinated approach to the promotion and marketing of quality tourism into and within the Community, as well as in conservation and sustainable utilization of wildlife and other tourist sites in the Community in accordance with Articles 115 and 116 of the Treaty. In particular, these activities comprise development of coordinated tourism and wildlife policies; common code of conduct for tour and travel operators; a standardized hotel classification system; regional strategy for tourism promotion and coordinated efforts in controlling and monitoring encroachment and poaching in respect to wildlife resources.

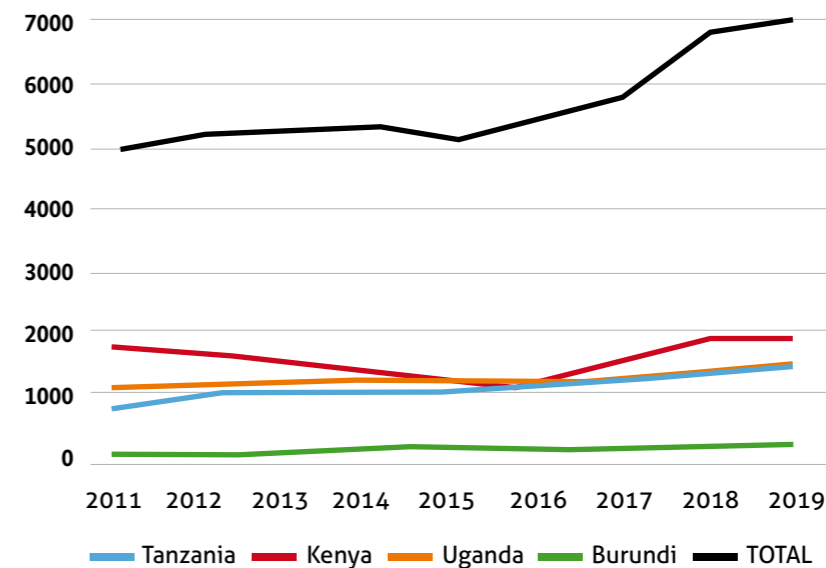
During the period under review, the Department planned to undertake EAC Joint tourism promotion at the World Travel Market (London) and International Tourism Bourse (Berlin); finalize the Protocol on Tourism and Wildlife Management and have it adopted by the Council of Ministers; undertake sensitization of key stakeholders on the EAC Strategy to Combat Poaching and Illegal Wildlife Trade; coordinate review of the Classification Criteria for tourist accommodation establishments and restaurants; coordinate development of a Regional Tourism Marketing Strategy; and coordinate development of draft minimum standards for tourism service providers.

The Department made the following key achievements:

(e) EAC Joint tourism promotion at major international trade fairs

The Department coordinated joint tourism promotion at the World Travel Market (WTM) in London which was held from 2nd – 8th November 2018 and at the International Tourism Bourse in Berlin that took place in March 2019. This involved organization of joint tourism events that were hosted by the Republic of Uganda at WTM in London and by the Republic of Rwanda at ITB in Berlin. During the event, the chairing Ministers in charge of Tourism gave joint statements on EAC as a single tourism destination. In addition, assorted EAC branded tourism promotional items including key holders, folders, bags, pens and brochures were present.

Figure 3: Tourism Trends 2011-2019



The total EAC tourist arrivals in 2019 increased by 2% in 2018 compared to 17% growth between 2017 and 2018. The European market where the EAC Partner States undertake joint tourism promotion remained the second most important market region at 21% compared to other regions which each accounted for less than 10% of tourist arrivals to the region in 2019.

(a) Protocol on Tourism and Wildlife Management Cooperation adopted by 2018;

The Protocol on Tourism and Wildlife was submitted to the 39th Council of Ministers meeting for consideration and adoption. The United Republic of Tanzania requested for more time to finalize internal approval processes before the Protocol was adopted. The Council of Ministers directed the United Republic of Tanzania to finalize the internal approval processes and submit the concerns to the 10th Meeting of the Sectoral Council on Tourism and Wildlife for consideration.

(b) Classification Criteria for Tourist Accommodation Establishments and Restaurants

The Secretariat continued coordinating review of the Classification Criteria for Tourist Accommodation Establishments and Restaurants by the Panel of Experts from the Partner States. A meeting of the experts that was held from 20th – 22nd February 2019 reviewed the Classification Criteria for Town and Vacation Hotels. The Score sheet for Criteria for town hotels was reviewed by technical experts. The Report of the Panel of Experts was submitted to the 9th Meeting of the Sectoral Council on Tourism and Wildlife Management that was held in March 2019. The Sectoral Council recommended that the Secretariat engages internationally recognized experts to work with the Partner States Panel of Experts towards finalization of the review process and ensure that this takes into account the emerg-

ing global trends and best practices classification of tourism and hospitality establishments.

Further to this, the Secretariat organized a meeting of experts from 25th – 27th June 2020.

(c) Review of Tourism Marketing Strategy

Partner States undertook National Stakeholder Consultations on development of a Regional Tourism Marketing Strategy between 3rd August 2018 and 14th February 2018. With technical support from the United Nations Economic Commission for Africa (UNECA), a draft Strategy was developed and submitted to the 9th Meeting of the Sectoral Council on Tourism and Wildlife Management that was held from 25th – 29th March 2019 in Kigali, Rwanda. The Sectoral Council considered the report and recommended another round of national stakeholders' consultations be organized to gather additional views and inputs.

Budget Execution

The budget allocated to the Tourism and Wildlife Management amounted to US\$459,650.00 for the financial year 2018/2019. This comprised US\$ 102,000 from the Partner States and US\$ 273,000 from USAID. The USAID budget was not released due to delayed processes. The total expenditure for the Department was US\$104,179.20 which translates to 37% of the availed budget and 10% of the total Partner States and USAID budgets combined.

Challenges and Recommendations

The national stakeholder consultations process on development of the Regional Tourism Marketing Strategy was protracted. Following the recommendation by the 9th Meeting of the Sectoral Council on Tourism and Management that Partner States undertake further national stakeholders' consultations, this was not undertaken within the expected time. It is anticipated that this will be concluded by 31st May 2019 and the Strategy be resubmitted to the Sectoral Council for approval.

The 38th Extraordinary Meeting of the Council of Ministers observed the need for a Return on Investment on the joint tourism promotion at both the International Tourism Bourse and the World Travel Market in view of the budget for these two events while awaiting the Return on Investment

Study. The Sectoral Council recommended that this study be embedded in the Regional Tourism Marketing Strategy.

The Department lacked adequate funding to facilitate procurement of consultancy services for review of the classification criteria as well as to support the Partner States in undertaking national stakeholder consultations towards finalization of the Regional Tourism Marketing Strategy. In addition, the Department was understaffed with only one professional staff and two short-term contract staff members.

In view of the above, the following recommendations are made:

- i) Fast-track approval of the Regional Tourism Marketing Strategy by the Sectoral Council and its adoption by the Council of Ministers;
- ii) United Republic of Tanzania to fast-track internal approval processes on the Protocol on Tourism and Wildlife Management;
- iii) The Council of Ministers to reinstate budgetary allocations for joint tourism promotion as stipulated in the tourism marketing strategy;
- iv) Additional financial resources are required for review of the classification criteria and training programme for the assessors; and
- v) Secondment of a Senior Wildlife Officer to support coordination of wildlife conservation related activities.

5.1.5 INDUSTRIAL DEVELOPMENT

The Department of Industrial Development draws its mandate from Articles 79 and 80 of the Treaty. In this regard, the Department coordinates activities relating to promoting self-sustaining and balanced industrial growth; improving the competitiveness of the industrial sector so as to enhance the expansion of trade in industrial goods within the Community and the export of industrial goods from the Partner States in order to achieve the structural transformation of the economy that would foster the overall socio-economic development in the Partner States; and encouraging the development of indigenous entrepreneurs. In particular, the Department coordinates, among others, de-

velopment and implementation of East African Industrial Development Strategy; promoting linkages among industries within the Community through diversification, specialization and complementarity; facilitating the development of small-and-medium scale industries, basic capital and intermediate goods industries and food and agro-industries; and rationalizing investments and the full use of established industries. It also promotes industrial research and development; harmonizing and rationalizing investment incentives; and disseminating and exchange industrial and technological information.

In the period under review, Industrial Development planned to Promote Mineral Value addition and Artisanal Small-Scale Miners (ASMs); Promote and Upgrade SME clusters; promote textile, leather and automotive industries in the region.

The key achievements during the year were as follows:

(a) Promote and Upgrade SME clusters; promote textile industries in the region;

A consultancy study has been commissioned and bids have been floated. A regional Charter for the Development of SME has been prepared and approved by the Council. Partner States are supposed to initiate implementation of the Charter.

(b) Promote textile industries in the region

A DRAFT Regional Strategy on Cotton Textile and Apparels was prepared. The Strategy was expected to be completed in April and presented to Summit in September/November 2019.

(c) Promote Leather Industries in the region;

Draft Strategy on Leather and Footwear was prepared. The Strategy was expected to be completed in April and presented to Summit in September/November 2019.

(d) Promote Automotive Industry in the region

An Action Plan to promote the development of automotive sector was prepared and was expected to be presented to Summit in September /November 2019.

Budget Execution

The budget allocated to the Industrial Development amounted to US\$ 149,075.00 for the financial Year 2018/2019 with an expenditure of US\$5,770.90 leading to budget performance of 4%.

5.2 DIRECTORATE OF SOCIAL SECTORS

5.2.1 GENDER, COMMUNITY DEVELOPMENT AND CIVIL SOCIETY

The Gender, Community Development and Civil Society Mobilization coordinates EAC initiatives, processes and programmes in the areas of Gender, Youth, Children, Persons with Disabilities, Social Protection, Community Development, Women in Business and Socioeconomic development and the engagement of the Civil Society and Private Sector. The Department draws its mandate from the Treaty in Articles 3, and 5 on Gender mainstreaming; Article 120 on the social welfare of youth, children, persons with disabilities, older persons and other disadvantaged and marginalized groups; Articles 121 and 122 on women in business and socioeconomic development; Articles 127 and 129 on the engagement of the civil society, private sector and other interest groups in the EAC integration process.

In the period under review, the Gender, Community Development and Civil Society department planned the following: Ensure Gender Perspectives are fully integrated in EAC Organs, Institutions and Partner States' Ministries by June 2019; undertake a Second Gender Audit in EAC Organs, Institutions and Partner States Ministries by June 2019; Develop an Action Plan for the EAC Gender Policy and a Monitoring Framework for the EAC Gender Equality, Equity and Development Bill by 2019; Ensure the Regional Strategy for promoting women in socio-economic development and women in business is implemented by June 2019; Exchange Programmes for young workers, Internships for young professionals and regional volunteer programmes developed and implemented by 2019; Action Plans for the EAC Child, Youth and Persons with Disabilities policies implemented by 2021; and an annual EAC Secretary General's forum for participation of citizenry is convened.

In addition, the department planned to conduct a training workshop for content developers on provision of content that will be uploaded on

the Online Platform to be accessed by women entrepreneurs; Carry out stakeholder meetings on modalities, process and mechanisms of collection of educational, financial inclusion and other SME specific business content targeting women entrepreneurs; Convene country level stakeholder meetings with financial institutions to engage them on provision of content on financial services and/or products for women in business; Conduct country level workshops with media houses to promote advocacy on different kinds of support for women entrepreneurs and how to build potential partnerships to promote awareness and usage of the Online Platform; Convene training workshops for the Project country teams from each Partner State to build their capacity on the usage of the Online Platform once it has been developed.

The key achievements drawn from the above priorities were:

(a) Gender Perspectives fully integrated in EAC Organs, Institutions and Partner States' Ministries by June 2019;

Meetings of the Technical Working Groups in the Sector were planned for the 4th Quarter (April-June 2019) to prepare the annual consolidated report that will be submitted for consideration by the 5th meeting of the Sectoral Council.

Attending the 2nd Regional Learning and Linking Forum for Accelerating Delivery of Comprehensive Services for Orphans, other Vulnerable Children & Youth in Eastern and Southern Africa (14th –15th November 2018 Johannesburg, South Africa). The EAC Secretariat attended the meeting to present Minimum Standards for Comprehensive Services for Children and Young People that were adopted by the 4th meeting of the Sectoral Council and were developed with support from Regional Inter-Agency Task Team on Children Affected.

A comprehensive study on the Status of Children in South Sudan was conducted in April 2019 in a bid to guide the implementation of the EAC Child and Youth Policies which were adopted before South Sudan joined the EAC.

A national sensitization workshop for the private sector and civil society organizations in the Republic of South Sudan on opportunities and

benefits of Regional Integration was held from 4th to 5th June 2019 in Juba.

(b) Undertake a Second Gender Audit in EAC Organs, Institutions and Partner States Ministries by June 2019;

The 2nd Participatory EAC Gender Audit was initiated with the development of TORs, recruitment of a consultancy team and drafting of inception reports, the methodology and tools for carrying out the exercise.

(c) An Action Plan for the EAC Gender Policy and a Monitoring Framework for the EAC Gender Equality, Equity and Development Bill developed by 2019;

The Sector also successfully launched the EAC Gender Policy; printed copies for dissemination and in September 2018 conducted the first ever Training of Trainers on Gender Mainstreaming for EAC Organs, Institutions and Partner States.

The 2nd Participatory Gender Audit was successfully conducted in all EAC Organs, Institutions and Key Ministries in the Partner States.

(d) The Regional Strategy for promoting women in socio-economic development and women in business implemented by June 2019;

The department has finalized the development of the training manual of the Simplified Guide for Micro and Small Women Cross Border Traders and Service Providers in the EAC (Info Pack) and conducted a validation and Training of Trainers with women cross border traders in November 2018 at the Busia Border, Uganda/Kenya. The Info Pack has been packaged into one pocket size booklet; translated into Kiswahili and both versions designed and printed.

(e) Action Plans for the EAC Child, Youth and Persons with Disabilities policies implemented by 2021;

In the planning period, the EAC Child Policy action plan was mostly implemented. Of the 10 priorities in the action plan, implementation has commenced in 6 priority areas. A monitoring, evaluation framework and reporting mechanism has been developed to track the implementation of the Child Policy action plan.

Implementation of the action plans of the EAC Youth Policy and EAC Policy on Persons with Disabilities has stalled since their adoption in 2016. The EAC Child Policy has been effectively implemented because of the financial and technical support from the Interagency Working Group (UNHCR, UNICEF, Save the Children, ACPF, RIATT-ESA etc.)

The Sector has also successfully conducted a study on the harmonization of Child Laws in the EAC Partner States and developed an M&E Framework and Reporting Mechanism for the EAC Child Policy that seeks to harmonize reporting of Partner States on the EAC Child Policy, the African Charter on the Rights and Welfare of the Child (ACRWC) and the United Nations Convention on the Rights of the Child (UNCRC).

(f) An annual EAC Secretary General's forum for participation of citizenry convened;

The 6th Annual EAC Secretary General's Forum was conducted in July 2018 in Nairobi, Kenya. The Forum brought together all dialogue parties from the Civil Society, Private Sector, Trade Union Associations, Employers' Organizations, the East Africa Law Society, the East Africa Youth Network, Local Government Organizations and other interest groups. The dialogue parties made several commitments to the responsiveness and impact and sustainability of the Consultative Dialogue Framework.

(g) Under 50 Million Women Speak Project;

Through the Project 50Million African Women Networking Platform, the sector has built capacity of women in business on financial and non-financial facilities. It has put in place country teams to collect the content for the Platform being finalized.

Budget Execution

The budget allocated to Gender, Community Development and Civil Society amounted to US\$1,272,150.00 for the financial year 2018/2019 with an expenditure of US\$509,858.14, marking the budget performance at 40%.

Challenges

The department faces two major challenges which have been recurrent and are now chronic:

1. Insufficient budget allocation. The global budget allocated to the department only covers basic activities and is inconsiderate of the existing implementation in the areas of Gender, Youth, Children, Women in Business and Socio-economic development, Persons with Disabilities, Social Protection, Community Development and Civil Society Mobilization.
2. There are up to eight units under the department, which has only one substantive officer. Despite several Council and Sectoral Council directives, staff have not been recruited. There is therefore serious job fatigue for the officer and her assistants, who are short term and project based.

Recommendations

1. Address the two stated challenges by recruiting at least two officers to ease the burden on the Principal Gender and Community Development Officer, but also immensely enhance the capacity of the Sector to effectively implement and achieve on the adopted policies and strategic frameworks.
2. Allocate the budget according to each Unit in the Sector rather than considering a global budget for the sector which is insufficient for even one priority per unit.
3. Commend, encourage and support the resource mobilization efforts of the sector, as most of the stated achievements have been realized with support from Partners (GIZ; Save the Children; African Child Policy Forum, RIATT-ESA and UNICEF).

5.2.3 EDUCATION, SCIENCE AND TECHNOLOGY

The Education Sector derives its mandate from Article 5, Article 102, and Article 103 of the EAC Treaty, which spells out the Partner States' commitment to undertake concerted measures to foster cooperation in Education, Training, Science and Technology within the Community. The Culture and Sports Sector derives its mandate from: i) Article 119 of the EAC Treaty, which provides for Partner States to promote close cooperation amongst themselves in Culture and Sports; and ii) Article 137 of the Treaty, which provides for Partner States to undertake meas-

ures to foster the development of Kiswahili as the lingua franca of the Community aimed at promoting an East African identity.

During the period under review, the Education, Science and Technology planned to undertake the following: Alignment of Approved curricula within the approved structures and frameworks completed by June 2019; Comprehensive Study on Modalities for Introduction of French as an Official Language of the Community Conducted by June 2019; Harmonization of the Technical and Vocational Education and Training (TVET) sub sector completed by June 2019; Resources mobilized to sustain the established Centers of Excellence by 2020; The EAC ICT Introduction into Education Strategic Plan 2015- 2020 finalized for implementation by June 2019; EAC Students Essay writing Competition 2018 conducted at National and Regional levels; Participation in at least two regional and two international fora on Education Science and Technology during FY 2018/19; MRAs to facilitate free movement of professional labor negotiated and signed by 2019; Regional Report of the mapping study of Culture and Creative Industries in the EAC completed and published by June 2019; Regional Statistical Framework for Capturing of data on Culture Goods and Services in EAC Developed by June 2019; Preparation of the 4th Edition of the EAC Arts and Culture Festival (Jamafest 2019) Initiated by December 2018; 1st Edition of the EAC Sports Tournament held by December 2018; Culture and Sports networks at regional and Global levels Established.

The key achievements realized during the reporting period include:

(a) Alignment of Approved curricula within the approved structures and frameworks completed by June 2019;

- The minimum standards in education has been developed for 7 cycles (levels) of education.
- Partner States have aligned their education curricular and structures to the approved EAC curricular, structures and frameworks.
- Two concept notes have been developed to seek funding for TVET harmonization strategy. Both have been considered positively. Teacher training curricular of Partner States have been harmonized and Partner States aligned their national curricular to the harmonized curricular and frameworks.

(b) Harmonization of the Technical and Vocational Education and Training (TVET) sub sector completed by June 2019;

Two concept papers for funding TVET (TECHCOM) have been developed and have both received positive consideration from funders.

- TVET TECHCOM did not meet in 2018 due to funding constraints.
- Operationalization of TVET harmonization Strategy was not undertaken in 2018 due to lack of funding.

(c) Resources mobilized to sustain the established Centers of Excellence by 2020;

Resources were not mobilized for operationalization of Centres of Excellence. Positive discussions are going on with JICA and GIZ for support to TVET Centres of Excellence. There is also progress with the Centre for Excellence on Curriculum Development.

(d) EAC Students Essay writing Competition 2018 conducted at National and Regional levels;

2018 Students Essay Writing Competition was undertaken as planned.

Regional Adjudication was done and the report was prepared. Regional Awards to winning students were undertaken. National Awards were undertaken by all Partner States except Republic of Uganda which will undertake it in June 2019.

(e) Participation in at least two regional and two international fora on Education Science and Technology during FY 2018/19;

Participated in the African Union Quality Assurance Conference 3rd-4th December 2018 in Senegal and in the African Union meeting on CESA in Addis, Ababa, Ethiopia.

(f) MRAs to facilitate free movement of professional labor negotiated and signed by 2019;

MRAs to facilitate free movement of professional labor negotiated and signed by 2019; slow increase in mobility partly due to challenges in collecting data on mobility. Competent authorities that have signed MRAs have developed a framework to enhance data capture on mobility of professionals.

5.2.4 CULTURE AND SPORTS

(a) Regional Report of the mapping study of Culture and Creative Industries in the EAC completed and published by June 2019

A meeting between Culture and Statistics Experts was held to finalize the draft Regional Report on the Mapping of Culture and Creative Industries in the EAC in Kampala, Uganda. The report was prepared for printing.

(b) Preparation of the 4th Edition of the EAC Arts and Culture Festival (Jamafest 2019) Initiated by December 2018

A Regional Steering Committee was constituted and held its 1st meeting from 4th – 8th March 2019 in Dar es Salaam, United Republic of Tanzania to initiate preparations for the 4th Edition EAC Art and Culture festival – JAMAFEST 2019. The Festival was planned for 21st - 28th, September, 2019 in Dares Salaam, United Republic of Tanzania.

The 1st Edition of the East African Community Games was held from August 16th – 20th 2018 in Bujumbura, Republic of Burundi under the theme “Fostering EAC Integration and Peace through Sports”.

(c) 1st Edition of the EAC Sports Tournament held by December 2018

Four Partner States including the Republic of Kenya, Republic of Uganda, United Republic of Tanzania and the Republic of Burundi the host country, participated in the Games. The Republic of Rwanda and Republic of South Sudan were not represented. The games attracted approximately 641 players, 60 team officials, 45 Match officials and 27 dignitaries. The EAC Secretariat was also represented by 18 members of staff.

Budget Execution

The budget allocated to the Education, Science and Technology amounted to US\$ 402,813.00 for the Financial Year 2018/2019 with an expenditure of US\$ 160,875.57 thus the budget performance was 40%.

Challenges and Recommendations

- There were limited funds availed to conduct all the planned activities.
- There was slow increase in mobility partly due to challenges in collecting data on mobility.

5.2.5 LABOUR AND IMMIGRATION

In the period under review, the Labour and Immigration Sector planned to develop the EAC Policy on Refugee Management by July 2019; Partner States Immigration and labor laws were to be reviewed in line with the EAC Common Market Protocol (EAC CMP provisions by 2019); the training program on the Common Market Protocol was to be implemented annually; The programme of phasing out the National and East African old generation passport was to be implemented by 2019; Harmonization of Entry, Work, and Budget Officer Residence Permits Fees, Forms and Procedures for the Partner States were to be completed by 2019; Social security systems were to be coordinated and modernized on quarterly basis; The EAC/ILO Decent Work Programme 2011-2015 and Plan of Action was to be reviewed by 2019; Completion of the EAC Man Power surveys in Partner States was to be coordinated by 2019; The Integrated Border Management Systems (IBMS) in the Partner States' border points was to be implemented by 2019; and the EAC e-Immigration Policy was to be developed and validated by June, 2019.

The key achievements were:

(a) The EAC Policy on Refugee Management developed by July 2019;

The EAC Secretariat in collaboration with UNHCR convened a Technical Working Group (RTWG) on Refugee Management. The experts among others, considered the principles for inclusion in the Draft Policy; and the Inception report and Work plan for the Consultancy to develop the EAC refugee management policy. (Refer to Report No. EAC/TERM/002/2018 refers).

A draft EAC Common Policy on Refugee Management was developed in the meeting of Chiefs of Refugee Management (refer to Report No. EAC/IMM/2/2019) dated 17th May 2019. Application Form for a Special pass for the citizens of EAC Partner States was finalized during the Chiefs of Immigration and Directors meeting held on 15th February 2019.

(b) Partner States Immigration and labor laws reviewed in line with the EAC Common Market Protocol (EAC CMP provisions by 2019;

Coordination of the national validation meetings on the validation of the EAC Common Market Score Card, 2018 on Free Movement of Labor and rights of Residence and (refer to Establishment Report EAC/EAC CMS/1/18).

The department also participated in the National Implementation Committees (NICs) and Regional Monitoring Group (RMG) on the implementation of the EAC Common Market Protocol for the Period January-June) which took place from September- October 2018. Updates were provided on the number of persons, labor within the EAC CMP framework.

(c) Programme to phase out the National and East African old generation passport implemented by 2019;

The Republic of Kenya commenced the issuance of EA e-Passport on 1st September 2017; United Republic of Tanzania on 31st January, 2018; Republic of Burundi on 31st May 2018 and the Republic of Uganda on 18th December 2018.

(d) Harmonization of Entry, Work, and Budget Officer Residence Permits Fees, Forms and Procedures for the Partner States completed by 2019;

Harmonized classification of Entry/Work/Residence Permit Forms, and Action Plan for implementation of the directives and decisions were considered in the joint meeting of Chiefs of Immigration and Directors of Labor.

Application Form for a Special Pass for the citizens of EAC Partner States was finalized during the Chiefs of Immigration and Directors meeting held on 15th February 2019.

(e) Social security systems coordinated and modernized on quarterly basis;

Social security experts held a meeting to build capacity on coordination of social security benefits and review the draft EAC Council directive on Coordination of Social Security Benefits. (Report No. **EAC/SSE/L&E/2018** refers). A capacity building meeting of social security

experts was conducted to review the draft EAC Council directive on Coordination of Social Security Benefits from 6th-9th November 2019, (ref. report EAC/SSE/L&E/ 2/2018).

To implement the roadmap developed by the meeting of social security experts in June 2018 to support the Republic of South Sudan to undertake an assessment study on Social security benefits, a study was conducted on "Assessment of the Current State and Effectiveness of Social Protection in South Sudan" in March 2019.

(f) The EAC/ILO Decent Work Programme 2011-2015 and Plan of Action reviewed by 2019;

Following the revised (MoU) on 9th May 2018, between EAC and ILO, ILO hired a consultant to review the EAC 2010-2015 decent work program and develop a new one (EAC DWP 2018- 2023). The Consultant commenced the assignment in November 2018. The Draft methodology for the review of the EAC Decent Work Program (DWP) was developed and is ready for validation.

(g) The EAC e-Immigration Policy developed and validated by June, 2019;

The national validation meetings on the draft EAC e-Immigration Policy were conducted in Kigali from 12th-13th November 2018; Kampala from 15th -16th November 2018; and Nairobi from 18th-19th November 2018. (Report No EAC/ IMM/1/18 refers).

(h) The Road Map for implementation of the EAC e-Immigration Policy operationalized by 2020

The draft EAC e-immigration policy was developed. Partner States validated and reviewed the draft policy and comments made during the meetings were captured and consolidated awaiting review by the Chiefs of Immigration for finalization and adoption.

Budget Execution

The budget allocated to the Labour and Immigration Sector amounted to US\$ 157,000.00 for the financial year 2018/2019 with an expenditure of US\$ 130,449.92, with a budget performance of 83%.

Challenges and Recommendation

- Harmonized classification of Entry/Work/Residence Permit Forms, Procedures is awaiting input from the Republic of South Sudan and Republic of Rwanda.
- Understaffing in the department affected finalization of the policy development processes.
- Lack of Liquidity from Partnership Fund as most of the activities were budgeted under PF.

5.2.6 HEALTH SECTOR

The Health Department oversees and coordinates all health policy and governance aspects in the region. The Health Department is made up of six Units namely: Regulation of Health Professionals and Health Services Unit; Health Systems Development and Policy Unit; Disease Prevention and Control Unit; Medicines, Food Safety and Health Technologies Unit; HIV and AIDS & Sexually Transmitted Infections Unit; and Reproductive, Maternal, New-born, Child and Adolescent Health and Nutrition Unit. The EAC Health Sector draws its mandate from Article 118 of the Treaty that establishes the Community as well as the EAC Regional Health Policy (2016) and the EAC Health Sector Strategic Plan (2015-2020).

In the period under review, the Health Sector planned to hold EAC Statutory meetings (EAC Sectoral Council and Sectoral Committee on Health and Technical Working Groups, to continue with domestication of EAC -Regional Harmonized guidelines on Medicines Evaluation and Registration, Good Manufacturing Practice and Quality Management System across the EAC Partner States NMRAs by June 2018; to improve access to medicines; Build EAC Post Market Surveillance Capacity to trace sub-standard antimicrobial agents across borders in EAC market; Effective Management of Regional Cooperation on Vaccines, Immunization and Health Supply Chain Management and Network of National Reference Laboratories; develop, implement and domesticate the EAC Regional Contingency Plan for Epidemics due to Communicable Diseases, Conditions and other Events of Public Health Concern for EAC Region by June 2019; develop the minimum package, Standards and Guidelines for HIV and AIDS, STI, TB in the EAC region; Develop harmonized integrated SRHR/RMNCAH and HIV/AIDS Packages, Standards

and Guidelines; Develop the minimum package, Standards and Guidelines for HIV and AIDS, STI, TB in the EAC region; Health policies and systems are strengthened towards universal coverage of reproductive maternal newborn child and adolescent health services in the EAC; Use and translation of PHE research and programmatic evidence promoted by June 2018; develop the human resource and operational capacity of EAC Secretariat and Partner States to coordinate and implement the project; to strengthen Medicines Safety through strengthening Pharma vigilance system.

The key achievements were:

(a) EAC Statutory meetings (EAC Sectoral Council and Sectoral Committee on Health and Technical Working Groups;

The 17th and 18th Ordinary Meetings of the Sectoral Council on Health were convened on 26th October 2018 and 26th March 2019 respectively. The reports of the 16th and 17th Ordinary Meetings that could not be considered by Council of Ministers since Republic of Burundi had not attended the two meetings were finally endorsed by the 18th Meeting of the Sectoral Council. The three reports were subsequently considered by the 38th Ordinary Meeting of the Council of Ministers held in May 2019.

The first ever meeting of the Regional Steering Committee for the East African Centres of Excellence for Higher Medical Education, Health Services and Research was held from 25th to 26th February 2019 with support from IUCEA.

(b) To continue with domestication of EAC -Regional Harmonized guidelines on Medicines Evaluation and Registration, Good Manufacturing Practice and Quality Management System across the EAC Partner States NMRAs by June 2018 to improve access to medicines;

Eight (8) medicinal products were recommended for registration using EAC Joint Assessment Procedure.

(c) Build EAC Post Market Surveillance Capacity to trace sub-standard antimicrobial agents across borders in EAC market.

Fourteen (14) EAC Partner States experts were trained.

EAC Compendium of Guidelines for Safety and Vigilance was adopted by the EAC Sectoral Council on Health in March 2019. Cross-border inspection of healthcare facilities and piloting of the pharmacovigilance safety reporting tools at Namanga Border (Kenya/Tanzania) was done in February 2019.

EAC joint post market surveillance of five (5) selected antibiotics in EAC region was conducted and one (1) medical product was found to be Substandard Falsified (SF) and regulatory actions (withdrawal from market) were taken by all EAC Partner States National Medicines Regulatory Authorities (NMRA).

