



**EAST AFRICAN COMMUNITY**



**ANNUAL REPORT**  
**2019 -2020**

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## LIST OF ABBREVIATIONS AND ACRONYMS

<b>AAU</b>	Association of African Universities
<b>ACE II</b>	The Eastern and Southern Africa Higher Education Centers of Excellence Project
<b>ACP</b>	African Caribbean Pacific
<b>ACOA</b>	African Congress of Accountants
<b>AfDB</b>	African Development Bank
<b>AMREF</b>	African Medical and Research Foundation
<b>APPPF</b>	Academia-Public-Private Partnership Forum
<b>BCAA</b>	Burundi Civil Aviation Authority
<b>BMU</b>	Beach Management Unit
<b>CAAs</b>	Civil Aviation Authorities
<b>CAAU</b>	Civil Aviation Authority Uganda
<b>CAM</b>	Centre for Aviation Medicine
<b>CAPs</b>	Corrective Action Plans
<b>CASSOA</b>	Civil Aviation Safety and Security Oversight Agency
<b>CCPAD</b>	Corporate Communications and Public Affairs Department
<b>CMP</b>	Common Market Protocol
<b>CIPP</b>	Certified International Procurement Professional
<b>CPA</b>	Chartered Public Accountants
<b>COMESA</b>	Common Market for Eastern and Southern Africa
<b>COP</b>	Conference of Parties
<b>DAAD</b>	Deutscher Akademischer Austausch Dienst (German Academic Exchange Service)
<b>DLI/R</b>	Disbursement Linked Indicators/Results
<b>DMEs</b>	Designated Medical Examiners
<b>DRC</b>	Democratic Republic of Congo
<b>DRR</b>	Disaster Risk Reduction
<b>DVC</b>	Deputy Vice Chancellor
<b>EABC</b>	East African Business Council
<b>EAC</b>	East African Community
<b>EACDF</b>	East African Community Development Fund
<b>EACHEA</b>	East African Community Common Higher Education Area
<b>EACJ</b>	East African Court of Justice
<b>EADB</b>	East African Development Bank
<b>EAHEMIS</b>	East African Higher Education Management Information System
<b>EALA</b>	East African Legislative Assembly
<b>EALP</b>	EAC/AMREF Lake Victoria Partnership Programme
<b>EAQAN</b>	East African Higher Education Quality Assurance Network
<b>EASA</b>	European Aviation Safety Agency
<b>EASTECO</b>	East African Community Science and Technology Commission
<b>ECSA</b>	Eastern, Southern and Central Africa
<b>EDF</b>	European Development Fund
<b>ELP</b>	English Language Proficiency
<b>EOI</b>	Expression of Interest
<b>EPA</b>	Economic Partnership Agreement

<b>ESAF</b>	Eastern and Southern African Office
<b>EU</b>	European Union
<b>FAA</b>	Federal Aviation Administration
<b>FY</b>	Financial Year/Fiscal Year
<b>GIZ</b>	German Society for International Development Cooperation
<b>HAQAA</b>	Harmonization of African Higher Education Quality Assurance and Accreditation
<b>HRK</b>	Hochschul rektoren konferenz (German Rectors Conference)
<b>ICAO</b>	International Civil Aviation Organization
<b>ICF</b>	International Cooperation Forum
<b>ICT</b>	Information Communication Technology
<b>IDA</b>	International Development Association
<b>IGAD</b>	Intergovernmental Authority on Development
<b>IEC</b>	Information, Education and Communication
<b>IOM</b>	International Organization for Migration
<b>IoT</b>	Internet of Things
<b>IPSAS</b>	International Public-Sector Accounting Standards
<b>IT</b>	Information Technology
<b>ITS</b>	Inspectors Training System
<b>IUCEA</b>	Inter-University Council of East Africa
<b>KCAA</b>	Kenya Civil Aviation Authority
<b>LVBC</b>	Lake Victoria Basin Commission
<b>LVEMP</b>	Lake Victoria Environmental Management Project
<b>LVFO</b>	Lake Victoria Fisheries Organization
<b>LVRI</b>	Lake Victoria Research Initiative
<b>LVWATSAN</b>	Lake Victoria Water Supply and Sanitation
<b>M&amp;E</b>	Monitoring and Evaluation
<b>MEAs</b>	Mutual Environmental Agreements
<b>MERECF</b>	Mount Elgon Regional Ecosystem Conservation Project
<b>MoU</b>	Memorandum of Understanding
<b>NCD</b>	Non- Communicable Diseases
<b>NEPAD</b>	New Partnership for Africa Development
<b>NFPOs</b>	National Focal Point Officers
<b>NGO</b>	Non-Governmental Organizations
<b>NTBs</b>	Non-Tariff Barriers
<b>OSBP</b>	One Stop Border Posts
<b>PEL</b>	Personnel Licensing
<b>PF</b>	Partnership Fund
<b>PR</b>	Public Relations
<b>PSs</b>	Partner States
<b>RCAA</b>	Rwanda Civil Aviation Authority
<b>RFU</b>	Regional Facilitation Unity
<b>RSC</b>	Regional Steering Committee
<b>RTD</b>	Retired
<b>SADC</b>	Southern African Development Community
<b>SARPs</b>	Standards and Recommended Practices
<b>SARUA</b>	Southern Africa Regional Universities Association

<b>SAUT</b>	Saint Augustine University of Tanzania
<b>SIDA</b>	Swedish International Development Cooperation Agency
<b>SMS</b>	Safety Management System
<b>SOFIA</b>	Safety Oversight Facilitated Integration Application
<b>SSP</b>	State Safety Program
<b>STI</b>	Science Technology & Innovation
<b>TCAA</b>	Tanzania Civil Aviation Authority
<b>TCM</b>	Transport, Communication and Meteorology
<b>TGMs</b>	Technical Guidance Materials
<b>TMEA</b>	Trade Mark East Africa
<b>UK</b>	United Kingdom
<b>USA</b>	United States of America
<b>USAP</b>	Universal Security Audit Programme
<b>USOAP</b>	Universal Safety Oversight Audit Programme
<b>UTANA</b>	Uganda Textbook Academic and Non-Fiction Authors Association
<b>VC</b>	Vice Chancellor
<b>WG</b>	Working Group





## **FOREWORD BY CHAIRPERSON OF COUNCIL OF MINISTERS**

In line with Article 49(2) (c) of the Treaty, this report describes the key developments, achievements and milestones made by the various East African Community (EAC) Organs and Institutions during the year 2019/2020 . EAC Organs and Institutions are include the Secretariat; the East African Legislative Assembly (EALA); the East African Court of Justice (EACJ); the Civil Aviation 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).

The Community has since our last Annual Report witnessed a number of important developments in the integration process for the people of East Africa. Through the full implementation of the Single Customs Territory (SCT) export regime the Community has witnessed enhanced exchange of trade information and interconnectivity of customs systems... The region has continued to operationalize the One Stop Border Posts (OSBPs) whereby Nimule/Elegu (Uganda/South Sudan border) and Tunduma (Tanzania/Zambia border) were launched in the Financial Year 2019/2020. Further, the Community is in the final stages of concluding a comprehensive review of the EAC Common External Tariff with Partner States adopting a four-band structure (0%, 10%, 25% and a rate above 25% yet to be agreed upon with some Partner States in favour of 30% while others 35%).

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 2019/2020, providing key highlights on the implementation of EAC activities during the period.

Hon. Dr.Vincent Biruta  
Minister of Foreign Affairs and International Cooperation  
CHAIRPERSON OF THE COUNCIL OF MINISTER

## REPORT BY THE SECRETARY GENERAL

In 2019, real GDP in East African countries grew by 5.9 percent, the highest growth among all Regional Economic Communities in Africa. In most EAC Partner States, the real GDP growth was mainly driven by service sectors, followed by the industrial and agricultural sectors. In line with global trends, growth rate in the EAC Region in 2020 is expected to experience a drop as a direct result of the global COVID-19 pandemic. In this regard, decisive measures are urgently needed to mitigate the economic losses, safeguard livelihoods and promote economic recovery.

The EAC Annual Report 2019/2020 captures the progress made in the implementation of planned activities and achievement of targeted results as at end-June 2020, highlighting the key success stories and challenges encountered during the review period. 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 the outbreak of COVID 19 which affected the implementation of many activities across EAC Organs and Institutions. The Office of the Secretary General 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 FY2020/2021.

In line with the 5<sup>th</sup> EAC Development Strategy (2016/17 – 2020/21) and various Summit and Council directives, the following were the major priority areas planned for the Financial Year 2019/2020:-

- a) Consolidation of the Single Customs Territory (SCT) and promotion of intra and extra-EAC trade and export competitiveness;
- b) Development of regional infrastructure;
- c) Effective implementation of the Common Market Protocol (enhancement of free movement of persons, labour, capital and implementation of commitments on other areas of cooperation as envisaged under the Common Market);
- d) Enhancement of regional industrial development, agricultural value addition, skills development, technological advancement and innovation to stimulate economic development;
- e) Implementation of the Roadmap towards the EAC Monetary Union;
- f) Promotion of regional peace, security and good governance, and Constitution-making for the EAC Political Confederation;

g) Institutional transformation, focusing on implementation of the Institutional Review recommendations, sustainable financing mechanism and improvement of performance management at the EAC Organs and Institutions; and

h) Cross-cutting priority areas and programmes to complement those that are specific to the four pillars of the integration towards the realization of the Community's objectives both in the short and medium term.

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

## **1.0 CUSTOMS UNION**

### **i) Key Priorities under the Customs Union**

Key progress made in the area of Custom Union is in respect to the implementation of the SCT; establishment and roll-out of operations of One Stop Border Posts; enhancement of the regional Authorized Economic Operator (AEO) Programme; and development of a regional interconnectivity platform. Worth noting is the review of regional customs legal and procedure instruments; and elimination of Non-Tariff Barriers.

#### **a. Establishment and Strengthening an integrated and efficient customs institutional framework**

Through the review of the EAC Customs Management Act (CMA) to support the current trading environment, adoption of EAC CET e-Tariff tool kit framework, adoption of the cargo Tracking System (CTS) Sustainability Strategy, and the development and approval of the OSBP Sustainability Strategy.

#### **b. Implementation of the Single Customs Territory**

Implementation of the SCT through which inter connectivity of customs systems and exchange of trade information have been enhanced. This has also seen the full implementation of the SCT export regime for commodities exported from the region.

#### **c. Operationalization of One-Stop Border Posts (OSBP)**

The region has continued to operationalize the OSBPs: Nimule/Elegu (Uganda/South Sudan border) and Tunduma (Tanzania/Zambia border) were launched . Further, the Community is in the final stages of concluding a comprehensive review of the EAC Common External Tariff. So far, Partner States have adopted a four-band structure (0%, 10%, 25% and a rate above 25%). Partner States are yet to agree on a rate above 25% as some Partner States are in favor of 30% while others prefer 35%.

OSBP Performance Measurement Tool was developed and adopted, AEO Mutual Recognition Arrangements (MRA) action plan with India was developed, the development and implementation of the EAC Administrative Guidelines to facilitate the movement of goods and services during the COVID-19 pandemic and adopted

**d. Development of a Regional Interconnectivity Platform**

Customs automation across the region was enhanced in all Partner States with upgrades of the customs systems and migration to more advanced and robust systems. At the regional level, an interconnectivity program was initiated to address the current weaknesses in customs valuation and monitoring of goods across the region. The interconnectivity platform has provided a uniform and consistent mechanism to handle cargo and trade facilitation through risk management. The Secretariat has further embarked on a four-phased approach to the implementation of the SCT Centralized Platform which is expected to be completed by July 2020.

**e. Integration of the Republic of South Sudan**

The Republic of South Sudan Customs' Administration System was integrated into the EAC Customs Union. In addition,

1. senior officials from the Republic of South Sudan undertook a familiarization mission at the EAC headquarters and were sensitized on the EAC functions and institutions. In total 160 government officials and other stakeholders from the Republic of South Sudan have been sensitized and trained on the key priority areas.
2. South Sudan officials were also trained and sensitized on implementation of One Stop Border Posts in EAC; and capacity building for the implementation of the Customs Union remains a continuous process.

**f. Trade facilitation enhanced**

Through simplified and harmonized procedures of the SCT, World Trade Organization (WTO) Trade Facilitation agreement ratified by 5 Partner States, except the Republic of South Sudan.

Mechanism for the removal of restrictions on trade in services adopted. National Trade in Services Committees (NTSC) and Regional Trade in Services Committee (RTSC) established to facilitate the removal of restrictions on trade in services

**g. Resolution of Non-Tariff Barriers (NTBs) in the Region**

According to the EAC Customs Union Protocol, Partner States agreed to remove, with immediate effect, all the existing NTBs to the importation into their respective territories of goods originating in the other Partner States and, thereafter, not to impose any new NTBs (Article 13).

There has been a persistence of NTBs that has affected intra-regional trade negatively. Nevertheless, efforts have been put in place to resolve the existing ones and encourage Partner States to refrain from imposing new ones.

For the period 2019/2020 a total of 16 NTBs were resolved amongst Partner States. The EAC Elimination of Non-Tariff Barriers Act, 2017 which provides the legal basis for the elimination of NTBs in the Region was revised and the regulations for implementing the Act were finalized.

**h. EAC Micro Small and Medium Enterprises Trade Fair**

In developing and promoting Micro, Small and Medium Enterprises (MSMEs) in the region, the 20th EAC MSMEs Trade Fair, formally known as Jua Kali NguvuKazi Exhibition was successfully held in Kigali, Rwanda from 13th - 22nd December, 2019. More than 1,000 exhibitors from EAC Partner States attended the Trade Fair. During the Trade Fair, the exhibitors/MSMEs were trained through daily symposium sessions, which covered different aspects of regional integration including cross border trade. As a result of the Trade Fair, new businesses have been opened and more MSMEs have been able to engage in cross border trade.

## **I. Industrialization and SMEs Development**

The region has been implementing the Industrialization Policy through a Strategy and its Action Plan, which has now expired. Taking into account emerging developments such as fourth industrial revolution, biotechnology, oil and gas explorations, African Continental Free Trade Area (AfCFTA) and importance of protecting nascent industries, a new EAC Industrial Policy Strategy and Action Plan for the next five years (2021-2026) is under development.

EAC developed competitive Cotton, Leather, Automotive, Fruits & Vegetables, Pharmaceutical and Extractive and Mineral Value Chain Strategies.. To support the implementation of these strategies, the region established public-private sector coordination platforms. With regard to the pharmaceutical sector, the region has developed and identified products that can be procured locally; established a task force to oversee their procurement and a Pharmaceutical Manufacturing Bill is under development. The process of developing fruits and vegetables and extractive and mineral value chains strategies.

## **2.0 COMMON MARKET**

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

In an effort to track the implementation of the EAC Common Market Protocol (CMP) provisions, the EAC Secretariat conducted the first formative Evaluation of the Implementation of the EAC CMP since it came into force. Evaluation findings and recommendations will be used by the Council, the Partner States and other stakeholders in designing new implementation and programmatic strategies, and approaches for full implementation the EAC CMP.

### **(b) Common Market Scorecards**

In an effort to expedite implementation of the EAC CMP provisions, the EAC Secretariat in collaboration with Trademark East Africa and the World Bank Group developed the EAC Common Market Scorecard (CMS) - a tool that monitors the implementation of the Protocol by tracking progress of Partner States in fulfilling their commitments under the Protocol.

A draft EAC Common Market Scorecard 2019 Report on Free Movement of Goods, Services and Capital was produced and awaits approval by the Sectoral Council of Ministers Responsible for EAC Affairs and Planning.

**(c) Harmonization of Labour Policies, Laws and Procedures:**

The EAC CMS, 2018 on Free Movement of Labour and rights of Residence and Establishment report was finalized and adopted by the Sectoral Council of Ministers responsible for EAC Affairs and Planning.

**(d) Drafting of East African Surveillance, Compliance and Enforcement Commission Bill and the East African Financial Services Commission Bill.**

Bills for the establishment of “EAC Surveillance, Compliance and Enforcement Commission” and the “East African Financial Services Commission” have been drafted. The two Bills were considered by the Council in November 2019 and forwarded to the Sectoral Council on Legal and Judicial Affairs for legal input

**(e) Issuance of the New International EA e-Passport**

The 17<sup>th</sup> Ordinary Summit of the EAC Heads of State held on 2<sup>nd</sup> March 2016 directed Partner States to commence issuance of the New EA e-Passport. The Republic of Kenya commenced the issuance of the International EA e- Passport to nationals on 1<sup>st</sup> September, 2017; The United Republic of Tanzania commenced issuance of the EA e-Passport on 31<sup>st</sup> January, 2018 and the Republic of Burundi commenced issuance of the EA e- Passport on 28<sup>th</sup> May, 2018. The Republic of Uganda will commence the process in January, 2019 while the Republic of Rwanda will commence in February, 2019. The Republic of South Sudan is studying the requirements of the entire process and will commence issuance at a later date.

**(f) Development of the EAC e- Immigration Policy**

A final draft regional EAC e- Immigration Policy developed in August 2019 is undergoing consultations in Partner States. The Policy once adopted will, among other things, promote efficient, effective and transparent e-immigration services in the Community and access to and protection of Immigration information. The draft Policy will be presented for adoption to the Council in November 2020.

**(g) Labour and Employment subsector**

The draft EAC Directive on Coordination of Social Security Benefits is being reviewed and updated. The process of review included conducting of an assessment study on the state and effectiveness of social protection in the Republic of South Sudan, and undertaking a regional study on social protection laws and policies in the region and a meeting of legislative drafters and social security experts to update the draft Council Directive.

**(h) Refugee Management sub-sector**

Under the Treaty and the EAC Common Market Protocol and Peace and Security Partner States have developed a common mechanism for management of refugees in the Community while taking cognizance of the international conventions on the same. In collaboration with United Nations High Commissioner for Refugees (UNHCR) a draft EAC Common Policy on Refugee management was developed and transmitted to Partner States for input. The key priority areas of the policy include: border Management systems and access to territory; registration and documentation of asylum seekers and refugees; refugee status determination; cessation from refugee status. The draft Policy will be finalized and presented to the Council of Ministers in November 2020 for adoption.

#### **(i) Mutual Recognition of Academic and Professional Qualifications**

Regarding the mutual recognition of academic and professional qualifications as provided under the CMP, national meetings were held to operationalize the already signed Mutual Recognition Agreements (MRAs). Annex VII of the EAC Common Market Protocol (Mutual Recognition of Academic and Professional Qualifications) was redrafted and forwarded to the Sectoral Council on Legal and Judicial Affairs (SCLA) for consideration and adoption.

National road maps and strategies to eliminate barriers and restrictions to the implementation of signed MRAs have been developed and are under implementation

The EAC Partner States have committed to harmonize their education systems and training curricula. In the year under review, meetings of the Technical Committee on Technical and Vocational Education and Training (TVET) were held to finalize the TVET harmonization strategy. The Committee also met to align the EAC TVET strategy to the African Union (AU) continental TVET strategy. Resources have been mobilized from the Swiss Agency for Development Cooperation (SDC) for the finalization of the harmonization of TVET and linking the sector to the world of work.

The EAC Secondary School Students Essay Writing Competition plays an important role in involving school going youths into the developments and integration processes of the Community. The 2019 EAC Essay Writing Competition was conducted successfully and winners for both national and regional levels determined. National Awards for the winners have been held for the Republics of Kenya and Tanzania. The awards for the other Partner States will be held when the current pandemic situation normalizes. The regional awards shall be held during the next ordinary meeting of the Summit of the EAC Heads of State.

#### **(j) Development and Implementation of the EAC Investment Strategy**

The EAC Investment Policy was adopted by Sectoral Council on Trade, Industry, Finance and Investment in 2019 and the 39th Meeting of the EAC Council of Ministers held from 21<sup>st</sup> to 28<sup>th</sup> November, 2019 in Arusha, Tanzania considered the EAC Investment Policy and directed the United Republic of Tanzania to finalize internal processes on the EAC Investment Policy and report to the 40<sup>th</sup> Ordinary Meeting of the Council (EAC/CM 39/ Directive 38).

The process has delayed finalization of the EAC Investment Policy and commencement of the development of an EAC Investment Strategy. The EAC Secretariat developed an EAC Investment Guide and online Guide that was considered, validated and recommended for approval by the regional meeting of investment experts held in June, 2020.

**(k) Coordination of implementation of EAC Comprehensive Africa Agriculture Development Programme (CAADP) Regional Agriculture Investment Plan (RAIP) and EAC Regional Food and Nutrition Security Action Plan (FNSAP);**

A draft RAIP Implementation Plan was developed however, funds anticipated from USAID to support validation of the same delayed. Finalization of the CAADP Results Framework will be done after validation of the RAIP Implementation Plan.

Under the EAC Regional Food and Nutrition Security, A draft EAC Fertilizer Policy was developed subjected to a regional validation in September 2019. Outbreak of Covid-19 pandemic disrupted the final regional validation workshop slated for March 2020 and the EAC Partner States 2<sup>nd</sup> Biennial report was prepared and submitted to the African Union Commission. The same was presented to the AU General Assembly in February 2020.

### **3.0 MONETARY UNION**

#### **i. Establishment of the East African Monetary Union Institutions**

During the financial year 2019/20, the Secretariat continued to work with Partner States to develop legal instruments for the establishment of the four institutions provided in the East African Monetary Union (EAMU) Protocol. The four institutions are (i) the East African Monetary Institute; (ii) the East African Statistics Bureau; (iii) the East African Surveillance, Compliance and Enforcement Commission, and; (iv) the East African Financial Services Commission. These institutions are expected to support the Monetary Union by providing a robust institutional framework to ensure compliance and safeguard the convergence process.

##### **a. Under Fiscal and Monetary Affairs**

The Bill for the establishment of the East African Monetary Institute was assented to by the Summit of EAC Heads of States in February 2019 thereafter becoming the East African Monetary Institute Act 2019. The Council is expected to consider this matter in November 2020 and provide guidance on the timelines for the establishment of the Institute.

The EAC Domestic Tax Harmonization Policy was finalized and adopted by the Council and is currently being implemented.



The EAC Central Banks have agreed to harmonize their monetary policies towards the adoption of forward-looking interest rate based monetary policy framework. So far two of the EAC Central Banks, namely Bank of Uganda and National Bank of Rwanda, have formally adopted the forward-looking interest rate based monetary policy framework while other central banks are finalizing the preparations for the adoption of the agreed framework.

## **ii. Implementation of Payment and Settlement Systems in the region**

In January 2020, the Sectoral Council on Finance and Economic Affairs (SCFEA) considered and approved: the draft EAC Banking Certification Policy, its Implementation Strategy and Roadmap, the draft EAC Microfinance Services Policy and its Implementation Strategy and Roadmap, and the revised draft EAC Insurance Bill. The SCFEA also approved the revised draft paper and the corresponding principles on extending pension coverage to the informal sector in the EAC region.

## **iii. Implementation of the Financial Sector Development and Regionalization Project.**

The EAC Banking Certification Policy; its Implementation Strategy and Roadmap of the EAC Banking Certification were approved by the 11<sup>th</sup> SCFEA in January, 2020

The draft EAC Microfinance Services Policy (MSP), its Implementation Strategy and Roadmap were considered and approved by MAC. Awaits adoption by SCFEA SCFEA for adoption.

The EAC Secretariat undertook in-Country consultations on the draft EAC Microfinance Service Providers Bill from 9<sup>th</sup> to 20<sup>th</sup> October 2019. The meetings reviewed the draft EAC Microfinance Service Providers Bill and came up with specific observations to all aspects of the draft Bill.

The draft EAC Microfinance Services Policy (MSP) and Implementation strategy was approved by SCFEA in January 2020,

## **iv. Pension Legal and Regulatory Framework**

The draft paper and the corresponding Principles on extension of pension coverage to the informal sector in the EAC region were approved by the SCFEA in January 2020. The Consultant, Callund Consulting Ltd (in collaboration with PKF Tanzania Ltd) submitted the draft report on Pension Tax Regimes in the EAC Region to EAC Secretariat on 30<sup>th</sup> August 2019. The Consultant submitted the revised draft report in October, 2019 and the same was submitted to Partner States for review and inputs.

The validation workshop for the Pension Tax Regimes in the EAC Region was held from 12<sup>th</sup> to 13<sup>th</sup> November, 2019 in Arusha. Partner States provided additional comments for

incorporation into the report. Partner States however, had not provided all the data to enable the Consultant finalize modelling aspects of the study. The final report was submitted in the second week of March, 2020 and circulated to Partner States Pension stakeholders for further review and input.

#### **v. Insurance Legal and Regulatory**

The draft EAC Insurance Bill was presented to the 10<sup>th</sup> SCFEA and 38<sup>th</sup> Council of Ministers' meeting, which directed that the Insurance Technical Working Group further review the draft Bill to resolve the outstanding issue on Article 45 on mutual recognition and report back to the 11<sup>th</sup> SCFEA meeting in November 2019 and the subsequent Council Meeting.

On 4<sup>th</sup> November 2019 the EAC convened a meeting of the insurance regulatory bodies with the EAC Secretariat Legal Department to review the draft Bill, resolve all outstanding issues and finalize the Bill.

From 14<sup>th</sup> to 15<sup>th</sup> November, 2019 the EAC Secretariat presented the draft EAC Insurance Bill to the Capital Markets Insurance and Pension Committee (CMIPC) meeting. The CMIPC Meeting considered and adopted the draft EAC Insurance Bill. From 18<sup>th</sup> to 20<sup>th</sup> November, 2019, the EAC Secretariat presented the revised draft EAC Insurance Bill to the SCFEA meeting. In January 2020 SCFEA considered and adopted the revised draft EAC Insurance Bill and recommended to Council to consider it.

From 14<sup>th</sup> January to 21<sup>st</sup> February 2020, the EAC FSDRP undertook in-country consultations on the set of 6 draft EAC Insurance Regulations in all Partner States.

#### **Capital Market Infrastructure**

Rwanda and Burundi, interface development and testing were held between InfoTech and CMA Social Security. The CMI vendor InfoTech was instructed to harmonize the work plan, taking into consideration the input from Rwanda and Burundi.

