



EAST AFRICAN COMMUNITY

**2ND MEETING OF THE 2ND SESSION OF THE
EAST AFRICAN LEGISLATIVE ASSEMBLY**

**Bujumbura, Burundi
20th October -1st November 2013**

**PRIORITY QUESTIONS FOR ORAL
ANSWERS**

October 2013

1.0 QUESTION : EALA/PQ/ 3/OA/19/2013 (By Hon. AbdulKarim Harelimana)

During the recently concluded EAC Summit of Heads of State Retreat on Infrastructure held on 29th November 2012 in Nairobi, Kenya, the idea of the need to revive the EAC Railway Network featured prominently and the Summit made certain directives to that effect.

Could the Chair of Council inform this August House:

- 1. What steps the Council and Partner States have taken so far in the implementation of these Summit directives?***
- 2. How far the Council has gone in the implementation of the East African Railway Master Plan?***
- 3. When does the Council envisage the establishment of an EAC Railway Authority, and what steps are being taken to that effect?***

Madam Speaker,

a)Steps the Council and Partner States have taken so far in the implementation of the Summit directives.

The 2nd Retreat of the EAC Heads of State held on 29th November, 2012 gave directives on the overall implementation of the targeted priority infrastructure projects and approved a list including the railways. The Heads of State directed the Council of Ministers to carry out the following activities;

- a) Mainstream the agreed regional priority projects into the Partner States' infrastructure priority projects for implementation.
- b) Engage key partners for mobilization of financing to undertake the implementation of the prioritized projects.
- c) Develop regional policy frameworks that will allow for financial blending and strengthen partnerships with domestic and foreign investors.
- d) Establish the technical, financial and transaction capacities required for assembling and implementing bankable projects at national and regional levels.
- e) Develop an investment strategy with clear financing options and timeframes for the priority projects with effective monitoring and evaluation mechanisms.
- f) Submit progress reports on the implementation of the infrastructure priority projects adopted by the Retreat, on a biennial basis.

Madam Speaker,

Pursuant to the foregoing Summit Directives, the Council-

- a) has plans to mount resource mobilisation engagements for EAC investments in infrastructure next year in Washington, Brussels, Tunis, Beijing and Tokyo after the development of a substantial number of bankable projects;
- b) has directed that all Trade and Investment Agreements between the Community and other bilateral and multilateral partners must be anchored on strong cooperation in trade and infrastructure development;
- c) is fast tracking the implementation of the Project on the EAC Financial Sector Development and Regionalization Programme (EAC-FSDRP) with the support of the World Bank and the African Development Bank that aims to enhance the performance and improve the infrastructure for financial and bonds markets in the EAC through which infrastructure development resources will be raised;
- d) has directed fast tracking of the finalization of the Draft Bill on the establishment of the EAC Development Fund which prioritizes development of bankable projects under infrastructure as its core and is also targeted to offer regional guarantees for blended infrastructure resources;
- e) is due to adopt in November, 2013 the policy proposal on the architecture of a regional PPP framework with a set of priority infrastructure projects as the launch pilots which will provide part of the missing framework for the engagement of the private sector in infrastructure financing and development in the region;
- f) is addressing core financing mechanisms of the Community's budget to sustainably finance core activities including infrastructure projects and programmes. The Council has already directed that counterpart funds for financed infrastructure projects be provided for under the EAC Budget;
- g) expects to consider by June 2014, a proposal on how the provision in the EAC Treaty on joint financing of regional infrastructure projects could be enabled to underpin joint financing of regional projects;
- h) has already approved the terms of reference on a study on the establishment of an EAC Infrastructure Development Coordination Agency to speed up the roll out of bankable regional infrastructure projects. Resource mobilization for the study is ongoing; and
- i) has already directed that future infrastructure development studies must be focused on project implementation and finalized within the agreed timeframes. The Council has directed that all regional projects be subjected to annual audits by the Audit Commission to ensure value for money and completion within set timeframes;

In July 2013, the EAC with support from the European Union and the African Development Bank organized a roundtable Conference on infrastructure financing focusing on blended financing and participation of the private sector. The Conference brought together participation from Partner States (at Ministerial levels), bilateral partners, international and regional organizations, private and regional banks, capital and pensions markets authorities.