(d) Develop harmonized integrated SRHR/RM-NCAH and HIV/AIDS Packages, Standards and Guidelines;

The study is underway and data collection is almost complete in all counties. The study is expected to be completed by September 2019 and the results will be presented to the 19th Sectoral Council for policy guidance.

(e) Develop the minimum package, Standards and Guidelines for HIV and AIDS, STI, TB in the EAC region;

The target was not achieved due to delays in approvals. Data collection was set to start end of July 2019. Analysis was planned to be completed by September 2019. The protocol and data collection tools for the EAC Regional Assessment of Integrated Reproductive Maternal Newborn Child and Adolescent Health and HIV/AIDS Services in the EAC Partner States were finalized and adopted by the 17th Ordinary Meeting of the Sectoral Council on Health held on 26th October 2018.

Training of the regional and national study teams and data collection in all Partner States for national level ethical approvals was done. The report of the assessment will be the primary reference material for drafting the EAC regional minimum package of integrated RMNCAH services, standards and guidelines in FY 2019/20 as recommended by the 16th Sectoral Council on Health.

(f) Health policies and systems strengthened towards universal coverage of reproductive maternal newborn child and adolescent health services in the EAC;

Report on implementation of the EAC Framework of Action on sustainable financing for universal health and HIV coverage ready was approved by the 17th Sectoral Council of Ministers responsible for Health.

(g) Use and translation of PHE research and programmatic evidence promoted by June 2018;

This is ongoing. Implementation is mainly by the Partner States and LVBC with support from USAID.

(h) To strengthen Medicines Safety through strengthening Pharma vigilance system strengthening;

EAC Compendium of guidelines for Safety and Vigilance of Medical Products was approved by the 18th Ordinary Meeting of the EAC Sectoral Council of Ministers of Health on 26th March 2019. Ten (10) medicinal products were recommended for registration under EAC Joint Assessment and Registration Procedure. Five (5) Pharmaceutical Manufacturing Facilities were jointly inspected by EAC experts.

Other Key Achievements made under Health:

1. Convene a regional workshop to validate the draft harmonized EAC regional algorithm for prevention, treatment and diagnosis of STIs

The protocol and data collection tools for a regional assessment of the burden and management of Sexually Transmitted Infections (STIs) in the EAC were finalized and adopted by the 17th Ordinary Meeting of the Sectoral Council on Health held on 26th October 2018.

All the Partner States are now adapting to the study protocol of ethical approval by respective national ethical review boards. The report of the assessment will be the primary reference material for drafting the harmonized EAC regional algorithm for prevention, treatment and diagnosis of STIs.

2. Develop the EAC health sector-wide knowledge management web portal for the health sector

The EAC health sector-wide knowledge management web portal for the health sector was developed. The portal helps the Secretariat to integrate physical and online KM activities including conferences, workshops, and meetings of experts, Sectoral Councils and national events without having to create parallel websites for specific projects and units. The web portal was approved on 26th March 2019 by the 18th Ordinary Meeting of the Sectoral Council on Health.

3. Draft the first ever EAC State of Women, Children and Adolescent Health and HIV&AIDS Report 2018

The first ever EAC State of Women, Children and Adolescent Health and HIV&AIDS Report 2018 was finalized and approved by the 18th Ordinary Meeting of the Sectoral Council on Health on 26th March 2019.

Budget Execution

The budget allocated to the Health Sector amounted to US\$4,986,645.29 for the financial year 2018/2019 with an expenditure of US\$2,287,358.38 with a budget performance of 46%.

Challenges and recommendations

- Difficulty in finding suitable consultants to develop the EAC regional minimum package of integrated RMNCAH services, standards and guidelines and the harmonized EAC regional algorithm for prevention, treatment and diagnosis of STIs following several calls for applications led to a change in strategy to use Partner State Experts instead which delayed the activity. This is made worse by the relatively low consultancy fees which reduce EAC chances to attract subject matter experts.
- Scope creep – the original scope of the work for developing the EAC regional minimum package of integrated of RMNCAH services, standards and guidelines was expanded when all the Partner States wished to take the opportunity to the project to conduct in-depth national level assessments thereby causing delays and necessitating re-allocation

and supplementary budget amidst rigidity of the Budget Management System. Also, the original scope of the work for developing the harmonized EAC regional algorithm for prevention, treatment and diagnosis of STIs was expanded when all the Partner States wished to take more expensive sub studies such as sensitivity analysis for medicines among common disease causing agents.

- There was no fundamental challenge while developing the web portal but there is fear over whether the overarching EAC ICT infrastructure can effectively and sustainably support it.
- Lack of appropriate databases at both national and regional levels delayed data collection and quality thereof.
- Lack of harmonization of major data collection programmes such as census and Demographics and Health Survey limit the possibility to compare progress made by Partner States through such reports.

Recommendations

1. Consultancy fees need to be adjusted in line with complexity of the assignment so as to attract subject matter leaders, as the EAC rates do not compete favorably in the market.
2. EAC Secretariat should ensure that material and technical resources are available for the integrated web portal in a sustainable manner.
3. There is need to advocate for harmonization of major health and development data collection methodologies and timelines.
4. Submit additional reminders to Partner States that are yet to submit their implementation agreements as well as evidence or commitments for tax waivers and regulatory clearance.
5. There is need to provide requisite resources to enable fast tracking of recruitment of the core project staff who should have started working in November 2017 when the project commenced.
6. The EAC or the affected Partner States need to establish straight forward and sustainable mechanisms to address donor/partner related restrictions on participation from some Partner States.

06 /

The Office of Deputy Secretary General - Political Federation

The Office of the Deputy Secretary General Political Federation comprises of the three departments namely: Political Affairs (including EAC Nyerere Centre for Peace Research); International Relations; and Peace and Security.

6.1 POLITICAL AFFAIRS

In the period under review, the Political Affairs Department to achieve its sector objective of accelerating strategies and mechanisms for establishment of a Political Federation, with emphasis on ensuring sustained stability, political commitment, good governance and accountability recorded the following Key achievements.

(a) Development of the Model of the EAC Political Confederation Mode; and Constitutional Framework for EAC Confederation developed and adopted

The 1st Meeting of Constitutional Experts was convened from 11th-18th Sept 2018, Arusha, Tanzania and Constitutional Experts to Draft Political Confederation Constitution were appointed. The Secretary General commissioned the work of the nominated Experts during the meeting. The Constitutional Experts have held four meetings and have started on the process of development of the EAC Political Confederation. They have developed a comprehensive work plan to guide their work, issue paper for consultations, tools and programme for stakeholder consultation.

(b) Protocol on Good Governance and Anti-corruption operationalized;

A meeting of the EAC Forum of Anti-Corruption Agencies was held from 21st to 22nd February 2019 to consider matters of the Draft Protocol on Preventing and Combating corruption and reverse the activities of the Plan of Action on Preventing and Combating Corruption. In consideration of the reversed draft protocol, the meeting made recommendations to convene a joint meeting of representatives of Anti-corruption Agencies and legislative drafters to review it for consideration at the 21st Sectoral Council Legal and Judicial Affairs meeting.

The 15th Meeting of the Council adopted the 2nd Plan of Action on promotion and protection of Human Rights (EAC/CM15/Decision 36). The Department convened the Meeting of EAC Forum of Human Rights Commissions from 20th-21st June 2019 to review the Plan of Action. The meeting also reflected on harmonizing regional efforts on best ways to promoting and protecting human rights. The meeting also observed the need to call on Partner States to adopt the EAC Bill of Rights and mechanisms for implementation.

(c) Tolling of Nyerere Centre for Peace Research to conduct and build capacity of Youth;

To further deepen the implementation of achieving the Political Federation process in the East African Community and the need for meaningful youth participation in the political processes, a High Level EAC Youth Ambassadors was held on 5th – 6th Nov 2018. The Dialogue was co-sponsored with Plan International, African Union Liaison and International Republican Institute. The *Theme of the dialogue was Harnessing Young People's Participation in the Political Process*. One of the recommendations made was the call on Partner States to nurture ideas of young people in line with institutions support framework to curb the gap of unemployment by creating job markets from startup entrepreneurs.

The EAC Youth Leadership Summit named 'You Lead' was held from 19th – 23rd Nov 2019, Arusha, Tanzania. The Summit is an annual event aimed at building networks and partnerships with other youth organizations to enhance youth participation in EAC processes. The Summit is a joint initiative organized in Partnership with MS TCDC under the Theme: Youth Political and Economic Inclusion: Scenario for Sustainable Regional Integration.

Outcomes of the summit included:

- The process of forming an "East African Youth Manifesto" and a campaign on the "East Africa Youth Want" was initiated
- The first ever East Africa under 40 Business Leaders' Forum was launched and will be held annually.



6th EAC University Students Debate on Regional Integration was held from 3rd – 5th December 2019 in Dar es Salaam, Tanzania with the support of the African Union Border Management Programme to address the scourge of migrant smuggling and corruption at borders for stability and social economic development in the East African Community” The debate is an annual event to:

- a. Promote continued participation of the youth on issues of the EAC integration;
- b. Encourage networking among university students/youth to enhance regional integration;
- c. Prepare the youth for future leadership roles at regional and international levels as they hold the mantle as Ambassadors of EAC integration in the region; and
- d. At the end of the Debate the winners were appointed EAC Youth Ambassadors to spearhead regional integration at National Level.

The department has produced a number of publications in an effort to publicize the EAC Political Federation and EAC Political Confederation like:

1. EAC Principals of Election Observation and Evaluation(A handbook);
2. Towards Political Federation in the East African Community: Achievement and Challenges(A booklet);
3. Drafting the Constitution for the EAC Political Confederation – Information Pack for Public Consultations:(A booklet and brochures); and
4. A guide to EAC Structures and Process –

strengthening popular participation in the EAC: (A sensitization manual).

(d) Twinning and learning exchange visits by EMBs and other Institutions of Governance;

The EAC, in collaboration with Department of Political Affairs convened a strategic meeting for the EAC Forum of National Electoral Commissions from 6th to 8th March 2019 in Nairobi, Kenya. The strategic workshop was aimed at strengthening the capacity of the EAC forum of Election Management Bodies (EMBs) in order to be more effective and responsive to the needs of the EMBs in the EAC Partner States.

The department has benchmarked with the Department of Political Affairs at the AU, UN department of Political Affairs, Plan International, Electoral Institute of Sustainable Democracy in Africa and IDEA. This has seen forging Partnerships and co-sponsored activities including the Strategic workshop for EMBs, EAC University Students Debate on regional Integration, and the EAC Youth Ambassador’s Dialogue. Two MoUs have been anticipated with IDEA and Plan International and await conclusion from the Secretary General.

Budget Execution

The budget allocated to the Political Affairs Department amounted to US\$ 1,491,478.00. It is worth noting that most of the activities under the department were sponsored by EDF 11 which came to an end. For the financial year 2018-2019 there was an expenditure of US\$352,945.29 leading to budget performance of 24%.

6.2 INTERNATIONAL RELATIONS

Guided by the Protocol on Relations between the AU Commission (AUC) and Regional Economic Communities (2008), the EAC continues to engage with other RECs in regional and continental integration initiatives. The Coordination Committee of Chief Executives of the AU Commission, RECs, African Development Bank (AfDB) and the UN Economic Commission for Africa (UNECA) have prioritized the mainstreaming of the AU Agenda 2063 and its First Ten Year Implementation Plan into the medium and long term strategic plans of RECs. The EAC is already working with the UNECA on strategies for popularizing the EAC Vision 2050 and developing its indicators, and ensuring that these are aligned to the Sustainable Development Goals (SDGs) and the AU Agenda 2063.

The following were the key achievements in the period under review:

(a) Establishment of a strategy to support Regional candidatures within the International system for position

The EAC had envisaged developing a strategy to support candidates from the region vying for positions within the International system. The strategy would enable effective campaigning and lobbying for the regional candidature which would enable an easy win for those candidates and avoid splitting votes among candidatures within East Africa. The Joint Mobilization Strategy of support for candidatures was to be adopted and implemented by 2019; but due to financial constraints the Department was not able to develop the strategy and as a result candidates from the region continue competing for positions within the international system and often failed to get elected. The importance of the strategy is paramount and awaits funding for its development.

(b) The Department of International Relations planned to receive three ratifications of the Protocol on Foreign Policy Coordination and Protocol on Privileges and Immunities by 2019

This was not possible due to the lengthy parliamentary processes leading to ratification of some of the Partner States. It is still work in pro-

gress with assurances from Partner States that the instruments will be ratified once the processes are complete.

(c) Areas in which to adopt common foreign policy positions agreed upon by December 2018;

This item is still pending since 2017. The postponement of two meetings of the Sectoral Council on Foreign Policy Coordination in May 2018 and June 2019 left the items unattended by Partner States. Efforts are in place to call for an experts meeting to deliberate the issue.

Budget Execution

The budget allocated to the International Relations Office amounted US\$ 133,525.00 for the financial year 2018-2019 with an expenditure of US\$ 44,651.43 with budget performance of 33%.

Challenges

Most activities planned were not implemented.

6.3 PEACE AND SECURITY

In the period under review, the Peace and Security office planned the following: Provide Policy guidance in the Peace and Security Sector; Promote political dialogue in the Republic of Burundi; Domestication of Post Conflict Reconstruction and Development (PCRD) & SCPF Policies; The EACWARN Regional Early Warning Center (REWC) Situation Room and its tools for data collection, reporting and analysis integrated by December 2018; EACWARN adequately staffed and capacity strengthened in accordance with its Roadmap for its operationalization; National Early Warning Centers (NEWCs) establishment processes supported and at least one capacity building activity conducted; Capacity building for mediation and negotiation carried out; Mediation Roster developed; At least one Exchange visit, retreats or best practice exposure visit carried out by Dec 2018; Engagement of Key stakeholders (women, youth, CSOs, religious leaders) in conflict prevention and peace building; Conduct research on linkages between conflict & selected thematic issues; Workshop to discuss and agree on strategies and steps to mainstream conflict prevention in policies, plans and programs organized; Enhanced regional use of and access to international databases like INTERPOL and WCO, and their technological resources; At

least four SOPs developed and adopted; Harmonization of ranks and structure; Coordination and Networking with other Partners and RECs in combating transnational crimes enhanced; Undertake at least four measures to combat illicit arms proliferation and cattle rustling; Holding a meeting of Prisons and Correctional chiefs and development of training manuals; Refugee and Disaster Crisis Management and Response Measures developed by June 2019.

The key achievements were: -

(a) The EACWARN Regional Early Warning Center (REWC) Situation Room and its tools for data collection, reporting and analysis integrated by December 2018;

Implementation has been continuous, tools developed and integrated into the system. More activity on developing and customizing field reporting tools still to be implemented.

(b) EACWARN adequately staffed and capacity strengthened in accordance with its Roadmap for its operationalization;

Partner States officials responsible for establishment and operationalization of National Early Warning Centers and EACWARN Regional Early Warning Center Staff were taken on 13th -15th March 2019 into a capacity building benchmarking visit to AU-CEWS and IGAD-CEWARN. They learned from their experiences, best practices and shared lessons learned. An earlier benchmarking visit took place at ECOWAS-ECOWARN and in Abidjan, Ivory Coast's NEWC as a model NEWC.

On staffing, recruitment has been frozen pending conclusion of the EAC Institutional Review and other ongoing processes.

(c) National Early Warning Centers (NEWCs) establishment processes supported and at least one capacity building activity conducted;

Partner States are at different levels of establishment and operationalization of their NEWCs. Kenya was found to have the most advanced system. EACWARN has been supporting them in terms of capacity building.

(d) Capacity building for mediation and negotiation carried out; Mediation Roster developed; At least one exchange visit, retreat or best practice exposure visit carried out by Dec 2018;

An advanced training in mediation and negotiation simulation exercise based on CARANA Case Study was conducted in July 2017 and participants were empowered with knowledge and skills to support the work of the EAC Panel of Eminent Persons in particular and any preventive diplomacy/mediation efforts in the region in general.

(e) Mediation Roster developed

A second mediation and negotiation simulation exercise is scheduled to take place in May 2019. Procurement has been initiated from January 2019 to develop the EAC Mediation Roster and awaits conclusion for the contract award.

(f) At least one exchange visit, retreat or best practice exposure visit carried out by Dec 2018

A high level retreat to share experiences, best practices and lessons learned was organized in June 2018 and a number of recommendations were made to enhance EAC mediation and negotiation capacity.

(g) Workshop to discuss and agree on strategies and steps to mainstream conflict prevention in policies, plans and programs organized;

The procurement process to develop a strategy for the implementation of the EAC CPMR Mechanism was initiated in January 2019 but it is yet to be concluded.

Budget Execution

The budget allocated to the Peace and Security office amounted US\$ 4,093,160.00 for the financial year 2018-2019 with an expenditure of US\$1,388,764.12 with the budget performance of 34%.



The Office of the Director General - Customs And Trade

The Office of the Director General (Customs and Trade) is responsible for the implementation and coordination of the Customs and Trade functions in the EAC. Customs encompasses Tariff and Valuation, Compliance and Enforcement, Procedures and Facilitation while trade covers International Trade, Internal Trade and Standards, Quality Assurance, Metrology and Testing. It coordinates all policy meetings of the Sectoral Council on Trade, Industry, Finance and Investment (SCTIFI), Pre-Budgets, Post-Budgets and the Committee on Customs.

During the period under review the Directorate of Customs planned priority activities including the implementation of the Single Customs Territory (SCT); review of CET and the EAC Customs Management Act 2004, its regulations and Customs procedures, operationalization of One Stop Border Posts, enhancement of the regional Authorized Economic Operator Programme, development of Customs capacity building programmes, implementation of EAC Customs and Tax Integrity programme development of a regional interconnectivity platform, development of an EAC regional Customs bond system and elimination of Customs related non-tariff barriers.

7.1 CUSTOMS

Key achievements were:-

- Trade, customs, finance and investment policy decisions and directives and coordinated and their implementation is monitored;
- Inter-State trade disputes were resolved;
- EAC Trade and Customs coordination;
- Pre-budget consultations and policy decisions related to national budgets.

Budget Execution

The budget allocated to the Customs Directorate amounted US\$ 206,027.00 for the financial year 2018-2019 with an expenditure of US\$ 79,745.49 thus, budget performance stood at 39%.

7.1.1 TARIFF AND VALUATION

With regard to review of the CET, two critical milestones were attained: The Partner States agreed on a 4-band structure of 0%, 10%, 25% and a rate above 25%; The regional Task Force mapped 3,447 tariff lines across the three bands accounting for 60.6% of the total EAC CET.

With regard to Rules of Origin, the Technical Working Group (TWG) on Rules of Origin under the Tripartite FTA has fully completed work on 5023 tariff lines in 46 chapters representing 93.24% of the total tariff lines (5387) in the HS 2017 version. Also the TWG developed the manual on the application of TFTA Rules of Origin. (8th Tripartite Sectoral Ministerial Committee of 6th June 2019).

The Secretariat organized verification mission to ascertain originating status of edible oils, cement and lubricating oils manufactured in the Republic of Kenya. (SCTIFI held on 9th February 2018).

On Valuation, the Technical Working Group developed and validated product identification bulletins for the following: Tiles, lubricants, MDF, gypsum, ceiling and plywood boards, motorcycle and bicycle tyres, dry battery, white cement, wines, liquor, iron and steel products. (This was in the Committee on Customs held on 23rd to 26th April 2019).

Budget Execution

The budget allocated to the Tariff and Valuation Department amounted US \$473,250.00 for the financial year 2018-2019 with an expenditure of US\$103,326.64; thus, budget performance stood at 22%.

7.1.2 COMPLIANCE AND ENFORCEMENT

(a) Authorized Economic Operators Programme

With regard to trade facilitation, the Directorate focused on enhancement of the role of the Regional Economic Operator programme. A total of 110 Regional Authorized Economic Operators were recruited and an interim committee on regional AEO Association was established. Once operational, the association will play a critical role in popularizing the AEO programme and the recruitment drive. It will contribute to policy formulation on AEO programme in the region. The number of companies on the program was also expanded from 73 to 82 with distribution per country as shown on the next page:

Table 20: Accredited Authorized Economic Operators

Partner State	Number of AEOs
Burundi	09
Kenya	14
Rwanda	34
Tanzania	02
Uganda	23
Total	82

Source: Committee on Customs-November 2018 report

The Secretariat proceeded with the process of Mutual Recognition Arrangement (MRA) with Korea and India. Correspondences have been exchanged with Korea Customs to progress the action plan to a full MRA but little progress has been made. Correspondences were also exchanged with India, and the final draft of the MRA action plan was exchanged.

(b) Review of the EAC Customs Management Act, 2004 (EACCMA Amendment of section 112 (2) of the EAC Customs Management Act 2004

The Review of EAC Customs Management Act 2004 is underway. It will be finalized by September 2019 as directed by the Sectoral Council on Trade, Industry, Finance and Investment of May 2019 (EAC/SCTIFI 36/Directive 07). Customs systems were enhanced to facilitate smooth exchange of information among Partner States.

During the negotiation of the Common External Tariff under the EAC Customs Union in 2004, the Partner States agreed to honour their obligations that existed before and undertook to review the obligations to comply with the WTO requirements. The obligations included the COMESA and SADC preferential tariff arrangement which the Partner States agreed to apply until 31st December 2008.

The Partner States have been reviewing their obligations and seeking for extension of the application of the COMESA and SADC preferential tariff arrangements until the Partner States conclude negotiations under the Tripartite agreement. The extension under the EAC CMA expired on 31st December 2015 and the Council submitted a recommendation to EALA in March 2016 to grant further extension of the application of section 112 of the EAC CMA beyond 31st Decem-

ber 2015. The EALA considered and enacted the draft bill on 25th May 2016 that would expire on 31st December 2019. Apparently only three Partner States (Kenya, United Republic of Tanzania and Uganda) have assented to the draft bill.

Given that the requested period expires on 31st December 2019 and the bill has not been assented to by all Partner States, a request has been made to EALA for further extension until the Partner States conclude negotiations under the tripartite agreement.

The Sectoral Council on Trade, Industry, Finance and Investment of May 2019 recommended that the Council amend Section 112 of the EAC CMA by deleting Paragraph 2 to read: -

Preferential tariff treatment shall be applied to goods –

- Imported under COMESA and SADC arrangements in the Partner States prescribed in the Partner States' legislation;*
- Imported under any other tariff arrangement that may be approved by the Council. (EAC/SCTIFI 36/Decision 05).*
- Review of the Proposed Amendments to the EAC Customs Management Act and Regulations*

The 38th Council considered the draft proposal for amendments of the EAC CMA, 2004 and directed Partner States to submit to the Secretariat any additional proposals for amendment of the EAC CMA 2004 by 15th January 2019. (EAC/CM38/Directive 5.1)

The Experts considered the proposals submitted by the Partner States and agreed on the provisions to be amended and new insertions. Proposals included among others regulations on Advance Ruling, Single Customs Territory, existing Regulations 150(2) to cater for a mandatory requirement for the two employees of the clearing and forwarding firms to possess an EACFFPC for a customs agency firm to be licensed, Reg. 104(5) relating to condition on transit registered vehicles, 5th Schedule part A item 8 EACCMA on exemption of tax on motor vehicle for the disabled, blind and physically handicapped persons, with regard to when the beneficiary can be eligible for another exemption and Item 5 (7) of Part B of the 5th Schedule of the EAC CMA 2004 to delete the word "General" after the word Commissioner. Regulation 149 (2) to increase customs agent application fee from \$50 to \$100, Regulation 151 (2), Reg. 119(3) to increase from \$1000 to \$2000 on courier individual packages among others.

The Sectoral Council on Trade, Industry, Finance and Investment of May 2019 directed the Secretariat to expedite finalization of the review of the EAC CMA 2004 and its Regulations by September 2019 (EAC/SCTIFI 36/Directive 07).

Budget Execution

The budget allocated to the Compliance and Enforcement Department amounted to \$442,950.00 for the financial year 2018-2019 with an expenditure of \$5,363.27; thus, budget performance stood at 1%.

7.1.3 PROCEDURES AND FACILITATION

Under this function, the Single Customs Territory was further implemented through the roll-out of all exports along the Northern Corridor. Customs systems were enhanced to facilitate instant exchange of information among Customs Administration and SCR process i.e. Air process, temporary imports, transfer of goods among others were reviewed.

Under One Stop Border Posts, the Directorate of Customs implemented a number of initiatives including the development and implementation of the OSBP Procedures Manual, the development of OSBP measurement tool and the assessment of the performance of established OSBPs.

With regard to Customs capacity building, a region-wide OSBP training programme was rolled-out and over 450 government officials and other stakeholders were trained and sensitized on OSBP law and procedures. An AEO training curriculum was also developed and is being used to train stakeholders and potential AEOs.

With regard to the Republic of South Sudan, a targeted EAC Capacity Building programme for RSS was developed and implemented between December 2018 and June 2019. A total of 160 government officials and private sector were trained and sensitized.

On enhancing integrity and reducing corruption within the Customs processes, an Integrity work-plan was developed and approved by the Committee on Customs in November 2018. Key items in the work-plan include creating awareness to Customs officials and other stakeholders. In addition, the Directorate of Customs secured funding for the Regional Anti-corruption/ Integrity Programme for five years from World Customs Organization.

To support the implementation of the Single Customs Territory, the Directorate of Customs commissioned a study on inter-connectivity and an inception report has been submitted. In addition, risk management and valuation modules have been developed and deployed (Committee on Customs held on 23rd to 26th April 2019).

Currently the SCT is applying the COMESA RCTG to facilitate movement of goods on one regional bond. However, to provide alternative mechanism, the Directorate is in the process of developing an EAC Regional Customs Bond. So far the institutional and legal frameworks have been developed.

With regard to elimination of Customs related NTBs, the Directorate has addressed origin issues relating to refined soft oils (Elianto, Risun and Captain cook), pineapple juice, lubricating oils blended locally, cement produced from locally sourced clinker and sunflower cooking oil.

The measures above have enhanced the trade facilitation process in the region. The SCT has led to reduction in turnaround time from three weeks to less than a week on average between the major ports and the hinterland capital cities.



Port of Dar es Salaam. Source: Tanzania Port Authority

Information exchange is done much faster, EAC training tools and manuals are used to support capacity building and uniform operations across the region, staff and stakeholders are able to function within the new Customs arrangements and there are sustained efforts to fight corruption and integrity programmes are in force in all Partner States. Generally, there is a positive impact on the trade processes in the region.

a. The Impact of the Single Customs Territory on the clearance times for goods along the Corridors

Stakeholder sensitization on the Single Customs Territory (SCT) was done: A total of 241 individuals were sensitized on SCT (91 at Mutukula, 88 at Rusumo and 62 at Kobero/Kabanga) and about 400 government officials operating at the borders were trained on the One Stop Border Posts (OSBPs) operations. Currently 13 OSBPs have been completed and are operational, while efforts are underway to complete the remaining three OSBPs (Gatuna/Katuna, Manyovu/Mugina, and Kanyaru/Akanyaru) and Kanyaru/Akanyaru).

Roll-out of the export regime under SCT commenced in July 2018. Stakeholders were trained on SCT processes to facilitate implementation.

The Secretariat embarked on a four-phased approach to the implementation of the SCT Centralized Platform:

- i. Phase 1: Implementation of Proof of Concept (PoC) for centralized platform commenced

in November 2016. The proof of concept has enabled the implementation of intra-trade and piloting of exports under the SCT. Furthermore, it has provided insights into the scope, functionality and capacity required for the centralized solution.

- ii. Phase 2: Evaluation of the progress made, resolution of challenges and up-scaling of the proof of concept to support the remaining SCT processes was undertaken in the period under review.
- iii. Phase 3: Undertaking of a study to develop comprehensive requirements and implementation strategy for the regional Customs Interconnectivity system commenced in February 2019.
- iv. Phase 4: Implementation of the Centralized Platform to be undertaken after the study in 2020.

The implementation of SCT introduced the single entry/declaration (instead of 2 to 4 declarations before), the use of single bond in the community and the use of the Electronic Cargo Tracking System. The introduction of the SCT had a positive impact on revenue collection and dwell time in the ports. The introduction of Single Customs Territory (SCT) together with measures like Electronic Cargo Tracking System (ECTS) and One Stop Border Posts has highly improved efficiency in customs service and highly contributed in boosting the revenue collection among the member countries.

(a) Effect of the SCT on the Port Dwell Time

At least 50% of the cargo cleared under the SCT regime arrived at the Port Exit Gate within 13.5 hours of being offloaded from the vessels as compared to over 72 hours (3 days) and 144 hours (6 days) respectively for Home Use and Transit cargo (Northern Corridor Time Release Study 2016).

(b) Effect of SCT on Border Crossing Time

The impact of the introduction of the SCT can be seen with the total time taken at the Kenya/Uganda Malaba border crossing which is substantially less than that for goods being processed under the other regimes. The average crossing time for goods cleared under SCT regime was 7 hrs 31 mins while for goods cleared under Transit and Home Use Regimes was 19 hrs 45 mins and 5 days 7 hrs 31 mins respectively (Northern Corridor Time Release Study 2016).

On the Central and Northern Corridors, since operationalization of the OSBPs and the SCT, time spent has reduced significantly as trucks are now stopping only on one side of the border for all crossing procedures and operations.

At Rusumo 59.4% reduction of the border crossing time was observed between 2015 to 2019 where the OSBPs were operational. A reduction of about 78.5% was observed for Mutukula while at Kobero a reduction of about 59.8% was observed for border crossing. Reduction of about 73% at Busia, 83.5% at Holili/Taveta and 82.5% at Mirama/Kagitumba was also observed (Central Corridor Performance Monitoring Report 2016).

(c) Effect of the SCT at Inland Stations

The impact of the SCT can also be seen in the lower dwell times for trucks at inland stations. Since the introduction of the EAC SCT, an increasing number of agents and transporters are paying duties and taxes before the goods leave their station of origin in the Community and are able to transport goods direct to their premises (destination).

(d) Ease of doing business rank of EAC Partner States

The implementation of the SCT and other initiatives are important steps in the more efficient movement of goods along the Corridors and the positive effects are being felt with almost all EAC Partner States having improved their standing in the World Bank Doing Business Report's Trading Across Border rankings since 2013 (Northern Corridor Time Release Study 2016).

With regard to impact of implementation of exports under SCT, the rollout of exports is just starting and not all Partner States have implemented exports under SCT.

The Sectoral Council on Trade, Industry, Finance and Investment of May 2019 directed the Secretariat to undertake a comprehensive analysis on the impact of SCT implementation and report in the SCTIFI of May 2020 (EAC/SCTIFI 36/Directive 10); and review implementation status of the various customs regimes and finalize pending areas by 30th July 2019 (EAC/SCTIFI 36/Directive 11).

The Single Customs Territory Conference is planned to be held in September 2019 to assess what has been achieved, challenges and propose measures to move SCT forward. It will be an opportunity to examine the adequacy of the legal, institutional and policy framework, the resource availability and technological capacity in order to define the future of the Single Customs Territory as a fulcrum in trade facilitation and regional integration in the EAC.