Tanzania, STT the supplier of the Central Securities Depository (CSD) for the Dar es Salaam Stock Exchange (DSE), has configured on the Swift Router of the CSD. The Swift Router will avail DSE with the necessary interfacing as opposed to purchasing new licenses for IBM MQ. The Swift Router is already provided for in the software suite used by the CSD at the DSE.

At the Uganda Stock Exchange (USE), there has been a slowdown in implementation as lock down measures has been tightened due to the pandemic. The USE needs technical resources to provide onsite assistance for some of the critical tasks. This will be possible after some of the national lockdown restrictions have been relaxed. However, the market remains open with essential operations and technical resources working remotely.

The EAC FSDRP conducted training for key professionals across the region from 3rd to 29th February 2020 to equip trainees with skills and competences to effectively execute their roles and responsibilities in the operationalization of the securities market

#### **4.0 POLITICAL FEDERATION**

##### **(a) Constitution-making for the EAC Political Confederation**

The 18th Ordinary Summit of Heads of States adopted the Political Confederation in May, 2017 as a transitional model of the East African Political Federation and directed the Council of Ministers to constitute a team of constitutional experts to draft the Constitution for the Political Confederation. Launch of the National Consultations was held on 29th October 2019 in Entebbe, Uganda.

Protocol on Preventing and Combating Corruption under redrafting; Preparations for Election Observation Mission in Burundi commenced: Operationalization of the EAC Conflict Prevention, Management, and Resolution Mechanism (CPMR Mechanism) was further enhanced through capacity building and sensitization activities. EAC Mediation capacity was enhanced through attainment of the final stage of training in mediation for EAC Mediation Support Standing Group to support the work of the EAC Eminent Persons, Special Envoys and Representatives

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

The operationalization of the EAC Conflict Prevention, Management, and Resolution Mechanism (CPMR Mechanism) was further enhanced through capacity building and sensitization activities. EAC mediation capacity was enhanced through attainment of the final stage of training in mediation for EAC Mediation Support Standing Group to support the work of the EAC Eminent Persons, Special Envoys and Representatives.

Substantial implementation of the eight (8) goals of the updated Strategy on Regional Peace and Security was done specifically on aspects of police cooperation and harmonization, through finalization of the five Standard Operating Procedures (SOPs).

The training of women security officers on the UN Security Council Resolution (UNSCR) 1325 was scaled up, while trainings on general investigations, forensic investigations and crime analysis were also scaled up through cooperation with INTERPOL with funding from the EU – Maritime Security Programme (MASE )Project. A contingent of 105 Police investigative officers were trained on the advanced stage of investigations during the period under review.

The period witnessed enhanced cooperation in prisons/correctional services with increased training in human rights approaches through Raul Wallenberg Institute. Refugee and e-migration policies and a Transboundary Security Framework, with emphasis on community involvement were developed and are undergoing adoption processes within the EAC, through the relevant Sectoral Councils.

## 5.0 1CROSS-CUTTING ISSUES

### (a) Planning and Research

The Concept Paper for the development of A Regional Planning and Implementation Framework was completed. As proposed in the EAC Vision 2050, a Regional Planning Authority is being considered as part of the Implementation Framework for the 6<sup>th</sup>EAC Development Strategy. Additional activities include:

#### i. **Global and Sector-specific Priority Areas for 2020/2021 approved by August 2019**

Under the Theme: “**Stimulating the economy to safeguard livelihoods, jobs, businesses and industrial recovery**”, the MTEF for the Financial Year 2020/21 – 2022/23 was prepared in line with the global and sector-specific priority areas adopted by the 39th Meeting of the Council of Ministers held in November 2019.

During the FY 2020/2021, the Community will focus on the following key priority programmes:

- i) Consolidation of the SCT to cover all imports and intra-EAC traded goods, including agricultural and other widely consumed products;
- ii) Infrastructure development in the region;
- iii) Enhancing free movement of all factors of production and other areas of cooperation across the Partner States as envisaged under the Common Market and Monetary Union Protocols;
- iv) Enhancement of regional industrial development through investment in key priority sectors, skills development, technological advancement and innovation to stimulate economic development;
- v) Improvement of agricultural productivity, value addition and facilitation of movement of agricultural goods to enhance food security in the region;
- vi) Promotion of regional peace, security and good governance, and;
- vii) Institutional transformation at the regional and Partner State levels.

### (b) Infrastructure Development

#### **1. Roads Sub-sector**

The Secretariat has continued to coordinate development of multinational roads linking the Partner States as updated below:

Implementation of the 400 km long Multinational Kenya/Tanzania road: Malindi – Lunga Lunga and Tanga – Bagamoyo road is under tendering stage following the two Governments securing a financing package of EUR 375 million from the African Development Bank (AfDB) and European Union for construction of road sections in Kenya and Tanzania which is expected to commence in 2020.

Construction of the Multinational Tanzania/Burundi road: Kabingo – Kasulu – Manyovu (260 km) in Tanzania and Gitaza – Rumonge (45 km) in Burundi has commenced following the Republic of Burundi and the United Republic of Tanzania securing financing amounting to USD 322.35 million in the form of grants and loans from the AfDB. Furthermore, the EAC has engaged a Consultant to undertake a detailed architectural and engineering design of the Mugina / Manyovu One Stop Border Post (OSBP) between Burundi and Tanzania after securing a grant from the AfDB amounting USD 480,067.

Mobilization of resources for construction of the 92 km Lusahunga – Rusumo road in Tanzania linking to 70 km Kayonza – Kigali road in Rwanda is ongoing.

Feasibility studies and detailed engineering design for the Multinational Tanzania/Uganda road project, Masaka – Mutukula (90 km) in Uganda linking Mutukula – Kyaka and Bugene – Kasulo – Kumunazi Road (160 km) in Tanzania is ongoing funded by a grant the secured from the AfDB and is expected to be completed in December, 2020.

## ***2. Railways***

The implementation of the Northern Corridor and Central Corridor Standard Gauge Railways (SGR) in Kenya and Tanzania respectively is ongoing. Phase 2A from Nairobi to Naivasha was completed in September 2019 a length of 120 km together with the dry port in Naivasha completed in December 2019 and launched in March 2020. Relatedly, substantive progress has been achieved in the construction of Phases I and II of the Central Corridor Standard Gauge Railway from Dar es Salaam – Makutupora, a length of 722 km.

## ***3. Civil Aviation and Airports***

The EAC Secretariat coordinated the implementation of EAC Seamless Upper Airspace Project and this included the harmonization of regulations, Manuals of Air Navigation Services operations and development of common Secondary Surveillance Radar (SSR) Codes.

EAC Partner States have committed to fully implement the Yamoussoukro Decision as part of the EAC CMP and in line with the ongoing efforts by the African Union Commission (AUC) and the African Civil Aviation Commission (AFCAC) to establish and operationalize the Single African Air Transport Market (SAATM). During the period under review, the EAC Secretariat also coordinated the operationalization of the EAC Aeronautical and Maritime Search and Rescue Agreement and the development of an EAC Agreement in handling Aircraft Accident and Incident investigation.

#### **4. Meteorology**

The Secretariat developed strategies aimed at improving the Meteorological Services to produce more accurate and timely weather forecasts.

The EAC Secretariat in collaboration with the World Meteorological Organization and Partner States are expected to complete the implementation of the HIGHWAY project through the support of the UK Department for International Development. The project aimed at upgrading the Early Warning Systems for severe weather events on the Lake Victoria Basin in order to increase the safety of life and to reduce the damage to property caused by thunderstorms and strong winds generated over Lake Victoria.

##### **(c) Enhancement of financial resources management, accountability and reporting:**

The Secretariat is in the process of integrating its Financial Management System-the SUN System with relevant peripheral operating application systems like the Budget Management System (BMS); Hardcat Asset Management System, Inspiro People Human Resource Management System and other application systems. As of June 2020, the Secretariat developed the System User Requirements and Technical Specifications for the Integrating Software – ION.

##### **(d) Assessment of the implementation status of all Directives/Decisions of Council, Sectoral Council on EAC Affairs and Planning, Summit, Extra Ordinary Council and Summit:**

All the directives /decisions were uploaded in EAMS and updated and an analytical report regularly produced and submitted to the relevant Policy meeting.

##### **(e) Annual Reports 2017-2018;2018-2019 and 2019-2020 prepared and finalized :**

Annual reports 2017-2018 & 2018-2019 were prepared and awaiting the EALA seating in November 2020 to be tabled. The finalization of the annual report 2019-2020 is ongoing and will be ready by end November 2020.

##### **(f) Productive Sectors**

###### **1. Energy Sector**

EAC continued implementation of priority energy projects from the Regional Power System Master Plan. The installed capacity increased from 5209.7 MW in 2018 to 5857.9 MW by June 2019 hence adding 648.2 MW to the Regional Power Network. The Secretariat secured 3 million Euros from the AfDB as funding gap for the component of Burundi interconnector. Construction of 14 MW Kikagati/Murongo hydropower project continued and the expected project completion date is by July 2020.

The Secretariat together with the Centre of excellence for East African Centre for Renewable Energy and Energy Efficiency (EACREEE) designed and secured funding to the tune of EUR 5,902,894 for a project on 'Energy Efficient Lighting and Appliances for Eastern and Southern Africa (EELA). The implementation phase commenced in June 2019.

## **2. *Environment and Natural Resources***

The Protocol on Environment and Natural Resources Management, the EAC Forestry Policy and EAC Forestry Strategy, Concept Paper on Plastics and Plastics Waste Management and the Comprehensive Action Plan on Disaster Risk Reduction were adopted by the Council of Ministers. In addition, EAC started implementation of two new projects with tangible impact on the livelihoods of EAC citizens: (i) Intra-Africa Caribbean and Pacific Countries (Intra-ACP) Global Climate Change Alliance Plus (GCCA+) Programme under EU support, and; (ii) Conservation and Management of Natural Capital in EAC Programme under USAID/Kenya & East Africa support.

## **3. *Tourism and Wildlife Development***

The Secretariat coordinated activities related to the development of a marketing strategy to market the region as a single tourism destination and those related to the implementation of the Strategy to Combat Poaching and Illegal Trade and Trafficking of Wildlife, Wildlife Products and Wildlife Conservation and Management.

### **(g) SOCIAL SECTORS**

#### ***i. Culture and Sports***

The 4th Edition of the EAC Arts and Culture Festival (JAMAFEST) was successfully held in Dar es Salaam, Tanzania from 21<sup>st</sup>-28<sup>th</sup> September, 2019. The theme of the event was: "Cultural Diversity: A Key Driver to Regional Integration, Economic Growth and Promotion of Tourism.

#### ***ii. Gender, Community Development and Civil Society Mobilization Sector***

The 4<sup>th</sup> Sectoral Council on Gender, Youth, Children, Social Protection and Community Development held in Kampala from 8<sup>th</sup> to 11<sup>th</sup> May, 2018 adopted the EAC Gender Policy and directed the Secretariat to develop the EAC Gender Policy Action Plan. During the period under review the sector developed the draft Gender Policy Action Plan.

In collaboration with COMESA and ECOWAS, the Community is implementing a Project called 50 Million African Women Speak Networking Platform Project funded by the African Development Bank.

#### **(h) Resource Mobilization**

As mandated by Article 71 (i) of the Treaty, the Secretariat continued to seek support from Development Partners for the implementation of EAC Projects and Programmes. Efforts were made in the FY 2019/2020, which led to the signing of financing agreements totaling \$170,244,372 from Development Partners including African Development Bank (AfDB), USAID, European Union (EU), the Federal Republic of Germany, Swiss Development Agency, China, and the Green Revolution in Africa (AGRA).

#### **(i) Corporate Communications and Public Affairs.**

The EAC Secretariat secured funding from the USAID and conducted an evaluation of the 1st EAC Communication Policy and Strategy. The Evaluation Report was validated by the Partner States on 30th September 2020.

The EAC Secretariat further secured funding from the USAID for the development of the 2nd EAC Communication Policy and Strategy as a single consultancy.

The Draft 2nd EAC Communication Policy and Draft 2nd Communication Strategy were developed and validated by the Partner States on 30th September 2020. The validated policy documents await consideration and adoption by the 31st Sectoral Council of Ministers on EAC Affairs and Planning.

#### **(j) East African Legislative Assembly**

The Assembly undertook significant activities: On the legislative front, the passage of The East African Community Supplementary Appropriation Bill, 2020. In the same vein, a number of Bills have been referred to the relevant committees for scrutiny. The Bills include: The East African Community Competition (Amendment) Bill, 2020; The East African Community Pharmaceutical Bill, 2020; The East African Community Customs Management (Amendment) Bill, 2019; The East African Community Integrity and Anti-Corruption Bill, 2019 and The Lake Victoria Basin Commission, Bill 2019. The EACJ Bill is due for assent. Advance copies were already submitted to Partner States. The LVBC Bill 2019 was considered by the Committee on Agriculture, Tourism and Natural Resources (ATNR). The Report awaits the 2<sup>nd</sup> Reading of the Bill by the Chair of the Council.

The EAC Competition Authority was considered by the Committee on Communication, Trade and Investment (CTI) and is due for 2<sup>nd</sup> Reading. The Administration of EALA (Amendment) Bill is currently under consideration by the Committee on Legal, Rules and Privileges.

The Assembly has also discharged its oversight mandate. To this end, it 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 recommendations relate to, among others, the establishment of the EAC Trade Remedies Committee, the implementation of One Area Network in the Telecommunication Sector, the enhancement of the level of



preparedness of Partner States in the management of Ebola and Dengue fever epidemics, compliance to the EAC Protocols and laws by the Institutions of the Community, performance of the Tourism Sector in line with areas of cooperation under the Treaty, enhancement of accountability in the conduct of the business of the Community, the need to control the proliferation of small arms and light weapons so as to avoid their negative impact on Peace and Security in the Region, and the establishment of an emergency response fund to assist victims of floods and other environmental disasters.

In respect of representation, the Assembly carried out sensitization and outreach activities to assess Partner States' implementation of the EAC CMP in relation to cross-border trade in the wake of the COVID -19 pandemic. The Assembly has also maintained excellent relations with the National Assemblies of the Partner States through, participation and coordination of the meeting of the EAC Speakers 'Bureau, exchange and attachment programs and the 10<sup>th</sup> Inter-Parliamentary Games (held in Kampala, Uganda). The games play a fundamental role in enabling EALA's interaction with Members of the National Parliaments as well as enhancing interaction with the citizenry of the Partner States as a mode of sensitization and popularizing the integration process.

#### **(k) Inter-University Council for East Africa (IUCEA)**

IUCEA successfully coordinated the development of benchmarks for mathematics for undergraduate, masters and Ph.D. in pure, applied and statistical mathematics. The benchmarks provide a frame of reference for universities when developing and reviewing academic programmes and curricula in order to ensure that the programmes and curricula in the region are harmonized.

In order to enhance the capacity of senior university leadership to effectively manage their respective institutions, IUCEA completed the development of a structured and full-fledged leadership programme through a consultative process.

IUCEA successfully accomplished the first regional Training of Trainers programme aimed at creating a critical pool of experts in quality supervision of Postgraduate Studies who will be engaged for multiplication training workshops at national and regional levels.

IUCEA awarded 58 scholarships of which 25 were awarded in 2019/2020 and 33 in 2020/2021 to undertake MSc in Embedded and Mobile Systems; of which 32% were Female for both in-takes. IUCEA signed a partnership for collaboration with IBM. The call for 3rd cohort for admission in the Master's program "Embedded and Mobile Systems in East Africa" is open from May to October 2020.

With support from the Secretariat and funding from the German Development Bank (KfW), a scholarship scheme to support graduate studies in Science, Technology, engineering and mathematics (STEM )for gifted young scholars in the EAC to study in a Partner State other than their own has been operationalized. Ten (10) scholars from each Partner State have been offered scholarships and 56 of them commenced their studies this year.

Under the staff mobility programme, 39 scholars and researchers have been enabled to travel outside their home countries to offer their skills and expertise in other EAC Partner States in teaching, research, and community engagement activities and hence contribute to operationalization of the EAC Common Market Protocol commitments.

All the participating countries in the East Africa Skills for Transformation Project (EASTRIP) have become effective and 100 scholarships for study in China in the next five years negotiated and implementation initiated.

### **(l) Lake Victoria Basin Commission (LVBC)**

The Commission put in place mechanisms to deal with the main environmental stresses within the Basin such as the adoption of cleaner production technologies by 120 enterprises. The Commission has also supported the Republic of Burundi to enhance flood and soil erosion control measures and the Republic of Rwanda in installing rainwater harvesting plastic tanks.

As part of efforts to improve the livelihoods of over 45 million people in the Lake Basin, the LVBC launched the Lake Victoria Basin Integrated Water Resources Management Programme in February 2020 worth 31.9 million Euros through the support of the Federal Republic of Germany and EU.

The Web-based RECP Resource Centre (WIRRC) was developed and initial training undertaken for NCPCs. The system has since gone live and is hosted in the LVBC servers.

### **(m) Lake Victoria Fisheries Organization (LVFO)**

LVFO undertook capacity building by convening a training and sensitization workshop for the Republic of Burundi as a new member of the organization to build the capacity of (a) the Competent Authority in official controls regarding fish and fishery products quality and safety; (b) Fisheries Inspectors to understand the requirements on quality and safety of fish and fishery products; and (c) Fish Traders to comply with fish quality and safety standards. In addition, LVFO also trained 84 women and youths from the four LVFO Partner States (Burundi, Kenya, Uganda and Tanzania) in *dagaa (omena)* fish post-harvest handling, trade, marketing and enterprise budgeting.

A lake-wide fish stock assessment carried out in Lake Victoria through hydro-acoustic survey in October 2019 reported overall increase of 21% in commercially important fish species compared to the previous year 2018, from 2.21 to 2.68 million tons. Nile perch increased by 48%, while Dagaa increased by 42%. The increase is attributed to enhanced enforcement operations by the Partner States in the recent years.

The period saw the completion of the Regional Guidelines for Fisheries Co-management on Lake Victoria and which await approval by the Fisheries and Aquaculture Sectoral Council of Ministers (FASCoM). LVFO also developed Regional Guidelines for the

Certification of Fish Seed and Fish Feed in EAC which will be presented to the next FASCoM for approval.

LVFO conducted the Hydro-Acoustic Survey (HAS) to establish the amount of fish and types of fish in Lake Victoria and developed guidelines for extraction, processing, transportation and marketing of the lucrative fish maws in the EAC.

The East Africa Web Portal for health information ([www.eahealth.org](http://www.eahealth.org)) was approved by the 12th Sectoral Council of Health (EAC/Health/12SC-VI/ Decision 073).

#### **(n) East African Kiswahili Commission (EAKC)**

The Commission drafted the EAC Kiswahili Language Policy that provides acceptable and appropriate measures to be taken at both National and Regional levels to foster Kiswahili development in all communication domains. The Policy will further act as a benchmark for development of National Kiswahili Policies in Partner States that are key in establishment and operationalization of different Kiswahili institutions.

Draft Kiswahili Teaching and Learning Programmes were developed in accordance with Council Directive (EAC/CM 35/Directive 95). Partner States identified Kiswahili development priority areas with potential to spur Kiswahili development initiatives. Programmes have been developed in line with Partner States specific needs but will later be customized to serve other Partner States interested in implementing the same Programme.

The Commission further made three major publications in accordance with Article 15 (1) of the Protocol and distributed 2019 (Two thousand nineteen) copies to Kiswahili stakeholders across EAC Partner States. This is aimed not only at creating awareness about the work of the Commission but also sharing research findings to the wider population.

The EAKC resource center was established in line with Sectoral Council directive to EAC organs and institutions to establish information resource centers (EAC/SCMEACP26/Directive 19). This was aimed at providing quick access to Kiswahili information materials not only to those pursuing their careers in Kiswahili but also those that want to improve their Kiswahili communicative competencies.

#### **(o) East African Competition Authority (EACA)**

EACA and Partner States drafted the EAC Competition (Amendment) Bill, 2020 in order to address gaps in the EAC Competition Act, 2006. The Bill was published in January 2020 and is now before the EALA, Committee on Communication, Trade and Investment (CTI) for consideration.

EACA commenced amendments to the EAC Competition Regulations, 2010 based on the fact that the Regulations were approved for operationalization ten (10) years ago and a

number of gaps were identified which needed to be addressed to align them with the best practices.

In an effort to entrench regional competition culture, the EACA participated in the 20th EAC MSMEs Trade Fair held in December, 2019 with the objective of promoting the mandate of EACA and create awareness amongst Partner States' government officials, the business community, micro and small enterprises and consumers.

EACA finalized the development of the EACA Outreach and Advocacy Strategy, which is awaiting approval by SCTIFI. The goal of the Strategy is to firmly establish and deepen the competition culture and promote consumer protection in the Community.

EACA developed a draft Prioritization Framework for Competition Enforcement and Conduct of Market Studies. This is aimed at providing clear criteria regarding setting priorities in the activities and projects of the EACA as this leads to prudent management of scarce resources.

In addition, the Draft Merger Assessment Report was finalized, Draft Merger Regulations comprising of merger thresholds and merger filing fees awaits validation, finalization and policy approvals.

#### **(p) East African Science and Technology Commission (EASTECO)**

The following were undertaken during the period under review:

- I. Development of the EAC regional Policies for Science, Technology and Innovation (STI), Intellectual Property (IP), and regional innovation-led Bio-economy Strategy;
- II. The publication and launch of the East African Journal of Science Technology and Innovation (EAJSTI);
- III. The development of the Regional Research and Development Agenda and Management Framework, and development of Research Technological Organisations Database;
- IV. Holding of the 1<sup>st</sup> EAC regional STI Conference;
- V. Regional training on scientific writing for manuscripts and grant proposals;
- VI. conducting the East African Digital Health and Interoperability Assessment;
- VII. Established Regional Working Groups in STI priority areas; i) STI policies and Indicators; ii) Research and Development; iii) Technology Innovation.

#### **Conclusion**

In light of the prevailing regional development challenges experienced 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 NTBs that affect movement of goods across borders; slow pace of implementation of the EAC CMP mainly due to delays in amending national policies to conform to the Protocol; and delays in ratification and accession of legal instruments, and

Coronavirus (COVID-19) Pandemic the EAC remains focused on the key priorities as stipulated in the 5<sup>th</sup> EAC Development Strategy.

I also take this opportunity on behalf of the EAC Secretariat and other EAC Organs and Institutions to appreciate the support and commitment of the Summit and Council towards the EAC Integration process. I also wish to express my gratitude to all our Development Partners and all the key stakeholders for the continued support to EAC.

Hon. (Dr) Peter Mutuku Mathuki  
**EAC SECRETARY GENERAL**

# **1 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 by the admission of the Republic of Burundi and the Republic of Rwanda and was further expanded in 2016 by 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 EAC 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 EAC 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 programme 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**

In terms of presentation the report is structured as follows: Chapter 1.0 presents the introduction to the Annual report, followed by 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, and 19 and lastly conclusions in Chapter 20.

## 2. OVERVIEW OF SOCIAL-ECONOMIC TRENDS IN THE EAST AFRICAN COMMUNITY

The EAC 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 km<sup>2</sup> 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. With its combined population of around 190.3 million people by June, 2020 and a combined Gross Domestic Product (GDP) of US\$ 193 billion in 2019, East Africa maintained its lead as the continent's fastest growing region, with average growth estimated at 5.9 percent in 2019 (AfDB, 2020).

### 2.1 ECONOMIC TRENDS

The Region's economic performance for the period 2019/20 was generally positive. Rwanda's economy grew at about 8.6 percent in 2019, higher than the average growth for the East Africa Region. The economic growth was attributed to higher performance of the services sector, which grew at about 7.8 percent during the year. Specifically, the construction and tourism sectors grew at higher rates of 28 percent and 18.3 percent respectively, driving the economic growth during the year.

Economic growth in the United Republic of Tanzania was estimated at about 7.0 percent in 2019, as it was in 2018. The growth was associated to increased private sector consumption; coupled with increased government investment in infrastructure, particularly the Port of Dar es Salaam, road and rail infrastructure; and investment inflows to the economy. As a result, the manufacturing, tourism and services sectors grew rapidly, leading to high economic growth and foreign exchange earnings.

Burundi's economic recovery strengthened in 2019 with 3.3 percent economic growth, which was boosted by public infrastructure investments, and higher agricultural performance of coffee due to better weather conditions over the last two years.

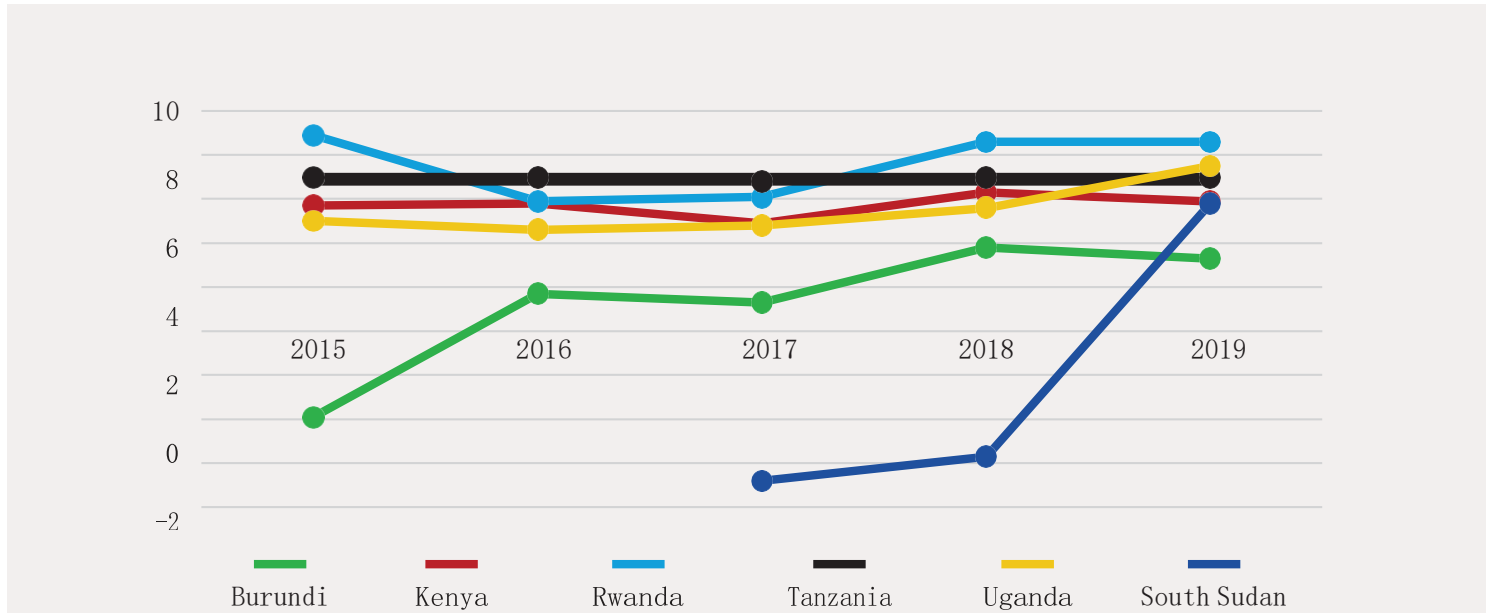
Kenya's economic growth was estimated at about 5.9 percent in 2019 compared to 6.7 percent in 2018. The growth was driven by higher performing private and public sector investments, increased consumption during the year, increases in service sector performance, driven by higher demand for private and public services, and tourism. Weather conditions in Kenya during 2018 and 2019 were less favorable, leading to lower agricultural performance and higher imports of food items, especially from neighboring countries.