During the Conference, each Partner States presented 10 priority projects (drawn from the Heads of State priority list) in transport, energy and urban development to potential investors which were received well and some of the negotiations on financing of these projects, under railways, energy and ports have commenced.

Madam Speaker,

The implementation of the EA Railways Master Plan approved in 2009, is now gaining momentum. The challenges that had to be overcome in order to get its implementation under way revolved around the following:

- (i) FEASIBILITY OF THE CHANGE OF GAUGE.
Partner States have now resolutely committed to implement the Standard gauge while maintaining and rehabilitating the narrow gauge rail, for purposes of service continuity during the development phase.
- (ii) THE EXISTING CONCESSIONS.
The Partner States have now agreed with concessionaires on the new railways development which will not face challenges from the existing concessionaires operating the narrow gauge railways;
- (iii) DETERMINATION OF THE FUNDING MODEL.
The Partner States have reported good progress on the matter of the involvement of the private sectors, bilateral partners, and infrastructure development bonds. Kenya has introduced a levy on imported goods towards resource mobilisation for railways development;
- (iv) LACK OF REGIONAL PPP FRAMEWORK.
The development of a regional PPP framework is now under way and is expected to be in place at the end of this year. Railways projects will be the pilot drivers for the regional framework;
- (v) LOW PRIVATE SECTOR PARTICIPATION.
The Council is happy to see the coming up of groups such as the Mwambani Port and Railways Corridor (MWAPORC) spearheading private sector entry into railways and ports development which was lacking
- (vi) UNCERTAINTIES ON SOURCE OF ENERGY.
The recent discoveries of oil in the region and the Government's commitment towards enhancing the availability of electric power improves the motive choice

(diesel or electric), for railways operations in the EAC.

Madam Speaker,

The EAC Secretariat has secured funding amounting to US\$1.4 million from the African Development Bank to carry out the East African Railways Sector Enhancement Project study whose main objective is to develop bankable projects for investments from the EAC Railways Master Plan especially focusing on priority railways links between the Tanzania and Kenya/Uganda railways and the development of policy related documents covering, tariffs, competition, ownership, operations, training, and maintenance to assist in the reforming of the railways sector in the region.

Madam Speaker,

I wish to confirm to this House that the prospects of railways development in the EAC are brighter now than ever before.

c)On the establishment of an EAC Railway Authority, and what steps are being taken to that effect

Madam Speaker,

The scope of the study on the East African Railways Sector Enhancement Project involves among others legal and regulatory harmonization studies including that on the establishment of a Regional Railways Regulatory Authority, as a precursor to the possible establishment of an EA Railways Authority which will be charged with matters of competition, tariffs harmonisation, research, technology development and adaptation, safety, and environmental issues among others.

The immediate implementation of a Railways Authority in the EAC charged with railways development would seem unfeasible for now (due to the disparate railways ownership and development structures) until the Political Federation stage of regional integration is realized or the Partner States agree to joint management and development of railways.

2.0 QUESTION : EALA/PQ/OA/3/20/2013 (By Hon. Leonce Ndarubagiye)

Recalling that the East African Legislative Assembly adopted a Resolution on Street Children on 22nd April, 2010.

Could the Chairperson of Council inform this August House, the extent to which the Partner States have implemented the resolution on the eradication of the street child phenomenon?

Madam Speaker,

I wish to inform this august House that the East African Community has been in the process of putting in place policies, institutional and legal frameworks aimed at implementing Article 120 of the Treaty for the Establishment of the East African Community which provides for cooperation amongst Partner States in the fields of Social Development and Social Welfare.

The Council of Ministers has already adopted various policy instruments which include the EAC Social Development Framework (2013), the EAC Youth Policy (2013) the EAC Policy on Persons with Disabilities (2012) and the EAC Strategic Plan on Gender, Youth, Children, persons with Disabilities, Social Protection and Community Development (2012-2016).

Concerning street Children, the Council of Ministers at its 27th Meeting held on 31st August 2013 endorsed and forwarded to the Summit of Heads of State the Bujumbura Declaration on the Wellbeing of the Child in the East African Community.