Operationalization of OSBPs

A program of capacity building and sensitization has been undertaken for the benefit of officers on Post borders including clearance agencies and is still ongoing.

a. Assessment of the One Stop Border Posts

Following the establishment and operationalization of One Stop Border Posts (OSBP) in the EAC region, the 34th Extra Ordinary Council of Ministers directed the EAC Secretariat to undertake an assessment of the OSBP (EAC/EXCM 34/directive 02) to confirm whether they are oper-

ating in accordance with the OSBP Act, Regulations and Manual.

In this regard, the EAC Secretariat together with experts from Partner States conducted an assessment of twelve OSBPs namely Busia, Gasenyi/Nemba, Gatuna/Katuna, Holili/Taveta, Isibania/Sirali, Kagitumba Mirama Hills, Kobero/Kabanga, Malaba, Mutukula, LungaLunga / Horohoro, Namanga and Rusumo between 26th November 2018 and 1st December 2018.

The assessment team noted that there are pertinent issues affecting smooth operations at the OSBPs related to infrastructure, operating environment, sanitation, equipment and technology that need to be addressed. The EAC OSBP Performance Measurement Tool was launched on 26th September 2019 during the High Level Conference on Trade Integration 2019. The purpose of the tool is to facilitate continuous monitoring and evaluating the performance of the OSBPs across borders. The border crossing target time was set as one (1) hour for cargo, 30 minutes for small scale traders and 3 minutes for each passenger (EAC/SCTIFI 36/Directive 15). A draft sustainability strategy was also developed with the purpose of having clear indicators of maintaining the OSBP structure.

b. OSBP performance measurement tool

After the construction of the OSBPs, the performance measurement tool was identified as one of the tools to assist in enhancing management and improvement of the operations of the facilities. In this regard, the Secretariat embarked on an exercise to develop a tool to monitor and measure the performance at OSBPs. As culmination of the exercise a validation meeting

was held from 27th February to 1st March 2019 in Kampala, Uganda. It was attended by experts from Partner States and other stakeholders. The meeting refined and validated the OSBP Performance Measurement tool consisting of the following Key Performance Indicators: -

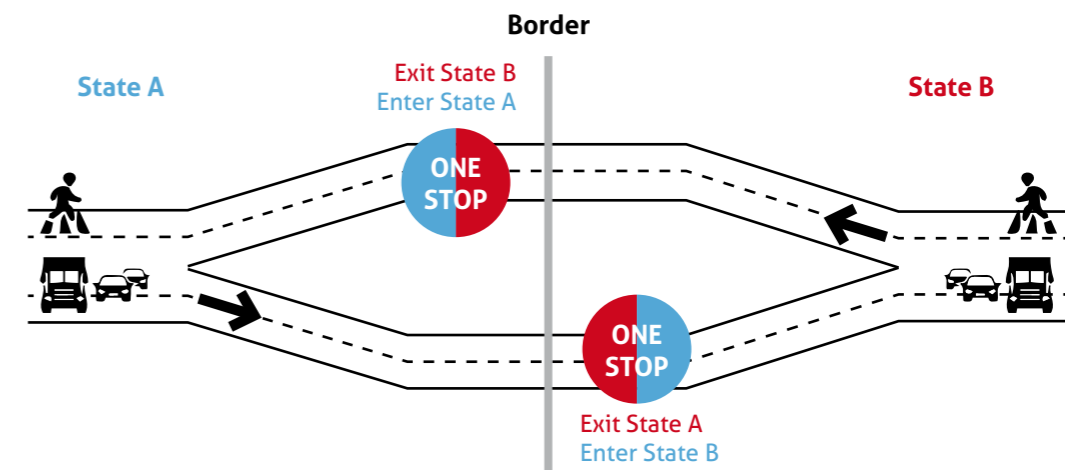
- a) Average cost of operation at the OSBP.
- b) Average border crossing time.
- c) OSBP Volume/throughput.
- d) Availability and adequacy of infrastructure facilities.
- e) Progress towards the implementation of Coordinated Border Management.

The Sectoral Council on Trade, Industry, Finance and Investment May 2019 directed the Partner States that border crossing target time be one (1) hour for cargo, 30 minutes for small scale traders and 3 minutes for each passenger (EAC/SCTIFI 36/Directive 15); the Partner States' border agencies should address the issues/findings contained in the OSBP Assessment Report (EAC/SCTIFI 36/Directive 16); and the Secretariat to develop an EAC OSBP sustainability strategy that will provide modalities for the maintenance, management, knowledge transfer, monitoring and evaluation of the facilities and operations (EAC/SCTIFI 36/Directive 17).

The 38th Council directed the Partner States to operationalize the completed OSBPs and to ensure that they operate for 24 hours (EAC/CM38/Directive 07).

Challenges Faced

- The Ruhwa OSBP is still nonoperational due to the issues between Rwanda and Burundi
- The trade between Rwanda and Uganda is affected by the construction of Gatuna OSBPs.



Source: OSBP source book



Electronic Cargo Tracking System station in Kigali, Rwanda. (Source: Photo taken by RRA officers)

c. Operations of the Tanzania Revenue Authority Electronic Cargo Tracking System and the Regional Electronic Cargo Tracking System.

i) Tanzania Electronic Cargo Tracking System (TECTS)

The system is only operational at the Ports of Dar es Salaam and Tanga to monitor goods exiting through five customs border stations namely; Mutukula, Rusumo, Tunduma, Kabanga and Kasumulu.

ii) Regional Electronic Cargo Tracking System (RECTS)

The RECTS is a harmonized system connecting Kenya, Rwanda and Uganda on the Northern Corridor. The system is integrated corridor-wide on a 24/7 basis via Central Monitoring Centers (CMC) in Nairobi, Kampala and Kigali. The RECTS system has inbuilt alerts that trigger alarms whenever there is a diversion, unauthorized stops or tampering of e-Seal. EAC Partner States agreed to interface with the Cargo Tracking System.

(d) Capacity Building

Trainers who were involved in the delivery of the OSBP training under the Common EAC OSBP Curriculum met in Mombasa from 7th to 9th November 2018 to review the implementation of the OSBP training and update the training materials in the light of the realities they encountered on the ground. At the end of the review of the programme implementation, the trainers made the following recommendations among others:-

- (a) Training to be organized for the local communities;

- (b) Training to be compulsory for all OSBP officials;
- (c) Other topics related to health, climate change among others to be part of the training;
- (d) Due to transfers, the number of officers trained on OSBP be increased;
- (e) Trained OSBP Trainers to be fully utilized in the OSBP trainings at the National levels;
- (f) Conduct TOTs on OSBP; and
- (g) Top management to receive training on OSBPs.

The training materials were updated but it was recommended that further training materials on specialized areas pertinent to the OSBP i.e. environment, climate change and health be developed. It was agreed that with the support of TMEA, another training materials development workshop be conducted to undertake this exercise. In addition, arrangements are underway to conduct OSBP training for officials from headquarters coordinating OSBP matters as well conduct sensitization of the community around Tunduma/ Nakonde OSBP.

e. Customs trainer accreditation

The EAC has developed a Trainer/Expert accreditation programme and an Expert database. In order to roll out the implementation of the Trainer/Expert programme as well as utilize the Expert Database tool, the Secretariat wrote a letter to Partner States calling for submission of names of trainers who will undergo the trainer accreditation process. So far only Kenya and Rwanda have submitted the names of trainers to undergo the EAC trainer accreditation process.

The Sectoral Council on Trade, Industry, Finance and Investment directed the Republic of Uganda, URT and the Republic of Burundi to submit nominees to be accredited as EAC Customs Trainers by 30th June 2019 (EAC/SCTIFI 36/Directive 21).

f. Integration of South Sudan

The roadmap for integration of the Republic of South Sudan identified key priority areas as follows:

- a. Regional Integration in East Africa;
- b. EAC Legal and Judicial Framework;
- c. EAC Customs Union;
- d. EAC Trade Integration;
- e. EAC Common Market Protocol;
- f. EAC Transport and Infrastructure for Trade Facilitation; and
- g. EAC Monitoring and Evaluations Instruments.

The Capacity Building Programme for the Republic of South Sudan commenced in December 2018. So far the Secretariat has covered the following areas:

- (i) Regional Integration in East Africa;
- (ii) EAC Legal and Judicial Framework;
- (iii) EAC Customs Union (partially done); and
- (iv) EAC Transport and Infrastructure for Trade Facilitation.

Under Customs integration, Introduction to EAC Customs Union Protocol, EAC Customs Valuation, EAC Rules of Origin, and Sensitization on Single Customs Territory have been covered for the private sector in RSS. On 17th to 19th April 2019, senior officials from the Republic of South Sudan undertook a familiarization mission at the EAC headquarters. They were sensitized on the EAC functions and institutions.

So far, a total of 99 officials and other stakeholders in the Republic of South Sudan have been sensitized and trained on the above key priority areas.

The Secretariat is yet to undertake training in the following areas:-

- (i) Customs procedures and trade facilitation;
- (ii) Training on trade integration i.e. trade programme, NTBs, international trade and trade negotiations and trade in service; and
- (iii) Training on Common Market Protocol.

The Secretariat planned to conduct training on Customs Procedures and trade facilitation on 30th April to 3rd May 2019 and on Common Market Protocol during the first week of June 2019. Due to the current security situation in South Sudan the training was conducted in Juba. In this regard, a general training and sensitization session at Nimule, the South Sudan border with Uganda, has been planned for a small population of government officials and private sector who could not travel to Juba for the training in June 2019.

Having interacted with the officials from the Republic of South Sudan and undertaken a GAP analysis of the capacity of the Customs Administration, it is recommended that the future capacity building interventions include among others:-

- (i) Institutional capacity building in development of requisite policies and procedures;
- (ii) Human resource capacity building including intensive training in key Customs technical areas for a longer period than the two days being done; and
- (iii) Attachments in sister Customs Administrations and study tours to ports, OSBPs among others.

The Sectoral Council on Trade, Industry, Finance and Investment directed Secretariat to support the Republic of South Sudan to develop institutional policies and procedures (EAC/SCTIFI 36/Directive 20);

The Secretariat is planning to implement the above directive in the next FY 2019/2020.

g. Customs integrity and anti-corruption Programmes in Customs

Corruption can affect the legitimacy of Border agencies including Customs administrations and severely limit its capacity to accomplish its mission of protection, revenue collection and trade facilitation. Corruption can also compromise compliance to border security measures making border areas and border crossing points vulnerable to trafficking and other cross border threats. The Committee on Customs held on 2nd November 2018 adopted the Action Plan on the Customs Integrity Strategy 2018/19-2021/22 and the code of conduct was published and distributed to the Customs administrations. The

materials with anti-corruption messages were procured and will be distributed during the Customs meeting.

Budget Execution

The budget allocated to the Procedure and Facilitation Department amounted \$772,300.00 for the financial year 2018-2019 with an expenditure of \$270,947.21; thus, budget performance stood at 35%.

Challenges

- Budget constraints and late disbursement of funds;
- Delayed or non-implementation of policy organs directives and decisions;
- Delayed operationalization of the Gatuna/Katuna OSBP. This hinders the smooth movement of goods through this border;
- Ruhwa/Ruhwa OSBP is not functional due to Burundi/Rwanda management issues of OSBPs.

7.2 TRADE

7.2.1 INTERNAL TRADE

The mandate of Internal Trade Department is to create a conducive environment that promotes Intra-EAC trade in the region to facilitate free movement of goods within the Community by removing barriers and other forms of trade restrictions imposed by Partner States.

During the period under review, the Internal Trade Department planned three key activities specifically; to prepare the EAC Trade and Investment Reports (2017 & 2018); eliminate NTBs in EAC Region; and facilitate movement of Small and Micro- Enterprises' goods in the EAC Market.

The key achievements were: -

a) Trade statistics compiled and disseminated

The Internal Trade department in close collaboration with Partner States developed and published the EAC Trade and Investment Report 2017. The EAC Trade and Investment Report 2017 was adopted by SCTIFI in November 2018, **d (EAC/SCTIFI/35/Decision 15) and** uploaded on EAC website for public use.

During the same period, the Department also

developed and published the EAC Trade and Investment Report for 2018 which was adopted by SCTIFI in May 2019, **(EAC/SCTIFI/36/Decision 16).**

b) Elimination of NTBs in EAC Region

The Department convened experts' and policy meetings to consider NTBs existing in the region. During the period under review the status of NTBs was as shown below:

- (i) Seven (7) NTBs were resolved;
- (ii) Eleven (11) NTBs remained unresolved;
- (iii) Five (5) new NTB were reported;
- (iv) One hundred and seventy-four (174) NTBs were resolved cumulatively since 2009
- (v) One (1) re-occurring NTB.

c) Reviving the Online NTBs Reporting, Monitoring and Elimination Mechanism

The Department undertook hands-on trainings for members of the National Monitoring Committee on NTBs (NMC) in Partner States to equip them with technical know to use the Online NTB Reporting, Monitoring and Elimination Mechanism and the East African Community Monitoring System (EAMS). A total of two hundred and forty (240) NMC members were trained. Some areas of the system were also improved. The EAC Secretariat further validated the Monitoring System through a regional meeting.

d) Review of the EAC Elimination of NTBs Act 2017 and Development of the Regulations to operationalize the Act

The EAC Elimination of NTBs Act 2017 was reviewed as per SCTIFI directive and Regulations to operationalize the Act were developed.

The key outputs were: the Draft Reviewed EAC Elimination of NTBs Act 2017 and draft EAC Elimination of NTBs Regulations.

e) Promotion of the Movement of medium, small and medium enterprises (MSMEs) goods in the EAC Single Common Market promoted

In collaboration with Partner States, the Secretariat and the Confederation of Informal Sector Organization (CISO) held a successful 19th EAC



The Cabinet Secretary for Industrialization, Trade and Cooperatives, Hon. Peter Munya (extreme Right) with other VIPs dance to the tune Kuenda Mbele (moving forward) composed by Uasin Gishu County performers during the Opening Ceremony

Micro, Small and Medium Enterprises Trade Fair (formerly known as the Jua Kali/Nguvu Kazi Exhibition) in December 2018 in Eldoret, Kenya. The objective of the trade fair was to provide a platform for enhancing market linkages for Micro, Small and Medium Enterprise (MSME) sector products and services to enable them access the existing regional market.

The table below shows the number of exhibitors from each Partner State:

Table 21: Number of exhibitors from Partner States

Partner State	No. of exhibitors
Burundi	70
Kenya	920
Rwanda	51
Uganda	120
Tanzania	250
Total Exhibitors	1,411

Source: Committee on Customs-November 2018 report
Note: The Republic of South Sudan did not send exhibitors to take part in the exhibition.

Budget Execution

The approved budget for the Internal Trade Department was US\$ 647,050.00 while the actual utilized budget is US\$ 208,244.00 representing 32% budget utilization.

Challenges

- (i) The late payment of Partner States contributions caused the low budget utilization.
- (ii) The low budget utilization is attributed to lack of liquidity in Partnership Fund.
- (iii) The Development Partners have pulled out from funding the activities of the Department.

Recommendation

- (i) Partner States should make timely payments of their annual statutory contributions to ensure the Secretariat implements planned activities.
- (ii) There was need for Finance and Administration (F&A) Committee to increase the budget ceiling for the Internal Trade Department to support key activities.

7.2.2 INTERNATIONAL TRADE

The mandate of International Trade Department is to promote trade between EAC region and the rest of the world through negotiating trade agreements with third parties. The Department provides strategic guidance during trade negotiation processes and organizes EAC Partner States to develop and agree on the EAC common position.

The International Trade Department coordinated the development of regional and national action plans on Trade Facilitation and draft Regional Action Plan on Trade Facilitation was finalized during the Second Meeting of the EAC Subcommittee on Trade Facilitation held in June 2016.

During the period under review, the International Trade Department implemented the sensitization and awareness raising programs on WTO TFA; concluded and implemented the TFA measures under category B and C; TFTA and CFTA negotiations; implemented the EAC-US Trade and Investment Partnership; finalized the Cost benefit analysis on trade agreements with third parties; finalized and implemented the EAC Export Promotion Strategy 2017-2022; implemented the EAC AGOA Strategy; finalized and operationalized the Special Economic Zones policy and regulations; promoted the Free Movement of Services in the region; developed the EAC Trade Policy by 2021; and promoted the free movement of services in the region.

The key achievements were:

a) TFA measures under category B and C

Trade Portals were launched in Kenya, Rwanda, Tanzania, and Uganda. Development of the Trade Portal in Burundi is ongoing. Concept papers for priority project proposals at regional and national levels have been developed and will be tabled to development partners for funding.

b) TFTA and CFTA negotiations concluded and implemented

EAC Preparatory Meetings were undertaken for AfCFTA and TFTA negotiations. On AfCFTA, modalities for sensitive and excluded products were agreed upon as well as the guidelines for scheduling of services, commitments and regulatory frameworks. On TFTA negotiations, the exchange of tariff offers is nearly complete. On Rules of Origin, out of a total of 5,387 tariff lines (at 6-digit level HS 2017 version), 4,742 tariff lines have been agreed (88% of all the tariff lines).

c) EAC-US Trade and Investment Partnership implemented

The EAC proposal on a Cooperation Agreement on Investment Facilitation was finalized and approved by SCTIFI as the basis for negotiating Investment Facilitation Agreements with the U.S. and other third Parties.

d) Cost benefit analysis on trade agreements with third parties finalized

The study is being undertaken in-house by the EAC.

e) EAC AGOA Strategy implemented

EAC Position Paper for the 2018 AGOA Forum was developed and presented to the consultative Group of African Ministers of Trade for incorporation as the African position and subsequently presented to the U.S.

f) Special Economic Zones policy and regulations finalized and operationalized

Divergences still exist among the EAC Partner States on the threshold goods exported by EPZ firms. This has hindered the finalization of the SEZ policy.

g) Promote the Free Movement of Services in the Region

A draft Mechanism for monitoring the removal of restrictions on Trade in Services was reviewed by EAC Experts. Private sector workshop was held to gather views on challenges faced and organization of a coalition of

services sectors to champion private sector interests. Finalized amendments on Trade in Services Schedules of Commitments and merging of the schedules was undertaken.

h) EAC Trade Policy Developed by 2021

Preparatory activities for the WTO Trade Policy review of EAC Partner States were undertaken, which culminated into the adoption of the EAC Government Report by SCTIFI. This report was submitted to the WTO Secretariat to be considered by other WTO Member States. EAC Regional Trade Policy is underway.

i) Promote the free movement of services in the region

The amended Schedule of Commitments on Trade in Services were merged and reviewed by Partner States. A draft Mechanism for monitoring the removal of restrictions on Trade in Services was reviewed by EAC Experts. A multi-stakeholder forum on Trade in Services reviewed the findings of the Common Market Scorecard 2016 and Action Plan for implementation.

Budget Execution

The budget allocated to International Trade Department amounted to **US\$ 408,900.00** while the budget utilization was **US\$131,806.01** representing 32% budget utilization.

7.2.3 STANDARDIZATION, QUALITY ASSURANCE, METROLOGY AND TESTING (SQMT)

The Department is mandated to ensure the standardization, quality assurance, metrology and testing of products produced or traded in the Community in order to facilitate industrial development and trade and to make provision for ensuring the protection of health and safety of society and environment in the Community.

During the period under review, the SQMT Department planned to: harmonize priority standards and conformity assessment procedures to facilitate trade; provide capacity building on training reports implementation of SQMT activities; publish EAC Gazette and develop an online EAC Catalogue; facilitate mutual recognition of conformity assessment procedures by the Partner States to facilitate trade.

Key achievements were:

a) Priority Standards and conformity assessment procedures harmonized to facilitate trade

Forty-four (44) standards were harmonized and declared as East African Standards covering the key sectors of Oil Seeds, Fats and Oils, Packaging drinking water, Textiles, Textiles Products and Accessories. The 44 standards gazette and authentic text was circulated to Partner States to facilitate its adoption and implementation as per the SQMT Act.

Draft monitoring mechanism on adoption and use of the harmonized standards by the Partner States was developed and is awaiting validation.

b) EAC Gazette Published and an online EAC Catalogue Developed

EAC Gazette 2018 published an online catalogue with online pretesting validation planned for 6th to 7th March.

c) Coordination of SQMT activities

Development and approval of the SQMT Strategic plan that lays out broad strategies to harmonize standards, measurement systems, accreditation and conformity assessment regimes to reduce NTBs related to standards and increase trade across and beyond the borders of EAC Partner States. The plan is in line with the 5th EAC Development Strategy.

d) Awareness and publicity of harmonized standards

The following was achieved:

NSBs monitoring visits to validate adoption and implementation status by each Partner State were carried out;

Peer assessment of the conformity assessment systems to harmonize conformity assessment procedures for inspection, certification, market surveillance and testing with a view to reduce standards implementation related NTBs, build trust and confidence in each Partner State's systems leading to mutual recognition of the certification marks and test certificates resulting into enhanced intra EAC trade was done.

Draft monitoring mechanism on adoption and use of the harmonized standards by the Partner States was developed and is awaiting validation.

Data base of conformity assessment bodies and their competences (laboratories and inspection bodies) both private and public to enhance service delivery to the private sector including contribution to fast clearance of goods is under development.

Budget Execution

The budget allocated to SQMT department amounted US\$380,575.00 while the budget utilization was US\$ 119,747.89 representing 31%. The low budget utilization is attributed to lack of liquidity in Partnership Fund, under which SQMT activities were budgeted.

08 /

The Office of Deputy Secretary General- Finance and Administration

8.1 ADMINISTRATION

The Administrative Department provides a safe and conducive environment for staff, Partner States delegations and visitors to the EAC Headquarters to enable them perform their duties effectively. It ensures that goods and services are procured and dispensed, supporting conferencing, managing estates, and proving security of staff and assets.

The development objectives for the period under review were to strengthen the service support sectors. This was done continuously by managing all procurement processes which ensured that goods and services needed for effective functioning were provided; EAC meetings for 2018/19 were effectively managed; Office supplies and stores were well managed and availed to EAC Organs; EAC HQ was well maintained, security was maintained and staff and assets were insured. This provided a good working environment for all.

Budget Execution

The budget allocated to the Administration Department amounted US\$ 306,284.00 for the financial year 2018-2019 with an expenditure of US\$ 282,162.36 representing 92% of budget execution.

8.1.1 HUMAN RESOURCES AND ADMINISTRATION

The purpose of the Department is to procure and manage EAC workforce from entry to separation from service for effective service delivery to the Community.

In the period under review, the Human Resource Department planned to conduct a functional analysis by December 2018 in preparation for the EAC Commission; establish and operationalize a Forum for HR experts in Partner States, Organs and Institutions to champion the change initiatives by June, 2019; Develop and implement the Human Resource Plan to support the implementation of the 5th Development Strategy by June 2019; develop and implement the capacity building plan for all staff and governance by June 2019; Complete a Change Management process by June 2019; convene two extraordinary meetings of Finance and Administration committee by June 2019; train staff in performance management by June 2019; fill positions that have fallen vacant during the FY;

and pay staff remunerations, benefits and other entitlements timely.

The key achievements were:

- a) Quarterly meetings of Ad hoc EAC Service Commission were facilitated. The Commission managed the recruitment processes for advertised positions to conclusion. It also finalized the Job Evaluation and Workload Analysis exercise. The report was tabled before the 40th Meeting of Council of Ministers who adopted it.

Staff Emoluments were paid every month; all staff was insured for both life and medical insurance. Staff Wellness and team building programmes were developed and implemented.

Budget Execution

The budget allocated to the Human Resource Department amounted US\$ 15,699,898.50 for the financial year 2018/2019 with an expenditure of US\$ 13,459,850.07 representing 86% budget execution.

Challenges and recommendations

Most activities were not implemented due to lack of funds.

8.1.2 MANAGEMENT INFORMATION

The Department's core responsibility is providing an efficient information management system for EAC records and archives. In the period under review the global objective was to strengthen all Organs and Institutions of the Community to effectively execute their mandates. Management Information in particular planned to enhance the management of records and archives by improving the flow of information between EAC and her stakeholders, enhance records preservation by digitizing all EAC records and provide them to users as well as providing necessary documentation during statutory meetings.

The key achievements were:

- a. Information flow between EAC and stakeholders was improved.
- b. EAC records and archives were better preserved by digitization of 6,015 records that were fed into the electronic records system.
- c. Documentation was provided for the following statutory meetings: 37th Extraordinary Council of Ministers (August 2018); 38th

Council of Ministers (January 2019), 38th Extraordinary Council of Ministers (May 2019); and 39th Extraordinary Council of Ministers (February 2019). This led to efficiency in decision-making by the relevant EAC Organs and preserved the integration milestones in documentary evidence.

Budget Execution

The budget allocated to the Management and Information Section amounted US\$ 269,735.20 for the financial year 2018-2019 with an expenditure of US\$.102,519.56, representing 38% of budget execution.

Challenges

The absence of substantive job holders continues to be experienced in the registry which threatens information security.

8.1.3 INFORMATION AND COMMUNICATION SECTION

The EAC ICT Strategy was developed awaiting approval by ICT Steering Committee and the Terms of Reference were developed and procurement is underway.

Budget Execution

The budget allocated to the information and communication section amounted US \$800,666.91 for the financial year 2018-2019 with an expenditure of US\$ 567,883.85 leading to budget execution of 71%.

8.1.4 LIBRARY AND DOCUMENTATION

In the period under review, the Information Resource Center (IRC) planned to undertake knowledge management attachment programs, engage digitization experts, roll out digitization project to EAC Institutions, upgrade and maintain systems/licenses and procure consumables, conduct meeting of the Digitization Working Group, train key IRC staff in digital preservation and maintenance of digitized resources, develop policies, standards and guidelines, conduct a validation workshop, participate/organize exhibitions in EAC events within EAC region, collect sector related policy documents that require policy harmonization from Partner States, acquisition of books and publications, subscribe to journals, subscribe to online databases, pay professional annual membership subscription

and conduct TWGIRC meeting for Information Management.

The key achievements were:

- IRC collection increased to more than one hundred and twenty-five (125) information resources (books and journals), Subscription was made to online resources namely; Consortium of Tanzania University Libraries (COTUL), EBSCO, Press Reader, and the department is in the process of bringing Baobab on board.
- The IRC is a member of Professional Library Associations namely; SCECSAL and IFLA.
- The IRC developed a Strategic Plan for Data, Information and Knowledge Management 2018/19 – 2022/23 and guidelines on sharing data, information and knowledge in EAC.
- The Technical Working Group on Information Resource Centers (TWGIRC) meeting that was held in the Republic of Burundi, December 2018, deliberated on a range of data, information and knowledge management matters that included among others the adoption of the "EAC Information and Knowledge Resources Marketing Strategy".

Budget Execution

The budget allocated to the Library and Documentation Center amounted to USD\$294,900.00 from Partner States, and the execution was 24%.

The Library and Documentation Center was allocated USD \$294,900.00 from Partnership Fund. However, these funds were not received.

8.1.5 CONFERENCES SECTION

In the period under review, the Conferences Section planned to manage and coordinate meetings and conference logistics well.

The key achievements were:

- a) **Meetings and conference logistics well managed and coordinated.**

The 37th Extraordinary Council of Ministers and the 38th Ordinary Council of Ministers were well facilitated: rooms were allocated, refreshments and meals served, proper and appropriate coordination with other EAC departments was maintained for efficient management of the meetings.

Budget Execution

The budget allocated to the Conferences Section amounted US\$ 71,600.00 for the financial year 2018/2019 with an expenditure of US\$59,726.19, representing 83% of budget execution.

8.2 DIRECTORATE OF FINANCE

The Directorate of Finance administers and manages all financial aspects of the Community including preparations and control of the budget, control of expenditure; documentation of all the receipts and payments, assets and liabilities and safe custody of security documents, and facilitation of audit. This is derived from the EAC-Financial Rules and Regulations (2012) as specified in the Articles 7(h), 132 and 135 of the Treaty for Establishment of the East African Community (EAC).

The Directorate registered the following key achievements during the Financial Year 2018/2019:

- The Directorate has continuously improved her systems. EAC has engaged the services of a consultant to develop the Budget Requisition and Accountability system (BRAS) which will be interfaced with the currently existing systems, the Budget Management System and the Financial Accounting Information Systems – SUN systems. Delivery is expected by June, 2020.

- EAC Secretariat is also developing the EAC Financial Statement Preparation Dashboard, a feature that will enhance the preparation of financial statements of the Community.
- The Budget Management System (BMS) is fully operational and integrated across Organs and Institutions of the Community.
- The Community through directives of the Sectoral Council Finance and Economic Affairs has engaged the services of a consultant to undertake a comprehensive study on required reforms to align the EAC programs and activities with available resources to ensure sustainable financing of EAC.
- The Directorate of Finance has enhanced the capacity of its staff with contemporary leading practices in operational Accounting and Finance issues on a continuous basis.
- Internal capacity skills enhancement for finance staff within the Directorate is also conducted on existing operational systems like the Accounting Information Systems (SUN Systems; the Budget Management Systems (BMS, Fixed Asset Management system: Hardcart etc.) and related reporting tools.