South Sudan economic growth in 2019 was estimated at 5.8 percent, mainly on account of resumed oil production due to a lull in the conflicts that have plagued the country; improved agricultural production; and the growth of the services sector, especially tourism. The Uganda economy grew by about 7.5 percent in 2019, mainly attributed to stronger performance of the construction and services sectors, and improved industrial production, arising from increased foreign and local investments. The services sector grew at about 7.2 percent while industrial production expanded at about 8.8 percent during the year, further signifying the impact of investment promotion in the country's Industrialization Strategy. The agriculture sector grew by 9.9 percent during the year.



Increased investments in infrastructure, including electricity power generation, reforms to the business registry, e-commerce, and the standard gauge railway from Kenya, will bolster competitiveness and lead to further economic growth. Uganda has also designated nine urban areas as future cities, leading to increased investments and industrialization of the country. Further, the country launched the domestic revenue mobilization strategy aimed at reforms to enhance customs and domestic revenue mobilization to reduce the current fiscal deficit.

**Figure 1. EAC- GDP Growth, 2015-2019 (annual percent)**



Source: Compiled from Partner States' Central Bank data 2020

## 2.2 REGIONAL POPULATION

The EAC had a combined population of around 177 million in 2019, compared to an estimated 177.8 million persons in 2018<sup>1</sup>. Tanzania had the largest population in the region population and accounted at a growth rate of 3.1 %, followed by Kenya (2.3%), Uganda at 3.6 %, South Sudan accounted for 3.8%, Rwanda 2.3% and Burundi 2.2% of the regional population. The average population growth rate in the region was estimated at about 4.3 per cent in 2019 higher than 3.0 of 2018.

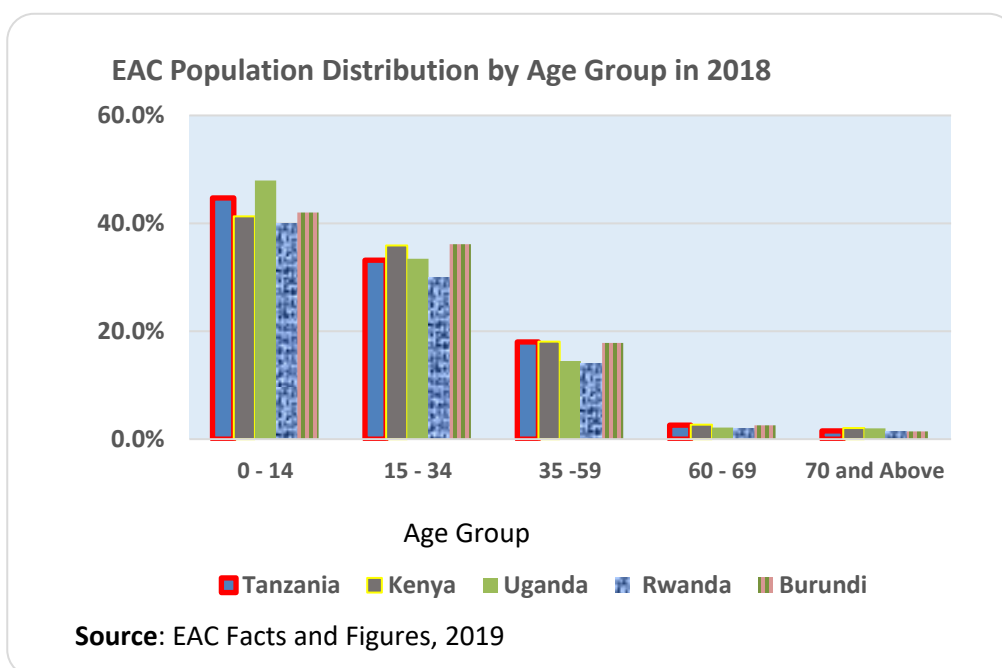
**Table 1: Annual Population Growth rate (in %)**

Partner State/Years	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Burundi	3.2	3.2	3.1	3.0	3.0	3.8	2.4	2.3	2.2	2.2
Kenya	2.4	2.3	2.3	2.3	2.3	2.3	2.4	2.4	2.3	2.3
Rwanda	2.9	2.6	2.4	2.4	2.4	2.4	2.3	2.3	2.3	2.3
South Sudan	3.8	3.9	3.9	3.9	3.9	3.8	3.8	3.8	3.8	3.7
Tanzania	2.9	2.7	3.1	3.1	3.1	3.2	3.1	3.1	3.1	3.1
Uganda	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.6	3.3
<b>EAST AFRICA</b>	<b>3.1</b>	<b>2.5</b>	<b>2.9</b>	<b>3.0</b>	<b>2.9</b>	<b>3.0</b>	<b>3.0</b>	<b>3.0</b>	<b>4.3</b>	<b>2.9</b>

Source: Partner States

There was an increase in the population growth rate in 2019 (4.3) and a decline in 2020 (2.9). The Republic of South Sudan has the highest population growth rate followed by the United Republic of Tanzania and Uganda compared to other EAC Partner States .

**Figure 2: EAC Population Distribution in 2018 by Age Group**



## 2.3 EMPLOYMENT

In the East African countries, unemployment, under-employment and poverty levels have continued to increase and have remained at extremely high levels despite considerable efforts to promote sustainable development by Partner States, and international development agencies (Economic Commission for Africa-ECA, 2002). According to data on unemployment in the region, more than 80 percent of young people in East Africa are jobless. The data from EAC Partner States shows that by 2019, the Republic of Burundi

was at 4.7%, Kenya 5.3%, Rwanda 15.2%, South Sudan 12.0%, Uganda 9.2% and the United Republic of Tanzania at 9.6%. 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 citizenry, especially the youth, and this is without the fact that the EAC region is endowed with abundant arable land and numerous natural resources.

**Table 2: Unemployment Rates (%) in East Africa**

Partner State\Years	2011	2012	2013	2014	2015	2016	2017	2018	2019
Burundi	-	-	2.0	2.0	-	4.7	4.7	4.7	4.7
Kenya	12.7	12.7	12.7	12.7	-	7.4	7.4	7.4	5.3
Rwanda	2.2	2.2	2.2	2.0	2.0	18.8	17.3	15.1	15.2
South Sudan	12.6	12.6	12.6	12.5	12.4	12.4	12.2	12.1	12.0
Tanzania	11.0	11.0	11.0	10.3	10.1	10.0	9.9	9.7	9.6
Uganda	-	-	9.4	9.4	9.4	9.4	9.4	9.4	9.2

Source: Partner States

## 2.4 SOCIO-ECONOMIC INDICATORS

### 2.4.1 LIFE EXPECTANCY

Expectancy at birth on average stood at 63 years in the East African countries, slightly higher than the life expectancy for Sub Saharan Africa that stands at 60.80 years in 2019 and 2020<sup>2</sup>. Rwanda has the highest life expectancy at 68 years, with Burundi ranking the least at 60 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 460<sup>3</sup>. The state of health systems in the region is a contributing factor to the current life expectancy and mortality rates.

<sup>2</sup> EAC Facts and Figures 2016; World Bank at <https://data.worldbank.org/indicator>

<sup>3</sup> EAC Facts and Figures 2016; United Nations Sustainable Development Report 2015.

**Table 3: Life Expectancy in the EAC**

<b>Partner State\Years</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
Burundi	50	51	51	52	52	59	59	60	60	60
Kenya	59	59	59	61	61	61	61	61	61	61
Rwanda	55	55	65	65	65	66	67	67	68	68
South Sudan	55	56	56	57	57	57	57	58	58	58
Tanzania	55	62	66	66	66	67	67	67	67	67
Uganda	50	50	50	63	63	63	63	63	63	63
<b>EAST AFRICA</b>	<b>54</b>	<b>55</b>	<b>58</b>	<b>61</b>	<b>61</b>	<b>62</b>	<b>62</b>	<b>63</b>	<b>63</b>	<b>63</b>

Source: Partner State:

## 2.4.2 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 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**

<b>Country</b>	<b>Total Population (millions) in 2018</b>	<b>Life Expectancy at birth, 2017</b>	<b>Under Five Mortality Rate, 2012</b>	<b>Poverty Headcount ratio at US\$1.90 a day (PPP) (% of Population)</b>	<b>Adult literacy rate (%), 15+ yrs., 2005-2010</b>
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
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Source: EAC Fact and Figures 2019; World Bank Data (<https://data.worldbank.org/country>), IMF Country Data.

### 2.4.3 LITERACY

The East Africa Community has an average literacy rate of 67.92% in 2019, which is higher than the African average (64.9%), but lower than the world average of 84.1%.

The Republic of Kenya has a higher literacy rate followed by United Republic of Tanzania and Uganda. The Republic of South Sudan literacy rate is the lowest.

**Table 5: Literacy Rates for 15-24-Year-Old in East African Countries**

Partner State\Years	2011	2012	2013	2014	2015	2016	2017	2018	2019
Burundi	60.00	64.80	64.80	66.00	66.00	66.60	61.50	61.50	62.00
Kenya	62.00	62.00	62.00	62.00	62.00	84.50	84.50	84.50	85.00
Rwanda	83.10	83.10	83.10	86.20	86.20	86.20	86.50	86.50	72.00
South Sudan	-	-	-	-	-	-	-	34.52	34.52
Tanzania	-	78.00	78.00	78.00	78.00	78.00	78.00	78.00	78.00
Uganda	73.00	71.00	71.00	71.00	72.20	71.16	71.00	70.84	76.00
<b>EAST AFRICA</b>	<b>278</b>	<b>71.78</b>	<b>71.78</b>	<b>72.64</b>	<b>364.4</b>	<b>386.46</b>	<b>381.5</b>	<b>69.31</b>	<b>67.92</b>

Source: Partner States

### **3. PERFORMANCE ON PLANNED ACTIVITIES ACROSS THE EAC SECRETARIAT**

#### **4. OFFICE OF THE SECRETARY GENERAL**

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

##### **4.1 OFFICE OF THE CHEF DE CABINET**

During the financial year 2019/2020, the Office of Secretary General had planned to achieve the following targets among others: Hold the Secretary General's Forums by June 2020; strengthen Inter-organ/institutional collaboration and co-operation; Participate in Four (4) AUC Statutory meetings, Two (2) World Bank meetings and Four (4) Donor missions; Hold Two (2) meetings with the Chairperson of the EAC Heads of State; finalize scoping of EAC Activities at National Level by December 2019; hold an annual planning meeting of all the Heads of EAC Institutions and Organs; Secretary General's visit for monitoring of EAC Institutions; and attend Five (5) EALA Sessions Annually.

However, some activities were not held due to the COVID pandemic outbreak. Such activities included the SG's Forum which had been planned for the 3<sup>rd</sup> quarter, the World Bank/IMF Annual Meetings, the AUC Statutory meetings which were however held virtually.

##### **4.1.1 Key Achievements Registered In The Period Under Review:**

- i. Attended the Russia – Africa Economic Summit in October 2019 for EAC Visibility and networking.
- ii. Meeting with AfDB, EU and the Government of Burundi on setting up of the Steering Committee on Power Interconnector in Bujumbura in December 2020.
- iii. Attended a Donor scoping mission in France with Central Val de Loire Region, Tours and French Development Agency/French Ministry of Foreign Affairs in Paris in October 2019 which resulted in signing an Agreement of AFD in 2020.
- iv. Signing of the Memorandum of Understanding between EAC and United Nations in New York in March 2020.
- v. The SG met with the Chairperson of the Summit in November 2019;
- vi. The SG attended the Launch of the Stakeholders Consultation on Drafting the EAC Confederation Constitution by H.E. the President of Uganda in Entebbe, Uganda.
- vii. The SG had Audience with H.E the President of Burundi in Bujumbura and met with UNDP and IOM in October 2019.

- viii. The SG attended Stakeholders Consultations on Peace, Security and Governance Framework.
- ix. Assessment of progress made on the construction of multinational road project covering Tanzania and Burundi and OSBPs to check on cross border movement of goods and services in light of COVID 19 in June 2020.
- x. SG attended the Launch of the National Sensitization for the Citizens Engagement Campaign of EAC I Deserve in January and February 2020.
- xi. Electoral consultative mission in Burundi in February 2020.
- xii. An annual planning meeting of all the Heads of EAC Institutions and Organs in February 2020 at LVBC during the Launch of the EU EDF 11 IWRP Project.

## **4.2 INTERNAL AUDIT**

Internal audit of the EAC Secretariat provides independent, objective assurance and consulting activity designed to add value and improve the Community's operations. It helps the EAC Organs and Institutions accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes. Internal Audit Unit reports administratively to the Secretary General and functionally to the EAC Audit and Risk Committee.

During the period under review, the Internal Audit Unit planned to: attend continuous Professional Development (CPD); conduct 16 internal audit assignments; and Operationalize Risk Management Framework in EAC Organs.

### **4.3.2 16 internal audit assignments conducted by 2020**

14 Audit assignments out of 16 completed and reported to the EAC Audit and Risk Committee for consideration. 3 quarterly meetings of the EAC Audit and Risk Committee were held to consider internal audit reports.

### **4.3.3 Operationalization of Risk Management Framework in EAC Organs**

The Risk Register for EAC Secretariat, EALA, EACJ and Institutions (EACA, EAHRC, EASTECO and EAKC) were developed by the consultant and approved by the EAC Risk Management Committee.

### **4.3.4 Budget Execution**

The budget allocated to the Secretary General's Office amounted to US\$ 181,481 in the Financial Year 2019/2020 with an expenditure of US\$ 134,448.29. The budget performance was 74% indicating that more than 90% of planned activities were implemented.

## **4.3 DEFENCE LIAISON**

Defence Liaison Unit at the EAC Secretariat provides a coordination link between Armed Forces of Partner States and the Secretariat; undertakes 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 to: Harmonize Military Training Syllabi and Doctrines ; Implement Joint operations ; Carry out visits and exchange information by the EAC Partner States Armed Forces; Ensure the Chief Executives of Military Industrial facilities earmarked for shared utilization are improved and increased; and Ensure the Mutual Defence Pact concluded by June 2020.

Key Achievements registered during the period under review were:

### **4.3.1 2nd EAC Armed Forces CIMIC Activities Week**

The exercise was successfully organized in line with celebrations to mark the 25th Liberation Day in the Republic of Rwanda from 29 June to 04 July 2019 to enhance wider Civil – Military Cooperation and Confidence Building among Partner States.

### **4.3.2 EAC Military Games and Cultural Event 2019**

The 12th Edition of the East African Community Military Games and Cultural Event was successfully conducted at the Moi International Sports Centre, Kasarani in Nairobi, Kenya. The EAC Military Games and Culture Event was organized within the EAC Framework for Cooperation in Defence and in accordance with Article 125 of the Treaty and Article 2 of the Protocol on Cooperation in Defence Affairs.

### **4.3.3 Meeting of the Chiefs/Directors of Health Services Of the EAC Partner States' Armed Forces**

The Meeting was held on 15<sup>th</sup> – 16<sup>th</sup> October 2019 in Republic of South Sudan in accordance with Article 2 of the EAC Protocol on Cooperation in Defence Affairs and in line with the EAC Defence Sector Calendar of Activities for the period July to December 2019. The meeting made key deliberations towards maintaining a healthy workforce which is the cornerstone for regional security.

The Meeting reviewed the Status of Implementation of Previous Sectoral Council Decisions from the recommendations of the Chiefs/Directors of Health Services of the EAC Partner States Armed Forces Meetings. The Partner States delegates used the opportunity to share statistics on the level of mental health problems/ PTSD among the EAC Partner States Armed Forces.

### **4.3.4 Forum of EAC Counter Terrorism Stakeholders.**



A Forum of EAC Counter Terrorism Stakeholders was successfully conducted between 10<sup>th</sup> – 13<sup>th</sup> September 2019 in Dar es Salaam United Republic of Tanzania to review the Staffing Component, Zero Draft SOPs and Budget to include options for EACTC.

#### **4.3.5 Concept Development Conference for the 12th East African Community Armed Forces Field Training Exercise Ushirikianolmara 2020**

The Conference was convened in accordance with Article 2 of the EAC Protocol on Cooperation in Defence Affairs and pursuant to the Defence Sector Calendar of Activities for the period January to June 2020. The Concept Development Conference (CDC) for the 12<sup>th</sup> East African Community Armed Forces Field Training Exercise (FTX) *USHIRIKIANO IMARA 2020* was held at Silver Springs Hotel, Kampala, Uganda from 28<sup>th</sup> – 30<sup>th</sup> January 2020. The purpose of the Conference was to develop a concept for the 12<sup>th</sup> EAC Armed Forces FTX *USHIRIKIANO IMARA 2020*.

It was agreed during the CDC that the HN writes and presents the Exercise General Instructions, General Idea and Mission Mandate based on Chapter VIII of the UN Charter then present a zero draft to the IPC. The 12<sup>TH</sup> EAC Armed Forces FTX *USHIRIKIANO IMARA 2020* was scheduled to be held in the Republic of Uganda from 5<sup>th</sup> to 18<sup>th</sup> November 2020. The exercise site was to be confirmed during Initial Planning Conference (IPC).

#### **4.3.6 Formulation and Negotiation of the EAC Mutual Defence Pact**

Article 17 of the EAC Protocol on Cooperation in Defence Affairs requires Partner States to negotiate and conclude a Mutual Defence Pact within one year upon entry into force of the Protocol. Partner States and the EAC Secretariat continue with the process of formulation and negotiation of the EAC Mutual Defence Pact. At its 30<sup>th</sup> Meeting held on 6<sup>th</sup> April 2019 in Arusha, Tanzania, the Sectoral Council on Cooperation in Defence directed the EAC Secretariat to present to the 31<sup>st</sup> Meeting of the Sectoral Council on Cooperation in Defence a report on the progress made in the process of formulation and negotiation of the EAC Mutual Defence Pact (*EAC/SC/30/2019 Directive 19*). The United Republic of Tanzania and the Republic of Kenya presented to the Meeting respective reports on the finalization of internal processes pertaining to the draft EAC Mutual Defence Pact.

The Consultative Committee recommended that The United Republic of Tanzania and the Republic of Kenya be urged to expedite the internal processes so as to finalize the drafting of EAC Mutual Defence Pact.

#### **4.3.7 31st Meeting of Defence Experts Working Group on Operations and Training**

The Meeting was convened in accordance with Article 10 of the EAC Protocol on Cooperation in Defence Affairs and pursuant to the Defence Sector Calendar of Activities for the period July to December 2019. The Meeting considered the following:

- a. Report on the 2<sup>nd</sup> EAC Armed Forces Day CIMIC Activities Week;
- b. Report of the After-Action Review for the 12<sup>th</sup> EAC Military Games and Cultural Event 2019;
- c. Report of the Forum of EAC Counter Terrorism Stakeholders;
- d. Report of the Meeting of the Commandants of Military Academies;
- e. Report of the Final Planning Conference for the 12<sup>th</sup> EAC Armed Forces Command Post Exercise *USHIRIKIANO IMARA* 2019;
- f. Report of the Meeting of the Commandants of Senior Command and Staff Colleges;
- g. Reports by the United Republic of Tanzania and the Republic of Kenya on Finalization of Internal Processes in Respect to the Draft EAC Mutual Defence Pact;
- h. Progress Report on Formulation and Negotiation of the EAC Mutual Defence Pact;
- i. Proposed Terms of Reference and Roadmap for Evaluation of Defence Sector;
- j. Draft Defence Sector Calendar of Activities for the Period January to June 2020; and
- k. Status of Implementation of Previous Decisions of the Sectoral Council.

#### **4.3.8 Meeting of the Commandants of EAC Partner States' Military Academies**

One meeting was convened in accordance with Article 2 of the EAC Protocol on Cooperation in Defence Affairs and in line with the Defence Sector Calendar of Activities for the period July – December, 2019. The Meeting was held at La Palisse Hotel in Nyamata Kigali, The Republic of Rwanda from 17<sup>th</sup> – 19<sup>th</sup> September, 2019. The Meeting received and considered status reports presented by the Commandants on their respective Academies.

The EAC Secretariat was directed to constitute a Defence Expert Working Group (DEWG) to develop the technical aspects, modalities and administrative requirements for implementation of Sectoral Council decision EAC/SC/30/2019 Decision 17 which directed EAC Partner States to conduct annual conferences/extra curriculum activities among EAC Partner States Military Academies. Additionally, Partner States were encouraged to include in their Defence budget for Officer Cadets Instructor Exchange Programme in FY 2020/21 budget estimates.

#### **4.3.9 Meeting of the Commandants of EAC Partner States' Armed Forces Senior Command and Staff Colleges**

One meeting was convened in accordance with Article 2 of the EAC Protocol on Cooperation in Defence Affairs and in line with the Defence Sector Calendar of Activities for the period July – December, 2019. The Meeting was held in Kigali, The Republic of Rwanda from 2nd to 4th October 2019.

The Meeting received and considered status reports presented by the Commandants on their respective Colleges. The participants used the opportunity to visit and assess the progress of the facilities of the Rwanda Defence Force Command and Staff College Nyakinama.

#### **4.3.10 Visits and information exchange by the EAC Partner States Armed Forces**

Two of the quarterly meetings of the EAC Military Chiefs/Directors of Intelligence met in Uganda and Kenya and exchanged information and intelligence. DLOs made 01 visit to their national capitals for consultations.

#### **4.3.11 Chief Executives of Military Industrial facilities earmarked for shared utilization improved and increased**

One meeting of CEOs of Military Industries met in Republic of South Sudan between 17<sup>th</sup> – 18<sup>th</sup> December, 2019 to exchange on best practices in the industry. The Meeting received presentations from CEOs of the Military Industrial Facilities Available by the Partner States for Shared Utilization and exchanged information on the status and progress.

The Republic of South Sudan was urged to present the Roadmap for Defence Specific Facility for Shared Utilization in the next CEOs Meeting Scheduled for 2nd – 3rd June 2020 in Kigali, Rwanda

#### **4.3.12 The following activities were not accomplished due to COVID 19 Pandemic**

1. Initial Planning Conference for EAC FTX USHIRIKIANO IMARA 2020 scheduled for 03<sup>rd</sup> – 05<sup>th</sup> March 2020 in the Republic of Uganda.
2. CMIs/DMIs Meeting on the exchange of Information and Intelligence scheduled for 17<sup>th</sup> – 18<sup>th</sup> March 2020 EAC in Republic of South Sudan.
3. 32<sup>nd</sup> Meeting of the Sectoral Council on Cooperation in Defence scheduled for 24<sup>th</sup> – 28<sup>th</sup> March 2020 in Arusha EAC Hqs.
4. 41<sup>st</sup> Meeting of the Council of Ministers scheduled for 13<sup>th</sup> – 18<sup>th</sup> April 2020.

5. CMIs/DMIs Meeting on the exchange of Information and Intelligence which was scheduled for 05<sup>th</sup> – 06<sup>th</sup> May 2020 in the United Republic of Tanzania.

6. Multi Sectoral Experts Working Group which was scheduled for 12<sup>th</sup> - 15<sup>th</sup> April 2020 in the Republic of Kenya.

7. Meeting of the CEO's of Military Industrial Facilities availed for Shared Utilization which was scheduled for 02<sup>nd</sup> – 03<sup>rd</sup> June 2020 in the Republic of Rwanda.

#### **4.3.13 Budget Execution**

The budget allocated to the Defence Office amounted to US \$ 500,770.00 for the Financial Year 2019/2020 with an expenditure of US\$ 410,081.63; with a budget performance of 82%.

### **4.4 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; drafting of 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 achieve two targets as follows: provide legal support to Meetings of Organs and Institutions of the Community; and gazette Community laws, Decisions of Summit/Council.

#### **4.6.1 Legal Support provided to Meetings of Organs and Institutions of the Community**

Conducted judicial trainings together with the East African Judicial Education Committee in the EAC Partner States in December 2019. One Training of Judges and Judicial Officers was conducted in December 2019.

The Community continues to be a nominal defendant in a number of matters before the East African Court of Justice and Courts in the Partner States. The Council appreciates all the judicial pronouncements that were made and continue to focus our integration agenda in the right direction and is committed to advancing good governance, the rule of law, accountability and transparency in the Community.

#### **4.6.2 Budget Execution**

The budget allocated to support cooperation in Legal and Judicial Affairs amounted to \$ 141,250.00 for the Financial Year 2017/2018, with an expenditure of \$ 136,696.07. The

budget performance was at 97% due to the low disbursement and as such no funds available to enable maximum budget performance.

#### **4.5 RESOURCE MOBILIZATION**

The Resource Mobilization Office (RMO) is responsible for the overall coordination of Resource Mobilization (RM) initiatives of the EAC Organs and Institutions. The mandate of the RMO originates from the Treaty for the establishment of the EAC. Article 71(i) states that “the Secretariat shall be responsible for the mobilization of funds from Development Partners (DPs) 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.