Madam Speaker,

Currently, a comprehensive situation analysis of children issues in all the EAC Partner States was, with the support of Save the Children, undertaken during August and September 2013. A zero draft EAC Child Policy was developed and will be subjected to a validation process before December 2013. It is planned that the EAC Child Policy should be in place by June 2014.

Madam Speaker,

I further wish to inform this august House that the EAC Partner States are already undertaking various actions to eradicate of the Street Children phenomenon. However, there is a need for Partner States to cooperate by putting in place a common approach to address child rights issues. It is in this regard that the Community is starting by formulating a Child Policy which shall be followed by an appropriate

legal binding instrument for family and child promotion and protection. In the meantime, the EAC Secretariat has planned to work with Local Governments in addressing social development issues. Consultations are planned to take place before December 2013.

The East African Community is also collaborating with Development Partners in order to put in place a full programme on Child Rights which will cater for Street Children.

3.0 QUESTION : EALA/PQ/OA/3/21/2013 (By Hon. Leonce Ndarubagiye)

A lot of conferences in line with the EAC infrastructure master plan and investment policies have been approved by the EAC.

Could the Chairperson of Council inform this August House:

- (i) The extent to which the Council and Partner States have implemented the EAC infrastructure plan.***
- (ii) Have you also considered the Isaka Kigali and Isaka-Musongati railway extension as part of the initial phase?***

Madam Speaker,

a) *On the extent to which the Council and Partner States have implemented the EAC infrastructure plan.*

Madam Speaker,

The estimated cost of delivery of the infrastructure plans of the EAC in the next 8 to 10 years as prioritized by the Heads of State, is approximately US\$ 70 billion.

This large investment calls for continuous dialogue in conferences and adjustments to the infrastructure investment strategies of the region as Partner States have to accommodate the investments in their budget cycles and or engage with the private sector. Hence, the seemingly many conferences meant to create platforms for engagement with the stakeholders to raise the required resources or take stock of the implementation of the infrastructure plans.

Madam Speaker,

Given the very many projects in the surface transport , energy, and ICT master plans and strategies that the Community is implementing, the Council has directed the Secretariat to avail the Committee of the House on Communications, Trade and Investment a detailed Matrix on the status of implementation of the priority projects under infrastructure. This detailed Matrix will give the House through the Committee sufficient details to be able to appreciate the status of implementation of these projects and the challenges thereof holistically.

b) *Consideration of the Isaka Kigali and Isaka-Musongati railway extension as part of the initial phase.*

Madam Speaker,

The overall Dar Es Salaam – Isaka – Kigali/Keza – Musongati railways project overseen by a Secretariat chaired by Tanzania and Rwanda as the Secretary is one of the community projects prioritized by the Heads of State at their 2nd Infrastructure Retreat for implementation. Currently, the packaging of the projects for PPPs under this railways project is ongoing and engagement with financiers has commenced.

4.0 QUESTION : EALA/PQ/OA/3/22/2013 (By Hon. Shy-Rose Bhanji)

The Women and Youths in the EAC can be enabled to have a special role to play in small scale businesses which are now emerging and easy to manage.

Could the Chairperson of Council inform this August House how the EAC has assisted Women/Youths in this regard so that they can take full advantage of EAC integration?

Madam Speaker,

I am glad to inform this august House that the EAC Youth Policy, 2013 was approved by the Council of Ministers at its 27th Meeting held on 31st august 2013. This Policy is targeting, the unemployed youth, the rural youth, urban youth migrants, youth in the informal sector, the street youth, the School dropouts and out of school youth, among others.

The EAC Youth Policy provides for, promoting youth entrepreneurship by including entrepreneurship training in the school curricula, providing access to credit, business development skills training, mentorship opportunities and up to date information on market opportunities. It also provides measures to regulate the informal economy to prevent unfair labour practices where the majority of youth work.

Madam Speaker,

The East African Community has undertaken to sensitize the Youth on existing opportunities within the EAC region. In addition, the Inter-University Council for East Africa is working with the East African Business Council on a program to strengthen youth entrepreneurship in the region.