EAST AFRICAN COMMUNITY SECRETARIAT, STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2019

Table 22: Statement of Financial Position as at 30th June 2019

		30/06/2019	30/6/2018 (audited)
ASSETS	NOTES	USD	USD
Current Assets			
Cash and Cash Equivalents	1	4,386,825	8,756,398
Other Financial Assets	2	5,000,000	2,000,000
Receivables from non-Exchange Transactions	3	15,204,196	10,531,615
Receivables from Exchange Transactions	4	606,253	81,363
Inventories	5	127,052	156,705
Taxes Recoverable	6	2,584,386	2,290,522
Total Current Assets		27,908,712	23,816,604
Non-Current Assets			
Work in Progress	7	1,219,054	0
Property, Plant and Equipment	8	17,574,469	18,058,421
Intangible Assets	9	49,993	1,001,214
Total Non-Current Assets		18,843,516	19,059,635
Total Assets		46,752,228	42,876,239
Liabilities And Net Assets/Equity			
Current Liabilities			
Payables	10	4,257,860	3,831,173
Employee Benefits	11a	1,276,224	1,257,522
Deferred Funds From Development Partners	12	3,636,458	4,089,876
Other Current Liabilities	13	65,259	65,282
Total Current Liabilities		9,235,801	9,243,854
Non-Current Liabilities			
Employee Benefits	11b	4,962,098	3,464,454
Deferred Credit For Assets	14	1,595,422	1,333,047
Total Non-Current Liabilities		6,557,520	4,797,501
Total Liabilities		15,793,321	14,041,355
Net Assets/Equity			
Capital contribution and Grant		17,375,145	17,883,293
Accumulated Surplus		13,583,761	10,951,590
Total Net Assets/Equity		30,958,906	28,834,884
Total Liabilities And Net Assets/Equity		46,752,228	42,876,239

EAST AFRICAN COMMUNITY SECRETARIAT, STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2019

Table 23: Financial Performance as at 30th June 2019

REVENUE		2018/19	2017/18
Revenue from non-Exchange Transactions	NOTES	USD	USD
Contribution from Partner States	15	20,810,988	19,877,916
Special funds from Development Partners	16	12,884,492	14,533,241
Other Revenue	17	48,786	28,450
Total		33,744,266	34,439,607
Revenue from Exchange Transactions			
Other Revenue	18	169,953	298,709
Total Revenue		33,914,220	34,738,316
EXPENSES			
Salaries, Wages and Employee Benefits	19	13,045,857	13,195,170
Administrative, Meetings & Consultancy Expenses	20	15,840,092	16,725,420
Transfers to Other Institutions	21	762,507	1,947,486
Finance Cost	22	81,485	23,253
Depreciation and amortization Expenses	23	1,488,531	1,153,510
TOTAL		31,218,473	33,044,839
SURPLUS / (DEFICIT) FOR THE PERIOD		2,695,747	1,693,478

EAST AFRICAN COMMUNITY SECRETARIAT, STATEMENT OF CHANGES IN NET ASSETS/EQUITY AS AT 30 JUNE 2019

Table 24: Statement of Changes in Net Assets/Equity at 30th June, 2019

	Capital Contribution / Grant	Accumulated Surplus	Total Net Assets / Equity
Description	USD	USD	USD
At 1 July 2017	18,768,229	8,427,236	27,195,465
Prior year adjustment	(88,299)	34,240	(54,059)
Surplus / (deficit) for the year	(796,636)	2,490,114	1,693,478
At 30 June 2018	17,883,293	10,951,590	28,834,884
Review of accumulated depreciation for assets	776,803	0	776,803
Transfers from/to Reserve	-	(1,348,527)	(1,348,527)
Surplus / (deficit) for the year	(1,284,951)	3,980,698	2,695,747
At 30 June 2019	17,375,145	13,583,761	30,958,907

EAST AFRICAN COMMUNITY SECRETARIAT, CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2019

Table 25: Cash Flow Statement for the Year Ended 30th June 2019

Description	Note	2018/19	2017/18
		USD	USD
Cash flows from operating activities			
Surplus / (Deficit) at the end of the year		2,695,747	1,693,478
<i>Add back (Sub struck):</i>			
Depreciation and Amortization for the year	23	1,488,531	1,153,510
Interest Received	18	(150,541)	(100,690)
(Profit) Loss on Assets disposed/Written off	18	(11,256)	(20,060)
		4,022,481	2,726,238
Changes in working Capital			
(Increase) / Decrease in Receivable from Non Exchange Transactions	3	(4,672,581)	(4,005,861)
(Increase) / Decrease in Receivable from Exchange Transactions	4	(524,890)	(19,654)
(Increase) / Decrease in Inventory	5	29,653	(32,351)
(Increase) / Decrease in Prepayments		0	4,000
(Increase) / Decrease in Taxes Recoverable	6	(293,863)	(412,682)
Increase / (Decrease) in Payables	10	426,687	(252,729)
Increase (Decrease) in Employee Benefits	11(a)&(b)	1,516,345	1,449,760
Increase (Decrease) in Deferred Revenue	12	(453,418)	246,607
Increase / (Decrease) in Other Current liabilities	13	(23)	(1,358)
Increase / (Decrease) in Deferred Credit for assets	14	(262,376)	(104,589)
Net Cash flows from operating activities		312,766	(402,620)
Cash flow from investing activities			
Acquisition of fixed assets	8 & 9	(89,070)	(131,635)
(increase)/Decrease in work in progress (excl. recl.)	7	(395,283)	0
Proceeds from disposal		-	43,901
(Increase) Decrease in PPE due to review of useful lives of assets		-	(77,899)
Decrease (increase) in Investment in Fixed Deposits	2	(3,000,000)	100,000
Cash generated from investing activities		(3,484,353)	(65,633)
Cash flow from Financing activities			
Interest Received	18	150,541	100,690
Transfers to (from) Reserve Fund		(1,348,527)	0
Cash generated from financing activities		(1,197,986)	100,690
Net increase in cash and cash equivalents		(4,369,573)	(367,563)
Cash and cash equivalents at beginning of period	1	8,756,398	9,123,961
Cash and cash equivalents at end of period	1	4,386,825	8,756,398

EAST AFRICAN COMMUNITY SECRETARIAT, STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30 JUNE 2019

Table 26: Statement of Comparison of Budget and Actual Amounts for the Year Ended 30th June 2019

Description	Budgeted Amounts in USD		Actual Amounts on comparable basis in USD	Difference: Final Budget and Actual (in USD)	Explanation of variances
	Original	Final			
RECEIPTS					
Contribution from Partner States	18,435,520	20,810,988	11,178,933	9,632,055	(1)
Special funds from Development Partners	26,957,707	30,584,233	13,326,185	17,258,048	(2)
Miscellaneous Revenue	168,060	554,460	218,740	335,720	
Total Receipts	45,561,287	51,949,681	24,723,858	27,225,823	
PAYMENTS					
Salaries, Wages and Employee Benefits	15,620,115	15,620,115	13,045,857	2,574,257	(3)
Administrative, meetings & consultancy Expenses	26,592,005	32,980,399	11,582,232	21,398,167	(4)
Transfers to Other Institutions	762,507	762,507	762,507	0	
Finance Cost	52,660	52,660	81,485	(28,825)	(5)
Capital Expenditure	2,534,000	2,534,000	89,070	2,444,930	(6)
TOTAL	45,561,287	51,949,681	25,561,152	26,388,529	
NET RECEIPT / (PAYMENTS)	0	0	(837,294)		

Explanation of Variances

- (1) As at 30th June 2019, the Secretariat had received 60.64% of the Partner States contribution. To alleviate effects of late disbursement, funds were borrowed from the EAC General Reserve.
- (2) The amount received from Development Partners was USD\$13, 326,185, representing 44% of the amount budgeted for. For other projects, the next disbursement is subject to absorption capacity, which explains the variance between the budget and received amounts.
- (3) And (4) are positively correlated. There were a number of project staff positions not filled and activities not carried out, due to late disbursements from Development Partners.
- (5) The higher finance cost was due to a stronger dollar resulting into revaluation loss on accounts maintained in Euro.
- (6) The under-spending in Capital Expenditure is due to delays in the procurement process where no objection from Development Partners is required.



East African Court of Justice

The East African Court of Justice (EACJ) is the Judicial Organ of the EAC, which ensures the adherence to law in the interpretation and application of and compliance with the Treaty for the Establishment of the EAC. The Court has jurisdiction over interpretation and application of the Treaty. The core business of the Court is dispensation of quality justice through: settlement of disputes; provision of advisory opinions; and provision of preliminary rulings; and arbitration. Being an Organ for disputes resolution, the Court recorded a number of achievements arising from its core business.

In the period under review, the key priority area for the Court was to strengthen the Judicial and administrative function of the Court. Specifically, the Court planned to: hear and determine cases; hold plenary sessions on management and governance of the Court; establish a sub-registry in the Republic of South Sudan; increase visibility of the Court; conduct specialized training on new emerging jurisprudence as well as undertake continuous professional development for staff. Against this background, the Court achieved the following key milestones:

1. Cases heard and/or determined by the First Instance and Appellate Division

During the period under consideration, EACJ held eight sessions as planned. A total of 53 matters were heard and 22 judgments and rulings were delivered. Full report from the Registry is as detailed below:

Table 27: First Instance Division

Description		2018/2019	2017/2018
Received	References	27	19
	Applications	14	16
	Taxation Causes	1	3
	Taxation References	1	-
Matters heard		47	34
Judgements delivered		9	5
Rulings delivered		8	5

Table 28: Appellate Division

Description		2018/2019	2017/2018
Received	Appeals	3	4
	Applications	6	5
	Taxation Causes	1	-
	Taxation References	2	-
Matters heard		6	9
Judgments delivered		4	1
Rulings delivered		1	4

From the tabulation above, it is evident that there was a steady increase in the number of References received, heard and determined by the First Instance Division. This is a clear indicator of improved understanding across East Africa on the role and place of the Court in the EAC Integration Agenda.

1. Court Plenary

The Court held its bi-annual Plenary and planning meetings in November 2018 and May 2019 in Arusha which were attended by all Judges and staff. The Plenary session considered and approved the Court's calendar of activities while also deliberating on emerging issues affecting the operations of judicial work. Further, the Plenary reviewed implementation matrix of the EACJ Strategic Plan 2018-2022; observed the need to build capacity of legal officers for effective representation before EACJ. The Plenary deliberated on possibilities of using video-conferencing technology during scheduling conferences in order to save time and litigation cost. The Plenary also considered the use of SMS notification system to update parties and their advocates on matters such as unexpected cancellation of Court sessions or sending reminders.

2. Increase in the use of Case Management System (CMS) and Recording System

The System, which provides a secure, reliable and integrated technology solutions in management of cases, allows stakeholders to file cases electronically. The System processes are now being accessed from all the six (6) Partner States with the addition of Republic of South Sudan. During the period under review, the Court successfully live streamed two (2) cases that had drawn great public interest. Further, the number of new cases logged in the CMS rose to twenty-three (23) while the total number of audio and video files recorded of Court's sessions were one hundred and twenty-five (125).

3. Training

Judges underwent training on arbitration to enhance knowledge skills and the Court's capacity to handle arbitration cases.

4. Increased visibility of the Court

In order to raise visibility of the Court, EACJ carried out sensitization activities during the East African Magistrates and Judges Association (EAMJA) and Commonwealth Magistrates and Judges Association (CMJA) annual Conferences. In both Conferences, the Hon Judges made paper presentations on various aspects of the role of the Court in deepening regional integration.

In line with the need to collaborate with other international Courts, the Court hosted Judges of the African Court on Human and Peoples' Rights (AfCHPR) in September 2018 in Arusha. The Court signed a Memorandum of Association (MOU) with the African Court on Human and Peoples' Rights to foster cooperation and sharing information for their mutual benefits.

Budget Performance

The budget allocated to the EACJ amounted US \$4,689,936 for the financial year 2018/2019 with an expenditure of US\$3,329,854.56 representing 71% budget execution.

Challenges

Despite the achievements recorded, there are

still challenges facing the Court which impact negatively on timely delivery of justice to the residents of the Community. Some of the challenges are:-

- i) The *ad hoc* nature of service from the Judges has contributed to the delay in hearing and determination of cases. The dual service of Judges between the Court and the national judiciaries is impeding the service delivery of the Court. Cases filed under certificate of urgency were not handled with the urgency they deserve which impacted negatively on the confidence of the litigants who would otherwise have opted to use the regional court for dispute resolution.
- ii) Inadequate human capacity. For effective discharge of its mandate, there is need to have sufficient human resources. The Court's organogram was last reviewed in 2006/7 and therefore the number of staff remains the same and not proportionate to the increasing workload.
- iii) Inadequate budgetary allocation and delay in disbursement of funds. Planned activities such as awareness creation were never funded.
- iv) While there is a notable increase in the numbers of cases filed in Court, the Court still suffer from low visibility both physically and functionally. The problem is further compounded by lack of a fully-fledged communications department.

Recommendations

- i. The services of the Judges of the Court should be moved from *ad hoc* to permanent or the number of Court sessions increased to accommodate the increasing demand for Court services.
- ii. The level of staffing at the Court should be increased to fill in the gaps resulting from the increased workload of cases being handled by the Court.
- iii. The Court should establish a fully-fledged communications department.

Sufficient funds should be availed to the Court to allow convening the sessions in the event of urgent applications, recruit more staff and undertake effective sensitization activities among the stakeholders.



East African Legislative Assembly

Under Article 49 of the Treaty for the establishment of the East African Community, the EALA is established as the legislative Organ of the Community. EALA's core functions are; legislative, oversight and representation. The Assembly contributes to a number of strategic objectives of the EAC by effectively discharging its mandate.

During the Financial Year 2018/2019, the Assembly planned to carry out the following activities:

- i. Six plenary sessions/meetings to carry out plenary and legislative activities to support the integration agenda
- ii. Oversight activities (mainly through its six Standing Committees) on the status of implementation of the four pillars of integration
- iii. Sensitization in the Partner States
- iv. Launch of the East African Parliamentary Institute (EAPI)
- v. Strengthening the relations with its stakeholders.

The key achievements were: -

10.1 LEGISLATION AND PLENARY MATTERS

During the period under review, the Assembly held six scheduled meetings, namely:

- i. The 1st Meeting of the 2nd Session of the 4th Assembly in Arusha, Tanzania from 16th Sept-6th October,
- ii. The 2nd Meeting of the 2nd Session of the 4th Assembly in Arusha, Tanzania from 21st October-10th November 2018,
- iii. The 3rd Meeting of the 2nd Session of the 4th Assembly in Arusha, Tanzania, from 10th -22nd December 2018
- iv. The 4th Meeting of the 2nd Session of the 4th Assembly in Zanzibar, Tanzania from 18th February-8th March, 2019,
- v. The 5th Meeting of the 2nd Session of the 4th Assembly from 29th April-18th May 2018 in Arusha, Tanzania and
- vi. The 6th Meeting of the 2nd Session of the 4th Assembly from 16th June-6th July, 2019 in Arusha, Tanzania.

Through the above meetings, the Assembly recorded the following achievements:

a) Bills Passed

The Assembly passed five Bills to support the integration process in accordance with the Treaty. The Bills are in the process of assent. The Bills are shown below;

1. The East African Community Customs Management (Amendment) (No.2) Bill, 2018.

The Bill seeks to facilitate the ability of customs administrations to detect high risk consignments ahead of the arrival of the vessel carrying the goods to enable the customs administrations to take appropriate action on such consignments and to distinguish between high risk and low risk goods.

2. The East African Community Statistics Bureau Bill, 2017.

The Bill seeks to provide for the establishment of the East African Community Statistics Bureau as an Institution responsible for the development, production and dissemination of community statistics in order to support the establishment of the East African Community.

3. The East African Community Supplementary Appropriation Bill, 2019.

The Bill seeks to make provision for the appropriation out of the budget of the Community, of specified amounts of money to meet additional expenditure for the Organs and Institutions of the Community for the financial year ending 30th June, 2019.

4. The East African Community Supplementary Appropriation (No. 2) Bill, 2019.

The Bill seeks to make provision for the appropriation out of the budget of the Community, of specified amounts of money to meet additional expenditure for repair and maintenance of the Headquarters of the Community in Arusha and to facilitate negotiations with Development Partners during the financial year ending 30th June, 2019.

5. The East African Community Appropriation Bill, 2019.

The Bill seeks to make provision for the appropriation out of the budget of the Community, of specified amounts of money for the services and purposes of the Community for the financial year ending the 30th of June, 2020.

b) Bills First Reading

The following Bills were read for the first time;

- i. The Lake Victoria Basin Commission.
- ii. The East African Community Integrity and Anti-Corruption Bill, 2019.

c) Consideration of the Budget of the East African Community for the Financial Year 2019/2020

The Assembly considered and approved a total Budget of USD \$111,450,529 for the FY 2019/2020 to finance the EAC Organs and Institutions. The 2019/2020 budget is themed: "Transforming lives through Industrialization and Job Creation for shared prosperity".

a) Resolutions

The Assembly adopted seven (7) resolutions as shown below and these were transmitted to Partner States for consideration and implementation.

The following Resolutions were adopted: -

- i. Resolution of the Assembly in respect to the deadly ferry disaster on Lake Victoria on Thursday 20th September, 2018.
- ii. Resolution of the Assembly urging EAC Partner States to adopt, apply and implement measures to facilitate the free movement of persons and labour within the Community.
- iii. Resolution of the Assembly urging the Council of Ministers and Partner States to conserve forests and promote policies that make the Community a green region.
- iv. Resolution of the Assembly to urge Partner States to honor their financial obligations to the EAC in a timely manner.
- v. Resolution of the Assembly recommending to the Council a ban on manufacturing and

importation of soaps and cosmetics containing hydroquinone in the Community.

- vi. Resolution of the Assembly urging the Council of Ministers to expedite the introduction of the Climate Change Bill in the Assembly.
- vii. Resolution of the Assembly recommending to the Council of Ministers for the establishment of an Institution responsible for the development of agriculture within the Community.

10.2 OVERSIGHT ACTIVITIES

a) COMMITTEE REPORTS

During the same period, the Assembly conducted oversight activities through its Standing Committees. The findings from these activities were debated in the House, which adopted a number of recommendations to the Council of Ministers, the EAC Secretariat and Partner States aimed at improving the overall performance of the Community in the implementation of its integration agenda.

The Reports of the Assembly were also transmitted to the National Parliaments of the Partner States and other key stakeholders to inform their necessary action to support the attainment of the objectives of EAC integration.

The reports are as shown below; -

- i. The East African Community Annual report of Activities for the period 2014/2015.
- ii. Report of the Committee on Communication Trade and Investment on the status of implementation of the Single Customs Territory in the EAC Partner States.
- iii. Report of the Committee on Regional Affairs and Conflict Resolution on the oversight activity to the Refuge hosting districts of the Republic of Uganda.
- iv. Report of the Committee on Agriculture, Tourism and Natural Resources with Stakeholders on budgetary enhancement in the agricultural sector.
- v. The revised report of the Committee on Accounts on the EAC Audited Financial Statements for the Financial Year ended 30th June, 2017.
- vi. Report of the Committee on Regional Affairs and Conflict Resolutions on the Report of the Council on the Progress made by the



- Community in the Development of its Common Foreign and Security Policies.
- vii. Report of the Committee on General Purpose on the EAC budget estimates of Revenue and Expenditure for Financial Year 2019/2020.

On the same note, the East African Community Annual Report for the Financial Year 2016/2017 was laid on the table.

b) Priority Questions

Three (3) Priority Questions were asked by Members to the Council of Ministers on wide ranging subjects related to the Community's operations as follows:

- i. The status of ratification of the East African Monetary Union (EAMU) Protocol and the progress made in the establishment of its four preparatory institutions, namely the East African Monetary Institute, the East African Statistics Bureau, the East African Surveillance, Compliance and Enforcement Commission and the East African Financial Service Commission (**QUESTION: EALA/PQ/OA/4/08/2018**).
- ii. Harmonization of charges for EAC One Area Network arrangement of the Northern Corridor initiative, inherent challenges of regulating roaming by other EAC Partner States and what the Council of Ministers is doing to cope with the rising costs of roaming charges (**QUESTION: EALA/PQ/OA/4/09/2018**).
- iii. The shareholding profile of the East African

Development Bank (EADB), why the Bank does not comply with the EAC Audit Commission framework under which arrangement it reports to the EAC Secretary General and the EAC Council of Ministers (**QUESTION: EALA/PQ/OA/4/11/2018**).

All the questions were satisfactorily answered by the Chairperson of the Council of Ministers.

c) SENSITIZATION ACTIVITIES

The East African Legislative Assembly (EALA) conducted sensitization activities in the Partner States in February 2019. The sensitization activities carried out by the EALA local chapters in the Partner States were anchored on the theme: "EAC Integration Agenda: Accessing the gains and assessing the Challenges".

The sensitization activities reached out to 150 Parliamentarians, 567 business community members, 87 officers from government authorities, and 8 Ambassadors.

Other groups included 70 persons from the private sector, 100 from Civil Society Organizations, 30 from women organizations, 1508 from learning institutions and 128 from the media. The sensitization activities ran simultaneously in the Partner States.

d) LAUNCH OF THE EAST AFRICAN PARLIAMENTARY INSTITUTE (EAPI)

The Regional Speakers launched the East African Parliamentary Institute (EAPI) in Nairobi, Kenya on 4th March, 2019. The Institute is expected to

harness capacities and narrow the skills gap of Parliamentarians and staff in the quest to further reinforce the integration process.

The launch of EAPI follows the commencement of the East African Parliamentary Institute Act, 2012 on 1st October, 2017, effected by the Council of Ministers through the Legal Notice No. EAC/51/2017.

10.3 INSTITUTIONAL MATTERS

a. Oath of Allegiance, Member of EALA

During the period under review, the following Members took oath of allegiance in accordance with Rule 5 of the Rules of Procedure of the Assembly. The Rules of Procedure say in part: "A Member shall not sit or vote in the Assembly before taking the Oath or Affirmation of Allegiance to the Treaty.

1. Hon. Adan Mohamed, Cabinet Secretary for East African Commission and Regional Development, Republic of Kenya.
2. Hon. Prof. Palamagamba John Aidan Mwaluko Kabudi, Minister, Ministry of Foreign Affairs and the East African Cooperation, United Republic of Tanzania.
3. Hon. Dr. Damas Daniel Ndumbaro, Deputy Minister, Ministry of Foreign Affairs and the East African Cooperation, United Republic of Tanzania.

b. Planning Meeting

The Assembly held its planning session in August 2018 in Mombasa, Kenya. The planning exercise allocated dates and resources to activities that have been approved and budgeted for. The meeting also adopted the EALA Calendar for the financial year 2018/2019.

c. Capacity Building

The Assembly undertook the following capacity building activities:

- i. Capacity enhancement of Members of the Committee on Communication, Trade and Investment in the areas of trade. The report of the Committee was discussed and adopted by the House. The enhanced capacity of Members of the Committee will greatly con-

tribute to effective oversight of the implementation of the EAC programs and projects in trade areas.

- ii. The training workshops on Research and Evidence Use in the Parliamentary Context. The lessons learnt from the training were shared with the Assembly through a report tabled by the trained members. They will contribute to enhanced quality debate in the Assembly and evidence-use in discharging the legislative, oversight and representation function of the Assembly.
- iii. The ECOWAS Parliamentary Seminar on the African Continental Free Trade Area (AF-CFTA): challenges and prospects of free trade in AFRICA-role of the Regional Economic Communities (RECs) in Abidjan, Ivory Coast from 13th -15th September, 2018

The Seminar formulated key recommendations for strengthening the role of the Regional Economic Communities in the implementation of the African Continental Free Trade Area. The recommendations and other lessons learnt were shared with EALA in the report tabled by its delegation to the Seminar and will inform future action of the Assembly in supporting the African Continental Free Trade Area.

10.4 RELATIONS WITH OTHERS

The Assembly is a key player in both regional and international fora and therefore it continued to relate with a number of key stakeholders both at Regional and International levels. It is on the basis of this recognition that EALA participated in a number of meetings, workshops and seminars through which it benefited from best parliamentary practices. The gatherings attended include the following: -

- I. The 1st Ordinary Session of the 5th Pan-African Parliament from 18th October-3rd November, 2018 in Kigali, Rwanda.
- II. The AFRODAD 2018 Annual Summer School-Raising the voice against illicit financial flows, corruption and inequality in Africa: existing and new challenges from 19th -23rd November, 2018 in Mangochi, Malawi.
- III. The 140th Assembly of the Inter-Parliamentary Union and related meetings from 6th -10th April, 2019, Doha, Qatar.

- IV. The 21st Sectoral Council on Legal and Judicial Affairs: Retreat of the Attorneys General on 24th May, 2019 in Nungwi, Zanzibar.
- V. EAC/ECOWAS Consultative Meeting of Parliamentarians on the Ratification of the free Movement Protocol, from 11th -13th June, 2019.
- VI. The 49th Commonwealth Parliamentarians Association (CPA)-Africa Region Conference, from 13th -22nd August, Gaborone-Botswana.
- VII. The First Annual General Meeting and launch of the Eastern African Parliamentary Alliance on Food Security and Nutrition.

BUDGET PERFORMANCE

The overall budget performance stood at 81%.

KEY CHALLENGES

- i. Delay of remittances by Partner States affected the implementation of activities which were budgeted for.
- ii. Delay by the Council of Ministers to finalize and present to the House all Bills relating to the implementation of the Monetary Union.
- iii. The Council of Ministers is not up to date in its statutory obligation of presenting the EAC Annual Report to the Assembly which creates a disconnect in the Planning and Budgeting process of the EAC.
- iv. The EAC Appropriation Bill, 2019 and the EAC Supplementary Appropriation Bill (No.2) 2019 were presented at short notice and therefore the Assembly did not have sufficient time to scrutinize them.
- v. Overlap of EALA and EAC Secretariat activities due to the lack of coordination in planning.
- vi. Delay in recruitment to replace professional staff of the Assembly who exited the EAC Service in April 2018.

RECOMMENDATIONS

- I. Partner States should adhere to their commitments of remitting their contributions on time.
- II. The Council of Ministers should fast-track its work on alternative and sustainable sources of funding of the Community.
- III. The Council of Ministers should comply with its obligation to submit statutory annual reports to the Assembly.
- IV. The EALA and EAC Secretariat should coordinate and harmonise their respective annual work plans to avoid any overlap.
- V. The EAC Council of Ministers should adhere to the provisions of section 4 of the Budget Act in respect of timelines for the presentation of the Budget Estimates to the Assembly.
- VI. The Council of Ministers should fast-track the EAC restructuring process to allow recruitment of staff to fill the vacant employment positions of the Assembly.

East African
Competition Authority

The EAC Competition Authority (EACA) is an institution of the East African Community established pursuant to Article 9 of the Treaty Establishing the East African Community (EAC) and regulated within the framework of Article 75 (1) (i), Article 21 of Protocol on the Establishment of the EAC Customs Union and Article 33 - 36 of the Protocol on the Establishment of the EAC Common Market Protocol. In particular, Section 37 of the EAC Competition Act, 2006 (the Act), which came into force in December, 2014, provides for the establishment of the EACA.

The EACA is mandated to promote and protect fair trade and ensure consumer welfare in the EAC. It has both investigative and adjudicative functions as a regional body responsible for regulating cross border anti-competitive business practices and advocating for effective and efficient EAC regional markets. Section 38 also provides for the appointment of commissioners by the Council (one from each partner State).

The key functions of EACA are (i) regulation of market structure (mergers and acquisitions); (ii) regulation of market conduct (cartels and abuse of dominance); (iii) protection of consumers; and (iv) advocacy.

In the period under review, the EACA prioritized the following activities: to develop its first Strategic Plan; undertake the regional Retail Sector Study and develop a Policy and Regulatory Framework on the EAC Retail Sector (case of Supermarkets); Develop an Outreach and Advocacy Strategy; finalize the review of the EAC Competition Act, 2006; conduct stakeholder sensitization workshops on competition policy and law in the Partner states; and recruit Authority staff to facilitate implementation of the EACA mandate.

The Key achievements registered during the period under review include: -

(i) Development of EACA Strategic Plan

The EACA finalized development of its first five-year Strategic Plan 2019/20 - 2023/24 which was adopted by the 38th Extraordinary Council of Ministers meeting held in January 2019 (EAC/EX CM381 Decision 105). The development of the plan benefitted extensively from the inputs made by Partner States,

EACA Staff, Secretariat staff and the EACA Commissioners in identification of priorities that should be promoted by the EACA. The EACA strategic plan sets out key priorities for effective realization of the objectives of the EAC Competition Act, 2006 and alignment with the broader strategies and policies of the East African Community (EAC) as a whole.



Workshop to consider and validate the first five-year EACA Strategic Plan 2019/20 - 2023/24

(ii) The EAC Regional Retail Sector Study

In the year under review, the EACA carried out and finalized a regional retail sector study and developed the draft EAC Regional Policy and Regulatory Framework for Cross-border Retail Activities. This was a directive by SCTIFI pronounced during its meeting held on 2nd June 2017 (EAC/SR/01/Directive 44). The findings of the study are meant to support Partner States and EACA to develop policy and regulatory instruments in light of the various challenges that have been faced by various stakeholders in the regional retail sector. The draft Policy and regulatory framework for Cross-border Retail Activities was referred by the Council to the legal department for legal implication analysis.

(iii) Review of the EAC Competition Act, 2006

In the year under review, the EACA and Partner States drafted the EAC Competition (Amendment) Bill, 2019 in order to address gaps in the EAC Competition Act, 2006. The Bill was considered by the Sectoral Council on Legal and Judicial Affairs held in May, 2019 and is

awaiting consideration and approvals by the Council and the East African Legislative Assembly respectively.

(iv) Awareness creation on competition policy and law in the partner states

In a bid to enhance and entrench regional competition culture, the EACA organized Sensitization Workshops on the EAC Competition Act, 2006 and EAC Competition Regulations, 2010 in December 2018 in all the EAC Partner States. The main objective of the sensitization activity was to promote the mandate of EACA and create awareness amongst stakeholders vis-a-vis Partner States governments, business community, academia and consumer organizations.

One of the main observations that emanated from the Workshop was the need to deepen sensitization to stakeholders on the benefits of competition policy and law enforcement in the region as this would motivate Partner States without competition laws and institutions to establish them.

(v) Development of the EAC Competition Authority Outreach and Advocacy Strategy

EACA commenced development of the EAC Competition Authority Outreach and Advocacy Strategy, 2019/20 – 2023/24. The 5th EAC Development Strategy 2016/17 – 2020/21, appreciates the role of EACA as critical and prior-

itizes the development of an Outreach Strategy to promote public awareness and sensitization of the EACA mandate, functions and activities. Upon completion, EAC Competition Authority Outreach and Advocacy Strategy is expected to facilitate and strengthen stakeholder awareness and education on Community competition matters. Two competition experts meeting were held in March and June 2019 to consider and validate the draft Strategy.

(vi) Participation in Regional competition meetings

During the year under review, the Authority participated and articulated EAC's position in various regional and international meetings. The Authority participated in the meetings on the African Continental Free Trade Area (AfCFTA) convened by the African Union Commission (AUC) in Addis Ababa, Ethiopia to negotiate the competition policy regime in the region. The Authority also participated, among others, in the International Competition Network Conference which was hosted by Colombia's Superintendent of Industry and Commerce in May, 2018. The overarching theme for the conference was "The digital economy and the competition enforcement investigative process". Further, topical issues on Merger review in the 2020s: the challenges of digitalization and globalization and the evolution of merger analysis; Cartel detection and enforcement; and the Art of advocacy-strategies and tactics for the competition advocacy challenges for today and tomorrow



Awareness creation on competition policy and law in the Republic of Burundi

were discussed during the conference as these have an impact on competition agencies all over the world, including EAC Competition Authority.

(vii) Recruitment of Staff

The 37th Extraordinary Council of Ministers held on 4th September, 2018 directed the EAC Ad hoc Service Commission to: (a) expedite recruitment of a Registrar, EAC Competition Authority (*EAC/EX/CM/37/Directive 22*); and (b) review the Terms of Reference (job descriptions) for the Registrar, EAC Competition Authority and present it to the 29th Meeting of the Sectoral Council of Ministers Responsible for EAC Affairs and Planning for consideration and approval (*EAC/EX/CM/37/Directive 23*).

The EAC Ad hoc Service Commission revised the job descriptions for the position of the Registrar and the Council held in May, 2019 considered and approved the Terms of Reference for the Registrar, EAC Competition Authority; and Directed the EAC Secretariat to re-advertise the position of the Registrar, EAC Competition Authority.

As the year came to a close, EACA had only one established staff.

Budget performance

In the year under review, the approved budget of EACA, USD \$811,167.07, was allocated to fund the operations. Out of the approved budget, USD \$574,457.07 was expected from Partner States contribution whereas USD \$236,710 was expected from Development Partners. The amount received from Partner States was less than the approved amount and amount utilized in the year was USD \$384,250. The funding from Development Partners was not received.