The RMO therefore creates an enabling environment for mobilization of resources, by providing in house knowledge for donor intelligence, policy advice, guidelines, tools and instruments for RM and leading the negotiation and development of financing agreements as well as oversight on donor compliance. In the period under review, the RMO planned to: Conduct donor missions to existing and potential DPs, to introduce EAC to potential Donors and seek for potential collaboration, and nurture relationships with existing DPs while seeking for more support; organise specific Donor round tables to engage Donors on specific thematic areas for support; Participate in Donor Forums for purposes of resource mobilization; Develop a framework for engagement with DPs. Key achievements registered during the period under review: -

##### **4.6.1 Support from Development Partners increased and maintained**

During the period under review, successful resource mobilization efforts were registered, leading to the signing of financing agreements with various Development Partners, generating grants totaling \$170,244,372 through direct support to the EAC Projects and Programmes and technical assistance.

Table 6: Financing Agreement signed with DPs:

<b>DP</b>	<b>Amount</b>	<b>Projects</b>
<b>Federal Republic of Germany</b>	\$143,412,000	<ul style="list-style-type: none"> <li>• The EAC Regional Mobile Laboratory Programme;</li> <li>• Immunization programmes in the East African Community;</li> <li>• EAC Scholarship Programme implemented in collaboration with IUCEA;</li> </ul>
<b>European Union</b>	\$15,810,320	<ul style="list-style-type: none"> <li>• Climate Change Adaptation and Mitigation actions in the EAC Region;</li> <li>• Peace and Security;</li> </ul>
<b>African Development Bank</b>	\$6,680,068	<ul style="list-style-type: none"> <li>• RSS Payment System infrastructure;</li> <li>• Financing Design for Rehabilitation of the Selected Road of Munyovu / Mugina OSBP;</li> </ul>
<b>USAID</b>	\$3,419,384	<ul style="list-style-type: none"> <li>• Agriculture, Trade and Environment regional projects;</li> </ul>
<b>Swiss Development Agency</b>	\$400,000	<ul style="list-style-type: none"> <li>• Regional TVET Harmonisation;</li> </ul>
<b>Green Revolution in Africa</b>	\$322,600	<ul style="list-style-type: none"> <li>• CADAAP implementation;</li> </ul>
<b>Peoples Republic of China</b>	\$200,000	<ul style="list-style-type: none"> <li>• Capacity building projects.</li> </ul>

#### **4.6.2 A framework for engagement with Partner States and Development Partners developed, validated by December 2019**

A framework to guide the EAC Organs and Institutions on engagement with DPs was developed as part of the Resource Mobilization Strategy. The draft Resource Mobilization Strategy and framework for engagement with DPs now await validation.

#### **4.6.3 Budget Execution**

The budget allocated to support Resource Mobilization amounted to \$ 548,262.92 for the Financial Year 2019/2020 with an expenditure of \$181,430.77. The budget performance was 33%.

#### **4.6.4 Challenges and Recommendation**

For FY 2019/2020, the main challenge has been COVID 19 pandemic, which led to cancellation of international forums and other donor engagements on which EAC capitalizes on to engage new donors; and there has also been a shift of priorities by Donors to support COVID 19 response plans. The EAC continues to engage its Development Partners mostly virtually.

### **4.6 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.”

In the period under review, CCPAD planned to: adopt the 2nd EAC Communication Policy and Strategy (2018-2023); prepare and submit the Draft 2nd EAC Communication Policy and Strategy (2018-2023); provide PR Management Support for EAC Meetings and Events; commemorate EAC 20th Anniversary on 30th November, 2019; sensitize the EAC Citizens and various stakeholders on EAC Integration;; redesign EAC Emblem and Logos; and undertake the EAC Media Reportage Mission for journalists from Partner States to key EAC Programmes and Projects by June 2020.

The key achievements made during the Financial Year 2019/2020 were:

#### **4.6.1 2nd EAC Communication Policy and Strategy (2021-2026) adopted:**

The EAC Secretariat secured funding from the USAID to undertake the Evaluation of the 1st EAC Communication Policy and Strategy and to develop the 2<sup>nd</sup> EAC Communication Policy and Strategy as a single consultancy.

Impact Africa, a consultancy firm based in Nairobi, Kenya was recruited by USAID and brought on board. An inception meeting was held with the consultants on 5<sup>th</sup> March, 2020 and an inception report prepared and shared with Partner States. The 10<sup>th</sup> EAC Communication Forum was held via VC to discuss the inception report among other items.

It was later mutually agreed by the Secretariat and the consultants to split the Draft Communication Policy and Draft Communication Strategy. The rationale behind this decision was twofold: one, the policy is supposed to be more long term as opposed to the strategy which should last no more than five years and be implemented alongside the 6<sup>th</sup> EAC Development Strategy; two, the policy will have a wider distribution among staff and other stakeholders while the Strategy will more or less be a tool to be implemented by the Communications Experts in the EAC Organs and Institutions, and Partner States Ministries of EAC Affairs.

The consultants embarked on data collection between the months of May and June 2020. The data collection was conducted through an Online Survey of EAC Staff and Key Informant Interviews with officials in the EAC Organs and Institutions, Partner States MEACAs, Civil Society and EAC Apex Bodies. The Draft 2<sup>nd</sup> EAC Communication Policy and Draft 2<sup>nd</sup> Communication Strategy were developed, subjected to an Internal Validation Meeting on 20<sup>th</sup> August, 2020 and to a Regional Validation Workshop bringing together Partner States' delegates on 30<sup>th</sup> September, 2020.

The validated policy documents await consideration and adoption by the Sectoral Council of Ministers on EAC Affairs and Planning.

#### **4.6.2 Finalization and launch of the New EAC Brand Architecture:**

In accordance with the Directive of the 37<sup>th</sup> Meeting of the EAC Council of Ministers, the EAC Secretariat advertised the procurement of a Brand Design Expert or Firm to work with the six youth (one from each Partner State) to finalize the EAC Brand Architecture Strategy.

A Brand Design Expert (Consultant) was contracted by the EAC Secretariat to review the existing gaps in the current EAC Brand Architecture and evaluate the submissions by the Youth from the region and submitted an Inception Report.

A Special Meeting of the EAC Communication Experts Forum bringing together comprised of Communication Experts from the Ministries responsible for EAC Affairs in the Partner States validated the Inception Report and roadmap submitted on 21<sup>st</sup> August, 2020.

The Consultant undertook design and branding advisory sessions with the youth, and the youth who submitted their revised/improved design submissions at the end of 25<sup>th</sup> October, 2020.

#### **4.6.3 PR Management Support for EAC Meetings and Events provided:**

The Department provided PR Management Support for the following EAC Meetings and Events:

- i. 20th EAC Micro and Small Enterprises (MSEs) Trade Fair Kigali, Rwanda (13<sup>th</sup> to 22<sup>nd</sup> December, 2019);
- ii. EAC High Level Conference on Trade Integration (25<sup>th</sup> to 27<sup>th</sup> September, 2019, Nairobi, Kenya;
- iii. Launch of EAC I Deserve campaign, Kigali, Rwanda on 7<sup>th</sup> March, 2020; and
- iv. EAC Coffee Business Forum on 12<sup>th</sup> February, 2020

The following Media Briefings were conducted by the Department:

- a) Press briefing during the Launching of EAC I deserve, Kigali, Rwanda- 7<sup>th</sup> March 2020;
- b) Deployment of EAC Mobile labs 15<sup>th</sup> April, 2020;



- c) Three (3) press briefings during pre-, and post- EAC Coffee Business Forum 12<sup>th</sup> February, 2020;
- d) Three (3) Press briefings during National Stakeholders Consultations for Drafting EAC Political Confederation Constitution in Burundi; and
- e) One (1) press briefing in preparation for the Burundi General Election held in May 2020.

#### **4.6.4 EAC 20th Anniversary commemorated on 30th November, 2019:**

The event was marked at both the national and regional levels. The highlight was the regional celebration held at the EAC HQs in Arusha on 30<sup>th</sup> November, 2019. The purpose of the commemoration was to create awareness among East Africans on the integration process and the achievements made so far. The commemoration continued for one year till 30<sup>th</sup> November, 2020. The department commissioned a brand designer to come up with a 20<sup>th</sup> Anniversary logo which acted as a unifier for all activities and messages around the anniversary celebrations.

Commemorative plaques were designed and produced for presentation to the EAC Heads of State at their next Summit.

To mark the EAC's 20<sup>th</sup> Anniversary Celebration the Department managed to print and distribute to stakeholders the following items:

- a) Pole flags 430 Pieces
- b) Table flags 416 Pieces
- c) Toto bags 500 Pieces
- d) Bumper Sticker 510 Pieces
- e) Executive Folder 20 Pieces
- f) Presidential Plaques 7 Pieces
- g) Lapel pins 503 Pieces
- h) T-shirts 500 Pieces
- i) Roll-up banners 4 Pieces
- j) Hanging banners 6 Pieces
- k) Printed Community Magazine Issue 31 (1200) Copies
- l) Partner State flags 30 Pieces (5/Country)
- m) Printing and mounting of photos on the EAC Photo gallery 15 Pieces
- n) Wall Calendar 1,500
- o) Desk Calendar 1,000 Pieces
- p) Roll-up banners for Jamafest 2 Pieces
- q) Hanging banners 1 Pieces
- r) EAC branded T-shirt 160 Pieces

#### **4.6.5 EAC Citizens and various stakeholders sensitized on EAC Integration:**

The EAC Secretariat implemented various sensitization and awareness programmes through the utilization of short communication strategies and/or plans tailored to specific

events and programmes. This was necessitated by the absence of a communication policy and strategy, due to funding constraints.

#### **4.6.6 Redesign EAC Emblem and Logos:**

The 38<sup>th</sup> Ordinary Meeting of the Council of Ministers held at the EAC Headquarters in Arusha, Tanzania, from 6<sup>th</sup> to 10<sup>th</sup> May 2019, approved a supplementary budget to facilitate the finalization of the EAC Brand Architecture Strategy.

The Secretariat subsequently advertised the procurement of a Brand Design Expert or Firm to work with the six youth (one from each Partner State) to finalize the EAC Brand Architecture Strategy. A Brand Design Expert was recruited through a competitive bidding process in March 2020. *The Secretariat convened the 1<sup>st</sup> Special EAC Communication Experts Forum on 21<sup>st</sup> August, 2020 to enable the Brand Design Expert to engage Communication Officers in the EAC Organs and Institutions, and Partner States Ministries of EAC Affairs on the methodology of finalizing the process and to chart a way forward on the same.*

The Brand Expert then engaged the youth through online advisory sessions and advised them on how to improve their designs for the EAC Emblem and Logos. The six youth have since revised and resubmitted their submissions. The revised entries/submissions will be presented to the Communication Experts for review and validation before being tabled before the Council of Ministers for consideration and approval.

#### **4.6.7 EAC Media Reportage Mission for journalists from Partner States to key EAC Programmes and Projects undertaken by June 2020**

A Concept Note was prepared and approved by the SG. However, the media reportage mission could not take place as planned due to the outbreak of Covid-19 which made impossible cross-border travel across the region.

#### **4.6.8 Budget execution**

The budget allocated to the Corporate Communications and Public Affairs Department c Affairs amounted to US\$ 389,419.60 for the Financial Year 2017/2018 with an expenditure of US\$ 91,973.30 marking a budget performance of 24%.

#### **4.6.9 Challenges**

- i. Outbreak of the Covid-19 pandemic which made the implementation of certain activities especially those requiring travel outside station impossible;
- ii. Inadequate funding for some key activities including PR Management Support and production of public education programmes/documentaries

#### **4.6.10 Recommendations**

- i. Communication Experts from EAC Organs and Institutions, and Partner States Ministries of EAC Affairs to develop annual Communication Plans for purposes of implementing the 2<sup>nd</sup> EAC Communication Policy and 2<sup>nd</sup> EAC Communication Strategy;

- ii. Mobilize funds from either Partner States or Development Partners to finance the development of the 2<sup>nd</sup> EAC Communication Policy and Strategy; and
- iii. Undertake the 3<sup>rd</sup> 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).

## **5. OFFICE OF DEPUTY SECRETARY GENERAL – PLANNING AND INFRASTRUCTURE**

### **5.1 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.

#### **5.2.1 TRANSPORT AND WORKS DEPARTMENT**

The Department of Transport and Works coordinates cooperation programmes for the road transport and railway transport sectors, as provided for in Articles 90 and 91 of the Treaty. In the period under review, the Transport and Works Unit planned to review existing Partner States' road classifications and harmonize with the EAC standard; monitor and evaluate the impacts of the EAC Vehicle Load Control (VLC) and EAC OSBP Acts; harmonize Road Safety Regulations to reduce road fatalities; prepare at least 1 Multinational Road Project for construction; develop pipeline of bankable road development projects for the region; promote joint financing and implementation of regional projects; develop new corridors identified and missing links along existing corridors; and establish an EAC Railway Regulatory Authority .

The following were achieved under Transport and Works:

##### **5.1.1.1 Review existing Partner States' road classifications and harmonize with the EAC standard**

Partner States are using Harmonized standards design as developed by EAC. This falls under the East African Trade and Transport Facilitation Project (EATTFP) which aims at supporting trade growth in the region. Harmonization of Standards and Specifications was done since 2012. The areas that have already been harmonized include:

- Road geometric design standards;
- Road pavement and bridge design standards;
- Specifications for road and bridge works;
- Road and bridge maintenance standards; and
- Road signs, traffic signals and markings;

EAC also have in place the Vehicle Control Act, 2016 and its Regulations that are being implemented by Partner States.

Due to expanding trade between Regional Economic Communities, it was decided to harmonize laws in Vehicle Load Management (VLMA) and Cross Border Trading (MCBRTA). The regional economic communities involved are COMESA, EAC and SADC. This is under the Tripartite Transport and Transit Facilitation Programme (TTTFP). So far both Laws, VLMA and MCBRTA together with their regulations have already been endorsed by the Tripartite Sectoral Ministerial Committee on Infrastructure (TSMCI) of the three RECs in October 2019. The Tripartite Sectoral Ministerial on Legal Affairs also endorsed the same ready for submission to the Tripartite Summit.

#### **5.1.1.2 The impacts of the EAC VLC and EAC OSBP Acts monitored and evaluated**

The VLC Act was enacted in 2016 and is in use by Partner States. A meeting to harmonize the differences of the VLC and VLMA was done and recommendations were approved by Ministers of the Tripartite.

#### **5.1.1.3 Road Safety Regulations harmonized to reduce road fatalities**

The Study on Road Safety in the EAC is ongoing and is expected to be validated in December 2020. The study is undertaken with financing from JICA. The Study will pave way for the commencement of the harmonization process.

#### **5.1.1.4 At least 1 Multinational Road Project prepared for construction**

The construction of the 260 km long Arusha – Holili/Taveta – Voi road is complete with exception of the road section from Tengeru to Holili.

Some section of the 400 km long Malindi – Lunga Lunga and Tanga – Bagamoyo roads has secured funds for construction.

Mobilization of funds for the 164 km long Lushunga – Rusumo & Kayonza – Kigali road is still underway.

Some sections under Nyakanazi – Kasulu – Manyovu & Rumonge – Rutunga – Bujumbura road including OSBP at Mugina/Manyovu have secured funds and construction is ongoing for the sections in Tanzania and procurement is in final stages for the Burundi section.

#### **5.1.1.5 Pipeline of bankable roads development projects for the region developed**

A compendium of 37 projects were submitted to the African Union Commission (AUC) for consideration under the PIDA program and following five were selected under phase 2 of PIDA: Akagera river navigation; Central corridor SGR; Northern corridor SGR; Masaka Mwanza transmission line; and Rusizi IV hydro power project.

#### **5.1.1.6 Joint financing and implementation of regional projects promoted**

Donor's roundtable was conducted in January 2018. Improvement of new links to the central and northern corridors has been done by introducing a link project Kasulo – Kumnazi – Bugene and Kyaka – Mutukula/ and Mutukula Masaka road sections. The design of the road ends in December 2020. Negotiations for the construction funding will commence in early 2021 and AfDB has shown willingness to lead the resource mobilization.

#### **5.1.1.7 Railways Infrastructure Policy Harmonization**

The railway enhancement project is already in place. Legal and regulatory frameworks to follow.

The Secretariat and Partner States are still soliciting for funds to support EAC Railway Sector Enhancement programme according to the roadmap. However, Policies, legal and regulatory frameworks need to be in place so that mobilization of resources is effective.

EAC Secretariat and Partner States attended the Tripartite Sectoral Ministerial Committee on Infrastructure in October 2019, where updates were given on status and deliberations on how the tripartite railway strategy should be achieved.

#### **5.1.1.8 Budget execution**

The budget allocated to Transport and Works amounted to US\$ 2,061,323.60 for the Financial Year 2017/2018 with an expenditure of US\$ 397,594.17 leading to budget performance of 19%%.

### **5.2.1 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 as guided by article 100 of the Treaty on cooperation in meteorology.

During the period under review, the department of meteorology planned to implement Lake Tanganyika Transport Programme; Selections for the EAC Center of Excellence for Maritime Training; enhance capacity in weather and climate prediction; Regional seaports meet international standards in infrastructure and services and maritime safety; At least 5 sectors applying numerical weather prediction products; and develop Quality Management System for Aeronautical Meteorological Services.

The following were achieved:

#### **5.1.2.1 Lake Tanganyika Transport Programme implemented**

The meeting of the subcommittee on maritime transport was held to discuss the status of implementation of the Lake Victoria and Lake Tanganyika Transport Program. The World Bank put on hold the implementation of some of the components while other development partners continued implementing some project components

#### **5.1.2.2 Selection of the EAC Center of Excellence for Maritime Training;**

TOR for the Selection criteria for Centre of Excellence for Maritime Training was developed during the meeting of the Subcommittee on maritime transport and presented to 16<sup>th</sup> TCM for approval.

#### **5.1.2.3 Capacity in weather and climate prediction enhanced;**

The EAC Secretariat participated in the IGAD Climate Prediction and Application Centre (ICPAC) Great Horn of Africa Climate Outlook Forum meetings where the Seasonal Forecast for the Short and Long Rains were developed and distributed to Regional Stakeholders. The Secretariat also participated in the WMO HIGHWAY Project Regional meetings to monitor on the HIGHWAY project implementation. The Meeting of the Heads of Meteorological Services was held to harmonize Meteorological observations, data transmission and applications and developed policy recommendations to the TCM.

#### **5.1.2.4 Regional seaports meet international standards in infrastructure and services and maritime safety**

The Secretariat, with financial support from the Macroeconomic and Financial Management Institute of Eastern and Southern Africa (MEFMI) completed a study on “Mapping the EAC Regional Ports with Complementary Transport Infrastructure to Facilitate Trade”. The objective of the Study was to, “come up with findings that will inform the formulation of a Regional Ports Development Strategy. The EAC Regional Ports Development Strategy will be the EAC’s key planning document for guiding policies and investments in the Ports sector and complementary infrastructure”.

#### **5.1.2.5 At least 5 sectors applying numerical weather prediction products**

There has been improvement on the accuracy of the short, medium and long-range weather forecasts this resulted to savings of property and lives. The meeting of the Taskforce on Numerical Weather Prediction was held and developed strategies for improving numerical weather prediction.

#### **5.1.2.6 Quality Management System for Aeronautical Meteorological Services developed.**

Tanzania Meteorological Authority and Rwanda Airport Company completed the Implementation of Quality Management Systems (QMS) for aeronautical services, while Uganda and Kenya Meteorological Services are at advanced stages of the

implementation process. The EAC Secretariat held a meeting of the Taskforce on aeronautical Meteorology to discuss the progress of its implementation.

#### **5.1.2.7 Budget execution**

The budget allocated to Meteorolgy amounted to US\$ 67,620.00 for the Financial Year 2017/2018 with an expenditure of US\$ 26,436.47, leading to budget performance of 39% %.

### **5.2.1 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 finalize and adopt the regulations for Liberalization of Air Transport services in EAC; Implement the adopted roadmap for the operationalization of the EAC Search and Rescue Agreement; Implement approved priority Airports projects and operationalization of EAC tourism circuits; establish a EAC Seamless Upper Airspace through implementation of the 5-year Plan for seamless operations.

The following were achieved:

#### **5.1.3.1 The regulations for Liberalization of Air Transport services in EAC finalized and adopted**

Draft regulations for Air Transport Services Liberations were developed but not concluded after the United Republic of Tanzania requested some time to conclude national stakeholder consultations. The national consultations were done in two phases and the first phase was completed. The second phase is underway and will be submitted to the 16th EAC Air Transport Sub Committee meeting for consideration and submission to the next TCM.

#### **5.1.3.2 Implementation of the adopted roadmap for the operationalization of the EAC Search and Rescue Agreement**

Meeting convened but postponed due to COVID 19 interruptions.

#### **5.1.3.3 Implementation of approved priority Airports projects and operationalization of EAC tourism circuits**

There is good progress in the implementation of the EAC Priority Airports upgrading and Rehabilitation Projects with ongoing projects in Bugesera International Airport, Entebbe International Airport, Mtwara, Songea and Arusha Airports and several airports works completed including Bukoba, Tabora airports and Julius Nyerere International Airport.

#### **5.1.3.4 EAC Seamless Upper Airspace established through implementation of the 5 year Plan for seamless operations**

The EAC Seamless Upper Airspace Project is under implementation in line with the 5 years project implementation plan (2017/18 to 2021/22). The project team embarked on concentrating on seamless operations, and has made strides in realizing this by harmonizing MANSOPS, Technical Specifications, and Letters of Procedure among other documents. These have been taken on board by Partner States.

The EAC Secretariat and the Project Coordination Working group conducted a mission in South Sudan with the view to collecting, verifying and assessing the level of preparedness of South Sudan to join the EAC Upper Airspace Seamless Project and developed the road map for the integration of South Sudan Civil Aviation Authority into the project implementation. The EAC Secretariat also held a meeting to consider the development of EAC Centralized Aeronautical Information Management (AIM) database.

EAC Secretariat and Partner States participated in ICAO's meeting and developed the Secondary Surveillance Radar (SSR) codes to be used in the implementation of the EAC Seamless operations.

#### **5.1.3.5 Budget Execution**

The budget allocated to the Civil Aviation and Airports amounted to US\$ 66,700.00 for the Financial Year 2017/2018 with an expenditure of US\$ 24,523.56, thus the budget performance was 37%.

### **5.2.1 COMMUNICATIONS**

In line with Articles 98 and 99 of the Treaty, the Department of Communications coordinates Partner States cooperation in the communications sectors. Cooperation activities encompass harmonization of policies, laws and regulations and promoting investment in infrastructure and services in the telecommunications and the postal services.

During the period under review, the Communications Department planned to develop draft framework for harmonization of spectrum management by June 2020; develop draft broadcast content regulations; and adopt Monitoring and evaluation framework for the EAC Postal Development Strategy.

The following were achieved:



#### **5.1.4.1 Draft framework for harmonization of spectrum management developed by June 2020;**

EAC Secretariat convened two technical meetings to address Communications matters.<sup>1st</sup> Meeting to Develop EAC Roaming regulations held in the 2019/20 FY. More meetings expected to finalise the harmonization of ICT policies.

#### **5.1.4.2 Draft broadcast content regulations**

The EAC Secretariat developed draft Broadcast Content Regulations. The regulations are to be further reviewed by experts before tabling to the TCM for adoption.

#### **5.1.4.3 Monitoring and evaluation framework for the EAC Postal Development Strategy adopted.**

The EAC Postal Development Strategy developed and approved by the 15th TCM. Partner States are in the process of incorporating the EAC Postal Development Strategy in their national postal policies, laws, regulations, strategies and programmes. The implementation framework for EAC Postal Development Strategy was approved by the 16th TCM.

#### **5.1.4.4 Budget execution**

The budget allocated to communication amounted to US\$ 46,379.60 for the Financial Year 2017/2018 with an expenditure of US\$ 8,959.81 thus the budget performance was 19%.

### **5.2 PLANNING, RESEARCH, 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.

#### **5.2.1 PLANNING AND RESEARCH**

During the Financial Year 2019/2020, Planning and Research Unit focused on monitoring and reporting on implementation of the EAC Common Market Protocol at national and regional levels; identification of the Community's key priorities and coordination of formulation of the annual operational plans for the Financial Year 2020/21; development of a Regional Planning and Implementation Framework; policy research on five (5) EAC priority topics; and maintenance of the EAC Secretariat Quality Management System.

#### **5.1.5.1 Reports on implementation of the Common Market Protocol**

The formative evaluation of the EAC Common Market Protocol was conducted and the draft report will be presented to the 31<sup>st</sup> Sectoral Council on EAC Affairs and Planning for consideration and adoption.

The findings and recommendations from the evaluation will inform the design of new implementation and programmatic strategies, and approaches to facilitate the full implementation the EAC Common Market Protocol.

The Scorecard 2018 on free movement of workers and right of residence and establishment was developed and ready for submission to the Council of Ministers.

The EAC Secretariat with support from the World Bank Group and TradeMark East Africa prepared a draft Methodology and work plan for the EAC Common Market Scorecard 2019 on Free Movement of Goods, Services and Capital. The Draft Scorecard 2019 is ready and will be validated in November, 2020.

#### **5.1.5.2 Global and Sector-specific Priority Areas for 2020/2021 approved by August 2019**

To guide planning and budgeting for the Financial Year 2020/21, the Community identified the following seven (7) key priority areas: -

- i. Consolidation of the Single Customs Territory (SCT) to cover all imports and intra-EAC traded goods, including agricultural and other widely consumed products;
- ii. Infrastructure development in the region;
- iii. Enhancing free movement of all factors of production and other areas of cooperation across the Partner States as envisaged under the Common Market and Monetary Union Protocols;
- iv. Enhancement of regional industrial development through investment in key priority sectors, skills development, technological advancement and innovation to stimulate economic development;
- v. Improvement of agricultural productivity, value addition and facilitation of movement of agricultural goods to enhance food security in the region;
- vi. Promotion of regional peace, security and good governance; and
- vii. Institutional transformation at the regional and Partner State levels.

#### **5.1.5.3 Strengthen Planning, Research, Monitoring and Evaluation functions**

As a step towards streamlining the regional planning, implementation, monitoring and evaluation processes, the Secretariat has proposed a strategic intervention in the 6th EAC Development Strategy 2021/22 - 2025/26 for creation of a Regional Planning Authority.

#### **5.1.5.4 Implementation of the Research Agenda**

The Secretariat undertook a study to evaluate the efficiency and effectiveness of implementation of the EAC Customs Union Protocol. The draft Study report shows that considerable resources have been allocated to development of infrastructure such as

regional roads and One Stop Border Posts, which has contributed significantly to the implementation of the Protocol.

The draft report further indicates that significant achievement has been made on intra-regional trade and investment through enforcement of the mechanism for monitoring of NTBs, the successful implementation of the EAC Single Customs Territory, and establishment of One Stop Border Posts. The main driving factors for this achievement include political commitment to the regional integration agenda across Partner States, support from development partners, private sector participation and increased awareness among the EAC Citizenry.

However, implementation of the Customs Union has faced a few challenges: - i) instances of extended delays in carrying out verification exercises to ascertain Rules of Origin; ii) slow pace of harmonization of Standards and iii) inadequate resources for implementation of the Protocol.

#### **5.1.5.5 Strengthen QMS at the EAC Secretariat and rollout to other EAC Organs and Institution**

Continuous training of internal quality auditors is critical in ensuring that the Secretariat maintains ISO 9001:2015 certification. Ten (10) internal quality Auditors were therefore trained on ISO 9001:2015 Standard on to gain technical Knowledge on quality audits. Further, awareness training was conducted at Departmental level for staff to understand their respective rolls in implementing and maintaining the Quality Management system

#### **5.1.5.6 Budget Execution**

The budget allocated to planning amounted to US\$ 412,937.50 for the Financial Year 2017/2018 with an expenditure of US\$, 218,757.63 marking budget performance of 53%%.

### **5.2.2 MONITORING AND EVALUATION**

#### **5.1.5.7 Assessment of the implementation status of All Directives/Decisions of Council, Sectoral Council on EAC Affairs and Planning, Summit, Extra Ordinary Council and Summit:**

The Directives /Decisions were uploaded in EAMS and updated and an analytical report regularly produced and submitted to the relevant Policy meetings. Here below are the analysis tables for the status report submitted to the 39<sup>th</sup> Council of Ministers.

**Table 7: Total Decisions and Directives from 30th to 38th Council of Ministers**

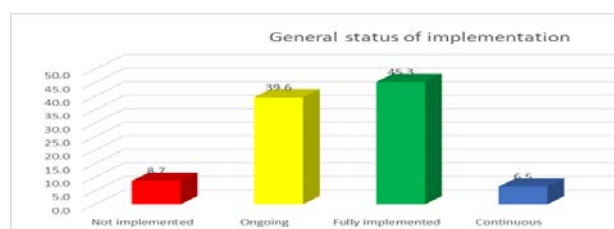
Decisions	285
Directives	592
<b>Total No</b>	<b>877</b>

The analysis shows that out of the total number of 877 decisions and directives. The status of implementation is detailed below:

**Table 8: General status of Implementation of Decisions and Directives from 30<sup>th</sup> to 38<sup>h</sup> Council of Ministers**

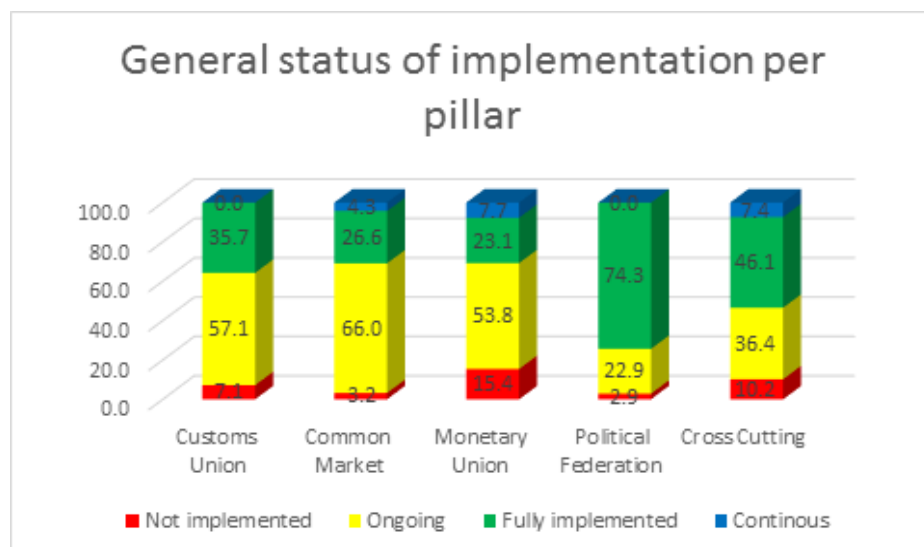
STATUS	NUMBER
Pending	76
In Progress	350
Completed	390
Continuous	61
TOTAL	877

**Figure 3: Status on the outstanding Decisions and Directives**



The analysis shows that 45.3% Directives/Decisions are fully implemented, 39.6 % ongoing, 8.7% pending and 6.5% continuous nature.

**Figure 4. Status of implementation per pillar**



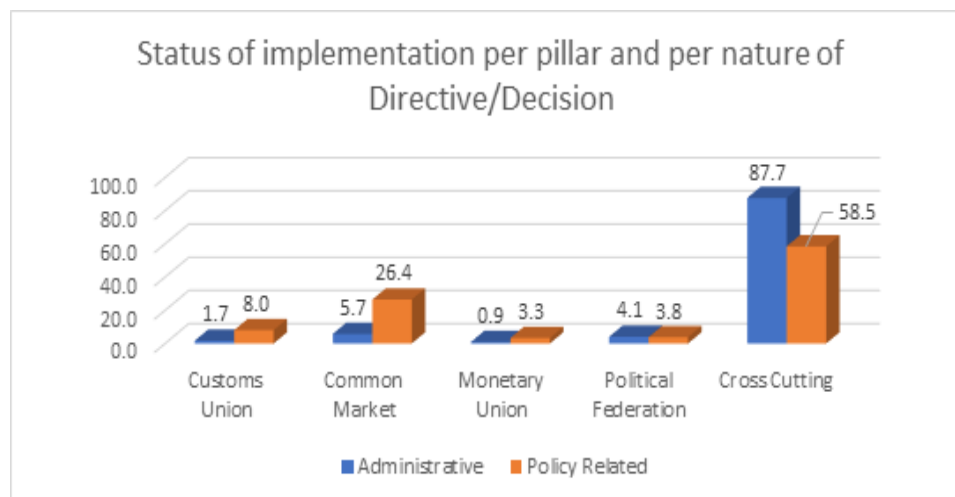
The analysis shows that most directives/decisions are fully implemented with 74.3% under political federation and 63.8% under Common market pillar, 57.1% under Customs Union and 53.8% under monetary union.

However, Monetary Union has 15.4% directives/Decisions not yet implemented and 10.2% directives/decisions are still pending under cross cutting directives/decisions

The analysis shows that out of 100% pending directives/decisions, Common market pillar directives/decisions has about 1.13% not yet implemented and 94.7% pending are crosscutting , Monetary Union with 2.6% not implemented , 1.3% not implemented under political federation and 0% not implemented under customs Another aspect is that most of the directives/decisions are cross cutting.

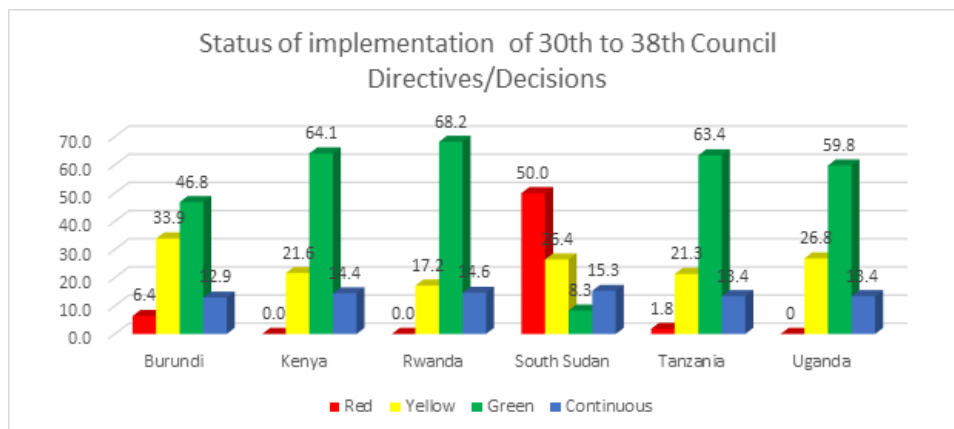
The analysis shows that out of 100% of directives/decisions fully implemented, 82.4% are under cross cutting, 7.3% under Common Market, 3.0% are under Customs Union and 6.5% are Political federation.

**Figure 5: Status per Pillar and Nature**



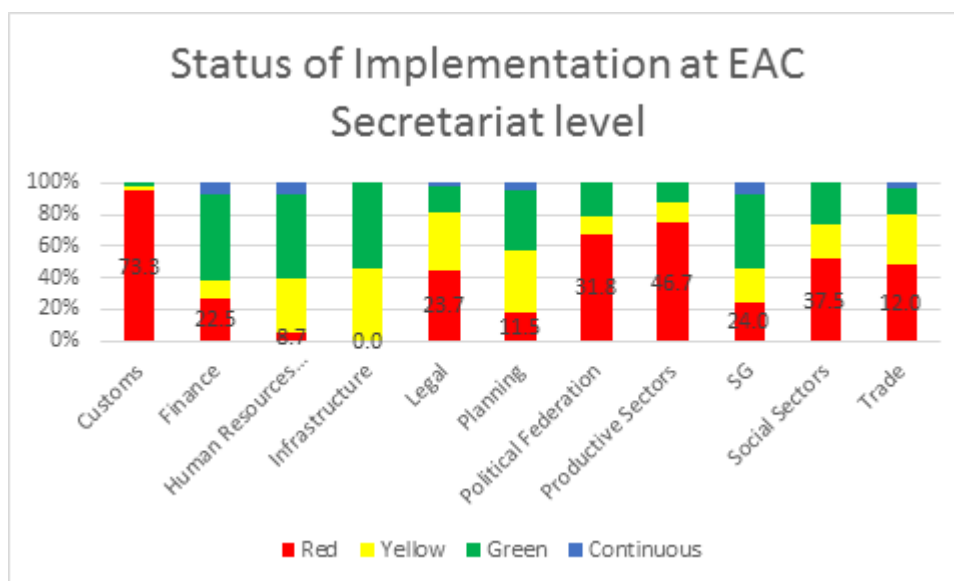
The analysis shows that for three Pillars, most of directives/decisions are policy related with 8.0% under Customs Union, 26.4% under common market and 3.3 % under Monetary Union. Under Political Federation 4.1% are administrative and 3.8% are policy related.

**Figure 6: decisions and directives of the 38<sup>th</sup> Council**



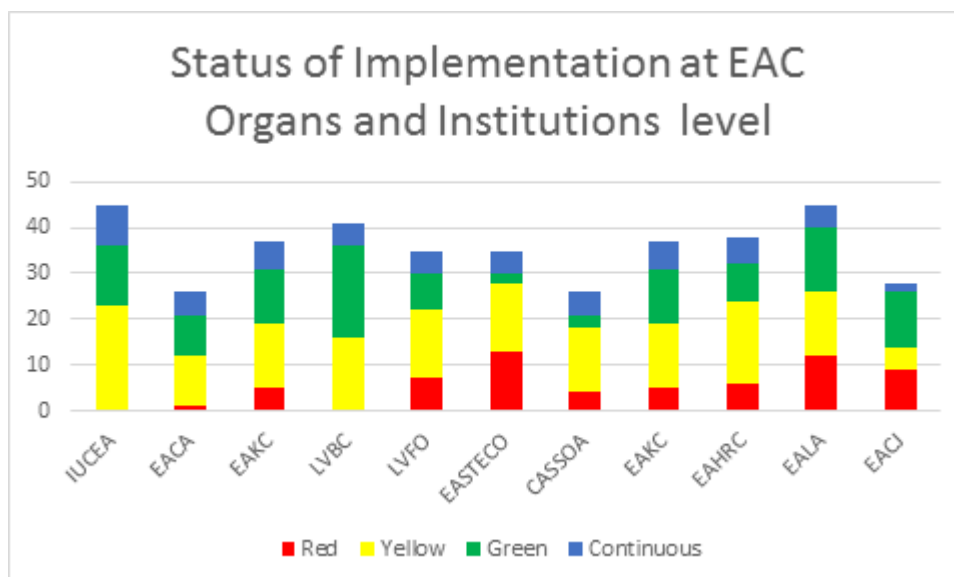
According to the Directives/Decisions assigned to each partner states The average status of implementation shown above is about 51.8% fully implemented, 24.5% ongoing implementation, 9.7% not yet implemented, meaning still pending implementation and 14% continuous nature . It also appears that Republic of South Sudan is still far if we compare with other partner states, where it has 50% still pending

**Figure 7: Decisions and Directives for EAC Secretariat**



The analysis shows that 73.3% Directives/Decisions of Customs directorate, 46.7% under Productive sectors, 37.5% under Social Sectors and 31.8% under Political Federation are still pending implementation if we compare with other implemented still pending.

**Figure 8: EAC Organs and Institutions**



The analysis shows that East African Competition and Lake Victoria Basin Commission have less unimplemented directives/decisions with more unimplemented at EALA, EASTECO and EACJ.

#### 5.1.5.8 Preparation of Bi-Annual and Annual Reports

EAC Bi-annual and annual reports for the years 2017-2018 & 2018-2019 were prepared and await the EALA seating in November 2020 to be tabled. The finalization of the annual report 2019-2020 is ongoing and will be ready by end November 2020.

#### 5.1.5.9 Impact Assessment of the previous EAC Development Strategies conducted

The Development of 6th EAC Development Strategy (2021/22 – 2025/26) requires review of the 5th EAC Development Strategy, which review is being finalized as part of the on-going process. The Monitoring & Evaluation Unit has planned to conduct an impact assessment of all previous development strategies. However, the activity was not implemented due to lack of funds.

#### 5.1.5.10 Budget Execution

The budget allocated to the Monitoring and Evaluation Unit amounted to US\$ 372,150.00 for the Financial Year 2017/2018 with an expenditure of US\$ 147,910.80 Which translates to 40% of budget estimates.

### 5.2.3 STATISTICS

During the period under review, Statistics Department planned to implement activities towards enhancing efficiency and effectiveness of the regional statistical systems; improving the usage of statistics for evidence-based policy and planning; harmonization of concepts and methodologies for consumer prices (CPI), balance of payments, national accounts, monetary and financial, financial soundness indicators; maintaining statistical database with most recent socio-economic regional data; and development of a fully compatible Regional CPI software.

#### **5.2.3.1 Enhanced efficiency and effectiveness of the regional statistical systems**

To enhance the efficiency and effectiveness of the Community Statistical System (CSS), the Secretariat focused on human resources and institutional developments at different levels across Community Statistics production value chain.

- i. Recruited Eight (9) statisticians under the StatDHRP out of the targeted Nine (9); and Five (5) Project Implementation Unit staff. The statisticians will be responsible for coordinating the development and implementation of regional guidelines, while the PIU staff will be responsible for the day-to-day implementation of the Project.
- ii. At the national level, the Secretariat implemented capacity building programmes aimed at putting in place sustainable capacity of the National Statistics Office to produce and submit to the Secretariat quality and harmonized regional statistics. During the review period, 2 staff of the Institute of Statistics and Economic Statistics of Burundi (ISTEEBU) commence a 3-year doctoral programme supported by the Project.
- iii. The Secretariat has also partnered with Two (2) regional statistical training centres namely Eastern Africa Statistical Training Centre (ESTC) in Dar-es-Salaam, Tanzania and the School of Statistics and Planning (SSP) at Makerere University, Uganda. In addition to these two training centres, the National Institute of Statistics of Rwanda is hosting under the University of Rwanda the African Centre of Excellence in Data Science. The centre which will serve other countries in the region aims to transfer knowledge and skills required for big data analytics using existing data repositories from different institutions. Under the partnerships, the Secretariat through StatDHRP Will provide the above Three (3) centre with Statistical Infrastructure support, mainly in trainings in areas of the centre's specialization.

#### **5.2.3.2 Improved Data Quality, and Comparability**

The technical experts have commenced the development of regional guidelines in the respective areas of expertise namely External Sector Statistics (ESS); Poverty Statistics; National Accounts Statistics (NAS); Monetary and Financial Statistics (MFS) and, Financial Soundness Indicators (FSI); Agriculture, Food and Nutrition Statistics.

The guidelines are expected to provide the minimum standards to be followed by the Partner States in compiling statistics for use at the Community level. At the same time,



implementation of the completed EAC regional guidelines, specifically on Consumer Price Indices (CPI) and Government Finance Statistics (GFS) is ongoing.

#### **5.2.3.3 Improved data dissemination and use for evidence-based policy and planning**

The EAC Facts and Figures (2019) was compiled and published in the EAC website in November, 2019. The EAC Facts and Figures is an annual publication of the EAC Secretariat. It presents socio economic highlights of the EAC region for a five year period and forms an important source of input into the planning, monitoring and policy formulation for the Community.

During the review period, the Secretariat commenced the development of model regional tools to assessing the quality of official statistics in different statistical domains.

#### **5.2.3.4 Enhanced efficiency and effectiveness of the regional statistical systems**

The EAMU Protocol provides for the establishment of the East African Statistics Bureau (EASB) as one of the permanent institutions to underpin the Monetary Union. EAC statistics department should among other things monitor the progress on consolidation of gains from the Customs Union, implementation of the Common Market Protocol, and the transition to Monetary Union with accurate, reliable, timely and comparable data for planning, monitoring and evaluation purposes.

To provide the requisite data, the EAC Statistics Department has focused on:

- a) Production of regular publications and maintenance of an updated statistics database covering all the socio-economic areas of the region's economies;
- b) Improving the comparability of statistics through a program of harmonization of statistics in key priority areas; and
- c) Development of EAC Regional Statistics System.

#### **5.2.3.5 EAC Statistics Development and Harmonisation Regional Project (StatDHRP)**

The Secretariat developed Statistics Development and Harmonization Regional Project (StatDHRP) with the main objective of strengthening the capacity of the National Statistical Offices of the EAC Partner States and the Secretariat to produce harmonized and quality statistics in support of the regional integration and development. The priority statistical areas of the Project are: National Accounts Statistics; Consumer Price Indices; Poverty Statistics; External Sector Statistics; Monetary and Financial Statistics; Government Finance Statistics; and Agriculture, Food and Nutrition Statistics; Database Management; and Communication and Advocacy. The recruitment of the Project Staff was completed in December, 2019

#### **5.2.3.6 Budget Execution**

The budget allocated to the Statistics Department amounted to US\$ 679,991.23 for the Financial Year 2019/2020 with an expenditure of US\$ 5,058,532.77 about 12,% of budget estimates due to low disbursedment from the Partnership Fund which accounted for nearly 90% of the budgetary allocation to the deaprtment.

#### **5.2.4 FISCAL AND MONETARY AFFAIRS**

During the fiscal year 2019/20, the Secretariat continued to implement the East African Monetary Union Roadmap, focusing on activities that are aimed at building foundation for the establishment of monetary union in the EAC region. Some of these activities include harmonization of fiscal policies, modernization and harmonization of the Monetary and exchange rate policies as well as development of the legal instrument for the establishment of EAMU institutions.

The following are the key achievements:

##### **5.2.4.1 Legal instrument for the establishment of EAMU institutions**

The EAMU Protocol provides for establishment of four support institutions including: (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 20th ordinary Summit, held in February 2019, the EAC Heads of State assented to the Bill for the establishment of the East African Monetary Institute (EAMI). So far, all EAC Heads of State have appended their signatures to the EAMI Bill. Subsequently, the Bill was gazetted on 20th November 2019 and thereafter became The East African Monetary Institute Act, 2019.

##### **5.2.4.2 Assessment on the Status of Implementation of Convergence Criteria by EAC Partner States**

The EAMU Protocol provides for a set of four primary convergence criteria which must be attained and maintained by each Partner State for at least three years before joining the Monetary Union. These include: (i) a ceiling on headline inflation of 8 percent; (ii) reserve cover of 4.5 months of import; (iii) a ceiling on the overall deficit of 3 percent of GDP, including grants; (iv) a ceiling on gross public debt of 50 percent of GDP in net present value terms. According to the EAMU roadmap, these targets are to be achieved in 2021. According to the assessment done jointly by the EAC Secretariat and central banks in June 2020, most of the EAC Partner States are on track towards attainment of the Convergence targets by 2021 especially on headline inflation, reserve cover in months of imports, as well as Net Present Value of Debt to GDP. However, challenges remain in attaining the criterion on fiscal deficit by the majority of the Partner States, largely due to increased demand for infrastructure development and spending to mitigate the economic impact of the COVID-19 pandemic.

#### **5.2.4.3 The EAC-IMF Conference on Trade Integration in the East African Community: Successes, Challenges, and Opportunities for Progress.**

The Secretariat, and the International Monetary Fund (IMF) jointly organized a high-level conference entitled “Trade Integration in the East African Community: Successes, Challenges, and Opportunities for Progress” 19th October 2019. The Conference brought together Finance Ministers and Central Bank Governors from all EAC Partner States, as well as senior representatives from International Monetary Fund. The objective of the conference was to take stock of trade integration efforts in the EAC and provide recommendations on how to address the trade challenges facing the region.

Broadly the Conference focused on four key issues. First, it examined trade deepening initiatives among EAC Partner States and their outcomes. Second, it looked at efforts to expand EAC trade with the rest of the world. Third, it explored how the overall trade environment in the EAC has changed over time, with a focus on non-tariff barriers (NTB) and transport costs. Finally, it briefly assessed the impact of trade integration on growth and development in the region. One of the key takeaways of the Conference was that relative to its trading potential, there is more trade in the EAC than in other sub-Saharan regional economic communities.

#### **5.2.4.4 Financial Sector Development and Regionalization Project**

To augment the supply of financial sector personnel with skills that are transferable across EAC Partner States, the FSDRP developed the EAC Banking Certification Programs, and was approved by the Ministers of Finance. This will enhance the skills of the market players, and to enable them have a broader perspective of the regional banking sector market. Consequently, this would enable banking sector players to freely operate in the markets of each of the EAC Partner States and also enable uptake of banking services in Partner States.

Further, the Central Bank Governors considered and approved the EAC Microfinance Services Policy (MSP), its Implementation Strategy and Roadmap which will inform the development of the microfinance legal and regulatory framework. In the same financial inclusion space, the paper and the corresponding principles on extension of pension coverage to the informal sector in the EAC region were approved by the Ministers of Finance. These also approved the EAC Insurance Bill which will anchor the regionalization of the insurance sector.

To inform the portability of social security benefits the study on the pension tax regime was undertaken and completed. The Project also finalized the study on the Gap Analysis for the Database Management Systems that capture cross border financial flows in EAC

Finally, the Project supported the Republic of Burundi and conducted training for key professionals to equip them with skills and competences to effectively execute their roles and responsibilities in the operationalization of the securities market.

#### **5.2.4.5 Payment Settlement Systems Integration Project**

The principal objective of the Payment Settlement Systems Integration Project is to develop a robust environment for both wholesale and retail payment and settlement systems and to facilitate market integration, support effective application of monetary policy and financial markets aimed at enhancing safety and efficiency in the overall payment and settlement systems. During the period under review, the Project made progress in the integration of payment systems infrastructure and capacity building as follows:

#### **5.2.4.6 Integrated Payment Systems Infrastructure/ Platforms;**

The Project supported the upgrade of the Kenya and Tanzania large value payment system (RTGS) to accommodate more payment channels and successfully completed the Kenyan system. The Tanzanian system is at User Acceptance Testing (UAT) stage. Further, the Project identified Technical Assistance (TA) to support the development and implementation of Central Payment Incident (CPI) for Bank of Burundi to enhance confidence in their payment instruments.

Other achievements include: - support to the development of payment and settlement system Rules and Regulations for National Bank of Rwanda to ensure smooth funds transfer operations; procurement of consultancy services to support the drafting the National Payment Systems (NPS) Legal and Regulatory Framework for the Republic of South Sudan; and development of draft harmonized Payment and Settlement Systems Legal and Regulatory Framework.

#### **5.2.4.7 Capacity building for Structured implementation and coordination of Project**

The Secretariat facilitated training and capacity building through training and exchange programs for staff working in the National Central banks, and supported workshops/seminars and benchmarking programs for stakeholders dealing with constitutional affairs including Members of Uganda Parliament to fast track the enactment of Uganda's National Payment System (NPS) Act.

#### **5.2.4.8 Budget Execution**

PSSIP Budgeted 4,744, 175 with expenditure 1,426,811 = 30% expenditure due to COVID 19.

### **5.2.5 INVESTMENT PROMOTION AND PRIVATE SECTOR DEVELOPMENT**

During the period under review, Investment Promotion and Private Sector Development, had the following key priorities: Development of the EAC Investment Strategy to operationalize the EAC Investment Policy; Convene two capacity building workshops for Investment Promotion Agencies (IPAs); coordination of activities of national investment authorities; development of the EAC e-business registry portal and buyers and sellers portal; and development of the EAC Public Private Partnership (PPP) Policy.

The following were achieved:

#### **5.2.5.1 Development of the EAC Investment Strategy to Operationalize the EAC Investment Policy.**

The Secretariat developed the Draft EAC Investment Policy for consideration by the Council of Ministers. The Policy envisages a transformed upper middle-income EAC that is a competitive common investment area with a more liberal, predictable and transparent investment environment. The EAC Secretariat is in the process of developing a template of the inventions inline in the EAC Investment Strategy.