Key challenges

During the year under review, EACA faced challenges which include:

- (i) Lack of adequate human capital - only one established staff and one temporary staff;
- (ii) Budgetary constraints (All the activities expected to be funded by the Development Partners were not undertaken because no funds were provided); and Limited competition culture in the region.



East African Health
Research Commission



Official launch of the EAHRC Headquarters by HE First Vice-President of the Republic of Burundi, Bujumbura, 12th December 2018

The East African Health Research Commission (EAHRC) is an Institution of the East African Community (EAC) established by the 5th Extra-Ordinary Summit of the EAC Heads of State on 18th June 2007. The EAHRC has been established as a mechanism for making available to the community, advice upon all matters of health and health related research and findings necessary for knowledge generation, technological development, policy formulations, practices and related matters. The Commission is the principal advisory institution to the EAC on all matters related to Health Research and Development (R&D).

During the period under review, the East African Health Research Commission achieved a number of activities taking into account the different priorities.

The Key achievements registered were : -

(a) Official launch of the EAHRC Headquarters, 12 December 2018

In collaboration with its Board of Commissioners, the East African Health Research Commission prepared the official launch of its Headquarters in Bujumbura City, Republic of Burundi, on 12 December 2018. The high-level event brought together the Burundi government officials, Diplomatic Corps accredited to Bujumbura, EAC Secretariat and EAC Institutions Executives, Board of EAHRC Commissioners, EAHRC Stakeholders and Staff of the Commission.

The event was jointly organized by the Ministry to the Office of the President Responsible for East African Community Affairs of the Republic of Burundi and the East African Health Research Commission Secretariat. The ceremony was officiated by HE the First Vice-President of the Republic of Burundi.

(b) Research Collaboration and Capacity Development

On the baseline assessment of clinical trials capacity: the EAHRC Secretariat concluded two baseline assessments namely the baseline assessment of ethics review frameworks in health research for the purpose of harmonization of the frameworks and the baseline assessment and mapping of sources for domestic financing health research. The findings are informing activities of the fields.

The report of the baseline assessment of clinical trials capacity in EAC Partner States was also completed and submitted to the EAHRC secretariat by the consultants.

(c) The East Africa Cross Border Health Services (EA-CBHS) Pilot programme

Since 2014, USAID in consultation with EAC mandated the Cross-Border Health Integrated Partnership Project (CB-HIPP) to implement and refine the EAC package of health services activities and tailor it to the unique health needs of priority mobile and vulnerable populations liv-

ing and travelling along major cross-border regions of Eastern Africa. CB-HIPP is a regional project implemented by a consortium of partners led by FHI 360; it is applying an implementation science approach to regional programming. A midterm assessment of CB-HIPP identified challenges related to cross border health services and the validation meeting of the assessment report that took place in Kampala, Uganda on 8-9th June 2017 recommended that the East African Health Research Commission (EAHRC) takes over the activities implemented by FHI 360.

Under the Regional Development Objectives Grant Agreement (RDOAG) between EAC and USAID-KEA for 2017-2021, EAHRC developed the East Africa Cross Border Health Services Program to coordinate CB-HIPP activities and address challenges identified by CB-HIPP midterm review.

The United States Agency for International Development, Kenya East Africa (USAID-KEA) has committed financial resources amounting USD\$ 2,300,000 for the first year of implementation of the East Africa Cross-Border Health Services Program which was due to start on 13th April 2018 and end on 12th April 2019.

The 16th Sectoral Council took note of the resources mobilized from the United States Agency for International Development to support the East Africa Cross-Border Health Services Program. The EAHRC was requested to undertake consultations with Partner States to improve the design of the project and seek more inputs. The 17th Sectoral Council further directed the EAHRC to defer the implementation of the project until in-country consultations are undertaken with the EAC Partner States and submit the outcome to the 17th Sectoral Council of Ministers.

The EAHRC Secretariat organized a meeting of Senior Officials together with the expert working group on Research, Innovation and Development to validate the report of Country Consultations on the East Africa Cross Border Health Services (EA-CBHS) Pilot program, continued consultations with Partner States at high level and revised the working plan for the first year of the program taking into account the inputs from Partner States.

The 19th Sectoral Council of Ministers held on 26th March 2019 in Dar es Salaam, United Republic of Tanzania took note of the report of country consultations on the East Africa Cross Border Health Services (EA-CBHS) Pilot program, approved the Program and directed the East African Health Research Commission in collaboration with the National Focal Points to implement the pilot program and share progressive reports every six months.

(d) Digital Regional East African Community Health (Digital REACH) Strategic Plan 2019-2028

Digital REACH Initiative is a novel and groundbreaking approach for shaping the future of health and development in East Africa. Digital Health was approved by the 19th Ordinary Summit of the EAC Heads of State as one of the health sector investment priorities for the region for the next 10 years.

Digital REACH Initiative, an implementation which is science-led, will develop and implement regional health programs that support economies of scale and regional capacity for socio-economic transformation. The initiative is designed to complement, improve and strengthen country specific work in Digital Health. It aligns with national programs and priorities. The Digital Regional East African Community Health Strategic Plan (Digital REACH Strategic Plan) is a tool to implement the Digital REACH initiative.

The activities of the Digital REACH Initiative have outcome goals that were identified by EAC Partner States representatives in a series of workshops. These outcome goals will be used to measure the Initiative's success over the ten-year period. To achieve the outcome goals above, the activities of Digital REACH have been divided into nine work streams which will run parallel to each other and focus on the implementation of specific, strategic health programmes and on the creation of an enabling environment for digital health.

The nine work streams are:

- i. Initiative management
- ii. Health Programs
- iii. Infrastructure
- iv. Services and applications
- v. Leadership and Advocacy
- vi. Strategy and investment
- vii. Legislation, policy and compliance
- viii. Workforce
- ix. Standards and interoperability.

The strategic plan was reviewed by experts from EAC Partner States as well as international experts in the field. The version from this review was presented to relevant experts in EAC Partner States and relevant EAC Institutions for final validation. The 17th EAC Sectoral Council held in Kigali on 26th October 2018 approved the costed Digital REACH Strategic Plan 2019-2028 and its resource mobilization strategy. The total cost of the implementation strategy of the Digital REACH initiative for the first five years is USD\$ 187,068,734.00.

(e) 7th East African Health and Scientific Conference

The 7th EAHSC was held from 27-29 March 2019 at the Julius Nyerere International Convention Centre. It was jointly organized by the EAHC, the Ministry of Health, Community Development, Gender, Elderly and Children (MOHCDGEC) of Tanzania Mainland, the Ministry of Health and Social Welfare of Zanzibar and the Ministry of Foreign Affairs and East African Cooperation of the United Republic of Tanzania. The National Institute for Medical Research (NIMR) was the conference Secretariat. A National Steering Committee and seven subcommittees led the preparations.

The objectives of the conference were to provide a forum that brings together policymakers, academicians and researchers to exchange and share experiences on aspects of health and health-related research and to provide an interdisciplinary forum for researchers, practitioners, development partners and academicians to present, exhibit and discuss recent trends, innovations, concerns and best practices in healthcare, health and health-related research. The main theme of the conference was **"Technology for health systems transformation and attainment**



Some of the Senior Executives and Officials from EAC Partner States attending the 7th EAHSC

of the UN-Sustainable Development Goals" and the keynote speech was "Invest in Digital Health to catalyze East Africa attain the UN-Sustainable Development Goals".

The opening ceremony was officiated by Her Excellency Samia Suluhu Hassan, the Vice President of the United Republic of Tanzania and the closing ceremony by the Minister of Foreign Affairs and East African Cooperation, Honorable Palamagamba Kabudi.

The 7th EAHSC comprised of various sessions including the conference opening; keynote speeches; plenary presentations; parallel session presentations; interactive presentations and symposia. In addition to the scientific conference sessions, an international health exhibition was held during the conference, where research institutions, health care facilities, medical /health academic institutions, medical and pharmaceutical industries, Ministries, EAHC Secretariat, Civil Society organizations Non-Governmental Organizations, International organizations, and UN agencies, showcased their products and activities. The conference was attended by more than 700 participants. The working language of the conference was English.

During the opening ceremony of the 7th EAHSC by Her Excellency Samia Suluhu Hassan, the Vice President of the United Republic of Tanzania, three EAHC initiatives were launched: The Digital Regional East African Community Health (Digital REACH) Strategic Plan 2019-2028, the YEARS' Forum, and the East Africa Web Portal for Health Information.

(f) Young East African Health Research Scientists' Forum (YEARS' Forum)

The YEARS' FORUM is an EAHC initiative aiming to empower EAC young Researchers to be able to shape the future of research for health in the

region. It was approved by the 15th EAC Sectoral Council of Ministers of Health as one of the pre-conference meetings of the East African Health and Scientific Conference.

The second meeting of the Young East African Health Research Scientists' (YEARS) Forum was organized in Uganda's Virus Research Institute premises, Entebbe, from 6th to 9th August 2018.

The specific objectives of the workshop were to discuss one of the reports of YEARS' activities since the 1st YEARS' Forum; focusing on challenges and proposed solutions, mentorship of the YEARS by Mentors, interaction between YEARS and Mentors by topics and fields of research of YEARS and group discussions by Country teams about the way forward.

It is important to mention that during the interaction session, PhD students had an opportunity to identify which expert was the best to meet their expectations. The PhD students presented their research thesis individually and mentors provided individual comments. The PhD students observed that that kind of interactions enabled them to make good progress in their research.



PhD Students interacting with Mentors, Entebbe, Uganda, 7th August, 2018.

The 3rd meeting of YEARS' forum took place in Dar es Salaam on 25th and 26th March 2019. The agenda of the meeting was the visit of research and academic institutions in Dar es Salaam, mentorship of YEARS on integration of PhD graduates in different organizations and involvement of YEARS in 7th EAHSC.

YEARS could learn how the library can automatically digitalize thesis and dissertations, appreciated the availability of facilities for e-learning and how the library facilitates access to publications behind paywalls.



YEARS attending the workshop and the team of Mentors, Dar es Salaam, URT, 26th March 2019

In addition, YEARS appreciated how the health sector is transforming within the EAC region. Health services that were previously considered to be for rich people are unbelievably at the door steps of the masses. YEARS were awed by how modern the Muhimbili Health Academic Centre was looking while still under construction.

A mentorship session was organized by different facilitators for the benefit of YEARS. These included Prof. Gibson Kibiki (Executive secretary EAHC), Brooke Partridge (Vital Wave), Lesley-Anne Long (Lesley-Anne Long & Associates) and Magnus Conteh (Community Health Academy/Last Mile Health).

After the mentorship session, the following key take home messages were formulated:

To be flexible; to change when conditions change; to work hard and be unique, brand yourself appropriately as this creates opportunities for you; to use digital surveillance tools to understand diseases that affect Sub-Saharan African countries; to work in an institution that you are comfortable in; you can become what you want as long as you are passionate; on a career aspect, one needs to be functionally fit; the need for proactivity and thinking outside the box.

Regarding involvement of YEARS in the 7th EAHSC, all were involved in the preparations and organization of the conference. A number of the YEARS were involved in delivering oral pre-

sentations during the parallel sessions. Furthermore, each YEARS chaired or co-chaired at least four presentations in the parallel interactive sessions during this conference.

YEARS' Forum was officially launched during the opening ceremony of the 7th East African Health and Scientific Conference.

(g) East African Government Leaders, Legislators, and Legal Executives' Forum (EAGLES' Forum)

The EAGLES' Forum was approved by the 15th EAC Sectoral Council of Ministers of Health as one of the pre-conference meetings of the East African Health and Scientific Conference to bring together East African Government Leaders, Parliamentarians, Legal Executives, Health Experts and other stakeholders to share views on critical issues pertaining to health in the region and the world in general. It provides a dialogue between bureaucrats and technocrats. The first EAGLES' Forum was held on 26th March 2019 and discussed about the involvement of EAC Partner States in the implementation of the Digital REACH.

(h) Networks and Networking avenues

As part of its mandate, the EAHRC established networks of research, academic, and other health-related organizations to address priority regional health agendas. The institutions have teamed up with international reputable academic institutions to allow for knowledge and technology transfer and sharing. Currently two (2) networks are operational namely "East African Tuberculosis: Working to Empower Nations' Diagnostic Effort (TWEENDE) Clinical Trials Network (TWEENDE-CTN)" whose objectives are to create a network of complementary centres of excellence (CoE) in the East African Community region, develop a critical mass of personnel, technology, and infrastructure to perform ICH-GCP standard clinical trials; and "Holistic Approach To Unravel Antibacterial resistance in East Africa (HATUA)" which aims to address issues of Antimicrobial Resistance in EAC Partner States.

(i) East African Health Research Commission Journals

The East African Health Research Journal (EAHRJ), "basis for better health policy and practice", peer reviewed journal launched during the 6th East African Health and Scientific Conference, is regularly produced and publishes material generated from the region that can inform policy and improve practice. Its Issue 2, volume 2 was out in November 2018.

The East Africa Science Journal (EASci) "*search: discover: develop*", approved by the 15th Ordinary Meeting of the Sectoral Council of Ministers (EAC/Health/15SCM/Decision 20) to promote innovation, discovery, and development in the region, was launched during the 7th EAHSC. Its launching corresponded with the publication of issue 1, volume 1. The EASci is a member of the Cross Ref which allows all manuscripts submitted to be tracked wherever they are cited.

East Africa Web Portal for Health Information (www.eahealth.org)

The concept note of the East Africa Web Portal for health information was approved by the 12th Sectoral Council of Health. As a knowledge management platform for health, the East Africa web portal is an official East African comprehensive compendium of health information for all. It is a dynamic, structured, and interactive single-point-of-access of health information in the region. The implementation of the East Africa Web Portal for health information was delayed due to the lack of senior ICT officer and web administrator.

The East Africa web portal for health information was launched during the opening ceremony of the 7th East African Health and Scientific Conference held on 27th-29th March 2019 in Dar es Salaam, Tanzania.

(j) Preparation of the 8th East African Health and Scientific Conference

The 18th Sectoral Council decided that the 8th East African Health and Scientific Conference will be held from 24th to 26th March 2021 hosted by the Republic of Kenya. The Republic of Kenya and the East African Health Research Commission Secretariat were requested to commence

mobilization of the necessary resources for the convening of 8th East African Health and Scientific Conference.

During the closing ceremony of the 7th EAHSC, the Torch symbolizing the EAHSC was handed over to the Representative of the Minister for Health of the Republic of Kenya by the Minister for Health, Community Development, Gender, Elderly and Children, United Republic of Tanzania. In addition, cards inviting scientists for the 8th EAHSC were distributed. The Scientific Committee of the EAHRC Secretariat has agreed on the main theme of the 8th EAHSC, "**East African Community Sustainable Development Goal on Health: Reflection and Path Ahead to 2030**". The EAHRC Secretariat was working on a comprehensive concept note which will include the sub-themes and symposia. The Ministers underscored that Universal Health Coverage should be a major focus of the scientific conference.

(k) Monitoring & Evaluation of the implementation of the EAHRC Strategic Plan

The EAHRC is implementing its first five-year strategic plan approved by the 13th Sectoral Council of Ministers of Health held in Nairobi on 18 November 2016. The six focal areas of the first five-year EAHRC strategic plan are: institutional capacity development, resource mobilization, research collaboration and capacity development, research environment, knowledge management, and one health approach.

The EAHRC Secretariat planned a midterm review to be conducted in January 2019. The midterm review will assess the relevance, efficiency and effectiveness in the implementation of the EAHRC strategic plan. It will assess the progress towards the achievement of the 6 strategic focus areas; will inform the necessary revisions of the 5-year strategic plan and implementation of the remaining period of the strategic plan as well as the development of the 2nd strategic plan of the EAHRC. The terms of reference for this mid-term review have been approved by the 5th meeting of Board of Commissioners.

Challenges

- i. Budget Paradox: Between pledge and implementation, approved budget for the Strategic Plan and approved through Finance and Administration meetings.
- ii. Strategic Plan: Research programmes developed were based on the approved number of staff to be recruited, budget for the recruitment provided but recruitment of EAHRC staff was suspended due to the workload analysis. There is a challenge to achieve fully planned activities. This creates a challenge on achievement.
- iii. Roles and responsibilities: EAHRC Commissioners, their mandate and functions and their position in the Sectoral Council aren't clear and the role of the EAHRC as a mechanism for advising the Community on health issues is still not fully implemented.

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The EAC Civil Aviation Safety and Security Oversight Agency

The East African Community Civil Aviation Safety and Security Oversight Agency (CASSOA) was established following the signing of the Protocol on the Establishment of the East African Community Civil Aviation Safety and Security Oversight Agency on 18th April 2007. The mandate of CASSOA is based on Article 92 of the EAC Treaty, under which the Partner States undertake to make air transport services safe, efficient and profitable; adopt common policies for the development of civil air transport in the region; harmonise civil aviation laws and regulations and coordinate measures and co-operate in the maintenance of high security.

The specific functions of the Agency are to: - Develop policies on the development of safe, reliable, efficient and economically viable civil aviation with a view to developing appropriate infrastructure, aeronautical skills and technology as well as the role of civil aviation in support of other economic activities; assist the Partner States in meeting their safety and security oversight obligations and responsibilities under the Treaty and the Chicago Convention and its Annexes; and provide the Partner States with an appropriate forum and structure to discuss, plan and implement common measures required for achieving the safe and orderly development of international civil aviation through the implementation of international standards and recommended practices relating to the safety and security of civil aviation.

During the Financial Year 2018/2019, EAC CASSOA had planned its activities under three (3) Priority Areas during the period under review. The priorities were to; Enhance CASSOA's Corporate image and strengthen its governance and finance structure, promote an effective and sustainable Civil Aviation Safety Oversight system in the region and promote an effective and sustainable Civil Aviation Security Oversight system in the region.

Key achievements registered were: -

(A) Continuous technical support to Partner States in preparation of ICAO Safety and Security Audits.

The Agency assisted Republic of Burundi and Republic of Rwanda in preparation for International Civil Aviation Organisation (ICAO) Universal Safety Oversight and Audit Programme Continuous Monitoring Approach (USOAP CMA). Aviation Security officers from CASSOA worked closely with BCAA Aviation expert to develop a Corrective Action Plan to address 41 findings with 99 recommendations in all nine audit areas.

The draft Corrective Action Plan was completed and BCAA is awaiting receipt of the final report from ICAO.

Table 29: Depict Result of Security Audits done in Partner States

S/N	STATE	REGION	CIRCLE II - EI	CMA - EI	DIFFERENCE
1	Uganda	ESAF	56.55%	76.44%	19.69% +ve
2	Tanzania	ESAF	93.34%	85.84%	07.50% -ve
3	Kenya	ESAF	64.09%	87.97%	23.88% +ve
4	Burundi	ESAF	01.54%	68.93%	67.39% +ve
5	Rwanda	ESAF	35.91%	82.94%	47.03% +ve

The table above depicts results of security audits done in Partner States and generally five Partner States scored above global average on the third Audit circle i.e CMA EI, global average for AFI (Africa-Indian Ocean) region is 65%.

(B) Joint technical assistance mission to the Republic of South Sudan

ICAO ESAF and EAC-CASSOA carried out a Joint Technical Assistance Mission to the Republic of South Sudan in the area of Aviation Security from 15th to 19th April 2019 to: support and guide the State in the establishment of an effective and efficient Civil Aviation security oversight system; build and strengthen ability of the State to meet its oversight obligations under the Chicago Convention in the implementation of Annex 17(Security) Standards and security-related provisions of Annex 09 (Facilitation) of the Chicago Convention, with focus on the State to achieve Global Aviation Security Plan (GASeP) and Africa Aviation Security Facilitation Plan targets Effective Implementation (EI) of the Critical Elements (CE) not below 65% by 2020. ICAO under SECFAL Plan funded the project implementation.

The ICAO/CASSOA support mission team and South Sudan counterparts developed the draft **Civil Aviation (Security) Regulations 2019** for the Republic of South Sudan ready for promulgation by the State and was handed over to the South Sudan Civil Aviation Management at the closing meeting.

(C) Review and Amendment of Model EAC Civil Aviation (Security) Regulations.

A working group composed of Aviation Security and legal experts from CAAs reviewed and aligned the regulations in accordance with the structure of Standard and recommended Practices (SARPs) contained in the ICAO Annex 17. ICAO Annex 17 was developed by ICAO and provides the Standard Procedures and guidance for the civil aviation industry on how to safeguard the industry against acts of unlawful interference.

During the period under review, draft Model EAC Civil Aviation National Security Programmes and TGMs were reviewed and amended in line with the Model EAC Civil Aviation (Security) Regulations, 2019 and ICAO Annex 17-10th Edition (Amendment 16) from 18th to 22nd March 2019. The following EAC Model National Civil Aviation Security

Programmes and TGMs were reviewed and amended as follows;

- i) EAC Model National Civil Aviation Security Programme (NCASP)
- ii) EAC Model National Civil Aviation Security Quality Control Programme (NQCP)
- iii) EAC Model National Civil Aviation Security Training Programme (NCSTP)

The following appendices to the NCASP were developed;

- i. Appendix 16 - Security Controls for Airport Merchandise and supplies
- ii. Appendix 17 - Guidelines on Aircraft Search and checks
- iii. Appendix 18 - Classification of Sensitive Security Information
- iv. Appendix 19 - Handling of Unruly or Disruptive Passengers
- v. Appendix 20 - Guidelines for Security Measures Related to Airport Design
- vi. Appendix 21 - Guidelines on Cyber Threats to critical ICT Systems
- vii. Appendix 22 - Security Equipment and Systems
- viii. Appendix 23 - Official Report to Acts of Unlawful Interference
- ix. Appendix 24 - Guidelines on Deployment of Inflight Security Officers (IFSOs)

(D) Capacity building in the Region

In line with this noble obligation, EAC CASSOA and Federal Aviation Administration (FAA) jointly organized a technical course on Surveillance for inspections in Entebbe – Uganda between 8th and 16th October 2018. This training has helped CAA inspectors to continually address ICAO audit findings.

Dangerous Goods and Radioactive Products on Job Training was conducted in Nairobi at the Kenya Airways facility from the 28th January to 1st February 2019. Thirteen participants from the Partner States of Kenya, Uganda and Tanzania acquired hands on experience.

Centre for Aviation Medicine Conducted the second EAC Regional Designated Medical Examiners and Medical Assessors Aviation Medicine Refresher Seminar in Nairobi, on the 20th-22nd February 2019, in compliance with the ICAO re-

quirements and fulfillment of the CAM principle of capacity building in Aviation Medicine in the Region.

EAC CASSOA in conjunction with Airbus organized training on a Master Minimum Equipment List/ Minimum Equipment list (MMEL/MEL) Special operation in Kigali Rwanda for Partner States CAAs between 17th and 21st December 2018.

(E) Centre for aviation medicine (CAM)

During the year under review, Centre for Aviation Medicine participated in the Joint ICAO Eastern and Southern Africa Office (ESAF) and EAC-CASSOA USOAP CMA Readiness Assessment to the Burundi Civil Aviation Authority. This was done on the 11th-15th February 2019, and conducted an On-Job-Training and Assessment of the BCAA newly trained and qualified Aviation Medical Doctors to confirm their competence before designation. **Their designation was then recommended.**

The Centre also conducted a Technical Mission to the Civil Aviation Authority Uganda from 8th – 12th April 2019 to evaluate the status of compliance to the ICAO SARPs and EAC harmonized Regulations and TGMs, and evaluated the status of implementation of ICAO USOAP CMA Audit Corrective Action Plan progress related to Civil Aviation Medicine.

CAM tabled a proposal that was adopted by FCL Syllabus and ATC Questions Review Working Group meeting held on 13th-17th May 2019. The proposal was to include **Upset Prevention and Recovery Training** in the Academic and Simulator Training for the CPL and ATPL type rating.

(F) Stakeholder consultations on the proposed sustainable funding mechanism

EAC CASSOA Board directed that Partner States consultations on the proposed sustainable funding mechanism be carried out by March 2019. CASSOA Secretariat carried out consultations in the Republics of Kenya, Burundi, Uganda and the United Republic of Tanzania between 18th March and 4th April 2019. Consultations did not take place in Republic of South Sudan and Republic of

Rwanda, however, Rwanda informed CASSOA that they are in support of the proposed funding mechanism.

EAC CASSOA board has resolved that CAAs will take the lead in intensifying sensitization of CAA Boards, ministries responsible for transport, finance, EAC and other aviation stakeholders

(G) Construction of the Centre for Aviation Medicine (CAM)

Kenya Civil Aviation Authority (KCAA) through its Kenya Airport Authority (KAA) board has approved and allocated land for the CAM project, which is expected to be completed in 52 weeks from May 2019.

(H) ICAO assistance to CASSOA

On 20th May 2019, ICAO Secretary General, Dr. Fang Liu paid a courtesy visit to EAC CASSOA offices and expressed her appreciation for the Agency's performance. She pledged to provide support and assistance by instructing the ICAO regional office to coordinate the assistance process under the auspices of the Africa and Indian Ocean plan and Africa Aviation Security and Facilitation plan.

(I) Automation of Aviation processes

Maintain and manage the Safety Oversight Facilitated Integrated Application (SOFIA) - Installation of SOFIA V2 to the remained countries (Burundi and Uganda). SOFIA helps Civil Aviation Authorities in Partner States to reorganize their processes and streamline technical safety oversight tasks more efficiently and effectively.

Development of an online self-service portal for application of licenses i.e Pilots, Engineers and ATC, aircraft registration and issuing certificate of airworthiness. The portal has been rolled out at CASSOA.

ECCAIRS V5 implemented in all Partner States - Successfully installed ECCAIRS Version 5 in the Republic of Burundi and Republic of Uganda to join Republic of Rwanda and United Republic of Tanzania.

Examination System - Successfully purchased 10,000 Question of Flight Crew License (ATPL, CPL and PPL) from LPlus. All new questions were reviewed, validated and uploaded to the System. The Air Traffic Controller team reviewed and validated 3,091 questions in Air law, Human Performance, Meteorology and Navigation.

Acquisition of Video Conference equipment - Successfully purchased and installed a Video Conference System at CASSOA to allow ease of communication between EAC CAS-SOA and Partner States.

Budget Performance

Revenue

Revenue received for the FY2018/2019 as contributions from Partner States through their Civil Aviation Authorities was US\$2,227,971. This amount comprised full contributions from Uganda, Kenya, Tanzania, Rwanda and Burundi. No contribution was received from South Sudan. The Agency also received miscellaneous income of US\$ 8,102 being interest from banks on both fixed and current deposits.

Expenditure

Total actual expenditure incurred, as at 30th June 2019 was US\$ 2,678,939, which is 81% of the annual budget and comprises US\$ 1,063,989 staff emoluments, US\$ 1,460,184 administrative expenses and capital expenditure of US\$ 154,766.

The revenue of 2018 FY 2017/2018 was US\$ 2,092,371 excluding transfer from reserves compared to 2019 US\$ 2,236,073. The expenditure as at 31st March 2018 was US\$ 2,084,513 as compared to 2019 US\$ 2,678,939.

Main challenges

The inadequacy of the Governance Instruments is inhibiting activities and delaying internal processes due to conflicting governance processes.

Recommendations

The Agency has presented the *Protocol* amendment proposals to the 16th EAC TCM held in Kampala in the month of June 2019. The report of the 16th TCM will be considered by the Council of Ministers.



East African Kiswahili Commission

The East African Kiswahili Commission (EAKC) is an institution of the East African Community (EAC) responsible for the coordination and promotion of the development and use of Kiswahili in the region and beyond. During the Financial Year 2019/18, the Commission planned to: undertake Capacity Assessment of the Development and Use of Kiswahili in the EAC, carry-out Kiswahili Needs Analysis in EAC Partner States, Implement the EAKC Mobility Policy and Programme, Develop Kiswahili Training Programmes and Manuals, establish Centers of Advanced Study and Research in Kiswahili, Translate EAC Documents from English into Kiswahili and Staff Training. In view of the planned activities, achievements registered were as follows:-

a) Capacity Assessment of the Development and Use of Kiswahili in the EAC

In order to finalize capacity assessment exercise that had been initiated in the previous Financial Year (2017/2018), the Commission implemented the recommendation of the regional workshop to verify data in each Partner State and incorporate findings of national data verification meetings before disseminating capacity assessment report to Partner States. The Commission therefore held national Kiswahili stakeholder meetings in all Partner States to verify and validate data. The final capacity assess-

ment report was finalized and approved by the 38th Council of Ministers. The capacity assessment report identifies Kiswahili capacity challenges and opportunities in EAC Partner States which the Commission will capitalize on development of Kiswahili as a tool for regional integration and sustainable development in EAC and beyond.

b) Kiswahili Needs Analysis in EAC Partner States

Whereas there has been a phenomenal growth and complexity in the number of institutions and associations involved in the development and use of Kiswahili in EAC Partner States, there are enormous challenges confronting them which impact on their roles and effectiveness. For the Commission to effectively work towards acceleration of its vision and achieve strategic priorities, building capacity of Kiswahili institutions is of great importance. Needs Analysis was carried out to identify areas considered critical to Partner States that require prioritization by the Commission.

The Commission in consultation with Partner States identified the following Priority Training Needs in Kiswahili that address individual interests and each Partner State strategic interests in Kiswahili.

Table 30: Priority Training Needs in Kiswahili that address individual interests and each Partner State strategic interests in Kiswahili.

Partner State	Priority Training Needs in Kiswahili
Republic of Burundi	1. Kiswahili Training for Basic Education Teachers (Primary and Secondary). 2. Kiswahili Training for Civil Service. 3. Training for Kiswahili Media.
Republic of Kenya	1. Kiswahili Training for Parliament. 2. Training for Kiswahili Media. 3. Kiswahili Training for the Judiciary.
Republic of Rwanda	1. Kiswahili Training for Trade and Business (SMEs). 2. Training for Kiswahili Media. 3. Kiswahili Training in the Education Sector (Teacher Training Colleges).
Republic of South Sudan	1. Training of Teachers of Kiswahili at Secondary School Level. 2. Training in Kiswahili as a Cross-Border Language. 3. Training for Kiswahili Media.
United Republic of Tanzania	1. Training experts to teach Kiswahili as a Foreign Language. 2. Training for Kiswahili Media. 3. Training for Kiswahili Creative Industry.
Republic of Uganda	1. Kiswahili Training for Parliament. 2. Training for Kiswahili Media. 3. Kiswahili Training in the Education Sector.

c) Implementation of EAKC Mobility Policy and Programme

The Commission commenced implementation of Mobility Policy and Program by undertaking two key activities which are resource mobilization network and mobility of Kiswahili stakeholders. In terms of resource mobilization network, the Commission organized a Project Proposals Experts Meeting at MS TCDC in Arusha, Tanzania that recommended to the Commission to put in place a framework for resource mobilization that is consistent with its overarching goals and priority programmes. The Meeting identified eight collaborative research and development areas for resource mobilization which are;

- i. Media and the development and use of Kiswahili;
- ii. Kiswahili and Education;
- iii. Kiswahili and the Creative Economy;
- iv. Kiswahili and Health Communication and Promotion;
- v. Kiswahili and the Criminal Justice System;
- vi. Kiswahili, Administration and Governance;
- vii. Kiswahili and Religion;
- viii. Kiswahili, Business and Trade

The Meeting developed six Draft Proposals that were refined by the Commission for resource mobilization.

In terms of mobility of Kiswahili stakeholders, the Commission competitively advertised for participation in EAKC Mobility Programme and received one hundred and sixteen (116) applicants from stakeholders in different Kiswahili domains (media; university students; Kiswahili curriculum development; Secondary school teachers of Kiswahili; security; Kiswahili editing) across Partner States. Applications were professionally vetted by a team of experts that recommended twenty-six applicants for support as per the table below.

Table 31: Number of Applicants selected from each Partner State

Burundi	Kenya	Rwanda	South Sudan	Tanzania	Uganda
7	4	2	1	6	6

The Commission placed the selected applicants in institutions that develop and promote Kiswahili in EAC other than institutions within one's own country of origin. All applicants were facilitated with an air ticket, decent allowance to cater for accommodation and meals and travel insurance. The Laureates shared experiences, took part in institutions' activities and made recommendations on how activities of specific departments can be improved to contribute fully to the development of Kiswahili in EAC and beyond.

d) Development of Kiswahili Training Programmes and Manuals

The Commission commenced development Programs and Manuals for Kiswahili teaching and training in Partner States. This was done by developing Principles and Guidelines that provide broad policy recommendations on the approach and process of designing, developing and delivering Kiswahili Training Programmes in the EAC that take into account the changing dynamics of the language at national, regional, continental and global levels. It was considered the first step in development of training programmes and manuals for the EAC. Such Principles and Guidelines intended to provide direction and consistency in a generally common manner in decision making in the development of Kiswahili Training Programmes in the EAC were developed and considered by the 15th Sectoral Council for Education, Science and Technology, Culture and Sports (SCESTCS). The Commission will build on the approved Principles and Guidelines to develop training manuals and programmes for the Community.

e) Centers of Advanced Study and Research in Kiswahili

The Centers of Advanced Study and Research in Kiswahili are multi-disciplinary initiatives established at national level that cut across traditional disciplinary boundaries to address the needs for the development and

use of Kiswahili for regional integration and sustainable development. The Centers will be collaborative enterprises characterized by organizational stability, program autonomy, and a broad program of study involving Partner States, the East African Kiswahili Commission, host institutions and various stakeholders.

The Centers will further the mission of the Commission and advance the research objectives set forth in the Protocol. The Research Centers may differ from one another in focus, scope, and staffing, but each contribute in unique ways to the common goals of expanding knowledge, generating new discoveries, and/or having a positive impact on society through informing policy and systemic change in the development and use of Kiswahili at the national level.

The Commission developed Draft Principles and Guidelines for the establishment of Centers of Advanced Study and Research in Kiswahili as a policy document to provide direction to:

- i. Partner States that seek the establishment of Centers of Advanced Study and Research in Kiswahili; and
- ii. Institutions that desire to host Centers of Advanced Study and Research in Kiswahili.

The Commission in partnership with Partner States organized a Regional Stakeholders Meeting at the Heron Portico Hotel, Nairobi, Kenya, on the 23rd and 24th April, 2019 to consider Draft Principles and Guidelines for the establishment of Centers of Advanced Study and Research in Kiswahili which were considered by the 15th Sectoral Council for Education, Science and Technology, Culture and Sports (SCESTCS). The Commission plans to establish Centers of Advanced Study and Research in Kiswahili using the approved Principles and Guidelines as approved by the Sectoral Council.

f) Translation of EAC Documents from English into Kiswahili

In an effort to contribute to sensitizing a large populace in the Community on the regional integration process and sustainable development agenda of the EAC, the Commission hired a consultant to translate the EAC Treaty from English into Kiswahili. The Commission subjected the translated document to expert scrutiny to check and control quality. The draft translated Treaty has been considered by the 15th Sectoral Council for Education, Science and Technology, Culture and Sports (SCESTCS) and sent to Partner States for Comments.

g) Staff Training

The Commission facilitated four staff to undertake need based training in areas of finance and auditing, advanced Sun Systems training, strategic management and procurement management. These trainings helped in improving skills and attitudes towards work considering the fact that the Commission is understaffed and the staff are performing multiple roles.

Challenges

Although the Commission had planned to recruit staff to strengthen its capacity to implement its mandate, this was not possible since the Ad Hoc Service Commission had not finalized the workload analysis and job evaluation process whose results will guide recruitment activities of the Commission. Also the Commission has had inadequate budget which has affected its operations despite its resource mobilization strategies.



African Science and Technology Commission

ACHIEVEMENTS DURING THE FINANCIAL YEAR 2018/19

The activities of the financial year 2018/19 were as per the EASTECO Strategic Plan, FY2017/22, which is in line with the 5th EAC Development Strategy 2016/21. The activities aimed to achieve the following targets:

Long term target 1: Evidence based Regional Science, Technology and Innovation policy developed

Long term target 2: Promotion of scientific knowledge, technological advancement and innovation for development, including the development of the Regional Collaborative Research programme and the dissemination of R&D findings

Long term target 3: Supporting the application of Science, Technology and innovation for socio-economic development

Long term target 4: Enhancing Stakeholders engagement for collaboration and partnerships in STI.

a. Development of the Regional evidence-based policies on Science, Technology and Innovation

Development of the EAC Policy for Science, Technology and Innovation (STI)

The EASTECO initiated the development of the EAC Regional policy for Science, Technology and Innovation (STI) in the FY 2017-18. The draft EAC Policy for STI was validated by a Regional Stakeholder Workshop in September 2018 and later adopted by the EASTECO Governing Board in May 2019. The draft Policy is anchored on 4 pillars:

i) Capacity Building for STI Skills and Infrastructure; ii) Research, Innovation and Entrepreneurship; iii) Financing, Partnerships and Collaborations; and iv) Enabling Environment). The draft EAC Policy for STI aims "to create an enabling environment for development in Engineering, Science, Technology and Innovation in order to support sustainable regional development and socio-economic transformation" through 10 STI specific objectives.

These STI specific objectives will particularly support 11 priority development sectors: (1) Agriculture and Food; (2) Health and Life Sciences; (3) Human Resource Development/ Education; (4) Infrastructure; (5) Energy; (6) ICT and Big Data (7) Industrialization and Trade; (8) Environment and Natural Resources Management; (9) Climate Change; (10) Traditional and Indigenous Knowledge; and (11) Space Science and Technology.

The draft Policy is expected to be adopted by the Sectoral Council on Education, Science and Technology, Culture and Sports before approval by the EAC Council of Ministers.

Development of the EAC Policy for Intellectual Property (IP)

To support technological development and innovation, EASTECO developed a Regional Policy for Intellectual Property which was validated in September 2018 and adopted by the EASTECO Governing Board in its 3rd meeting held in May 2019.

The Regional IP Policy intends to encourage technology development and promote the industrial and commercial use of technical inventions and innovations so as to contribute to the social, economic, industrial and technological advancement of the Community.

The draft EAC Policy for IP is expected to be adopted by the Sectoral Council on Education, Science and Technology, Culture and Sports before approval by the EAC Council of Ministers.

Development of an innovation-led Bio-economy Strategy for East Africa (BiEA)

EASTECO with support from ICIPE/BioInnovate Africa programme, is leading a consortium of 4 other partners in the process of developing a regional innovation driven bio-economy strategy shared by the countries in the Eastern Africa region. The overall development objective of the BiSEA project is to develop a regional innovation driven bio-economy strategy and a policy agenda shared by the countries in the east-

ern Africa region. This is being done in close consultation with Science and Technology Councils/Commission and relevant ministries and stakeholders in all six BioInnovate countries.

The regional bio-economy strategy is expected to inspire and catalyze the development of national bio-economy strategies and subsequent policy development and interventions that are able to create new jobs and sustainable development. The outcomes of the BiSEA project is increased knowledge and awareness about the state of bio-economy issues, landscape and development in eastern Africa.

National Working Groups (NWGs) have been established in all the participating countries as well as a Regional Drafting Group (RDG).

b. Promotion of scientific knowledge, technological advancement and innovation for development

Establishment of the East African Journal of Science Technology and Innovation

In order to support and enhance Scientific Research and dissemination of R&D production and findings, the East African Journal of Science, Technology and Innovation (EAJSTI) was established and a Regional training program on scientific paper writing was initiated.

The thematic areas of the EAJSTI, which include Agriculture; Food Security and Rural Development; Natural Resources and Environmental Management; Health and Well-being Science; Infrastructure; Energy and Industrial Development; and Information Communication Technology were adopted by the editorial board, and members of the Editorial Board were inducted in January 2019. The online platform of the Journal (www.eajsti.org) was developed and call for papers was published in April 2019. By June 2019 about 50 manuscripts had been received and were undergoing peer review. The First Issue of the Journal was planned to be published during the Financial Year 2019/20.

In support of the enhanced research publications, the training in scientific paper writing was conducted in November 2018 in Arusha, Tanzania for 105 beneficiaries including students and faculty from the Nelson Mandela African Institute of Science and Technology (NM-AIST) and a number of other participants from other Higher Education institutions in the EAC Partner States. EASTECO, in collaboration with the International Network for the Availability of Scientific Publications (INASP), designed a Massive Online Open Course (MOOC) to support and accelerate training of researchers in EAC Partner States.

Establishing the EAC Regional Collaborative Research Program

In order to strengthen regional Collaborative Research Programme within the East African community, EASTECO embarked on development of regional collaborative research framework and infrastructure including the systems, processes and tools. These included establishment of regional research agenda, drafting of the regional research management framework and piloting of collaborating multidisciplinary research through the first competitive research grant call research under *Regional Cooperative Research Grant Initiative (CGI)* in partnership with the National Commissions/Councils of Science and Technology (Kenya, Rwanda, U.R. Tanzania and Uganda) and the Science Granting Councils Initiative for Sub-Saharan Africa (SGCI).

Two grantees of the first competitive call were issued letters of grant award during the launch ceremony in Nairobi, on 24th September 2018. The two first research grants of the CGI are of USD 120,000 each. This research grant initiative opens up a new chapter in support to regional collaborative research and will facilitate access to research funds for projects that address issues that affect the Community. The initiative is supported by contribution from Science Granting Councils in the Partner States and other development partners including Canadian IDRC, United Kingdom DFID and the South Africa NRF.

c. Supporting the application of Science, Technology and innovation for socio-economic development

Regional training on skills and entrepreneurship development for graduate creativity and job creation

The majority of people in EAC countries live in an agrarian, often subsistence economy. Many young people grow up without opportunities to learn entrepreneurial and industrial attitudes and skills, resulting in poverty with persistent unemployment and under-employment. Close to 70% of the youth in EAC are unemployed, and graduates are not fitting labour markets due to low practical skills development and a disconnect between education system and the innovative system. Encouraging enterprise spirit as against white collar job mentality among students is a pre-condition to achieving progress in employment, growth competitiveness and innovation. Such education should focus on nurturing students with personal attributes that will form strong basis of entrepreneurship such as creativity, initiative, confronting or taking risks and independence. It's against this background that EAST-ECO is implementing a Regional training programme on skills and entrepreneurship development for graduate creativity and job creation.

The First Phase of Regional training on skills and entrepreneurship development for graduate creativity and job creation was conducted in November 2018, targeting faculty and graduate students of Nelson Mandela African Institute of Science and Technology (NM-AIST). This training session was aimed at supporting applied and innovative business ideas and implementation. 100 students were trained in developing entrepreneurial competences and practical business managements.

From this piloting initiative, EASTECO is planning to develop an online platform, with course material and mentorship in entrepreneurship skills training accessible to Science and Technology graduates and young technology innovators.

Enhancing access, adaptation, transfer and diffusion of manufacturing & industrial technologies in EAC region

In alignment with the EASTECO Strategic Plan 2017-2022, the Commission initiated a process of establishment of a Regional Network for Research and Technology Development Organizations (RTOs) aiming to advance technology adoption, transfer and diffusion to support manufacturing and industrial development.

In this regard, EASTECO organized and supported a technical working group of Industrial Research and Technology Organizations and National Councils/Commissions of Science, Technology and Innovation for the Establishment of the EAC Network of Industrial Technologies and Research Organization (EANITRO). A database of the available technologies, Innovations, Projects and Programmes in the EAC Partner States was validated and the concept note for a regional programme for enhancing access, adaptation, transfer and diffusion of manufacturing & industrial technologies in EAC region was also adopted.

The aim of the network is to improve coordination, avoidance of duplication of efforts, harnessing of complementarities across the region, improved access to funds and other resources, enhancement of skills through skills exchange programmes, technology cross fertilization and sharing of ideas, and capacity building and exposure of technical staff to each other's ideas, and promotion and marketing of each other's products among others.

Furthermore, key areas have been identified for technology development and transfer by National Industrial Research and Technology Development Organizations (RTOs), including:

- (i) Determination of Soybean Milk Quality from Seven Varieties by Different Extraction Methods its Improvement and by Products Valorization by CNTA (Burundi);
- (ii) Upgraded Commercial Gasifier stoves by KIRDI (Kenya);
- (iii) Development of Phyto-medicine and Pharmaceutical Products against Liver Diseases

es especially Hepatitis C Using Medicinal Plants by NIRDA (Rwanda);

- (iv) Carbonized Coal Briquettes to Substitute Charcoal and Firewood as Cooking Fuel by TIRDO (United Republic of Tanzania);
- (v) Food Fortification and Laboratory Proficiency Testing (FFLPT) by UIRI (Uganda).

Finally, a regional interactive on-line platform for the available technologies and innovations in the EAC region has been developed and data collection to populate the online database is ongoing.

ICT application for productive and social sectors

In line with the recommendations from the 2nd EAC Regional eHealth and Telemedicine Workshop and Ministerial Conference held in May 2018, EASTECO approached the regional health program of East Africa Mission of USAID for technical support on the e-Health readiness assessment. The EAC regional e-health readiness assessment will incorporate aspects of systems interoperability, in order to enhance national and cross border healthcare delivery and services through integrated health information and e-Health systems. National consultations were conducted in 3 Partner States (Kenya, Rwanda, and Uganda) to assess eHealth Readiness in the EAC. The final outputs and its outcome will be realized after the assessment is conducted in all the Partner States.

d. Mobilization of Stakeholders engagement for collaboration and partnerships in STI

During FY2018/19, EASTECO entered into collaboration with various partners to support regional science, technology and innovation programmes and projects as per the EASTECO Strategic Plan 2017-22. The mobilized partnerships included National Commissions/Councils for STI of EAC Partner States and the Science Granting Council Initiative (SGCI) for Sub-Saharan Africa, AfDB, UNESCO-Nairobi Regional Office, and ICIPE/ BioInnovate-Africa for support in the following respective activities: the EAC Cooperative Research Grant Initiative (CGI); the establishment of the EAC STI Forum (through the East African Journal of Science, Technology and Innovation among others); the

development of the EAC Regional Policy for Science, Technology and Innovation; and the development of the Regional Strategy on Bioeconomy in East Africa.

The Budget Performance for the FY 2018/19

A. The approved budget of the Commission for the financial year 2018/19 was USD \$2,045,629 detailed as follows:

- i) USD\$1,800,259 funded by equal contributions from the 6 Partner States
- ii) USD\$ 2,45,370 funded by Development Partners

Out of the approved budget, a total amount of USD\$ 2,024,612 was disbursed, and USD\$ 1,625,634 was executed, that was 80.3% of the disbursed budget.

Challenges

During Financial Year 2017/18 and 18/19, the Commission experienced inadequate and delayed funding from Partner States. In addition, insufficient Staff for Programmes and Projects affected the implementation of the EASTECO Strategic Plan, 20217-2022.

Recommendations

The Commission is hereby expecting that EAC Partner States will take serious consideration of the above challenges and increase the financial and human resource to EAC new Institutions (including EASTECO) for their growth and sustainability.

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Lake Victoria Fisheries Organization

The Lake Victoria Fisheries Organization (LVFO) is an institution of the East African Community (EAC) established by a Convention and charged with the management and development of fisheries and aquaculture in the EAC region. The LVFO Convention which was initially signed in 1994 and amended in 2016 has open membership to all of the EAC Partner States and has competence on fisheries and aquaculture resources of the EAC water bodies. The functions of LVFO are to provide for the adoption of common policies and regulations for the conservation, management and development of fisheries and aquaculture resources including establishment of common fisheries management and investment guidelines. The objectives of LVFO are to foster cooperation among the Contracting Parties, harmonize national measures for the sustainable utilization of the fisheries and aquaculture resources of the EAC water bodies and to develop and adopt conservation and management measures.

Given the worrying trend of declining fish stocks and increasing illegalities in capture and trade of fish and fishery products, the Partner States have stepped up their efforts in combating illegality in Lake Victoria through inter-agency enforcement operations. These operations have brought remarkable improvement in the fish stocks, leading to re-opening of some fish processing plants that had been closed due to inadequate fish supply. During the FY 2018/2019, LVFO continued coordinating the management and development of fisheries and aquaculture resources in the EAC region, culminating into the following key achievements:

a. Development of harmonized regional guidelines

Through its respective technical working groups, LVFO developed two main documents to guide policy:

Guidelines for establishment and management of fish breeding and nursery areas for Lake Victoria. The guidelines are intended to harmonize procedures for identification, mapping, gazettement, marking, roles and responsibilities of various stakeholders involved in the conservation, protection and monitoring of fish breeding and nursery areas. Guidelines for traders in fish, fishery and

aquaculture products and inputs in the EAC were developed. The guidelines provide requirements to trade, clearance procedures, different institutions and offices which handle imports and exports of fish, fishery and aquaculture products and inputs in regional and international trade. They are expected to facilitate trade across the borders by reducing amounts of fish traded informally and also reducing the time for inspection and approval process.

Both Guidelines were approved by the 2nd Fisheries and Aquaculture Sectoral Council and the 38th EAC Council of Ministers took note.

The LVFO revised the Co-management Guidelines of 2009 to address pertinent issues such as provision for elections and tenure of office for Beach Management Unit (BMU) networks, inclusion of the networks in national legislations, the need to strengthen linkages and institutionalize a reporting system between the co-management institutions and National Governments, and the need to provide for funding of BMU networks. The draft guidelines were validated at regional level and are awaiting the approval process. Capacity building was carried out to a number of fish traders and inspectors through training on cross-border fish trade aimed at promoting market access, improved revenue collection and enhanced fish quality and safety assurance.

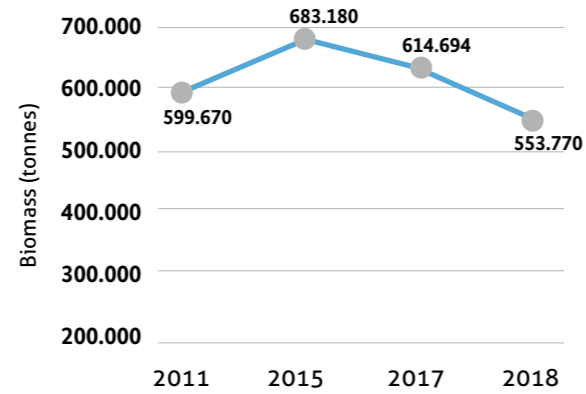
b. Developments in regional and international fish trade

Under the LVFO/GIZ Project, a comprehensive Value Chain Analysis study was undertaken to cover the Nile perch fishery at local, regional and international markets, including the Fish maws trade. The study has contributed to better understanding of the contribution of the sector to national economies of the Partner States and elucidated on the importance of regional and international Nile Perch fish maw trade. The study has led to the production of three reports: (i) Value Chain Analysis of Nile Perch Maw Trade in East Africa, (ii) Value Chain Analysis of Nile perch Maw Trade outside East Africa and (iii) Value Chain analysis on the local/regional Nile perch fish trade.

c. Research for management and development

The Organization through its regional working groups conducted a survey to update the annually collected information on the status of the fish stocks and the trends in distribution and particulars of the means of harvesting and quantities harvested. The findings from Hydro-acoustic Survey in the FY 2018/2019 estimated the mean biomass of Nile perch for the whole lake as 553,770 tons. The standing biomass of Nile perch for 2018 was therefore 10% lower than that recorded in 2017. However, there was an increase in the mean size of Nile perch from 16.0 cm to 25.2 cm Total Length between 2017 and 2018, suggesting a shift in size structure indicating huge potential for increased biomass in the subsequent years. This is attributed to the current effort of combating illegality by the Partner States. The biomass distribution of species in Lake Victoria was composed of Nile perch (25%), dagaa (30%), haplochromines (19%), Carid-inanilotica (26%) while the remaining 19% were composed of other species.

Biomass of Nile perch estimated through acoustic surveys between 2011 and 2018. LVFO has developed Electronic Catch Assessment system in which catch and price data is collected using mobile technology. This has reduced the cost of conducting the surveys and reporting. Catch data is very important in the estimation of fish removal (fishing mortality) from the lake to guide sustainable management of fishery resources and estimate the contribution of fisheries to the national economies.



d. Capacity building

LVFO has continued building capacity of regional fisheries and aquaculture scientists and managers by organizing several short and long-term trainings. LVFO in collaboration with the FAO built capacity of regional staff in collecting, analyzing and reporting aquaculture data in their respective countries. In addition, series of hydro-acoustic and pelagic trawl trainings have been organized both within the region and in Scotland in which capacity was built to several scientists and two are pursuing PhD studies. Capacity building was also carried out to a number of fish traders and inspectors through training on cross-border fish trade aimed at promoting market access, improved revenue collection and enhanced fish quality and safety assurance.

e. Aquaculture fish production

Aquaculture production in the EAC region is still low, contributing only about 13.5% of total fishery output. This is attributed to inadequate supply of quality fish fingerlings to



Capacity building of fish traders at Busia One Stop Border Point 14th to 16th May 2019

and feeds, limited extension services and limited credit facilities because aquaculture is considered by Financial Institutions to be a high-risk business. Furthermore, the imported Tilapia, which is cheaper than the ones produced in the region, provides unfair competition. Whilst human population in the LVFO Partner States was only 23.5 million in 1954 (a reference period when Nile Perch was introduced in Lake Victoria), the human population has grown seven times to 165.5 million by 2018. However, peak fish production from the main water bodies has remained virtually unchanged, hence creating an ever-increasing imbalance between production and demand. This imbalance draws the attention of the Partner States to step up their effort in aquaculture fish production for nutritional and food security.

f. Priority areas for 2019/2020

Priority areas for the FY 2019/2020 aim at following up the interventions started in the previous year in addressing the strategic actions in the LVFO Strategic Plan (2016-2020), the Fisheries Management Plan III (2016-2020) and the Nile Perch Fishery Management Plan (2016-2020). These include development of the following harmonized management instruments: Implementation Strategy for Fisheries and Aquaculture Policy for EAC; Guidelines for user rights in fisheries management in Lake Victoria; Guide-

lines for certification of fish seed and feed; Guidelines for extraction, sell and trade of fish maws; and Traceability guidelines for fish and fishery products trade.

Apart from the routine resource monitoring surveys for updating scientific information and guiding management of the fisheries resources, other important studies that are planned in the FY 2019/20 include: Economic and Financial Impact Assessment of fisheries in the EAC; Determination of the Nile Perch size at first maturity and swim bladder through fish factory sampling; and Review of progress on the formation of Fish Levy Trust Fund.

Under capacity building, several training initiatives are planned: Improved Dagaa value addition and packaging; Enforcement, compliance and prosecution procedures; and, good management practices and bio-security measures for cage fish farmers. Pilot activities planned to be undertaken include Permanent marking of fishing vessels to control fishing effort for the sustainability of the resources; Implementation of co-management guidelines; Improved processing of fish maws, Control of fisheries legalities through multi-sectoral sensitization forum; and, continued Cross-border sensitization of fish traders and inspectors on fisheries inspection procedures.



Nile perch products in the regional and international markets



Fish ponds (left) and fish cages (right) as practiced in the EAC region

During the FY 2019/2020, particular focus will be given to developing of aquaculture in the region. Through financial support under EDF 11, the LVFO will coordinate interventions targeting improved access to commercial networks for aquaculture related businesses, increased availability and quality of local skilled workers for the development of aquaculture-related businesses, and improved sustainability and bio-security of regional aquaculture production systems. Other planned regional activities include Assessment of status of aquaculture development; Assessment of legal framework for aquaculture; and Promotion of fish farming for food security in the EAC.

Budget Performance

Revenue

The approved budget for the FY2018/2019 totaled US\$2,518,138.00. Revenue received for the FY2018/2019 as contributions from Partner States was US\$ 1,172,465.84. This amount comprised contributions from the Republics of Kenya US\$516,412.00 and Uganda US\$517,011, including arrears totaling US\$139,042.84. Contribution from the Republic of Burundi for the FY 2018/2019 was waived by the EAC Council until the FY 2019/2020. Revenue from development partners amounted to US\$ 331,653.35, including US\$113,400.00 from the Partnership Fund.

Expenditure

Total actual expenditure incurred, as at 30th June 2019 was US\$ 1,493,244, with commitments totaling US\$75,944. The performance stood at 62% of the annual budget. Staff emoluments totaled US\$ 844,369.00 while administrative expenses were US\$144,886.

Operational challenges

Efficient and effective feedback reporting is hampered by having two reporting or feedback mechanisms. Whereas the organization is an institution of the EAC according to the Treaty, the organization is also established by a Convention under the ministries responsible for fisheries and aquaculture, which sometimes lead to operational and communication challenges.

Addressing the Challenge

The LVFO Secretariat has been attempting to address the issue through FASCoM and it was recently presented to the EALA Committee on Legal, Rules and Privileges.



Lake Victoria Basin Commission

The LVBC is a specialized institution of the East African Community (EAC) that is responsible for coordinating sustainable development of the Lake Victoria Basin. The establishment of the Commission is provided for under Article 114 of the 1999 Treaty establishing the East African Community. The establishment of the Commission was sequential and based on study outputs and step-wise building of the institution. The LVBC was declared effective by the EAC Council of Ministers in July 2005 after successful ratification of the Protocol for Sustainable Development in December 2004. Thereafter, the commission commenced its operations in January 2007 and relocated to its designated headquarters in Kisumu City, Kenya the same year.

Under Article 3 of the Protocol, the Partner States agreed to cooperate in the areas as they relate to the conservation and sustainable utilization of the resources of the Basin in (i) Sustainable development, management and equitable utilization of water resources; (ii) Sustainable development and management of fisheries resources; (iii) Promotion of sustainable agricultural and land use practices including irrigation; (iv) Promotion of sustainable development and management of forestry resources; (v) Promotion of development and management of wetlands; (vi) Promotion of trade, commerce and industrial development; (vii) Promotion of development of infrastructure and energy; (viii) Maintenance of navigational safety and maritime security; (ix) Improvement in public health with specific reference to sanitation; (x) Promotion of research, capacity building and information exchange; (xi) Environmental protection and management of the Basin; (xii) Promotion of public participation in planning and decision-making; (xiii) Integration of gender concerns in all activities in the Basin; and (xiv) Promotion of wildlife conservation and sustainable tourism development.

17.1 LAKE VICTORIA BASIN COMMISSION PARTNERSHIPS

The Commission has since its establishment been partnering with Development Partners in supporting preparation and funding of various programmes and projects of the Commission. These include World Bank (WB), African Development Bank (AfDB), USAID Kenya and EA, Government of Sweden, Finland, Norway, Adaptation Fund/UNEP and Federal Republic of Germany through KfW.

The Commission has also been working closely with other stakeholders including Civil Society Organizations, NGOs, and other regional and international organizations among others. Other partnerships and initiatives have been initiated including collaboration with UNEP; Grid Arendal, Sustainable Water Partnership, Global Environment Facility (GEF), International Waters (IW), Dalarna University, Sweden, Pathfinder International; Population Reference Bureau; Knowledge for Health (K4H), John Hopkins University, United Nations University, Danish Family Planning Association, Packard Foundation; Livelihood Fund, Vi Agroforestry, Nile Basin Initiatives/NEL-SAP; UHAI Forum and mobile phone operators among others.

17.2 OVERVIEW OF THE LVBC PLANNING FRAMEWORK (EAC DS AND LVBC SP)

During the Financial Year 2018/19, the implemented activities contributed to the LVBC strategic Plan 2016 - 2021 which feeds into the 5th EAC Development Strategy (2016 – 2021). Detailed activities were planned and implemented to contribute towards the achievement of the six (6) developmental objectives outlined in the LVBC strategic plan 2011- 2016. The development objectives include:

- (i) To Promote and Facilitate the Implementation of Environment and Natural Resources Management in Lake Victoria Basin;
- (ii) To Promote and Facilitate the Implementation of the Integrated Water Resource Management and Development;
- (iii) To Promote, Facilitate and Enhance Maritime Transport Safety and Security on Lake Victoria;
- (iv) To Strengthen Social Development Services in Lake Victoria Basin;
- (v) To Promote the Investment for Economic Development in Lake Victoria Basin; and
- (vi) To Strengthen the Institutional and Coordination Capacity of Lake Victoria Basin Commission.

Key achievements during the 2018/2019 Financial Year:

a. *Adapting to Climate Change in LVB Project*

In recent years, the Lake Victoria Basin has been witnessing extreme weather conditions such as floods and drought occasioned

by the climate change and climate variability phenomenon. To address this challenge, LVBC partnered with UNEP (UN Environment) and secured USD 5 Million from the Adaptation Fund to support the implementation of the Adaptation to Climate Change interventions in the Lake Victoria Basin. This project was launched in September 2019.

b. *LVB – Integrated Water Resources Management Programme with High Priority Investment*

This is supported by the Federal Republic of Germany through a Grant. The total budget for the IWRM Programme (Phase I), which has been developed by the Lake Victoria Basin Commission (LVBC) and is supported by KfW is €30 million of which €20 million will be provided by KfW and €10 by EU through the European Development Fund (EDF 11). The Project commenced in August 2019 and will be launched during the 39th Council of Ministers on 28th November 2019.

c. *The 8th Mara Day celebrations*

This was successfully held in Mugumu, Seregenti District of Mara Region, and United Republic of Tanzania on 15th September 2019, with the theme “Mimi Mto Mara, Nitunzeni Kutunze”. (“I mara Stand with Me) and graced by the Minister of Water in the Republic of Tanzania. The MoU between Tanzania and Kenya, signed in Butiama provides a framework for joint conservation of the ecosystem and sends a strong message that the two countries are committed to conservation of the Mara Ecosystem. One key uniqueness of the 8th Mara Day was holding stakeholders Scientific Conference on Sustainable Management of Trans-boundary ecosystem—Mara River Basin connecting the United Republic of Tanzania and Republic of Kenya. The Conference ended with resolutions to guide policy interventions in Mara Region.

d. *Construction of the LVBC Headquarters in Kisumu, Kenya*

The Republic of Kenya donated a prime piece of land in the City of Kisumu for the construction of the headquarters of LVBC. The current value of the land is USD 560,000. The 37th Meeting of the Council of Ministers approved an allocation of USD \$1.35 million

for initial construction of the Headquarters. LVBC wrote to the Secretary General of EAC to seek approval for release of USD \$1.35M from the General Reserve fund to allow commencement of the construction. Funds were disbursed to LVBC to commence the construction and procurement of the Contractor has been initiated.

e. *The Multinational Lake Victoria Maritime Communications and Transport (MLVMCT) Project*

The Project was launched in May 2018 and is expected to be implemented over a period of four years. The approved loan for the riparian countries (Republic of Kenya, Republic of Uganda and United Republic of Tanzania) is USD 25,014,522. The project implementation started in July 2018. The United Republic of Tanzania has also provided land in Mwanza to EAC for construction of the Regional Maritime Rescue Coordination Centre (RMRCC).

f. *The Lake Victoria Environmental Management Project II (LVEMP II)*

This ended in December 2017. Over USD 240 million had been mobilized to support various initiatives in the Lake and the Basin. The Commission secured USD 1.48 million to prepare the 3rd phase of this very important flagship programme and this preparation started in July 2018.