#### **5.2.5.2 Coordination of activities of national investment authorities;**

In the period under review an EAC Investment Guide and online Guide was developed. The Guide seeks to promote the EAC Investment opportunities and market the region as a single investment destination. It is envisaged that with the EAC online investment Guide, the much-needed information on EAC investment climate and opportunities to aide investors decision making will be able to reach a wider audience worldwide and thus contribute to investment attractions into the region.

#### **5.2.5.3 Budget Execution**

The budget allocated and that was available to the Investment Promotion and Private Sector amounted to US\$ 478,070.00 for the Financial Year 2017/2018 with an expenditure of US\$ 315,830.22 with a budget performance of 66 %

#### **5.2.5.4 Challenges**

- i. The delay in conclusion of consultations by Partner States on the EAC Investment Policy affected the commencement of development of an EAC Investment Strategy.
- ii. COVID-19 disrupted a number of activities that were planned that included capacity building workshops for Investment Promotion Agencies (IPAs). However, through Video Conference, a meeting of IPAs was convened to consider training needs.
- iii. The delay in the disbursement of funds caused delays in the commencement of the activities.

## **6 THE OFFICE OF THE 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

## 6.1. PRODUCTIVE SECTORS

### 6.1.1 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 in 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 the following interventions

- a. Resources for implementation of the EAC Food and Nutrition Security Strategy and Action Plan mobilized
- b. EAC CAADP RAIP implementation plan developed
- c. EAC SPS Pest Risk Analysis Framework operationalized by December 2019
- d. EAC pesticides management guidelines validated and adopted
- e. Enactment of SPS Bill by EALA supported by EALA by June 2020
- f. Improve regional coordination and emergency response capacity for priority transboundary plant and animal diseases (TADs) and pests

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

- 6.1.1.1** 13th Session of the Sectoral Council on Agriculture and Food Security was held in September, 2019. The Sectoral Council considered implementation of decision and directives and provided policy guidance in the Agriculture and Food Security Sector.
- 6.1.1.2** Guidelines on Data Requirements for Registration of Biopesticides and Biocontrol agents for Plant Protection, Designating Testing Centres, and Confidential Business Information Protection (CBI) were adopted by the Council of Ministers in November 2019.
- 6.1.1.3** Harmonized procedures for conducting PRAs for maize, beans and rice were approved by the Council of Ministers in November 2019
- 6.1.1.4** EAC regional strategy for management of transboundary animal and zoonotic diseases for the period 2019-2023 was validated in November, 2019.
- 6.1.1.5** EAC draft RAIP implementation plan was finalized for validation in December 2019.
- 6.1.1.6** High-Level Implementation Stock-Taking Forums on EAC Regional Strategy and Action Plan on Aflatoxin Prevention and Control were convened.

**6.1.1.7** EAC Secretariat and Kilimo Trust launched a three-year project (2019 - 2022) to enhance competitiveness of the rice sub-sector. The central aim of the project is to enable locally produced rice in East Africa to competitively substitute the current over 300 million US\$ worth of rice imports to the EAC Common Market.

#### **6.1.1.8 Budget Execution**

The budget allocated to the Agriculture, Food Security and Livestock Sector amounted to US\$ 1,222,625.20 for the financial year 2019/20 with an expenditure of US\$ 550,992.02, leading to budget performance of 45%.

### **6.1.2 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. The department also coordinates preparation of regional emergency plans where need arises.

In the period under review, the Energy Sector planned to develop a Regional Programme for Solar Power Pump use for Small irrigation Schemes by Small Holder farmers in the EAC region, continue monitoring and coordinating the implementation of the Regional Strategy on Scaling up Access to Modern Energy Services, Coordinating implementation of power interconnection projects, Preparations for holding the East African Petroleum Conference and Exhibition (EAPCE) and continue with the implementation of cross border generation projects as well the priority projects from the regional Power System Masterplan.

The key achievements during the year were as follows:

#### **6.1.2.1 Implementation priority projects from the Regional Power System Masterplan**

The EAC Secretariat continued to coordinate implementation of the priority projects from the Power system plan and the Heads of State priority projects. Access to electricity in the region improved although is still very low as compared to other regions when there is surplus of electricity in the region, As of March 2019, the status of electricity access and consumption were as shown below.;

**Table 9: Regional Power System Masterplan**

<b>Country</b>	<b>Installed capacity (MW)</b>	<b>System Peak demand (MW)</b>	<b>Connectivity %</b>	<b>Access %</b>
Burundi	94	79	5.6	-
Kenya	2711	1882	73	-
Rwanda	220.7	148	52.7	-
South Sudan	-	-	-	-
Tanzania	1620.78	1116.58	32.8	67.5
Uganda	1272.94	661.05	25	-

**6.1.2.2 Implementation of cross border generation**

Implementation of Kikagati/Murongo Hydro Power Project (14 MW) continued. The project development was at 30% by May 2019. EAC Secretariat prepared and submitted the project proposal for the Feasibility Study for Nsongezi Hydro Power Project to NEPAD-IPPF that was considered and included in the NEPAD IPPF 2020 work plan.

**6.1.2.3 Implementing power interconnection projects**

EAC Secretariat has continued to coordinate the implementation of power interconnections projects. The different projects are at different Implementation stages but generally behind schedule. The Zambia-Tanzania-Kenya Power Interconnector that will connect the Eastern African Power Pool (EAPP) and the Southern Africa Power Pool (SAP) is expected to be completed in 2022.

**6.1.2.4 Preparations for holding the East African Petroleum Conference and Exhibition (EAPCE)**

Following the successful holding of the 9<sup>th</sup> East African Petroleum Conference and Exhibition 2019 (EAPCE'19) that took place May 8-10, 2019 *Pridelnn Paradise Beach Resort, Convention Centre and Spa* Mombasa, Republic of Kenya, the EAC Secretariat embarked on the initiation of preparatory activities to hold the 10<sup>th</sup> East African Petroleum Conference and Exhibition 2021 (EAPCE'21). Draft road map was prepared and members of the regional Steering Committee nominated but Covid-19 disrupted the arrangement.

**6.1.2.5 Monitoring and coordinating the implementation of the Regional Strategy on Scaling up Access to Modern Energy Services**

EAC Secretariat together with the Centre of excellence for East African Centre for Renewable Energy and Energy Efficiency (EACREEE) designed and secured funding to the tune of EUR 5,902,894 for a project on 'Energy Efficient Lighting and Appliances for Eastern and Southern Africa (EELA). The implementation phase commenced in June 2019.

**6.1.2.6 Budget Execution**



The budget allocated to the Energy Sector amounted to US\$ 370,630.00 for the financial year 2019/20 with an expenditure of US\$ 104,654.79, leading to budget performance of 28%.

#### **6.1.2.7 Challenges**

- I. Lack of human resource capacity at EAC-Only one Senior Energy Officer;
- II. Very small budget from Partner States contribution;
- III. Lack of skilled man power in some areas in the region for example large scale project packaging;
- IV. Reducing biomass resource in the region especially the forest resource. This can be an opportunity to the private sector;
- V. Limited financing mechanism to heavily involve the private sector; and
- VI. Lack of harmonised regional cross border investment framework

#### **Recommendations**

- I. Increase Partner States budget contribution to the Department.
- II. Increase the number of staff at the region to at least three that is one Officer per subsector-Power, Fossil fuel and Renewable energy and energy efficiency subsectors.
- III. Develop a harmonised regional cross border investment framework.
- IV. Conduct joint capacity building programme in project preparation and packaging for Partner State.

### **6.1.1 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:

- i. Convene and support activities of the regional Climate Change Technical Working Group (CCTWG)
- ii. Convene meeting of experts to review and update EAC climate change Policy and Strategy
- iii. Develop 3 community based climate change adaptation projects and submit them to the Green Climate Fund (GCF) and Adaptation Fund (AF)
- iv. Draft EAC climate change Bill

- v. Showcase Environment and Natural Resources Management programmes and activities at the strategic Regional and International Conferences
- vi. Convene Sectoral Council on Environment and Natural Resources ( 2 Sectoral Council Meetings Annually) to provide policy guidance and monitor the implementation of sectoral and Council activities
- vii. Provide technical guidance on Environment and Natural Resources management through Technical Working Groups.
- viii. Finalize the Protocol on Environment and Natural Resources Management

The key achievements during the year were as follows:

#### **6.1.3.1 Ratification and implementation of the Protocol on Environment and Natural Resources Management**

The Protocol on Environment and Natural Resources Management was harmonized and adopted by the 7th Sectoral Council on Environment and Natural Resources in February 2020. EAC draft Guidelines for Joint Participation in negotiations and implementation of Multilateral Environmental Agreements (MEAs) developed.

#### **5.1.3.2 Implementation of the EAC climate change policy**

First year work plan of the Climate change project funded by EU through EDF 11 was implemented. The Policy aims at providing the region with a coordinated and collective approach to dealing with climate change.

#### **5.1.3.3 Management of disaster risk reduction matters**

Comprehensive Action Plan on the implementation of disaster risk reduction (DRR) was finalized and adopted.

#### **5.1.3.4 Management of terrestrial ecosystems**

EAC Forestry Policy was developed and adopted. EAC Forestry Strategy was developed and adopted.

Terms of Reference for Development of a Regional Biodiversity Strategy and Action Plan and Regional Project on the Initial Implementation of the Regional Biodiversity Strategy and Action Plan developed and adopted.

Action plan for the implementation of the outcome of the first Africa Regional Mountains forum developed and adopted

#### **5.1.3.5 Management of aquatic ecosystems**

Work plan was finalized and submitted to International Water aid to support implementation of the development of EAC Water Policy and Integrated Water Resources Management Strategy.

#### **5.1.3.6 Waste management and pollution control**

The Concept Paper on Plastics and Plastics Waste Management was finalized and adopted.

#### **5.1.3.7 Development and implementation of programmes and projects on environment and natural resources**

Program description on improving collaborative Conservation and Management of Transboundary Natural Resources in the East African Community was implemented (1 year work plan). EAC Project on climate change adaptation and mitigation funded by European Union was implemented (1 year work plan).

#### **5.1.3.8 Budget Execution**

The budget allocated to the Environment and Natural Resources Sector amounted to US\$ 1,359,065.00 for the financial year 2019/20 with an expenditure of US\$ 1 215,289.78, leading to budget performance of 16%.

#### **5.1.3.9 Challenges**

- i. Implementation of programs stalled due to lack of funds and covid 19 pandemic;
- ii. Understaffing remains a key challenge;
- iii. There were no funds to validate draft State of Protected Areas report; and
- iv. Lack of funds to support Climate Change Coordination Unit

#### **Recommendations**

- I. Resource mobilization through programmes and projects.
- II. Increase staff under the department.
- III. Partner States budget should be increased.

### **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 a number of key activities that included organizing joint promotion of EAC as a single tourism destination at regional trade fairs; produce and disseminate EAC branded tourism promotional materials in key global markets; coordinate development of a framework for introduction of EAC Single Tourist Visa by all Partner States; review of the classification criteria for classification of tourism accommodation and catering establishments; development of minimum standards; and implementation of the regional strategy for combating poaching and illegal trade in wildlife management.

The Department made the following key achievements:

#### **5.1.4.1 Development of Protocol on Tourism and Wildlife Management**

The 39<sup>th</sup> Meeting of the Council of Ministers held on 28<sup>th</sup> November 2019 considered the draft Protocol on Tourism and Wildlife Management and directed that the United Republic of Tanzania finalizes the internal approvals. The Council also directed that the planned 10<sup>th</sup> Meeting of the Sectoral Council on Tourism and Wildlife considers the concerns expressed by the United Republic of Tanzania and submit the revised draft Protocol to the Council of Ministers for consideration.

#### **5.1.4.2 Joint Promotion of EAC as a Single Tourist Destination**

The EAC Secretariat undertook Joint tourism promotion at the Swahili International Tourism Expo (SITE) that took place from 18<sup>th</sup> -20<sup>th</sup> November 2019 in Dar es Salaam, Tanzania. It was observed that the EXPO has grown in size from about 40 exhibitors in 2014 to about 200 in 2019 and from about 25 buyers to about 400 buyers over the same period; innovative development of products is inadequate as most exhibitors still sell the traditional products; there are very few actors doing cross border business for East Africans; and that there were no Tourism Boards or National Tourism Marketing Agencies from other Partner States who participated in the Fair. This points to the need for continued sensitization of private sector actors on participation in tourism fairs taking place within the region; build the capacity of private sector players in developing multi-destination and innovative tourism products; and Partner States' Tourism Boards and National Tourism Marketing Agencies should participate in key tourism fairs within the region in line with the Decision of the 5<sup>th</sup> Meeting of the Sectoral Council on Tourism and Wildlife Management.

#### **5.1.4.3 Development of the Regional Tourism Marketing Strategy**

Partner States finalized undertaking the second round of national consultations on the Draft Regional Tourism Marketing Strategy as directed by the 9<sup>th</sup> Meeting of the Sectoral Council on Tourism and Wildlife Management. The Draft Strategy was considered and validated by the Sectoral Committees on Tourism and Wildlife Management that met from 12<sup>th</sup> -14<sup>th</sup> November 2019.

#### **5.1.4.4 Review of the Criteria for Classification of Tourist Accommodation Establishments and Restaurants.**

Draft Terms of Reference (ToRs) for Review of the Criteria for Classification of Tourist Accommodation Establishments and Restaurants were developed. The ToRs were validated by the Sectoral Committees on Tourism and Wildlife Management that met from 12<sup>th</sup> – 14<sup>th</sup> November 2019. The ToRs are yet to be approved to allow for procurement of an internationally recognized consultant to work with the panel of experts in reviewing the Criteria for Classification of Tourist Accommodation Establishments and Restaurants as directed by the Sectoral Council.

#### **5.1.4.5 Draft Framework for Introduction of an EAC Single Tourist Visa**

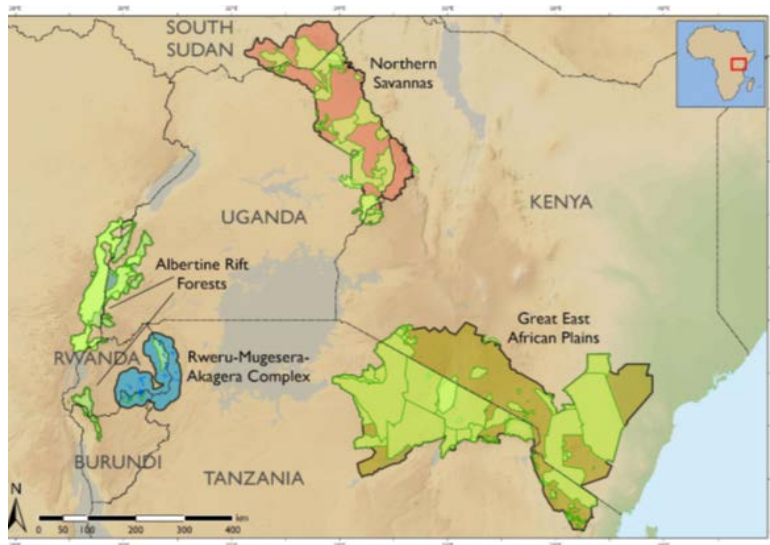
The Secretariat reviewed the Draft Framework for introduction of an EAC Single Tourist Visa to be considered by a Multisectoral Meeting of the Ministries responsible for Immigration, Tourism, Finance, Foreign Affairs, ICT, Infrastructure, Security, Legal and EAC Affairs that was scheduled to take place from 21<sup>st</sup>-24<sup>th</sup> January 2020. However, the meeting was postponed following a request by one of the Partner States.

#### **5.1.4.6 Implementation of a Strategy to combat poaching and illegal trade in wildlife and wildlife products**

The Department continued coordinating implementation of the Regional Strategy to combat poaching and illegal trade and trafficking of wildlife and wildlife products. This included the following activities and interventions:

1. Development of the Terms of Reference for formulation of the Regional Policy on Wildlife Conservation and Management which were approved by the Sectoral Committees on Tourism and Wildlife Management that met from 12<sup>th</sup>-14<sup>th</sup> November 2019;
2. Transboundary landscapes for the purpose of economic valuation of natural capital was undertaken. This is aimed at providing information necessary for policy decision making in management of natural capital including wildlife resources. The landscapes are: Great Eastern Plains (Mara-Serengeti- Ngorongoro Conservation Area, Arusha National Park, Amboseli-Kilimanjaro); Northern Savannahs (Kidepo Game Reserve-Kidepo Valley National Park complex, Nimule National Park-Otze Forest Reserve-Karamoja cluster conservation areas); Albertine Rift Forests (Queen Elizabeth National Park- the Greater Virunga Landscape- Nyungwe-Kibira); and Rweru-Mugesera-Akagera Complex as shown in the Figure below. Assessment of natural capital in the landscapes has already commenced with final findings expected in 2021.
3. The Secretariat collaborated with strategic and conservation partners such as IUCN, TRAFFIC and Convention on Migratory Species (CMS) in sensitizing wildlife law enforcement officials on the EAC Strategy to Combat Poaching and Illegal Trade and Trafficking of Wildlife and Wildlife Products.

**Figure 8: Transboundary Landscapes Identified for Economic Valuation of Natural Capital.**



#### **5.1.4.7 Budget Execution**

The budget allocated to the Tourism and Wildlife Management from Partner States contribution amounted to US\$ 260,020.00 for the financial Year 2019/2020 with an expenditure of US\$ 17,542.19 leading to budget performance of 7%

#### **5.1.4.8 Challenges:**

1. The onset of COVID-19 has had a devastatingly negative effect in the tourism sector through travel restrictions and cancellation of flights around the world. It also led to postponement of planned policy and technical meetings as well as low budget execution;
2. Due to postponement of the planned 10<sup>th</sup> Meeting of the Sectoral Council on Tourism and Wildlife Management, required approvals were not obtained leading to delayed implementation of several activities such as Development of Regional Policy on

- Wildlife Conservation, Review of Classification Criteria for Tourist Accommodation Establishments and Restaurants and Regional Tourism Marketing Strategy; and
3. Joint tourism promotion at international and regional trade fairs was affected by reduced budgetary allocations; and

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

- I. There is need to develop and implement a Regional Tourism Recovery Plan in order to ensure that tourism in the region goes back to the pre-pandemic levels.
- II. Fast-track approval of the Regional Tourism Marketing Strategy and Terms of Reference for Development of Regional Policy on Wildlife Conservation and Review of Classification Criteria for Tourist Accommodation Establishments and Restaurants by the Sectoral Council.
- III. There is need to reinstate budgetary allocations for joint tourism promotion to support tourism recovery.

### 6.1.1 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, development 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, and according to the allocated budget Industrial Development planned to review the EAC Industrialization Policy Implementation Action Plan (2012-2017) and develop a new plan for the period 2020-2025; operationalize the Forum of Owners of Manufacturing Automotive Industry and undertake national consultative workshops on the Action Plan. Due to delay in procurement COVID-19 pandemic the activities could not be undertaken

**The key achievements during the year were as follows:**

#### 6.1.4.7 Promotion of Cotton, Textiles and Apparels Sector

The 39th Council of Ministers held on 28th November 2019 adopted **the EAC Cotton, Textiles and Apparels Strategy and Implementation Roadmap** (*EAC/CMI/36/Decision*

21). The Strategy will provide technical support towards sustainable development of CTA sector in the region. The Council of Ministers directed the Secretariat to prioritize implementation of the Strategy and to provide budget for the activities, as relevant to respective countries, in the next financing period and undertake resource mobilization to ensure implementation of the Strategy.

**Figure 10: CTA Value chain analyzed**



To kick off the implementation the Secretariat organized for the Secretariat organized, the **First Forum for Owners of Cotton, Textiles and Apparels Industries** to kick off the implementation of the CTA Strategy on 17<sup>th</sup> to 18<sup>th</sup> October 2019 in Kigali, Rwanda. During the meeting the owners of the CTA industries adopted the Terms of Reference (TORs) for a CTA public private sector platform and identified action for immediate implementation of the CTA Strategy and including designation and upgrade of centres of excellence in seed multiplication; Analytical Assessment of production gaps on cotton production, ginning, spinning, and knitting/weaving; Establishment of fully serviced industrial parks with plug and play facilities for ease of attraction of investments and carry out campaigns on Buy East Africa Wear East Africa. Implementation of the CTA Strategy is being undertaken.

**Figure 11: Meeting with Owners of CTA Industries**





#### 6.1.4.8 Promotion of Leather, Leather Products and Footwear Sector

During the period under review The 39th Council of Ministers held on 28th November 2019 adopted the **EAC Leather and Leather Products Strategy and Implementation Roadmap** (EAC/ExSCTIFI/36/Decision 07) and urged Partner States to give priority to the implementation of the EAC Leather and Leather Products Strategy by providing a budget for the activities, as relevant to respective countries, in the next financing period; (EAC/ExSCTIFI/36/Decision 08;)

Prior to that the First Forum for Owners and Chief Executive Officers of Leather Manufacturing Industries was held on 23<sup>rd</sup> to 24<sup>th</sup> May 2019, in Arusha, United Republic of Tanzania. During the Forum the owners of the leather industries considered the Leather Strategy and highlighted the following as challenges: Exportation of wet blue, which results in loss in value; Low quality hides and skin; up to 30 % unusable when it gets to tanneries; Tanneries operating at under-capacity (40 per cent); Poor collection system for delivery of good quality hides and skins; Costly financing, reducing the ability of investors to invest; Exportation of good quality leather products, leaving the local market with the low-quality leather among others. The next step is for the Secretariat to implement the Strategy in collaboration with Partner States.

#### 6.1.4.9 Promotion of the Automotive Industry

The region developed a Concept Note as a framework to guide the undertaking of an economic feasibility study on the manufacture/production of low-cost vehicle as part of the implementation of the EAC I Study Report and the Action Plan on the Automotive Sector. The focus is on production of an affordable vehicle using a regional approach and harmonized policies to enable the *untapped segment of the EAC population currently not*

able to afford vehicles to be able to afford one. The region is undertaking resource mobilization for the feasibility study.



#### **6.1.4.10 Formulation of EAC Extractive Industry (EI) and Mineral Value Addition (MVA) Strategy and Policy Framework**

The Secretariat initiated steps to implement the directives on minerals value addition with respect to formulation of an EAC Regional Mineral Value Addition Strategy and Policy Framework.

On 18th to 20th June 2019 the Secretariat in collaboration with the Commonwealth Secretariat (COMSEC) and United Nations Economic Commission of Africa (UNECA)/Africa Minerals Development Center (AMDC), the Secretariat organized the 1st Regional Experts/Taskforce Meeting on “MVA Strategy and Policy Framework Development” in Arusha, United Republic of Tanzania. The meeting discussed and agreed on the scope of work on the formulation of EAC MVA Strategy and Policy Framework and considered the TORs for the Taskforce.

#### **6.1.4.11 EAC/PTB Project on Quality Infrastructure under Fruits and Vegetables; Leather and Herbal Medicine Sectoral value chains**

The region undertook the following activities to improve quality infrastructure in the region:

- I. A training of Training of Trainers (ToT) course on Quality Analysis along value chains using the CALIDENA Approach on January 15 to 17, 2020 in Arusha/ United Republic of Tanzania. The workshop built the capacity of potential CALIDENA facilitators;
- II. CALIDENA Analysis of the Leather Value Chain on 11<sup>th</sup> to 18<sup>th</sup> June, 2020 followed by the preparation of the *“Draft East African Community Regional Action Plan for*

*Quality Infrastructure Development of the Leather Industry (EACRAPQIDLI):2020-2022” which outlines the Strategic objectives that will guide the region towards improving the quality infrastructure in the leather value chain by raising awareness of the importance of quality in the leather value chain;Implementation of Good Manufacturing Practices; and Improving testing capacities and availability of testing services among others.*

The EAC region is being supported by (PTB) (German National Metrology Institute) to strengthen the Quality Infrastructure (QI) (metrology, standardization, accreditation, and conformity assessment) for selected economic sectors namely, **leather, pharmaceuticals (including plants/herbal medicines), and fruit/vegetables** according to the needs of the sectors.

#### **6.1.4.12 Implementation of the EAC Regional Pharmaceutical Plan of Action (EACRPMPOA) 2017-2027**

The region undertook Verification Missions on 4<sup>th</sup> to 22<sup>nd</sup> November 2019 to confirm the local production capacity of the eight finished pharmaceutical products that have been proposed for inclusion in the positive list; namely Amoxycillin; Ampicillin & Cloxacillin; Co-trimoxazole; Paracetamol; Erythromycin; Metronidazole; Ibuprofen and Ciprofloxacin. The verification team found that the the region has sufficient equipment to manufacture selected products in good quality with scope for expansion. The report was presented to the Task Force Meeting on Procurement of Pharmaceutical Products and Medical devices Manufactured in EAC region which was held on 19<sup>th</sup> to 20<sup>th</sup> August 2020. The Task Force recommended for the selected molecules to be give preferential treatment including the imports of the molecules be subjected to a common external tariff of 10%.

#### **5.1.5.7 The East African Community Pharmaceuticals Bill, 2020**

Hon. Francine Rutazana, Member, East African Legislative Assembly moved a motion under Article 49 (1) and 59(1) of the Treaty and Rule 26 of the Rules of Procedure in the East African Legislative Assembly; a Private Members Bill titled; **The East African Community Pharmaceuticals Bill, 2020**. The objective of the Bill is to promote and boost safe, efficacious and quality medicines and pharmaceuticals produced in the EAC region. The Secretariat plans to hold a technical briefing of the Bill to members of EALA before their consideration of the Bill.

#### **5.1.5.8 EAC/GIZ Program on Regional Industry Value Addition (RIVA) in selected value chains: Fruits and Vegetables; Leather and Herbal Medicine**

The region is implementing the Regional Industrial Value Addition (RIVA), project is to improve framework conditions for regional industrial value addition and access to markets (national, regional and international). The project will support EAC Partner States to implement EAC action plans as well as harmonized standards and customs procedures and involves the private sector to improve value creation in leather as well as fruits & vegetables products as well as to boost local production of veterinary medicines and promote medicinal herbs. The project supported the Convening of the 1<sup>st</sup> Regional Forum

on Fruits and Vegetables Forum on 18<sup>th</sup> to 19<sup>th</sup> December, 2019 and is currently supporting the Development of the EAC Region Fruits and Vegetables Strategy and Implementation Plan. The Strategy is at draft stage awaiting consideration by EAC Policy organs.