17.3 PROJECTS AND PROGRAMMES

17.3.1 REPORT OF THE LAKE VICTORIA ENVIRONMENTAL MANAGEMENT PROJECT PHASE II (LVEMP II) PROJECT PREPARATION ADANCE FOR LVEMP

Lake Victoria Environmental Management program is a regional phased program implemented in selected sub-catchments and hotspots in the five Partner States within the Lake Victoria Basin. The program has been implemented with the technical and financial support of the World Bank, SIDA, GEF, EAC and its member states. The first phase of LVEMP (LVEMP-I, 1996–2005) greatly improved the understanding of the environmental challenges faced by the Lake and its basin, and piloted investments in watershed rehabilitation and reducing water hyacinth infestation. Building on these results, the second phase of LVEMP (LVEMP II, 2009-2017) prior-

itized the environmental threats in the Lake, tested a variety of interventions in pollution and watershed management (including municipal and industrial wastewater treatment in hotspots and sustainable land and water management in priority river basins), and strengthened regional collaboration for improved management of the Basin. Today, the Lake, its basin and resources therein continue to fuel the economies of Burundi, Kenya, Rwanda, Tanzania and Uganda, partly due to the success of these efforts.

Without LVEMP, the understanding of the main degradation problems, potential solutions, and cross-border coordination would have been very limited. This would have encouraged continuous proliferation of water hyacinth and other forms of potentially irreversible pollution and degradation. Although substantial problems persist, they would have been even more severe without these efforts.

LVEMP is designed to contribute to the EAC's Vision and Strategy Framework for the Management of the Lake Victoria basin – "a prosperous population living in a healthy and sustainably managed environment providing equitable opportunities and benefits". The project contributes to broad-based poverty alleviation and improvement of livelihoods of people, by supporting sustainable management of shared natural resources of LVB, which many communities depend on.

During the LVEMP III preparation period that started in January 2018, the World Bank approved the commencement of the preparation of the 3rd phase of LVEMP after the Partner States and EAC committed funds for LVEMP III under World Bank's IDA 18 call for commitment to the tune of USD 65, which enabled another USD 130 IDA credit from the Regional Integration basket. A further USD 38 was committed in IDA grants and 10 million from GEF. This brought the total commitment to USD 243. After receiving the re-endorsement letters from all the Partner States, GEF considered the co-financing proposal and subsequently approved it and committed the funds to co-finance LVEMP III to the tune of USD 10 Million.

The World Bank conducted an institutional readiness assessment on financial management and procurement capacity of LVBC and the Line Min-

istries/Institutions where the National Project Coordination Teams are anchored. The capacity and readiness to manage LVEMP III as Implementing Entity was confirmed and The Project Preparation Advance (PPA) was approved and disbursed for LVBC, Kenya and Burundi.

The Commission regionally spearheaded the consolidation of the Project Concept Note for the LVEMP III which was considered by World Bank and a preparation mission was fielded in September/October 2018. Another mission and a regional meeting were undertaken from 12th to 13th December 2018. During these missions, project teams were guided on the preparation process and followed the agreed roadmap for preparation of LVEMPII. The World Bank reviewed the updated Project Concept Note and provided guidance on the identification of interventions and intervention sites, preparation of intervention-specific concepts, preparation of requisite project documents including PAD, financial and procurement guidelines, ESMF safeguards documents and CDD and community NR Management guidelines which were being incorporated in readiness for the appraisal mission that was scheduled for April/May 2019.

The Project Concept Note was reviewed in light of the new priorities of the World Bank for Africa.

17.3.2 DEVELOPMENT OF ECOSYSTEM MONITORING FRAMEWORK

During the 2nd phase of LVEMP, EAC Partner States under the coordination of LVBC developed Basin-wide environmental and ecosystem monitoring framework for LVB which were compartmentalized into sector specific frameworks that included: (i) fisheries resources surveys and monitoring; (ii) water quality & quantity monitoring; (iii) Sustainable Land Management (SLM) monitoring; and (iv) Water Hyacinth Surveillance and Monitoring therefore making it difficult to make cross-sectoral relation/impact inferences. To address this challenge, LVBC proposed to set up a single basin-wide ecosystem monitoring system for the Basin during the proposed LVEMP III.

To lay the ground for this, the LVBC Secretariat, during this preparation phase, initiated consensus building among Partner States on an ecosystem monitoring framework upon which

the integrated basin-wide environmental and ecosystem monitoring system would be operationalized. The sectors or themes to be monitored will generally include: (a) water quality indicators for the lake and major rivers including Biochemical Oxygen Demand (BOD5), Chemical Oxygen Demand (CoD), Total-Nitrogen (TN), and Total-Phosphorus (TP); (b) land degradation state and trends; (c) land use land cover changes indicators including NDVI calibrations; (d) forest degradation and deforestation; (e) Ecosystem health indicators such as biodiversity status; state of major wetlands, state of the water hyacinth coverage and spread among others. During this preparation phase the RPCT together with Partner States developed a draft ecosystem monitoring framework that outlined what the partner States would like to collect data on, what parameters to measure, how and when to measure.

Key activities

- (i) To conduct value chain studies to identify green production and growth potentials (Including 10% Stakeholders validation cost).
- (ii) To review the selected option for the Lake Victoria Environmental Trust fund (LVETF) and develop methodology to operationalize it (Including 10% Stakeholders validation cost).
- (iii) To coordinate project implementation support missions;
- (iv) To develop stakeholder mapping and stakeholder engagement guidelines;
- (v) To hire a short term consultant to finalize the EAC/ Lake Victoria Water Resources Management Bill, 2004 and support consultative meetings of Legal Experts and Drafters from the Partner States;
- (vi) To convene and facilitate two Regional Policy Steering Committee meetings annually;

17.3.3 PROGRESS MADE IN IMPLEMENTATION OF THE INITIATIVE ON ENGAGING PRIVATE SECTOR FOR GREEN GROWTH IN LAKE VICTORIA BASIN (EPSGG-LVB)

Due to the success generated under sub-component 2.2 of LVEMP II on promotion of cleaner production technologies for industries in LVB, which engaged private industries within the Lake Victoria Basin to assess their production systems and adopt greener practices and tech-

nologies, World Bank sought and availed additional financing from the Bank Managed Single Donor Nordic Development Fund (NDF) to the tune of Euro 3.2 million to sustain RECP interventions through the initiative on Engaging Private Sector for Green Growth in Lake Victoria Basin (EPSGG-LVB).

The development objective of this initiative is *to increase use of and investment in resource-efficient and cleaner production technologies by private enterprises in the Lake Victoria Basin*. Achievement of this objective will be measured by three outcome indicators including: (i) Share of targeted private enterprises in LVB using one or more RECP technologies because of the project; (ii) Total amount of investment in RECP technologies by targeted private enterprises due to the project; and (iii) Total amount of greenhouse gas emissions avoided on an annual basis due to project interventions.

Key activities

- (i) To undertake in-plant assessments for at least 100 industries and Small and Medium Enterprises,
- (ii) To undertake Resource Efficiency and Cleaner Production training and awareness creation for at least 300 industries,
- (iii) To undertake Small and Medium Enterprises Survey & workshops for up-scaling of Resource Efficient and Cleaner Production interventions,
- (iv) To map industries, point source pollution and institutional assessment of waste management,
- (v) To establish a regional interactive resource center and publications,
- (vi) To undertake training of financial sector/institutions for awareness on green growth to undertake the development of an environmental disclosure system including monitoring gap analysis,
- (vii) To organize capacity building/strengthening for monitoring, environmental audit inspections,
- (viii) To design financial scheme for sustainability of Resource Efficient and Cleaner Production advisory services,
- (ix) To undertake the analysis of opportunities for greening sector value chains and projects piloting.

Achievements:

Development and Continuous Application of Enterprise Selection criteria: During the period under review, the Cleaner Production centres continued to apply the enterprise selection criteria that had been previously developed to identify and bring on board more participating industries/SMEs.

Enterprises GIS mapping and effluent/pollution intensity assessment: The assessments of effluent/pollution loading intensity for industries/enterprises that volunteered to participate were undertaken by all the five NCPCs for a total of 208 enterprises. During the period under review, 2 more industries were sampled in Kenya and analysed for Biological Oxygen Demand (BOD5) and Chemical Oxygen Demand (COD). This brought the number of industries whose effluents have been analysed for baseline pollution to 208 (Burundi=29; Kenya=76, Tanzania=24; Rwanda= 37 and Uganda=42). Table 32 below summarises the results of the industry mapping & pollution loading assessment.

Table 32: Summary of industry mapping, pollution loads and compliance to standards, as at 31/06/2019

Parameter	Unit of Measure	BI	KE	RW	TZ	UG	Total	Remarks
Enterprises Mapped	Number	48	103	52	90	86	379	
Enterprises Effluent Sampled & Analyzed for BOD5 & COD	Number	29	76	37	24	42	208	
Baseline BOD5 (tons/yr) in industrial effluent (of the #208)	Tons/Yrs	184	760	88	63	76	1,171	
Reduction in BOD5 (tons/yr) in industrial effluent from assessed industries	Tons/Yrs	BD*	BD	BD	BD	BD	BD	data collection & compilation on-going
	No. of enterprises contributing	BD	BD	BD	BD	BD	BD	data collection & compilation on-going
Baseline COD (tons/yr) in industrial effluent (of the #208)	Tons/Yrs	233	3,918	295	212	419	5,077	
Reduction in COD (tons/yr) in industrial effluent from assessed industries	Tons/Yrs	BD	BD	BD	BD	BD	BD	data collection & compilation on-going
	No. of enterprises contributing	BD	BD	BD	BD	BD	BD	data collection & compilation on-going
Baseline No. of Industries Complying with regional effluent discharge standards (BOD5)	Number	0	21	11	0	33	53	

*BD = Being Determined

Parameter	Unit of Measure	BI	KE	RW	TZ	UG	Total	Remarks
No. of Industries Complying with regional effluent discharge standards after project interventions(BOD5) i.e. ones undergone in-plant assessment	Number	BD	BD	BD	BD	BD	BD	data collection & compilation on-going
Baseline No. of Industries Complying with regional effluent discharge standards (COD)	Number	0	8	17	0	26	61	
No. of Industries Complying with regional effluent discharge standards after project interventions (COD), i.e. ones undergone in-plant assessment	Number	BD	BD	BD	BD	BD	BD	data collection & compilation ongoing

Industry/Enterprise Sensitization and Training on RECP: During the period under review, the five National Cleaner Production Centres (NCPCs) continued with the technical support in implementation and monitoring of targeted industries and enterprises on the project impact and benefits of RECP for the environment and businesses. A total of 307 enterprises had been trained against a regional target of 300. The distribution of industries trained in RECP is as follows: Burundi-39, Kenya-81, Rwanda-52, Tanzania-67 and Uganda-68. The total number of staff in these industries trained in RECP is 785 participants (Bu-87, Ke-131, Rw-123, Tz-119, Ug-325) comprising 597 (76%) male and 188 (24%) female. Consequently, the target of 1/3 women participation was not achieved. The percentage spread for women trained across the countries is as follows: Burundi-22 (25%); Kenya-22 (17%); Rwanda-35 (28%); Tanzania-22 (18%); Uganda-87 (26.7%).

In-plant assessments: With regard to enterprise in-plant assessment, one new RECP in-plant assessment was concluded in Kenya and six in Rwanda during the period under review. This brought the total number of enterprises trained to 136 (Burundi=13, Kenya=30; Rwanda=27; Tanzania-43; Uganda=23), against the regional target of 100 enterprises.

Mapping of industries point source pollution

and institutional assessment of waste management: This activity is being implemented as a World Bank executed consultancy. During the period under review, the Bank recruited a consultant to guide in entering data generated into an e-book. Training of the RECP implementing team was also undertaken in the review period.

Establishment of Industrial Symbiotic (IS) relationships: This was undertaken alongside other activities including industry/enterprise training on RECP and in-plant assessment during which opportunities for IS were identified and documented. During the period under review, Rwanda identified 9 new IS relationships. Adding these to the 164 potential industrial symbiosis (IS) relationships, brought the total under the project to 182 as follows: (Burundi=4; Kenya=90, Tanzania=21; Rwanda= 18 and Uganda=49). From this pool, 79 IS relationships/synergies have been actualized with actual exchange of materials taking place as follows (Bu-2; Ke-27; Rw-13; Tz-21; Ug-16). The regional project target is 50 relationships actualized. The information generated and documented is informing the design of an IS strategy for the basin under the on-going regional consultancy. At the end of the project period, the project will be able to show how waste has been diverted from going into the environment of Lake Victoria and instead supporting existing/new businesses and creation of green jobs.

Table 33 below provides a summary on status of up-scaling RECP under EPSGG-LVB.

Table 33: Status of upscaling of RECP under EPSGG-LVB as at 31/06/2019

No. industries	Regional Target	Burundi	Kenya	Rwanda	Tanzania	Uganda	Total/Average
Industries mapped	n/a	48	103	52	90	86	379
Effluent analysed	n/a	29	78	37	24	42	208
Baseline BOD	n/a	184	760	88	63	76	1,171
Baseline COD	n/a	233	3,918	295	212	419	5,077
Training materials	5	1	1	1	1	1	5
Industries trained	300	39	81	52	67	68	307
Industry staff trained	300	87	131	123	119	325	785
Females trained	30%	25 (25%)	22 (17%)	35 (28%)	22 (18%)	87 (26.7%)	24%
Trainings sessions-Regulators	10	2	2	2	2	2	10
No. of Regulators trained	n/a	9	27	7	22	22	87
20% Co-financing (Bu-0, Ke-9, Rw-3, Tz-0, Ug-2)	% of total	0	8.3%	0.008%	0	0.07%	1.68%
In-plant Assessment	100	13	30	27	43	23	136
Industry investment (Bu-0, Ke-22, Rw-13, Tz-21, Ug-13)	\$ 30 million	0	17.064	0.623	0.706	2.539	20.932
Baseline GHG (#111) (Bu-13, Ke-27, Rw-19, Tz-32, Ug-20)	NA	15,817	59,811	33,898	28,540	94,794	233,040
GHG emission reduction (Bu-0, Ke-25, Rw-, Tz-12, Ug-4)	30,000 COt eq.	BD*	5,081	1,067	111	2,400	8,659
Industrial Symbiosis	50	2	27	13	21	16	79
Case studies	≥ 5	3	23	2	BD	BD	28

*BD = Being Determined

Subcomponent 1.2: Expanding Partnership

Engaging Regulatory Authorities and Business Management Organization: During the period under review, the NCPCs engaged and worked with national environmental management authorities and Business Management Organizations (BMOs) such as chambers of commerce, Associations of Manufacturers, and private sector alliances among others as Partners in the promotion of RECP in LVB for more optimal and sustainable results. These partners participated at various levels during the sensitization and RECP trainings as well as in-plant assessment as much as practical.

Component 2: Strengthening the RECP Facilitating Environment and sustainability

Providing an enabling Environment for RECP by engaging regulatory agencies: to strengthen the promotion and highlight RECP importance for businesses;

NCPCs under the project engaged the national environmental regulations agencies through various coordination meetings. Further, training sessions for agencies were undertaken with a view to strengthening capacity for monitoring, environmental audit inspections and extending compliance assistance. Burundi, Kenya and Rwanda held training sessions for regulators in the quarter ended September 2019. Tanzania and Uganda held theirs in the quarter ended June 2019. The representation was as follows: Burundi-8 regulatory agencies; Rwanda-1 regulator and 4 institutions; Kenya-10 regulatory agencies, 3 industry associations, 2 County Governments; Tanzania-4 regulatory agencies, 3 industry associations, 12 local authorities and 1 water utility; Uganda, 4 ministry representatives, 10 authorities and 8 local governments. The total number of regulators trained as at 31st December 2019 is 87. Furthermore, to aid access to industry during the industry trainings on RECP in all countries, a number of officers from regulatory authorities were trained in preparation for in-plant assessments.

To help assess and identify policy & regulations gaps and enforcement capacity, LVBC commissioned a Study to *Analyze Resource Efficiency & Cleaner Production Policies and Regulations Gaps and Enforcement Capacity*; to facilitate seamless

and structured exchange of materials among enterprises and reduce industrial pollution in Lake Victoria Basin. LVBC also commissioned a study for *Individual Consultancy Services to Develop an Industrial Symbiosis Strategy for Lake Victoria Basin* and a study for an Individual consultant to *Design Financial Scheme for Sustainability of RECP Advisory Services*.

Training of financial institutions on opportunities for partnerships & sustainable RECP financing: This activity took place on 25-26th March 2019 in Entebbe, Uganda. A total of 29 banks from the five countries attended including the Kenya Bankers Association. The Association also provided trainers that are versed in sustainable financing. Financial institutions were trained in RECP. Further, a framework of engagement with the Centres on financing RECP technologies in industry was arrived at.

Component 3: Piloting Green Growth instruments

Subcomponent 3.1 Analysis of opportunities for greening agricultural value chains;

Analysis of opportunities for greening agricultural value chains: This is being implemented as a World-Bank Executed Consultancy to conduct analysis of opportunities for greening agricultural value chains. World Bank engaged two individual consultants to undertake analysis of opportunities for greening the predominant agricultural value chains in the basin that include Tea, Dairy and Sugarcane/Distillery.

The consultants subsequently embarked on their analysis and presented their first draft report including preliminary analysis of Tea Value Chain during the *Consultative and Inception Workshop* held from 27th to 28th March 2019 at the Protea Hotel in Entebbe, Republic of Uganda. During this workshop, they presented the selection criteria for the value chains Sector and opportunities that included: (a) High economic importance; (b) High employment potential, (c) High pollution loading; (d) Good future prospects; (e) Sufficiently large private sector actors; (f) Potential for RECP; (g) Legal demands for expanded producer responsibility; and (h) Strong and pro-active business associations among others. The Dairy, Tea and Sugarcane (specifically distillery) were found to be the most viable

and tallied well with the value chains prioritized previously under LVEMP III project preparation.

The World Bank consultants presented their draft reports for the Tea Sector Value Chain during the *Regional Project Performance Review and Consultancies Inception Workshop* held from 2nd to 4th July 2019 at Gold Crest Hotel in Mwanza, United Republic of Tanzania. The report identified DL Koisagat Tea Factory in Nandi Kenya as the case study and pilot site but with potential for replication in other tea factories in the basin. During this workshop, stakeholders validated the Tea GVC report and provided valuable inputs which were incorporated.

The WB consultants further expedited and finalized the analysis of the other two targeted value chains of Dairy and Sugar (distillery). The identified dairy GVC case study is Jesa Farm in Uganda while that of Sugar is Kibo's distillery in Kenya. Both can be replicated in any other part of the basin.

Subcomponent 3.2 Green Supply Chain pilots

Supporting Green Supply Chain Pilot projects:

This activity is pegged on the World Bank-executed consultancy on analysis of opportunities for greening agricultural value chains (GVC) case studies. So far, the Tea GVC pilot identified for DL Koisagat Tea Factory has embarked on implementation of the pilot initiatives as recommended by the consultant with the technical support of KNCPC.

Component 4: Project Coordination and Management Support

Coordination, management & operational cost for the project: To ensure smooth and successful project implementation, the coordination, management & operational cost of the NCPCs and LVBC were supported during the period under review;

Facilitation and Coordination of World Bank Supervision Missions:

During the period under review, the project facilitated two World Bank implementation support missions. The first mission was fielded from 2nd to 18th April 2019 while the 2nd mission was fielded from 16th to 26th July 2019. From the last

mission, the project received an improved ISR rating of **MS** for both the Project Development Objective (PDO) and Implementation Progress (IP) compared to previous missions.

Cumulative Project Results against the Results Framework Targets

At the end of this project, a set of outcome and intermediate outcomes results are expected. These include: (i) Ensuring that at least 50% of the targeted 100 enterprises adopt and use one or more RECP technologies; (ii) Ensuring that the targeted private sector enterprises invest at least USD 30 Million in RECP technologies on the basis of sensitization, in-plant assessments and the technical support extended by the project through NCPCs; and (iii) The investments in RECP technologies by the targeted private enterprises translates to a reduction of at least 30,000 tons of carbon dioxide equivalent of greenhouse gas emissions.

The basis of achievement of these higher-level results is the successful delivery of a set of outputs and intermediate outcome targets as set out in the project Results Framework (RF). These include: (i) At least 300 private enterprises participates in and are trained on RECP technologies and financing for Small and Medium Enterprises (SMEs) (with at least 30% of those trained being female); (ii) Participating private sector enterprises commit to and co-finance at least 20% of the cost of in-plant assessments to show a sense of commitment and ownership and guarantee sustainability of RECP advisory services offered by NCPCs; (iii) In-plant assessments undertaken in at least 100 private sector enterprises; (iv) Conducting at least 10 training events for national environmental agencies with a view to strengthening the facilitating environment for RECP and promoting sector engagement; (v) Identify and develop at least 2 Green Value Supply Chains (GVCs) in LVB for potential piloting. Table 34 provides a summary of the cumulative results against the project RF targets.

Table 34: Summary of Project Results against Core Indicators RF Targets as 30.06.2019

Indicator	Unit of measure	Target	Actual Achieved	% & Color Code
Outcome level indicators				
Indicator 1: Share of targeted private enterprises in Lake Victoria Basin using one or more RECP technologies as a result of the project	Percentage (%) of 100 targeted enterprises	50	121%	121%
Indicator 2: Total amount of investment in RECP technologies by targeted private enterprises as a result of the project	Million USD	30	20.932	70
Indicator 3: Total amount of greenhouse gas emissions avoided on annual basis as a result of project interventions	Tons of CO2 Equivalent of GHG	30,000	8,659	29
Intermediate Outcome level indicators				
IRI 1: Participants in training events conducted on resource efficient and cleaner production technologies and financing for small and medium enterprises (disaggregated by sex)	No. of Enterprises Trained	300	307	101
	No. of Staff trained	300	785	262
	No. of Female trained	90	187	
	% Female Trained	30	24	79
IRI 2: Private sector co-finance for in-plant assessments (20 of total budget)	Budget for in-plant Assessment (USD)	584,248	584,248	N/A
	Actual Cost of Co-financing (USD)	116,850	12,040	N/A
	% of in-plant assessment co-financing cost	20	1.68	1.68
IRI 3: In-plant assessment conducted	Number of Enterprises	100	136	136
IRI 4: Training events for national environmental agencies	Number of Training Events	10	10	100
IRI 5: Green supply chain pilots	Number of GVC pilots	2	3	150

Legend

Green	Target has been successfully achieved
Yellow	Implementation ongoing and target is on-course to be achieved
Red	Target not likely to be achieved

Explanation of the status of project outcomes:

From the table above, the project has delivered on most of the project outcomes indicators targets including outcome indicator one which has been surpassed. Outcome indicators two and three are also on course to be delivered. At the Intermediate outcome level, all Intermediate Indicators (IRI 1, 3, 4 & 5) targets have been effectively achieved except two indicators (IRI on 30% female trainees and IRI 2 on co-financing). The former might not be achieved due to the demographic structure of enterprise staff and the fact that RECP trainings have effectively ended.

17.3.4 REPORT OF THE LAKE VICTORIA WATER SUPPLY AND SANITATION PHASE II PROGRAMME II (LVWATSAN II)

The Lake Victoria Water Supply and Sanitation (LVWATSAN) program is a regional initiative of the East African Community (EAC) and is coordinated by the Lake Victoria Basin Commission. The program is funded through a grant by the African Development Bank at a cost of USD 121 million. The ADF contributed about USD 108 million and the Partner States contribution was about USD 13 million. The overall goal and purpose of this program was to meet the Millennium Development Goal (MDGs) targets in water and sanitation and to ensure long-term sustainability of the physical interventions. Accordingly, this program had to contribute to the reduction of pollution flowing into Lake Victoria through improved sustainable water supply and sanitation infrastructure in 15 secondary towns in Lake Victoria Basin (LVB) namely: Musinga, Kayanza and Ngozi in the Republic of Burundi; Kericho, Keroka and Isebania in the Republic of Kenya (water from the Kenyan side is now available in Sirare Tanzania); Nyagatare, Kayanza and Nyanza in the Republic of Rwanda; Geita, Sengerema and Nansio in the United Republic of Tanzania; and Mayuge, Buwama/Kayabwe, Bukakata and Ntungamo in the Republic of Uganda. The developmental objective of the program was to contribute to improved livelihoods and health of communities in the basin. This was to be achieved through the reversal of pollution of the lake by improvement in sustainable water supply and sanitation infrastructure.

Specifically, the program aimed to:

- a) Support pro-poor water and sanitation investments in the secondary urban centres in the Lake Victoria Region,
- b) Build institutional and human resource capacities at local and regional levels for the sustainability of improved water and sanitation services,
- c) Facilitate the benefits of upstream water sector reforms to reach the local level in the participating urban centers, and
- d) Reduce the negative environmental impact of urbanization in Lake Victoria Basin.

Through the stated objectives, the program sought to demonstrate that the MDGs could be achieved in a relatively short time frame and that investments could be sustained over the long term by effectively integrating physical infrastructure works, training and capacity building into a balanced and cohesive program. Further the program to develop the right balance between investments on water and sanitation infrastructure in the secondary towns and capacity building at the local and regional level to sustain program benefits.

17.3.5 WATER SUPPLY SYSTEMS

Table 35 indicates the overall progress made on Water supply systems.

17.3.6 HYGIENE AND SANITATION

Table 36 shows the overall (regional) status of hygiene and sanitation interventions.

17.3.7 DRAINAGE SYSTEMS

There were no new drainage systems constructed during this period. The total kms of drainage system regionally remained at 18.4. Km (7.15 km – Uganda, 5.25 km – Rwanda and 6 km – Kenya).

17.3.8 PROGRAMMANAGEMENT (REGIONAL COORDINATION)

The following is the summary of some of the activities carried out by the LVBC (Regional Program Coordination) during this period.

Table 35: Overall Progress made on Water Supply System in the Region under LVWATSAN II

Output Indicator	Targets	Progress Made from July 2018 – June 2019	Current Cumulative Achievement
No. of boreholes drilled, and raw water intakes improved	31 boreholes drilled, and 12 intakes improved	5 boreholes continued being drilled mainly in Burundi.	41 boreholes were drilled mainly in Burundi, Tanzanian and Uganda.
No. of treatment facilities constructed	14 water treatment works (51500m ³ /day) constructed	Construction for 3 water treatment plants continued and substantially completed in Burundi.	4 Treatment Plants have been rehabilitated in Tanzania and Kenya while 10 new treatment plants have been constructed and operational in Rwanda, Tanzania, Kenya and Uganda. Construction for 3 water treatment plants commenced and substantially completed in Burundi.
Km of transmission and distribution lines constructed	Over 500km of new water pipes	39.8 kms of water pipeline were constructed.	578.52 km of new water pipe have been constructed
No. of reservoirs built	35 new reservoirs (32,000m ³)	6 reservoirs were completed.	5 reservoirs have been rehabilitated under STIs. 42 new reservoirs have been constructed.

Table 36: Overall Status of Hygiene and Sanitation intervention up to June 2019

Indicator	Target	Progress made from July 2018 – June 2019	Current Cumulative Status
No. of sludge treatment	15 Sludge treatment Plants (267m ³ /day)	4 sludge treatment plants were completed in Mayuge (1) and three in Musinga (1), Ngozi (1) and Kayanza (1), at different stages, as indicated in table 4.	4 sludge treatment plants were constructed while two, in Isebania and Keroka, have not taken off in Kenya due to land acquisition challenges and financing.
No. of Public Toilets	Over 190 Public Toilets	No new toilets completed during this period.	88 public toilets have been constructed.

Support AfDB Supervision Mission to the IAs

LVBC participated in two AfDB Supervision Missions which were conducted on 14th– 25 May 2018 and 6th – 9th August 2018, in Kenya, Rwanda and Tanzania, and secondly in Burundi. The Missions were concluded with aide memoirs signed between the LVBC and the Bank on 10th August 2018. The Implementing Agencies are working on implementing the agreed actions of the supervision mission outlined in the aide memoirs. There was no supervision in the Republic of Uganda as most of its works were completed earlier and the missions were focused on areas with challenges or pending activities. The Republic of Burundi was supervised later as it was holding a referendum during the first mission.

Follow up on the up-scaling of the Program

The process of up-scaling of the program had started with communication and meeting with the Bank during the previous year. Further communication with the Partner States resulted in another meeting with the Bank on 16th September 2018, where it was agreed that each country will submit to

LVBC selected towns for up-scaling, with indications on their readiness (feasibility studies and designs), while meeting other Bank conditions including formulation of program in readiness for implementation, submission of commitment letters by Partner States and drafting Program Completion Report.

Because the requested funding modality is grant/loan; no limitation on the number of towns for each country was set. The countries were asked to identify secondary towns in the basin indicating the population, percentage of the population supplied with WATSAN services, any preparations made (e.g. Feasibility studies and designs), estimated budget and estimated population of the expected beneficiaries. A total of 28 towns were proposed by the five (5) Partner States; with the estimated budget of USD \$670 million.

While LVBC continues with efforts towards program preparation, four Partner States have submitted commitment letters while Program Completion Reports are at different stages of execution, for each Implementing Agency.

During this period, follow ups were made with EU, through SIWI, who had indicated their willingness to support program up-scaling formulation, after a concept note was shared with them. They subsequently invited and sponsored LVBC to present developments in LVWATSAN, in the World Water Week forum, in Stockholm, Sweden. Details of the same are under a different report of the participation in the World Water Week. Due to the immense interest in the progression of the project, a mission for the SIWI was organized in November 2017 and the team was conducted through site visits both in Kenya and Tanzania. The final meeting with representatives from Partner States concluded that the SIWI support to conduct feasibility studies for the up-scaling of LVWATSAN II was not feasible in terms of low amounts allocated and modalities of support. Efforts to mobilize resources are ongoing.