#### **5.1.5.9 Promotion of the 4th Industrial Revolution as part of the EAC role in the Global Manufacturing and Industrialization Summit (GMIS);**

EAC hosted the region's GMIS Roadshow on 14-15<sup>th</sup> November 2019 under the theme "Advanced Industrialization in East Africa Challenges and Opportunities for the Fourth Industrial Revolution". The event was jointly organized with United Nations Industrial Development Organization (UNIDO), the East African Business Council (EABC), the East African Science and Technology Organization (EASTECO) and the GMIS Organizing Committee, supported by Deutsche Gesellschaft Internationale für Zusammenarbeit GmbH (GIZ). GMIS promoted advanced manufacturing to harness the Fourth Industrial Revolution (4IR) for inclusive and sustainable industrial development, in alignment with the 2030 Agenda for Sustainable Development, especially Goal 9 thereof. The event made resolutions on how to improve the policy framework for advancement in manufacturing using frontier technologies. The resolutions are to be considered by SCTIFI for adoption and will also be incorporated in the Action Plan for the implementation of the EAC Industrialization Policy.

#### **5.1.5.10 Budget Execution**

The budget allocated to the Industrial Development amounted to US\$ 104,100. for the financial Year 2019/2020 with an expenditure of US\$4,000 leading to budget performance of 9%.

#### **5.1.5.11 Challenges**

- i. In 2020 the COVID-19 Pandemic led to travel restrictions delaying a number of planned activities.
- ii. Delays in procurement by the Procurement Committee led to inability to procure a Consultant for the Action Plan for the EAC Industrialization Policy;
- iii. There are inadequate funds to undertake activities and the department is mainly driven by donor funds;
- iv. A number of processes that require legal and regulatory frameworks are delayed by Partner States erg Implementation of Article 35 of the Common Market Protocol;
- v. Government does not buy locally produced products thereby limiting the development of industries;

#### **5.1.5.12 Recommendations**

- a. A number of meetings were undertaken using virtual means eg CALIDENA for leather.
- b. Procurement Committee to expedite procurement;
- c. Partner States to allocate more funds to the department and Partner States to fund some events

- d. Partner States to consider EAC Partner States as local and accord them preferential treatment accorded to local industries;
- e. Government agencies to procure locally made products to promote local industries;

## **6.2. DIRECTORATE OF SOCIAL SECTORS**

### **6.1.1 GENDER, COMMUNITY DEVELOPMENT AND CIVIL SOCIETY**

The department coordinates the affairs concerning Gender, Women in Socio Economic Development and in Business, Youth, Children, Persons with Disabilities, Social protection and social welfare, Community development, and Civil Society mobilization.

In the period under review, the Gender, Community development and civil society department planned to: fully integrated Gender Perspectives in EAC Organs, Institutions and Partner States' Ministries by June 2020; implement the Regional Strategy for promoting women in socioeconomic development and women in business by June 2020; Conduct the study on the institutional bottlenecks that infringe on the rights of the poor and the Marginalized to access social services in the EAC; Project proposal for a Regional Training Centre and National Skills Incubation Centers developed by June 2020; and implement Action Plans for the EAC Child, Youth and Persons with Disabilities policies by 2020.

#### **The key achievements registered were:**

- 6.2.1.1 Gender Perspectives fully integrated in EAC Organs, Institutions and Partner States' Ministries by June 2020;
- 6.2.1.1 The Regional Strategy for promoting women in socioeconomic development and women in business implemented by June 2020;
- 6.2.1.1 The EAC is currently implementing the 50 Million Women African Speak Networking Platform Project
- 6.2.1.1 Conduct the study on the institutional bottlenecks that infringe on the rights of the poor and the Marginalized to access social services in the EAC;
- 6.2.1.1 Project proposal for a Regional Training Centre and National Skills Incubation Centers developed by June 2020;
- 6.2.1.1 Action Plans for the EAC Child, Youth and Persons with Disabilities policies implemented by 2020.

The department has conducted and finalised a project proposal on Skills Development and Youth Employment in the EAC and a Study on Adolescent and Young People HIV Social Protection Mechanisms in the East African Community

The Action Plan for the EAC Gender Policy (2018) has been developed and finalised awaiting validation and adoption by the Sectoral Council

Discussions on the development of the Youth Council Bill are underway in EALA. The EAC Secretariat is also in discussions with the East African Civil Society Organisations Forum to operationalise the East African Youth Network.

#### **6.2.1.1 Budget Execution**

The budget allocated to Gender amounted to US\$ 1,336,413.00 for the financial year 2017-2018 with an expenditure of US\$ 609,898.29 marking the budget performance at 46 %.

### **6.1.2 IMMIGRATION, LABOUR, EMPLOYMENT AND REFUGEE MANAGEMENT**

The Department coordinates areas of cooperation under labor, immigration and refugee management sector with a view to operationalize Articles 76, 104 & 124 of the Treaty. Article 76 establishes the EAC Common Market Protocol; Article 104 on free movement of persons, labor, services, right of establishment and residence; and Article 124 on development of common mechanisms to management of refugees in the Community. The Department also coordinates the implementation of Articles 7, 8,9,10,11,12,13 and 14 of the EAC Common Market Protocol.

During the period under review the department planned the following activities; The Programme of phasing out the National and East African old generation passport Implemented by June 2020; The revised draft EAC e- Immigration policy enhanced and finalized by May 2020; The revised draft EAC Refugee Management Policy reviewed and finalized; The draft EAC Labor Migration Policy finalized by end of April 2020; Validation of the EAC Common Market Scorecard 2018, on Free Movement of Labor, right of Residence and Establishment; Coordination of Social Security Benefits within the EAC Common Market framework; The EAC/ILO Decent Work Programme 2011-2015 and Plan of Action reviewed by 2019.

The Key achievements were:-

#### **5 The Programme of phasing out the National and East African old generation passport Implemented by June 2020**

The EA e- Passport: Through letter referenced PSS 2/4/17 dated 9th March 2020, the EAC Secretariat wrote to Partner States to provide reports on the status of commencement of the issuance of the EA e- Passport highlighting:- the cost of the passport; the number of Passports issued; and the status of awareness and publicity on the e-Passport.

#### **The revised draft EAC e- Immigration policy enhanced and finalized by May 2020**



In collaboration with GiZ Consultant comments were incorporated in the draft policy as advised by the Chiefs of Immigration. The Revised draft Policy was transmitted to Partner States through Letter No PSS/2/4/17 dated 18th March 2020.

### **The revised draft EAC Refugee Management Policy reviewed and finalized**

The draft EAC Refugee Management Policy was reviewed and submitted to Partner States for further input (Letter Number PSS 2/4/17 dated 4th October 2019 refers). A reminder letter referenced and dated 9th March 2020 was transmitted to Partner States

### **The draft EAC Labor Migration Policy finalized by end of April 2020**

The Secretariat developed the proposal for funding to facilitate the finalization of the draft policy. Held three virtual coordination meetings with Development Partners on the subject matter.

Budget for finalization of the draft Labor Migration Policy was prepared and submitted to Joint Labour Migration Programme (JLMP) Addis Ababa, Ethiopia. The AU granted the request vide letter ref DSA dated 1<sup>st</sup> June 2020.

### **Validation of the EAC Common Market Scorecard 2018, on Free Movement of Labor, right of Residence and Establishment**

The EAC CMS 2018 on free movement of workers and right of residence and establishment was developed and is ready for submission to the Council.

### **Coordination of Social Security Benefits within the EAC Common Market framework**

A meeting of Social Security Experts and Legislative drafters to review and validate the revised draft Council Directive on Coordination of Social Security in the EAC was held from 14th - 17th January 2020 in Nairobi, Kenya. The meeting among others, recommended further review of the draft EAC Council directive be finalized by April 2020

### **The EAC/ILO Decent Work Programme 2011-2015 and Plan of Action reviewed by 2019.**

The Decent Work Programme (2010-2015) was reviewed in order to inform the current programme (2018-2023).

However, due to budget constraints, the Secretariat was unable to convene the planned regional TWG meeting to provide technical inputs into the draft report. The EAC Secretariat is still mobilizing funding for this activity.

### **Budget Execution**

The budget allocated to the Immigration, Labour, Employment and Refugee Management amounted to US\$ 8,960.00 for the financial year 2017-2018 with an expenditure of US\$ 7,483.68, marking the budget performance at 84 %. The major contributing factor was liquidity challenge from Partnership Fund.

### **6.2.3 EDUCATION, SCIENCE & TECHNOLOGY**

The Department of Education Sector draws its mandate and functions from Article 5, Article 102, and Article 103 of the EAC Treaty, in which the EAC Partner States' commit to undertake concerted measures to foster cooperation in education, training, Science and Technology within the Community. During the period under review, the planned activities included: EAC Students Essay writing Competition 2018 conducted at National and Regional levels; EAC Students Essay writing Competition 2018 conducted at National and Regional levels 4th Edition of EAC Arts and Culture festival (JAMAFEST 2019) Event held;

The key achievements that were realized during the period include:

#### **6.2.3.1 Finalization and operationalization of the TVET harmonization strategy**

The Meeting of TVET TECHCOM was held in August 2019 to re-start TVET harmonization. USD.400, 000 has been mobilized to facilitate finalization and operationalization of TVET harmonization strategy. TVET Centres of excellence have been designated and funding has been secured for Tumba Technical College through JICA.EASTRIP project based at IUCEA supports TVET centres of excellence.

#### **6.2.3.2 EAC Students Essay writing Competition 2018 conducted at National and Regional levels;**

The 2019 EAC Students Essay Writing Competition was successfully undertaken. National awards undertaken for Kenya and URT. The other Partner States will have national awards when COVID 19 restrictions are lifted. Regional Adjudication was undertaken (16<sup>th</sup>-17<sup>th</sup> October 2019 in Nairobi). Regional Awards hasn't been held because Summit has not met within this period.

### **6.2.4 CULTURE AND SPORTS**

The Culture and Sports Sector derives its mandate from: i) Article 119 of the EAC Treaty, which provides for Partners 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 measures 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 department planned to undertake the following activities :Modalities for the establishment of EAC Culture Trust Fund finalized by June 2018; Comprehensive study on modalities for introduction of French as an official language of the Community



conducted by June 2018; Regional framework for capturing data for trade in culture and creative goods and services in the EAC developed by June 2018; 1<sup>ST</sup> Edition of EAC Sports Tournament held by December 2017; and partnership with regional and international development partners strengthened by June 2018.

The following are the main activities undertaken within the period under review:

#### **6.2.4.1 Regional levels 4th Edition of EAC Arts and Culture festival (JAMAFEST 2019) Event held;**

The 4<sup>th</sup> Edition of EAC Arts and Culture Festival (JAMAFEST) was successfully held in Dar es Salaam Tanzania (21<sup>st</sup>-28<sup>th</sup> September 2019). The event was attended by over 3,000 participants of different categories.

#### **6.2.4.1 Culture and Sports networks at regional and Global levels Established**

The EAC Military Games and Culture event was held and the 2<sup>nd</sup> Edition of the EAC games were not held in 2020 as was planned due to the COVID Pandemic.

### **Budget Execution**

The overall budget allocated to the Education, Culture & Sports, and Science & for the Financial Year 2017-2018 amounted to US\$ 127,620.00 with an expenditure of US\$ 79,933.17. Thus budget performance of was 63% though this is the total of what was received.

## **6.2.5 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 and 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 : One annual advocacy and capacity building engagements is conducted on key SDG 3, UHC and Health Insurance concepts in each Partner State and regional level by 30th June 2020; 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 2020; Medicines Safety in the EAC is strengthened through robust Pharma vigilance systems by June 2020 US Agency for International Development (USAID) Senior Health Officer - Medicines and Food Safety Improved patient safety and rational used of medicinal products; At least 2 statutory meetings of the Sectoral Council

on Health and key related technical meetings convened by June 2020; Regular and meaningful meetings of the EAC Integrated Health Programme Joint Steering Committee and related Technical/Expert Working Group are convened annually; The minimum EAC Package, Standards and Guidelines for HIV and AIDS, STI, TB is developed by June 2020; A robust EAC Regional One Health Rapid Response Mechanism for epidemics and pandemics is established by June 2020; Provide Programme Coordination and Oversight Support; Harmonized integrated EAC regional RMNCAH and HIV/AIDS Packages, Standards and Guidelines are developed by 30th June 2020; An effective EAC RMNCAH and HIV and AIDS research, innovations and knowledge management system is established by June 2020; A robust EAC Regional One Health Rapid Response Mechanism for epidemics and pandemics is established by June 2020; Capacity of Partner States' Experts is built on key sustainable and alternative health financing concepts by June 2020; Harmonized integrated EAC regional RMNCAH and HIV/AIDS Packages, Standards and Guidelines are developed by 30th June 2020; An effective EAC RMNCAH and HIV and AIDS research, innovations and knowledge management system is established by June 2020; An effective EAC RMNCAH and HIV and AIDS research, innovations and knowledge management system is established by June 2020; Capacity of Partner States' Experts is built on key sustainable and alternative health financing concepts by June 2020; Partner States are better prepared to detect and respond to pathogens of biosafety level 3 and 4 nature by 30th June 2020; Human resource and operational capacity of EAC Secretariat and Partner States developed to coordinate and implement the project ; At least 2 high Programme quality RMNCAH and HIV/AIDS Advocacy documents, tools and materials are developed and disseminated by June 2020; Harmonized integrated EAC priorities regional RMNCAH and HIV/AIDS Packages, Standards and Guidelines are developed by 30th June 2020; The minimum EAC Package.

Standards and Guidelines for HIV and AIDS, STI, TB is developed by June 2020; Provide Programme Coordination and Oversight Support; An effective EAC RMNCAH and HIV and AIDS research, innovations and knowledge management system is established by June 2020; Capacity of Partner States' Experts is built on key sustainable and alternative health financing concepts by June 2020; EAC Secretariat and Partner States have adequate human resource and operational capacity to implement the EIHP Programme by June 2020; The minimum EAC Package, Standards and Guidelines for HIV and AIDS, STI, TB is developed by June 2020; The EAC Integrated SRHR/HIV and Aids Implemented by June 2020; Capacity of Partner States' Experts is built on key sustainable and alternative health financing concepts by June 2020; An effective EAC RMNCAH and HIV and AIDS research, innovations and knowledge management system is established by June 2020; The minimum EAC Package, Standards and Guidelines for HIV and AIDS, STI, TB is developed by June 2020 Swedish International Development Agency (SIDA) Project Principal HIV & AIDS Officer Improved prevention and management of Sexually Transmitted; Regular and meaningful meetings of the EAC Integrated Health Programme Joint Steering Committee and related Technical/Expert Working Group are convened annually; Human resource and operational capacity of EAC Secretariat and Partner States developed to coordinate and implement the project Capacity of Partner Programme States' Experts is built on key sustainable and alternative health financing concepts by June 2020

**The key achievements were:**

- 6.2.5.1 One annual advocacy and capacity building engagements is conducted on key SDG 3, UHC and Health Insurance concepts in each Partner State and regional level by 30th June 2020.
- 6.2.5.2 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 2020.
- 6.2.5.3 Medicines Safety in the EAC is strengthened through robust Pharma vigilance systems by June 2020;USAID) - Medicines and Food Safety Improved patient safety and rational used of medicinal products.
- 6.2.5.4 At least 2 statutory meetings of the Sectoral Council on Health and key related technical meetings convened by June 2020.
- 6.2.5.5 Regular and meaningful meetings of the EAC Integrated Health Programme Joint Steering Committee and related Technical/Expert Working Group are convened annually.
- 6.2.5.6 The minimum EAC Package, Standards and Guidelines for HIV and AIDS, STI, TB developed by June 2020.
- 6.2.5.7 A robust EAC Regional One Health Rapid Response Mechanism for epidemics and pandemics was established.
- 6.2.5.8 Provided Programme Coordination and Oversight Support.
- 6.2.5.9 Harmonized integrated EAC regional RMNCAH and HIV/AIDS Packages, Standards and Guidelines were developed by 30th June 2020.
- 6.2.5.10 An effective EAC RMNCAH and HIV and AIDS research, innovations and knowledge management system was established.
- 6.2.5.11 A robust EAC Regional One Health Rapid Response Mechanism for epidemics and pandemics was established.
- 6.2.5.12 Capacity of Partner States' Experts is built on key sustainable and alternative health financing concepts.
- 6.2.5.13 Harmonized integrated EAC regional RMNCAH and HIV/AIDS Packages, Standards and Guidelines were developed.
- 6.2.5.14 An effective EAC RMNCAH and HIV and AIDS research, innovations and knowledge management system was established.

- 6.2.5.15 Capacity of Partner States' Experts is built on key sustainable and alternative health financing concepts;
- 6.2.5.16 Partner States are better prepared to detect and respond to pathogens of biosafety level 3 and 4 nature by 30th June 2020;
- 6.2.5.17 Human resource and operational capacity of EAC Secretariat and Partner States developed to coordinate and implement the project ;
- 6.2.5.18 At least 2 high Programme quality RMNCAH and HIV/AIDS Advocacy documents, tools and materials are developed and disseminated by June 2020;
- 6.2.5.19 Harmonized integrated EAC priorities regional RMNCAH and HIV/AIDS Packages, Standards and Guidelines are developed by 30th June 2020; The minimum EAC Package, Standards and Guidelines for HIV and AIDS, STI, TB is developed by June 2020; Provide Programme Coordination and Oversight Support;
- 6.2.5.20 An effective EAC RMNCAH and HIV and AIDS research, innovations and knowledge management system is established by June 2020;
- 6.2.5.21 Capacity of Partner States' Experts is built on key sustainable and alternative health financing concepts by June 2020; EAC Secretariat and Partner States have adequate human resource and operational capacity to implement the EIHP Programme by June 2020;
- 6.2.5.22 The minimum EAC Package, Standards and Guidelines for HIV and AIDS, STI, TB is developed by June 2020; The EAC Integrated SRHR/HIV and Aids Implemented by June 2020;
- 6.2.5.23 Capacity of Partner States' Experts is built on key sustainable and alternative health financing concepts by June 2020;
- 6.2.5.24 An effective EAC RMNCAH and HIV and AIDS research, innovations and knowledge management system is established by June 2020;
- 6.2.5.25 The minimum EAC Package, Standards and Guidelines for HIV and AIDS, STI, TB is developed by June 2020 Swedish International Development Agency (SIDA) Project Principal HIV & AIDS Officer Improved prevention and management of Sexually Transmitted;
- 6.2.5.26 Regular and meaningful meetings of the EAC Integrated Health Programme Joint Steering Committee and related Technical/Expert Working Group are convened annually;

6.2.5.27 Human resource and operational capacity of EAC Secretariat and Partner States developed to coordinate and implement the project Capacity of Partner Programme States' Experts is built on key sustainable and alternative health financing concepts by June 2020

### **Budget Execution**

The budget allocated to the Health Sector amounted to US\$ 6,361,135.60 for the financial year 2017-2018 with an expenditure of US\$1,392,790.15 with the budget performance of 22%.

## **7. THE OFFICE OF THE DEPUTY SECRETARY GENERAL - POLITICAL FEDERATION**

The Office of the Deputy Secretary General Political Federation comprises of the three departments namely: Political Affairs; International Relations; and Peace and Security.

### **7.1 POLITICAL AFFAIRS**

In the period under review, the Political Affairs Department planned to Report of verification and Assessment of readiness of the Federal Republic of Somalia to join EAC adopted by Council of Ministers by third quarter; Draft EAC Political Confederation Constitution developed by June 2020; Development of the EAC Political Confederation Constitution; Election Observer Missions (EOM) deployed in the Partner States; Protocol on Good Governance adopted and Adoption by Council Protocol on Good Governance and Protocol on preventing and Combating Corruption by Council ratified by Partner States by 2020; Protocol on Anti-corruption adopted and ratified by Partner States; Protocol on Good Governance adopted by June 2020; Publish one Occasional Paper by 31st March 2020

The key achievements were:

#### **7.1.1 Draft EAC Political Confederation Constitution developed by June 2020; Development of the EAC Political Confederation Constitution;**

National Stakeholder consultations were conducted in Partner States.

#### **7.1.2 Development of the EAC Political Confederation Constitution**

Launch of the National Consultations held on 29<sup>th</sup> October 2019 in Entebbe, Uganda.

#### **7.1.3 Election Observer Missions (EOM) deployed in the Partner States**

Electoral Consultative Mission convened from 4<sup>th</sup> – 8<sup>th</sup> Feb 2020, Bujumbura, Burundi 6.

### **Budget Execution**

The budget allocated to the Political Affairs Department amounted to US\$ 713,418.00 for the financial year 2017-2018 with an expenditure of US\$. 533,111.09, leading to budget performance of 75 %.

### **7.2 INTERNATIONAL RELATIONS**

In the period under review, the Department of International Relations planned to strengthen Foreign Policy Formulation; develop a framework by Partner States for mutual provision of consular and diplomatic assistance; harmonize Partner States' Foreign Policies by 2020; agreed upon Areas for Partner States to speak with one voice by 2020;

strengthen Multilateral/International Networks in pursuit of EAC Objectives; establish a Framework for EAC/Accredited Missions cooperation by June 2020.

The Department continued to strengthened cooperation between the African Union, the Regional Economic Communities and Regional Mechanisms. During the stated period, EAC was engaged in the institutional Reform of the African Union which saw the conclusion and adoption of a new Protocol on relations between the African Union, Regional Economic Communities (RECs) and Regional Mechanism (RMs) and the creation of a Mid-Year Coordination Meeting between the AU and RECs. In the same spirit of the AU Institutional reform the NEPAD Planning and Coordinating Agency (NPCA) was transformed into the African Union Development Agency (AUDA).

During the period under review, the EAC continued to articulate its integration initiatives at international fora to mobilize greater support for EAC integration objectives, consistent with its regional, continental and international obligations.

Furthermore, progress made in regards to the Ratification of the Protocol on Privileges and Immunities. The United Republic of Tanzania deposited her instruments of ratification for the said Protocol in Nov 2019. The legal instruments await the ratification of one Partner State for it to enter into force.

The EAC has continued to foster relations with other RECs like SADC& COMESA through the Tripartite Agreement. The EAC participated in the SADC Summit which was held in Dar Es Salam, Tanzania It has continued to cooperate with the United Nations, the African Union and other International Organizations.

The key achievements were:-

6.2.2 Partner States' Foreign Policies harmonized by 2020; The matter was not concluded, is still work in progress and its expected that the item will be rolling in the five consecutive years until it is realized in relation to the various development of the pillars of integration.

6.2.3 Negotiating as a block. The Community actively engaged in AfCFTA Negotiations and those of the AU Institutional Reforms leading to the conclusion of the AfCFTA and the Mid-Year Coordination Summit among others.

6.2.4 Support for candidatures from the region vying for International positions. This principle has been relatively respected although there are times some Partner States present candidatures defying regional endorsement of one candidature.

### 6.2.6 Budget Execution

The budget allocated to the International Relations Office amounted to US\$ 55,100.00 for the financial year 2018-2019 with an expenditure of US\$ 32,190.19 with budget performance of 58%.

## 7.3 PEACE AND SECURITY

In the period under review, the Peace and Security office planned to Policy guidance provided in the Peace and Security Sector; Police led exercise on DM&DRR finalized by 2020; The EACWARN Regional Early Warning Center (REWC) Situation Room capacities enhanced by 2020; EACWARN operationalized & capacity strengthened in accordance with its Roadmap for its operationalization; National Early Warning Centers establishment processes supported and capacities enhanced by 2020; National Early Warning Centers establishment processes supported and capacities enhanced by 2020; Capacity building for mediation and negotiation carried out and Mediation Roster developed by 2020; At least one Exchange visit, retreats or best practice exposure visit carried out; Modality for the operationalization of the EAC Peace Facility developed and operationalized by 2020; Modality for the operationalization of the EAC Peace Facility developed and operationalized by 2020; At least conduct a research on linkages between conflict & selected thematic issues; Establishment of joint Partner states criminal database; Technical Guidance given to the sub Sectors on operational modalities on annual basis; Gender Peace and security Strategy and its implementation framework developed; Technical Guidance given to the sub Sectors on operational modalities on annual basis; Coordination and Networking with other Partners and RECs in combating transnational crimes enhanced; Strategies to counter Terrorism incorporating both women, media and faith based as well as a regional strategy on prevention of violent extremism developed; At least undertake 4 Measures to combat illicit arms proliferation and cattle rustling implemented; Holding a meeting of Prisons and Correctional chiefs and development of training manuals; Refugee and Disaster Crisis Management and Response Measures Developed by June 2020

### The key achievements registered were:-

- 9.1.1 Policy guidance provided in the Peace and Security Sector.
- 9.1.1 Police led exercise on Disaster Management (DM) & Disaster Risk Reduction (DRR) finalized.
- 9.1.1 The East African Community Early Warning Mechanism (EACWARN) Regional Early Warning Center (REWC) Situation Room capacities were enhanced.
- 7.3.5 Capacity building for mediation and negotiation carried out and Mediation Roster developed.
- 7.3.6 At least one Exchange visit, retreats or best practice exposure visit carried out;
- 7.3.7 Modality for the operationalization of the EAC Peace Facility developed and operationalized.
- 6.3.8 Technical Guidance given to the sub Sectors on operational modalities on annual basis.
- 6.3.9 Gender Peace and security Strategy and its implementation framework developed;



- 6.3.10 Coordination and Networking with other Partners and RECs in combating transnational crimes enhanced;
- 6.3.11 Strategies to counter Terrorism incorporating both women, media and faith based as well as a regional strategy on prevention of violent extremism developed;
- 6.3.12 At least undertake 4 Measures to combat illicit arms proliferation and cattle rustling implemented;
- 6.3.13 Held a meeting of Prisons and Correctional chiefs and development of training manuals
- 6.3.14 Refugee and Disaster Crisis Management and Response Measures Developed.