Follow ups were also made with Africa Water Facility (AWF) and on 9th July 2018 the Bank informed LVBC that the request made for USD \$1.72 million had been granted. An AfDB team subsequently visited LVBC on 26th – 27th July for a Pre-Appraisal meeting, where it was explained

that the available resources were sourced from a trust fund that was to support 19 countries out of 53 in Africa, with three of the EAC Partner States being in the 19 countries. The support was therefore to three Partner States of Uganda, Rwanda and Kenya. The full Appraisal was to be held on 1st – 9th November 2018, for their Board's approval on 12th November 2018, but was postponed to allow LVBC to meet with Partner States on 19th – 23rd November 2018, during the earlier proposed Joint RPSC, in Kisumu, to explain the conditions of the preparatory grant. This postponement was requested by LVBC due to the fact that the funding is for three countries, and not the five Partner States of the EAC. This was to allow Partner States to deliberate on continuity with the current framework or await further complementary funding for continuity. The Joint RPSC was however postponed to a later date and due to the risk of losing the grant, LVBC secured an appointment in December 2018 with the Chair of the Coordination Committee, which consists of Permanent Secretaries, of the relevant Ministries, in the EAC Partner States, to explain the conditions attached to the grant, with the aim of getting a way forward.

The Bank had earlier suggested that the project preparation continues with the three Partner States with the understanding that when it comes to implementation, then the other two countries will be incorporated and both feasibility studies and implementation be done at that time. However, when the Chair of the Coordination Committee was met in Kampala, Uganda, it was resolved that LVBC visits AfDB regional Offices in Nairobi, Kenya, with the request that the Bank liberalizes the use of the funds, so that LVBC could spread the same over the five Partner States, with a possibility of top-up by the Partner States, if necessary. The meeting with the Bank took place in December 2018 and they advised that a formal request be made for consideration.

Support closing activities including drafting Project Completion Report

As part of the regional coordination role, LVBC continued with the monitoring of the progress of activities of the project in Kenya and Tanzania, where there have been challenges due to land issues. Missions were undertaken to Kericho, Isebania/ Sirari and Keroka in Kenya and to Geita in Tanzania. Monitoring was also done in

the other Implementing Agencies, with the objective of gathering information and data for the drafting of the Project Completion Report as the program drew to the financial close. The commission is carrying out the Program Completion Report that will cover the review of the implementation of the project, with respect to plans/timeline, budget and specifications, its initial impact, lessons learnt, recommendations and conclusions.

Completion of Procurement for TCB Equipment, including advertising, evaluation of bids, delivery and payments

The procurement of the equipment (Task No 9 of the MoU) was conducted with adverts, bid evaluations, delivery of equipment and payments. Pending payments were cleared in the financial clearance window period up to 31st December 2018.

Training and Capacity Building Activities

The main activity under Training & Capacity Building (TCB), which was to be implemented during this period was the procurement of the equipment (Task No 9 of the MoU). However, based on the previous supervision recommendations, the activity was transferred to LVBC, from UNHABITAT, and the procurement process was completed over the quarter/ period with payments made before end of June 2019.

Overall achievements

The program has shown signs of financial sustainability. In Uganda for example, the communities are paying for the piped water which is managed by National Water and Sewerage Corporation. National Water and Sewerage Corporation (NWSC) sells water at the public stand pipes at Shs 38 per 20-liter jerrycan, while vendors are expected to charge a standard rate of Shs 50 for each jerrycan. The collected revenue is able to meet the running costs in all the towns. These costs include water treatment, paying electricity bills, mechanical breakdown, staff salaries, office costs and fuel costs among others. This therefore demonstrates that the system is currently able to sustain the water supply system. Also, water supply and sewerage system are run by NWSC which is a solid institution. The local governments are the key institutions in the management of Solid Wastes.

In Rwanda, arrangements have been put in place to have WASAC manage the water supply system infrastructures provided by LVWATSAN II while the sanitation infrastructure, landfills and faecal sludge treatment plants will be managed by the respective districts (Nyanza, Kayonza and Nyagatare).

In Burundi, water supply infrastructure has been planned to be integrated directly into REGIDESO Park. In United Republic of Tanzania, there is evidence that utilities have taken full responsibility for the Operations and Maintenance of installed infrastructure. Water users have assumed ownership and have expressed their commitment to pay a higher tariff for a reliable water supply.

Lessons Learnt and Best Practices

- (i) LVBC has learnt that the effective implementation of the social component under the programme needed to be supported by a structure at the Regional level. Although there were supporting structures for the social component at the National levels, it wasn't the case at the Regional level. Thus, a role such as Social Development Officer at the Regional level would have addressed this.
- (ii) In the implementation of the WASH component, the program faced delays due to some pre-conditions that were not fulfilled prior to signing the Financing Agreement. It was learnt that it was important to, for example, acquire land before the financing agreement is signed with the Government of Kenya.
- (iii) The capacity building component was key not only in acquiring the relevant skills to implement the programme but also promoted regional integration among the participating Partner States. This was due to capacity building initiatives that were implemented at the Regional level. For other programmes, it is important that cross-cutting initiatives such as capacity building be incorporated in programme design.
- (iv) Developing and using a Programme Implementation Manual helped a great deal in ensuring harmonized programme management procedures and processes, otherwise, Partner States could have used their respective processes and procedures which could have affected collective programme monitoring. As a best practice, LVBC will ensure that Programme Management Guidelines are developed for use across all projects.

- (v) During AfDB supervision missions, it became clear that the Bank is interested in documentation that addresses individual interests and each Partner State's strategic interests in programme outcomes and impacts. However, LVBC recognized that this would be difficult for the LVWATSAN II since it was not planned during the programme design. For any subsequent programme, it is evidently important that End of Programme Evaluation be incorporated in programme design.
- (vi) LVWATSAN programme was challenged in securing and provision of land for the interventions in Kenya (Isebania), and Uganda (Mayuge). It is recommended in future projects/programmes, interventions that need land, it be negotiated and acquired prior to signing of financial agreement(s).

17.3.9 REPORT OF THE POPULATION, HEALTH AND ENVIRONMENT (PHE) PROGRAM

During the reporting period the LVBC PHE Program planned and implemented activities within six (6) Strategic Intervention Areas namely: i) Strengthening National PHE Networks; ii) PHE Knowledge Management, Monitoring and Evaluation; iii) PHE Capacity Building; iv) PHE Policy, Advocacy and Technical Guidance; iv) PHE Integration into Environmental Conservation projects; and vi) Strengthening Regional Coordination. Summary of the activities implemented and achievements is provided below under the respective Strategic Intervention Areas.

i) Strengthening National PHE Networks

The National PHE Networks implemented activities aimed at enhancing PHE advocacy, mainstreaming PHE activities into Universities and strengthening integrated activities of PHE CBOs.

- a) **The Kenya PHE Network** finalized development of the National PHE Strategic Plan (2018 – 2022) in June 2019. A national PHE Network meeting held in Nairobi on 20th June 2019 validated the document in readiness for review and adoption by the Principal Secretaries. The National PHE Policy Steering Committee of Principal Secretaries responsible for Health, Environment and Planning met on 30th June 2019, reviewed and approved the Strategic Plan.

- b) **The Uganda PHE Network** embarked on mainstreaming the PHE approach in Universities, specifically Makerere University. Through the efforts of the National Network, a PHE Affinity Group was formed at Makerere University bringing together different members of faculty from numerous disciplines and from over 12 departments of the university ranging from department of population studies, education, gender studies, environment, health sciences, development studies and sociology. The group aims at integrating the PHE approach into academic programmes in the University and also mobilize resources to provide PHE Scholarships and implement PHE interventions in the country. Two draft grants proposals were developed.

- c) **The Tanzania PHE Network** supported the University of Dar es Salaam to launch the Master of Arts Programme in Population, Health and Environment (PHE). A total of eight (8) students were registered on the Programme which officially started in September 2019. Secondly, following the development and subsequent approval of the National PHE Strategic Plan by the Permanent Secretaries in September 2018, the Plan was submitted to the Office of the President in July 2019 for endorsement. The National Strategic Plan is now ready for printing and dissemination.

- d) With support from [Association Villageoise D'entraide et de Développement Communautaire](#) (AVEDEC) a local NGO in Burundi, the **Burundi PHE Network** supported the PHE Community Based Organizations (CBOs) to enhance implementation of integrated PHE activities that resulted in improved health and environment outcomes. Specifically, improved health seeking behaviour was noted in areas of antenatal clinic attendance, skilled birth attendance, postnatal care, immunizations; energy saving stoves, rainwater harvesting and income generating activities.

ii) Knowledge Management, Technology and Innovation

- a) **Training on digital M&E using the KOBO Toolbox**
During the reporting period, the PHE Program trained the Rwanda PHE Network on the KOBO Toolbox for digital Monitoring and

Evaluation in October 2018 in Kigali. As a key outcome, Rwanda agreed on modalities for scaling up KOBO trainings in different sectors as well as mainstreaming the KOBO health indicators into the District Health Management Information Systems (DHMIS) to avoid parallel reporting and duplication. The PHE programme adopted use of digital M&E in realization that monitoring and reporting on indicators from different sectors by the same people may be challenging and can result in delays and inaccurate reports.

b) Media exposure and coverage

During the reporting period, the Program organized Media Exposure and Coverage missions to PHE sites in Mt. Elgon Uganda and Kenyan in November and December 2018 respectively. The aim of the missions was to enable the Media to gather success stories from the PHE Project sites and package them into television clips and newspaper supplements for public awareness and advocacy. The key outcomes of the mission were:

- PHE stories were aired on the KBC and KTN Television networks in Kenya and UBC in Uganda
- The stories were written in the Standard and Daily Nation Newspapers in Kenya and the New Vision in Uganda

Media Coverage and Exposure missions are planned to take place in the other EAC Partner States later.

c) Participation at the 5th International Conference on Family Planning (ICFP)

PHE Program staff attended the 5th International Conference on Family Planning (ICFP) held in Kigali, Rwanda from November 12 to 15, 2018. The conference served as an international platform from which countries, organizations and individuals could make public commitments to family planning and could also be recognized for their achievements. PHE Program staff presented a paper titled: "Institutionalizing the Population, Health and Environment (PHE) Approach in the East African Community (EAC) Region: Policy, Advocacy and Programming Efforts". Following the presentation, several organizations expressed interest in understanding the integrated approach and collaborating with LVBC on the same.

d) Training of PHE CBOs on integrated Community Case Management (iCCM)

The PHE program undertook a major capacity building activity in Gitega District in the Republic of Burundi. The program supported a comprehensive one-week residential training on the integrated Community Case Management (iCCM) for childhood illness based on the National Framework. iCCM training is a major strategy in addressing childhood illness among cross-border communities. Poor child mortality and morbidity indicators which are mainly as a result of high fertility rates and low income, increase the service delivery burden on the health systems. Therefore, including iCCM as one of the activities of the PHE Program is pertinent in order to build capacity of Community Resource Persons to address a major challenge experienced by cross-border communities.

The iCCM training was therefore facilitated by a team of National level Technical Officers from the Division of Child Health of the Ministry of Health Burundi. The training provided an opportunity to undertake an induction of key stakeholders on iCCM, training of Trainers (TOTs) and training of Community Health Volunteers (CHVs). The training equipped the TOTs with additional skills to manage childhood illness and to train CHVs while the CHVs acquire knowledge and skills to manage and refer sick children in the community.

d) Training of PHE CBOs on project proposal writing

The PHE Program held Project Proposal writing trainings for PHE CBOs in Mt. Elgon Kenya and Uganda in November 2018 and February 2019 respectively. The aim was to build capacity of the CBOs to develop bankable proposals that would generate funding to support their income generating activities which are a major motivation to their voluntary implementation of integrated PHE activities. Consequently, a total of 40 members of PHE CBOs were trained on resource mobilization and proposal writing. Following the training, ten (10) draft project proposals were developed and are being finalized in readiness for submission to potential funders identified by LVBC.

iii) PHE Integration into environmental conservation projects

The PHE Program continued to monitor provision of integrated services by the PHE Champions in the five Partner States. Reports generated from the sites indicate sustained improvement in health and environmental conservation outcomes. This was made possible and easier by the KOBO Toolbox digital M&E application. Specifically, the following was noted:

- Increased number of women led CBOs.
- Improved health seeking behavior regarding antenatal clinic attendance and health facility delivery.
- Improvement in immunization coverage.
- Increased utilization of modern Family Planning methods.
- Improved hygiene practices in the homes demonstrated by clean latrines, hand washing facilities, dish racks and safe drinking water practices with reduced incidences of diarrheal diseases especially among children.
- Increased number of households using energy saving cook stoves hence reduction in indoor air pollution from smoke and reduced utilization of wood fuel.
- Increased participation of women in natural resource management activities such as preparation of woodlots for reforestation.

The reporting period also saw LVBC and K4 Health finalize development of PHE Mainstreaming Guidelines and Regional PHE Indicators of Integration. These two were developed to help standardize the approaches and processes used by the different actors for purposes of generating comparable results in PHE Programming. The 20th Sectoral Council of Ministers for Lake Victoria Basin adopted the Guidelines and Regional PHE Indicators for dissemination and implementation.

17.3.10 REPORT OF THE PLANNING FOR RESILIENCE IN EAST AFRICA THROUGH POLICY, ADAPTATION, RESEARCH AND ECONOMIC DEVELOPMENT (PREPARED) PROJECT

The Planning for Resilience in East Africa through Policy, Adaptation, Research and Economic Development (PREPARED) Program was a medium-term (five years) integrated environmental management program financed by USAID EA which

comes to an end in September 2019. The overall goal of the program is to strengthen the resilience and sustainability of East African economies, transboundary freshwater ecosystems and communities through the following three intermediate Results (IRs):

- (i) Climate change adaptation technical capacity, policy leadership and actions of regional institutions improved;
- (ii) Resilient and sustainable management of biologically significant transboundary freshwater ecosystems in the EAC region strengthened; and
- (iii) Resilient and sustainable drinking water supply, sanitation and wastewater treatment services in the Lake Victoria Basin enhanced.

a) The Contribution of PREPARED Activities to Strengthen the Regional Institutions to Carry Out their Mandate

This report highlights the degree to which PREPARED activities increased the ability of the regional institutions to carry out their mandate, particularly regarding climate change adaptation and transboundary biodiversity conservation and WASH.

Under the Climate Change Adaptation, PREPARED led a comprehensive program for EAC and LVBC principals, EAC Partner States to identify current climate risks and assess future climate trends. Partner States relevant agencies' capacity were enhanced on global climate change adaptation including the use of software tools and sensory imaging. The Programme further supported the comprehensive vulnerability Impact assessment (VIA) in the region. The assessment identified 17 regional geographic hotspots most vulnerable to climate change. The LVBC Climate Change Adaptation Strategy and Action Plan was finalized and is now guiding development and implementation of climate change adaptation measures in the region. Further, seventeen community-based action plans (CBAP) were developed: two in Burundi, five in Kenya, two in Rwanda, six in Tanzania, and two in Uganda. These action plans are currently being implemented under the UNEP funded project of Lake Victoria Basin adapting to Climate Change Project (LVB-ACC Project).

The programme further supported strengthening the capacity of EAC to meet the requirements for accreditation as Regional Implementing Entity (RIE) for the Adaptation Fund (AF) and the accreditation process for AF and Green Climate Fund (GCF) once completed will enable the Institution access funds to sustain climate change initiatives.

The programme also strengthened the capacity of the EAC Secretariat and LVBC by coordinating the implementation of the regional climate change initiatives and thus becoming an effective player in regional policy and governance. Furthermore, decision support tools such as Geoclim, GEOCOF, GEOWRSI were developed to support the planning and decision making.

Therefore, the PREPARED programme contributed greatly to strengthening knowledge and institutional capacity on climate change adaptation and the provision of new tools to assist in assessing, planning, and fostering investment in climate change actions. The supported Regional Institutions are currently poised to move forward with enhanced skills and knowledge. It was noted that as the programme reaches closure it will be important to ensure these new policies, procedures, systems, tools, and plans are fully vested in their respective institutions and departments.

- b) Under the Transboundary Biodiversity Conservation component, the PREPARED Programme supported the institutional governance, identification of priority interventions, implementation of Integrated Water Resources management (IWRM) in the Mara River Basin, and development of regional biodiversity conservation plans. The programme fostered the collaboration between the EAC and LVBC, worked with stakeholders through Tetra Tec prioritized interventions, and conducted assessments in the Mara River Basin such as identification of biologically significant areas (BSAs), Ecosystem Profile Assessments (EPAs), Economic Valuations (EV) and Conservation Investment Plans (CIPs). These tools were appreciated and being used by Partner States and stakeholders in biodiversity and ecosystem conservation initiatives.

The programme further facilitated training on wetlands conservation, organized the commencement of four conservation investment plans, and engaged with various institutions such as the East African Wildlife Society in biodiversity conservation activities. The PREPARED programme facilitated the development of the Anti-Poaching Partnership (APP) manual to guide the bilateral initiatives between Kenya and Tanzania on combating poaching in the Masai Mara-Serengeti transboundary ecosystem. The EAC Strategy to combat poaching and illegal wildlife trafficking was also developed and is currently being implemented. Furthermore, the Anti-Poaching Partnership (APP) framework developed information and communication technology (ICT) tools to effectively strengthen anti-poaching operations and reduce human-wildlife conflicts in East Africa. The programme further supported the Kenya Wildlife Service's awareness campaign against ivory trade through multiple media outlets. The Wildlife Information and Landscape Database (WILD) proved to be an effective tool for storing and analyzing data to effectively combat poaching. The tool should be further improved to link socio-ecological factors that facilitate wildlife tracking.

Three cross-cutting activities that the project performed well in include: deepening public-private partnerships, providing training to private sector crop insurance providers on weather-driven indexing techniques, and promoting sustainable tourism with the transboundary hoteliers' association.

- c) **Under the Water Supply, Sanitation, and Wastewater Treatment the Programme supported** the establishment of the Regional Water, Sanitation, & Hygiene Task Force (RWASHTF). The programme built capacity of the Service providers on water quality and service provision, systems management, and strategies for engaging stakeholders. The programme undertook a study aimed at strengthening the legal and regulatory framework for WASH. The study proposed remedies for non-revenue water which is a critical element of sustained water resource management. The LVBC in collaboration

with AMREF carried out capacity building on Water, Sanitation and Hygiene practices for schools in Serengeti. This capacity building enabled the revival of WASH club activities that were dormant in all schools, strengthened high commitments of club members, school board members, teachers and ward leaders in developing and implementing the WASH plans. Furthermore, key sanitation messages were explained to the community members on the importance of water conservation, health and hygienic practices.

Key informants acknowledged that the training was valuable but were concerned that the project's lack of support for purchase and installation of infrastructure for water supply systems would limit results. Although this was outside the scope of the project, the evaluators recommend that PREPARED should focus on handing over these activities to relevant stakeholders.

d) Sustainability of PREPARED Programme achievements

To ensure sustainability of the programme's interventions, various measures were instituted including:

- i) Strengthening and nurturing the capacity of key institutions in the region. The programme built capacity of governmental, civil society, and private sector on climate change adaptation, biodiversity conservation and WASH to effectively design, coordinate and implement cross-sectoral, resilient and sustainable development plans addressing climate change adaptation, biodiversity conservation, water supply and sanitation services. The programme further strengthened the institutional capacities to analyze, implement, and evaluate activities, to inform the decision-making process,
- ii) Development of policy and institutional instruments which strengthened the implementation and sustainability of climate change and adaptation initiatives,
- iii) Enhanced collaborative framework in the management of transboundary resources such as the Memorandum of Understanding for the joint management of Mara river basin between Kenya and Tanzania; Community based water users associations among others.

- iv) Strengthened inter-institutional partnership through Memorandum of Understanding such as the MOU between LVBC and ICPAC that aims at fostering joint resource mobilization initiatives and building synergies.

It is recommended that emphasis be on the migration process of all modelling and analytical tools from technical assistance provided by the programme to partnering institutions. Further, there should be a continuous public-private partnership engagement, especially geared toward reducing human-wildlife conflicts and strengthening natural resources management. The Programme made significant contributions toward conserving the ecology and the environment of the East Africa region and should therefore form the basis for future development interventions.

17.3.11 REPORT OF THE MULTINATIONAL LAKE VICTORIA MARITIME COMMUNICATION AND TRANSPORT (MLVMCT) PROJECT

Improving maritime transport, security and safety is one of the strategic intervention areas for LVBC in the 5th EAC Development Strategy (2016-2021) which contributes to one of the main objectives of Lake Victoria Basin Commission of promoting compliance to navigation safety. Implementation of the strategic interventions is guided by the LVBC Strategic Plan 2016-2021 and activities undertaken by LVBC within the maritime transport and safety area address the key result D3 in the Strategic Plan, namely, *to promote, facilitate and enhance maritime transport safety and security on Lake Victoria*. In addition, activities in this area seek to promote investment in the development of maritime transport infrastructure in Lake Victoria in line with key result area D5 of the Plan.

Among the initiatives being undertaken by LVBC to mobilize resources to achieve the above-mentioned strategic objective include development of Multinational Lake Victoria Maritime Communications and Transport (MLVMCT) project.

The development objective of the project is to encourage increased transport and trade on Lake Victoria by improving maritime transport infrastructure including maritime communications, navigation safety aids, and maritime emergency search and rescue services.

Specifically, the Project seeks to:

- (i) Improve maritime communication network coverage and functionality;
- (ii) Operationalize the Maritime Rescue Coordination Centre (MRCC) in Mwanza, Tanzania; and two sub centres in Kisumu (Kenya) and Entebbe (Uganda);
- (iii) Improve safety and security of shipping and prevention of marine pollution by ships in the Lake Victoria;
- (iv) Establish, equip and strengthen the emergency Search and Rescue (SAR) centres;
- (v) Strengthen weather forecast services around and on the Lake and other value-added services;
- (vi) Support development of the East African Maritime Transport Strategy and Lake Victoria Development program;
- (vii) Strengthen the implementation capacity of the designated agencies in the Partner States;
- (viii) Support efforts of women groups around SAR facilities within the beach management units to undertake self-sustaining economic activities that are complementary to the project. The activities include locally produced life jackets, improved environment of 'mugongowazi' fish skin processing activities and health programs; and
- (ix) Strengthen the implementation of Lake Victoria Transport Act 2007 and its Regulations, and Oil Spill Contingency Plan for Lake Victoria.

The project registered delays in implementation of regional activities due to fund constraints at the LVBC Secretariat. The financing modality of the participating Partner States to disburse funds to LVBC for implementation of the regional activities has severely delayed timely commencement of regional activities such as establishment of designated Project Implementation Unit (PIU) team, construction of Regional MRCC, Project Management and capacity building.

In view of the above, LVBC Secretariat coordinated several meetings to unlock challenges facing implementation of the regional activities under the MLVMCT project through the Technical launch of the MLVMCT with fiduciary and procurement introductory training; holding of the Regional Policy Steering Committee (RPSC) meetings for the MLVMCT project to specifically

ly address the challenges the project is facing. Through these meetings, the Commission sought to raise awareness on the Bank Procurement Rules and procedures; awareness on the African Development Bank disbursement requirements; African Development Bank Financial Management and raise awareness on the project overview, project objectives, outcome components and implementation arrangements.

The RPSC eventually approved the Assessment of impact of the withdrawal of EU-AIT co-financing grant; validated the ToRs for assignment of various consultants under the project and Harmonised Partner States' comments on the ToRs for project scoping to determine the cost of construction of the Maritime Rescue Centres in Mwanza, Entebbe and Kisumu. The Meeting further validated regional and national work plans and budgets under the MLVMCT project.

17.3.12 REPORT OF THE ADAPTING TO CLIMATE CHANGE IN LAKE VICTORIA BASIN (ACC-LVB) PROJECT

The Adapting to Climate Change in Lake Victoria Basin (ACC-LVB) is an East African Community (EAC) regional Project coordinated by the Lake Victoria Basin Commission (LVBC) and implemented by five East African Community (EAC) Partner States. The project was developed in collaboration with the United Nations Environment Programme (UNEP). The overall project objective is to reduce vulnerability to the negative effects of climate change in the Lake Victoria Basin (Burundi, Kenya, Rwanda, Tanzania and Uganda), by building climate resilience. The project is funded by the Climate Adaptation Fund.

The project has five (5) project expected outcomes logically linked to the achievement of its overall objective. These include:

- a) Strengthened institutional capacity to integrate climate resilience into transboundary water catchment management;
- b) Improved delivery of accurate and timely climate information – with an emphasis on transboundary water catchment management – to regional and national policymakers, technical officers and local communities;

- c) Climate change adaptation technologies transferred to communities to reduce their vulnerability to climate change;
- d) Regional resilience to climate change promoted through innovative, community-based projects; and
- e) Improved knowledge management frameworks for the collection and maintenance of regional knowledge in transboundary water catchment management and climate change adaptation practices.

LVBC Secretariat facilitated the process of finalising the MoU on financial support for implementation of the project between UNEP and the Partner States. The Republics of Burundi, Rwanda, Uganda and the United Republic of Tanzania signed and submitted the MoUs to LVBC and immediately the Commission facilitated the funds disbursement to the four Partner States. The Republic of Kenya has not yet signed the MoU to facilitate the funds disbursement.

17.4 FINANCIAL, ADMINISTRATIVE AND INSTITUTIONAL MATTERS OF THE LAKE VICTORIA BASIN COMMISSION

The major role of the Finance and Administration Department is to provide support services and enhance fiduciary functions of the Commission in the coordination and management of its operations, projects and programmes. LVBC Secretariat presented the Finance, Human Resources and Administrative matters covering the period July 2018 to June 2019. The report articulated among other issues: (a) Finance matters regarding status of Partner States contributions and the budget performance for the period under review; (b) human resource matters; and (c) administration and institutional matters. These are detailed as follows:

17.4.1 FINANCIAL MATTERS LVBC SECRETARIAT FINANCIAL STATEMENTS AS AT 30th JUNE 2019

The EAC-LVBC audit for the financial year 2018/19 was successfully conducted and an unqualified audit opinion was issued on the financial statements of the Commission. The project audit on DFPA and USAID were also carried out successfully during the period and an unqualified opinion was issued.

17.4.2 ADMINISTRATIVE MATTERS Funding for construction of LVBC Headquarters

The Government of the Republic of Kenya donated a piece of prime land along the lake shores of area 2.8 hectares which is valued at Five Hundred and Sixty Thousand US Dollars (US\$560,000). The 37th Ordinary Council approved funding of USD1, 350,000 for 1st phase of construction of LVBC Headquarters.

The 38th Extraordinary Meeting of the Council of Ministers adopted the supplementary budget of USD1, 350,000 which is to be sourced from the EAC General Reserve Fund for the financial year 2018/2019 for the first phase of construction of Lake Victoria Basin Commission Headquarters (EAC/EX CM38/Decision 46).

The Commission developed and shared a roadmap for the construction as per directive LVBC/SC19/Directive 60. Further, the Commission engaged with Ministry of Public Works of the Republic of Kenya, to finalize all the technical designs and requisite approvals.

The Commission wrote to the EAC Secretariat requesting for the release of USD 1,350,000 towards construction costs of the Headquarters Phase 1 from the General reserve. The EAC Secretariat has since remitted USD 881,536 as at June 2019.

Table 37: STATEMENT OF FINANCIAL POSITION

Particulars	Notes	2018-2019 LVBC	2017-2018 LVBC
		USD	USD
ASSETS			
CURRENT ASSETS			
Cash and Cash Equivalent	1	536,376	764,234
Fixed Deposit Reserve (FDR)	2	688,861	520,213
Account Receivables	3	3,213,124	1,233,352
VAT Claimable	4	271,456	255,437
Inventory	5	-432	32,148
TOTAL CURRENT ASSETS		4,709,385	2,805,384
NON-CURRENT ASSETS			
Property, Plants & Equipment's	6	441,886	458,384
Land	7	532,657	532,657
Intangible Asset	8	7,506	20,935
TOTAL NON-CURRENT ASSETS		982,049	1,011,976
TOTAL ASSETS		5,691,434	3,817,360
LIABILITIES AND ACCUMULATED FUND			
CURRENT LIABILITIES			
Account Payables	9	843,646	1,158,361
Deferred income from Donors	10	716,992	603,845
TOTAL CURRENT LIABILITIES		1,560,638	1,762,206
NET ASSETS OR EQUITY			
Capital Reserve		941,186	937,417
Surplus or Deficit		3,189,610	1,117,736
TOTAL CAPITAL FUND		4,130,796	2,055,154
TOTAL LIABILITIES AND ACCUMULATED FUND		5,691,434	3,817,360

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General Challenges, Reccomendations and Conclusion

GENERAL CHALLENGES

The key challenges which affected implementation of Community programmes and projects during the period under review include: -

- a. Slow pace in harmonization of national laws and policies to comply with the Treaty that has hampered the implementation of the protocol commitments at the EAC Secretariat;
- b. Limited political will towards the implementation to the Common Market Protocol;
- a) Delays in remittance of funds from Partner States to Organs and Institutions of the Community;
- b) The pull out of the Development Partners in funding most of the EAC activities;
- c) Inadequate budgetary allocations to some EAC Organs and Institutions;
- d) Long decision-making and budget approval processes;
- e) Delays in ratification and accession of legal instruments, the EAC remains focused on the following key priorities as stipulated in the 5th EAC Development Strategy;
- f) Inadequate human capacity. For effective discharge of the mandate, there is need to have sufficient human resources. Despite several Council and Sectoral Council directives, staff have not been recruited;
- g) Delayed or non-implementation of policy organs directives and decisions.

Recommendations

The Community should implement the following strategies to mitigate the effects of the above challenges: -

- a. Fast-tracking the harmonization of the Partner States National Laws and Policies to pave way for implementation of the regional commitments;
- b. Increased political will and alignment of the Common Market Protocol commitments into the Partner States National Budgets;
- c. Full operationalization of the macro-economic criteria essential for the Monetary Union;

- d. Timely reimbursement of funds by EAC Partner States to allow full implementation of the set priorities;
- e. There was need for the Finance and Administration (F&A) Committee to increase the budget ceiling for some Organs and Institutions to support key activities. Furthermore, budget allocation according to each Unit in the Sector would be more effective than considering a global budget for the sector which is insufficient for even one priority per unit;
- f. The level of staffing needs to be increased to fill in the gaps resulting from the increased in the workload;
- g. Direct Partner States, EAC Organs and Institutions to implement allpolicy related decisions and directives.

Conclusion

In conclusion therefore, despite the fact that several achievements have been recorded, there are still challenges delaying the implementation of the EAC activities at all levels. These challenges among others include: - delayed disbursements of funds by Partner States and Development Partners which led to postponement of a number of planned policy and technical meetings, slow harmonization of the Partner States Laws and Policies to comply with the Treaty Commitments, delayed full implementation of the EAC Common Market Protocol delaying the implementation of the Monetary Union, and delayed implementation of the Summit, Council, and Sectoral Council policy decisions and directives.

In the next Financial Year, the Secretariat will continue engaging Partner States and Development Partners to ensure timely disbursement of funds to facilitate timely implementation of projects and programs and expedite the process of formulating alternative financing options for consideration by the Council.

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