### **6.3.15 Budget Execution**

The budget allocated to the Peace and Security office amounted to US\$ 2,278,050.00 for the financial year 2019-2020 with an expenditure of US\$ 102,087.58, with the budget performance of 4%.

## **8. THE OFFICE OF THE DIRECTOR GENERAL - CUSTOMS AND TRADE**

The Office of the Director General (Customs and Trade) is responsible for the implementation of the customs and trade (internal and external) 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.

### **8.1 CUSTOMS**

The Directorate of Customs initiates policies on Customs and Trade related matters and coordinates such policies in the Partner States. The Departments of the Directorate of Customs include Tariff and Valuation, Compliance and Enforcement, Procedures and Facilitation.

During the period under review the Directorate of Customs planned to conduct Policy organ meetings;

#### **The key achievements registered:**

##### **8.1.1 Policy organ meetings conducted**

Council Decisions were gazetted through EAC Gazette no 10 of 30<sup>th</sup> June, 2019. A number of HS Codes in the EAC CET and provisions of the CMA were reviewed and published through the Legal Notice no 76 of 30<sup>th</sup> June, 2019. Furthermore, Policy organs meetings to provide policy directions such as the Pre-budget consultation, SCTIFI and Committee on Customs were convened during the period under review.

A High-level conference on Trade Integration to show case the successes and challenges in the implementation of the Customs Union was held. The materials with anti-corruption

messages were procured and distributed to the National Customs administrations to enhance customs integrity and anti-corruption at the borders;

### **7.1.2 Budget Execution**

The budget allocated to the Customs and Trade amounted to US\$ 57,750.00 for the financial year 2019-2020 with an expenditure of US\$ 12,759.60 with the budget performance of 22%.

## **8.2 TARIFF AND VALUATION**

In the period under review, the Department planned to harmonize and implement the EAC Customs Valuation operations; Policy review and coordinated/monitored implementation of the Common External Tariff; harmonize and implement EAC Customs Valuation operations;

The key achievements were:

### **7.2.1 EAC Customs Valuation operations harmonized and implemented;**

The EAC Common External Tariff (CET) Structure reviewed: A four band CET structure (0%, 10%, 25% and a rate above 25% either 30% or 35%) was adopted by SCTIFI. No agreement yet on the 30% and 35%.

### **7.2.2 Policy review and coordinated/monitored implementation of the Common External Tariff;**

Technical Working Group (TWG) on Rules of Origin has agreed on Origin Criteria for 5,030 representing 93.37% of the total tariff lines (5387) in the HS 2017 version

Findings of the Sector study to assess capacity of the regional manufacturers to manufacture motorcycle parts and the readiness of regional assemblers to source parts locally, were presented to Policy Organs i.e Pre Budget-Consultations and SCTIFI at their meetings held on 3<sup>rd</sup> May, 2019 and 31<sup>st</sup> May, 2019 respectively.

Two studies were undertaken to ascertain origin for motor vehicle assembly in EAC & manufacture and glass & glass products in the Republic of Kenya; The Study to establish and assess the production and available capacity and readiness to manufacture and source locally parts for exclusion from the CKD kits for motor vehicles assembly and body building materials for trailers, was undertaken in December, 2019. Verification mission to establish originating status of glass and glass products manufactured in Kenya was undertaken from 18<sup>th</sup> to 21<sup>st</sup> February, 2020.

All decisions on CET, EAC CMA and duty remissions were gazetted in the EAC Gazette and published on EAC website and Partner States Revenue Authorities websites

Supported negotiations of Tripartite Free Trade Area (TFTA) and African Continental Free Trade Area (AfCFTA) and Five (5) Technical and administrative interpretation provided and the EAC CET e-Tariff tool kit framework adopted;

### **7.2.3 Budget Execution**

The budget allocated to the Procedures and Facilitation Department amounted to US\$. 398,550.00 for the financial year 2019-2020 with an expenditure of US\$ 37,839.46, thus the budget performance stood 9%.

## **7.3 PROCEDURES AND FACILITATION**

In the period under review, Procedures and Facilitation Department planned to harmonize and simplify Customs procedures to attain free circulation of goods under the Single Customs Territory; Enhance Stakeholder engagement in the implementation of the Single Customs Territory; conduct stakeholders' sensitization on the Single Customs Territory (SCT); Enhance of customs information management systems;

The key achievements were: -

### **9.1.1 Harmonize and simplify Customs procedures to attain free circulation of goods under the Single Customs Territory;**

Processes for clearance of indirect exports and transit cargo under SCT were developed and implemented. Training material for SCT exports developed and SCT procedures were simplified and harmonized.

EAC One Stop Border Post (OSBP) Sustainability Strategy was developed and adopted; further, the OSBP Performance Measurement Tool was developed and adopted by 36th SCTFI; and the OSBP capacity building programme was implemented.

The Verification missions were undertaken to resolve Customs related Non-Tariff Barriers (NTBs); World Trade Organization (WTO) Trade Facilitation agreement ratified by 5 Partner States, except the Republic of South Sudan; and the Trade Facilitation Reform Tracker piloted in Kenya.

The number of regional AEOs increased by 2 and making a total of 134 Authorized Economic Operators (AEOs); AEO Mutual Recognition Arrangements (MRA) action plan with India developed; and the development and implementation of the EAC Administrative Guidelines to facilitate the movement of goods and services during the COVID-19 pandemic and adopted by SCTIFI.

### **9.1.1 Enhance Stakeholder engagement in the implementation of the Single Customs Territory;**

A high-level conference was organized in Nairobi and policy recommendations were given and report published.

### **9.1.1 Rollout of SCT Regimes**

Rollout of exports under SCT. Direct exports were fully rolled out under SCT in all Partner States following the earlier rollout in Northern corridor during 2018/19 year.

Implementation of EAC Certificate of Origin: The EAC Certificate of origin was rolled out via the SCT Centralized Platform with Burundi, Rwanda and Uganda participating. Kenya and Tanzania have not yet developed the necessary system enhancements to facilitate this.

Rollout of SCT Transit Regime. Preparatory technical meetings held and essential deliverables required for rollout of SCT transit regimes developed.

Centralized Platform/System to support data exchange under Single Customs Territory. Key deliverables:

- i. Lessons learnt from the implementation of the SCT Centralized proof of concept platform: Developed, validated and adopted.
- ii. High Level Business and System Requirements to guide the tender process: Developed and validated.
- iii. Terms of Reference for the tender: Developed, validated and adopted.
- iv. Tender: Tender floated, bids received and evaluated.

Integration of Smart Gates with SCT and Customs Systems: concept note for the installation of smart gates in the ports, key borders and other Customs area developed

Incident reporting and escalation system to support SCT operations: The first module of SCT IIMS, a system to manage SCT lodgment, discussion, escalation and analysis of SCT-related issues was developed, and awaits user training and operationalization.

The following were developed as well: high level requirements specification; web interface for reporting issues; data model and WB design; UI Designs; web interface for issue manipulation (closure, re-opening, cancelling) and web chat feature, functionality to discuss issues raised.

### **9.1.1 Stakeholders sensitized on the SCT**

Training and sensitization in 3 borders on SCT exports were conducted and stakeholders sensitized on the implementation of the SCT.

### **9.1.1 Enhancement of customs information management systems**

High level requirements for the SCT centralized platform and Draft requirements, process designs for the EAC Customs Bond Management Information System were developed.

Customs interconnectivity study was conducted and Draft strategy for installation of smart gates and integration with the SCT centralized platform developed.

A study on interconnectivity of customs and Other Agency systems was undertaken to guide the development of a centralized Platform/System to support data exchange under Single Customs Territory was undertaken and validated. Direct exports were fully rolled out under SCT in all Partner States following the earlier rollout in Northern corridor.

The cargo Tracking System (CTS) sustainability Strategy was adopted by SCTIFI.

### **Electronic Cargo Tracking System station in Kigali, Rwanda**



Source: Photo taken by Rwanda Revenue Authority officers

#### **9.1.1 Integration of the Republic of South Sudan Customs Administration into the EAC Customs Union**

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. A total of 160 government officials and other stakeholders in the Republic of South Sudan have been sensitized and trained on the key priority areas. And 22 South Sudan officials were trained and sensitized on implementation of One Stop Border Posts in EAC.

Capacity building of Republic of South Sudan for the implementation of the Customs Union is a continuous process.

#### **9.1.1 Trade Facilitation**

National Trade Facilitation Committees and the regional Sub Committee on TF are operational and around 127 members received online training by UNCTAD Trade information Portals are providing accurate information to the traders and researchers who visit the online portals and EAC Trade Index ([www.eac.int/Tradehelpdesk](http://www.eac.int/Tradehelpdesk)) for Kenya, Rwanda, Uganda and Tanzania. The Trade Information Portal in Burundi is under development.

### 7.3.8 Budget Execution

The budget allocated to the Tariff and Valuation Department amounted to US\$ 464,059.60 for the financial year 2019-2020 with an expenditure of \$ 159,593.09; thus, budget performance stood at 34%.

## 6.4 PREVENTION AND ENFORCEMENT

In the period under review, the EAC Prevention and Enforcement Department planned to enforce EAC Compliance and Enforcement Action Plan.

**The key achievements were:**

### 7.4.1 EAC Compliance and Enforcement Action Plan enforced.

EAC Customs Management Act (CMA) was reviewed to support the current trading environment; and the International standards and practices (World Customs Organization /World Trade Organization) mainstreamed and applied in the EAC CMA review.

### 7.4.2 Authorized Economic Operators Programme

The following have been accomplished;

- i. Communication and visibility plan and materials were developed;
- ii. User requirements for the automation of AEO processes were documented;
- iii. Consultative group meeting (which brings together the AEOs and Customs), was held;
- iv. Regional AEO Association instruments comprising the Constitution and code of conduct developed and adopted to pave way for the registration of the Association;
- v. Plan for the recruitment of importers and large companies on to the program was completed; and
- vi. Authorisation of 49 more companies raising the number of Regional Authorized Economic Operators from 83 at the beginning of the project year to 132.

The Authorized Economic Operators Programme registered progress during the FY 2019/2020.

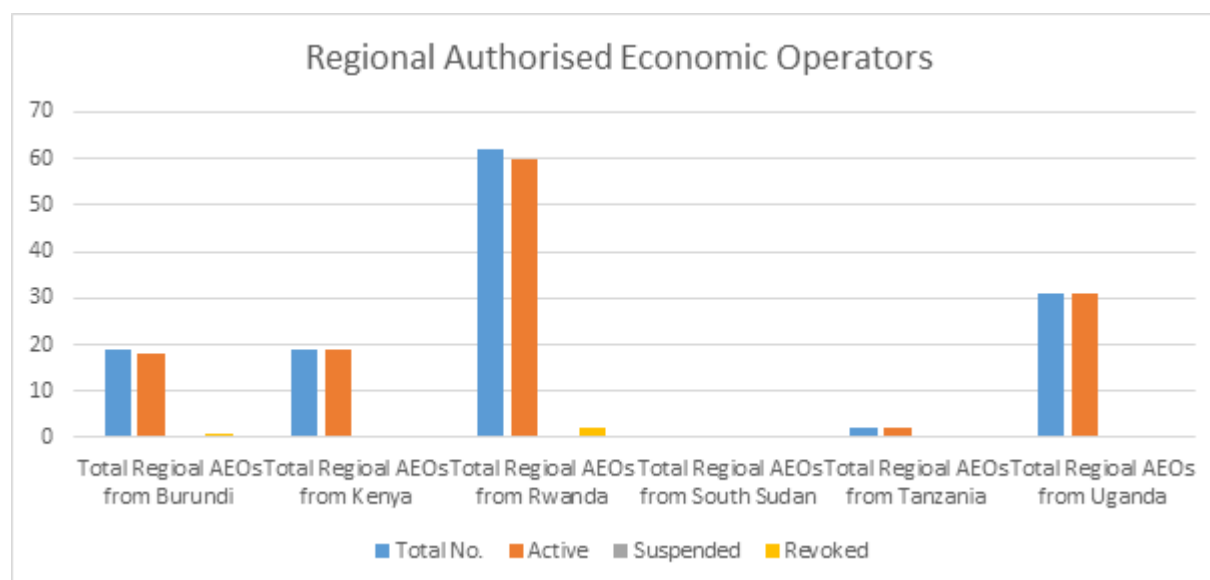
Table 10: Accredited Regional Authorized Economic Operators

<b>AEO per Partner State</b>	<b>Total No.</b>	<b>Active</b>	<b>Suspended</b>	<b>Revoked</b>
Total Regional AEOs from Burundi	19	18	0	1
Total Regional AEOs from Kenya	19	19	0	0

Total Regional AEOs from Rwanda	62	60	0	2
Total Regional AEOs from South Sudan	0	0	0	0
Total Regional AEOs from Tanzania	2	2	0	0
Total Regional AEOs from Uganda	31	31	0	0
<b>Total No Of Regional AEOs</b>	<b>133</b>	<b>130</b>	<b>0</b>	<b>3</b>

Source: Committee on Customs-2019 report

Figure 12: Accredited regional Authorized Economic Operators



Source: Committee on Customs-2019 report

Mutual Recognition Arrangement (MRA) with Korea Customs proposed that the negotiations be suspended until when the Covid-19 Crisis is over and the negotiations with India have also been suspended until end of Covid-19 Crisis



### 7.4.3 Budget Execution

The budget allocated to the Prevention and Enforcement Department amounted to US\$. 456,550.00 For the financial year 2019-2020 with an expenditure of US\$ 41,083.21 leading to budget performance of 9%

### 7.4.4 Overall challenges

In the implementation of the Customs Programmes, the directorate encountered the following challenges:

*I. Budget constraints and late disbursement of funds*

The budget constraints affect the implementation of intended objectives. However Customs has mobilized resources from development Partners in order to bridge the gap from the Partner States budget.

*i. Delayed or non-implementation of policy organs directives and decisions*

Delayed or non-implementation of the directives/decisions affected the full achievements of the objectives of the department of Customs. However, Revenue Authorities tried their best to implement what agreed up on.

*ii. Delay of finalization of Gatuna/Katuna OSBP and Ruhwa/Ruhwa OSBP.*

The Council directed the Secretariat to make an assessment of two OSBPs but this was not implemented. Ruhwa/Ruhwa OSBP is not functional due to Burundi/Rwanda management issues of OSBPs. The assessment is not yet done.

*iii. Operational challenges at borders during the COVID-19 pandemic*

COVID 19 pandemic has caused an impact on the East African Community (EAC) economies both directly and indirectly as a result of the measures being taken currently to contain the spread of the disease. Realizing that the spread of the COVID 19 was mainly through travel, airports and borders were closed, curfews imposed, social distancing necessitating the need to stay at home, reduction on movement, lock-downs and closure of business have led to a near-collapse of the air travel industry, tourism and hospitality, agriculture, livestock and fisheries, industry and manufacturing, trade and distribution, cargo and passenger transport and logistics as well as the banking and financial services sectors.

Operations at borders during this period of the COVID -19 pandemic is proving to be a major challenge. Whereas the Customs procedures may be clear and applied according to the later, the nature of our transport system in the region heavily relies on trucks, the requirement that drivers and crew be tested before entering the next partner State and more critical, that the testing is done at the entry/exit points, has led to unprecedented long queues i.e. at Malaba, Busia and Namanga.



Figure 13: Long ques at Busia/Busia at the beginning of covid19



Source: Amateur photographer

## 8.2 DIRECTORATE OF TRADE

### 8.2.1 INTERNAL TRADE

During the period under review, the Internal Trade Department planned to formalize and engage Micro, Small and Medium Enterprises in cross border trade-in the region; enhance Trade Facilitation through Elimination of NTBs and implementation of the EAC Simplified Trade Regime; enhance Trade Facilitation through Elimination of NTBs and implementation of the EAC Simplified Trade Regime; compile and publish Trade Statistics.

Key achievements were:-

#### **8.2.1.1 Micro, Small and Medium Enterprises formalized and engage in cross border trade-in the region;**

The MSMEs Trade Fair formally known as Jua Kali/Nguvu Kazi Exhibition was successfully held in December 2019, in Kigali Rwanda where by more than 1,000 exhibitors participated. During the Trade Fair the participants were trained on various EAC integration issues including formalization of their businesses, cross border, implementation of the EAC Simplified Trade Regime and the reporting of NTBs.

As per the SCTIFI Directive, the Jua Kali/Nguvu Kazi Exhibition was reformed in order to promote SMEs and cross border trade. The Reforms that were undertaken include the following: -

**(i) Changing the name of the Exhibition:**

The name of the exhibition changed from Jua-Kali/Nguvu-Kazi Exhibition to ***EAC Micro, Small and Medium Enterprises Trade Fair.***

**(ii) Organization of the Symposium Sessions during Regional Exhibition:**

The duration of the Symposium was changed from half day session two hours every day of the Exhibition where MSMEs are to learn about a selected topic. This helped build their capacity in cross border Trade and exchange of technology. 1400 and 934 MSMEs were trained in 2018 and 2019 respectively.

**(iii) Strengthened collaboration with EABC and National MSMEs Trade Associations**

Under this initiative, the EABC was invited and Participated in the 20<sup>th</sup> EAC MSMEs Trade Fair in collaboration with EAC Secretariat, the CMSEO EA and Partner States' National Organising Chapters.

**(iv) Digitalization of MSMEs:**

The EAC Secretariat engaged a Consultant to develop the online buyer seller platform whereby SMEs can show case and transact online. The platform will help SMEs to interact amongst themselves and with their potential customers. The data to pilot the platform are available.

**8.2.1.2 Trade Facilitation Enhanced through Elimination of NTBs and implementation of the EAC Simplified Trade Regime;**

A total of 12 NTBs were resolved under the implementation period, through bilateral meetings, National Monitoring Committees, Regional Monitoring Committee and the web based NTB reporting and monitoring System.

Also, two border missions were undertaken to sensitize the stakeholders on the EAC STR and elimination of customs and standard related NTBs. The borders that were covered include: Kabanga/Kobero (Tanzania/Burundi), Nemba/Gasenye (Rwanda/Burundi), Mirama Hills/Kagitumba (Uganda/Rwanda) Mutukula/Mutukula (Kenya/Tanzania), Holili/Taita Taveta (Tanzania/Kenya), Mombasa port (Kenya), Sirari/Isebania (Tanzania/Kenya), Busia/Busia (Uganda/Kenya) and Rusumo/Rusumo (Tanzania/Rwanda).

A total of 25 stakeholders were also trained on the operationalization of the EAC STR through a workshop that was held in 2019, in Kigali Rwanda.

### **8.2.1.3 Trade Statistics compiled and published.**

The EAC Trade and Investment Report 2018 was published and also uploaded on the EAC website. A total of 200 copies were printed and distributed to stakeholder.

### **8.2.1.4 Budget Execution**

The approved budget for the Internal Trade Department was US\$ 569,440.00 while the actual utilized budget is US\$ 138,948.22 representing 24%.

## **8.2.2 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 June 2016.

During the period under review, the International Trade Department planned to implement Trade Facilitation Measures under Category B and C of the Agreement; conclude TFTA and CFTA Negotiations; promote the Free Movement of Services in the Region; implement the EAC US Trade and Investment Partnership; negotiate the Trade Agreements with third Parties; conclude the Outstanding issues on EPA; implement Annual Work plan on the Export Promotion Strategy; and coordinate the EAC Strategy on AGOA.

The key achievements were:

### **8.2.2.1 TFTA and CFTA Negotiations concluded; promote the Free Movement of Services in the Region**

Implementation programmes for the AfCFTA trade in goods and services were developed and several meetings held to develop EAC positions for implementation of the TFTA Free Trade Agreement and participation in TFTA meetings

Several regional meetings undertaken to develop EAC positions for the AfCFTA negotiations on trade in goods and services and also rules of origin

Contracted national consultants to assist in developing offensive and defensive positions for AfCFTA trade in services negotiations in Kenya, Rwanda, Tanzania and Uganda. A consultant in Burundi still ongoing and South Sudan to be covered directly by the AUC

National workshops to develop EAC offer on trade in services for the AfCFTA negotiations undertaken in five Partner States, namely: Burundi, Kenya, Rwanda, Tanzania and Uganda and National sensitization workshops on AfCFTA negotiations and implementation undertaken in all EAC Partner States

#### **8.2.2.2 EAC US Trade and Investment Partnership implemented**

Under the EAC-EU MARKUP Programme, annual work plan 2019/2020 was implemented focusing on the following clusters (Analysis, debate and advocacy for reducing trade barriers; improving standards, SPS measures and National Quality Systems; enhancing business capacities for export competitiveness; and improving the business development capacities for SMEs. Implementation in these clusters was at 39% or more.

#### **8.2.2.3 Trade Agreements with third Parties negotiated**

EAC Export Promotion Strategy is partly implemented through the EAC-EU Market Access Upgrade Programme (MARKUP) which seeks to improve intra-regional trade and export of selected agricultural value chains.

An EAC Coffee Business Forum was held in February 2020 in Mombasa bringing together 150 stakeholders from across EAC coffee value chain to discuss barriers to trade and how to capitalize on current opportunities to be competitive on the international coffee market.

Under the EAC-EU MARKUP Programme, annual workplan 2019/2020 was implemented focusing on the following clusters (Analysis, debate and advocacy for reducing trade barriers; improving standards, SPS measures and National Quality Systems; Enhancing Business Capacities for Export Competitiveness; and improving the business development capacities for SMEs. Implementation in these clusters was at 39% or more. Key challenges included impact of COVID-19 and national implementation.

#### **8.2.2.4 EAC Strategy on AGOA coordinated**

EAC position paper was developed and presented as part of the AU position for the 2019 AGOA Forum held on 5<sup>th</sup> – 6<sup>th</sup> August 2019 in Abidjan, Cote d'Ivoire

#### **8.2.2.5 Coordinate the liberalization of trade in services for the 5 remaining services sectors and the operationalization of the mechanism for the removal of restrictions on trade in Services plus developing the regulatory frameworks on the committed services sectors**

- i) Mechanism for the removal of restrictions on trade in services adopted by SCTIFI;
- ii) Excel format of the Mechanism developed that will be instrumental in the compilation of the restrictions on trade in services in the Partner States;

- iii) Regulatory audits have been undertaken in three (3) of the priority sectors, namely: Business, Communication and Tourism, and further audits are underway in Distribution, Insurance and Accountancy professional services
- iv) National Trade in Services Committees (NTSC) and Regional Trade in Services Committee (RTSC) established to facilitate the removal of restrictions on trade in services.
- v) Preliminary preparations are being undertaken for negotiations on the five remaining Services Sectors for liberalization under the EAC Common Market Protocol – Sectoral Analyses in these sectors to be undertaken in 2021

#### **8.2.2.6 Budget Execution**

The budget allocated to International Trade Department amounted to US\$ 330,430.00 while the budget utilization was US\$ 199,382.09 Representing 60% %. The low budget utilization is attributed to lack of liquidity in Partnership Fund.

### **8.2.3 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; to make provision for ensuring the protection of health and safety of society and environment in the Community.

In the period under review the department planned to harmonize standards in priority sectors and conformity assessment procedures to facilitate trade; authentic text of 100 harmonized and approved gazette and publish EAC Standards in the EAC catalogue; EAC Standards, implement Trade Policies and Programs; build capacity on implementation of SQMT activities; Mutual recognition of Partner States Product Certification Marks and Test Certificates; Participate in four (4 ) international and Regional priority standardization Fora to enhance partnership, share experiences, , best practices in standardization and conformity assessment.

SQMT Department achieved the following activities:

#### **8.2.3.1 Standards harmonized in priority sectors and conformity assessment procedures to facilitate trade**

Thirty-five (35) standards harmonized and declared as East African Standards and 67 international standards endorsed for adoption.

The 35 standards were from the key sector of coffee, cocoa and tea and related products, meat, poultry, game, eggs and their products, textiles, textile products and accessories cosmetics and related products, healthcare and medical devices, leather and leather products, and footwear.

Another batch of 39 standards finalized in June as Draft East African Standards awaiting approval process.

#### **8.2.3.2 Authentic text of 100 harmonized and approved EAC Standards gazetted and published in the EAC catalogue**

Thirty-five (35) EAC standards gazetted and authentic text circulated to Partner States to facilitate adoption and implementation as per the SQMT Act.

EAC Catalogue 2020 updated and published in the EAC Website.

#### **8.2.3.3 EAC Standards, Trade Policies and Programs implemented;**

Policy meeting planned for March 2020 could not be held due to COVID 19. Meeting planned virtually

Two extraordinary meetings of the EASC held to consider specific technical aspects from two subcommittees of Quality assurance technical subcommittee (QATSC) and Standards Management Committee (SMC)

#### **8.2.3.4 Capacity building on implementation of SQMT activities**

Regional Assessors training held and 30 assessors trained on Conformity Assessment Standards.

#### **8.2.3.5 Mutual recognition of Partner States Product Certification Marks and Test Certificates**

One peer assessment review undertaken and attended by 26 participants. Eleven (11) Conformity Assessment (CA) procedures drafted for harmonization.

Draft Framework for inter-agency regulatory control of food and cosmetics developed and approved by the EASC awaiting next SCTIFI approval.

#### **8.2.3.6 Participate in four (4) international and Regional priority standardization Fora to enhance partnership, share experiences, best practices in standardization and conformity assessment**

EAC participated in the ISO General Assembly and ARSO meetings.

#### **8.2.3.7 Budget Execution**

The budget allocated to SQMT department amounted to US\$ 270,670.00 while the budget utilization was US\$ 69,151.16 Representing 26% %. The low budget utilization is attributed to lack of liquidity in Partnership Fund, where SQMT activities had been budget.

## **9 THE OFFICE OF DEPUTY SECRETARY GENERAL –FINANCE AND ADMINISTRATION**

### **9.1 HUMAN RESOURCE AND ADMINISTRATION**

#### **9.1.1 ADMINISTRATION**

The Administrative Department provides a safe, healthy and conducive environment to staff, stakeholders, and visitors to the Headquarters to enable them undertake their duties to the Community effectively. Administration office services and consumables are procured and dispensed according to plan, conferences are managed, EAC estates are professionally managed to guarantee their safety and protection against misuse, and are available to serve staff and other stakeholders.

During the period under review planned to develop and implement Staff Wellness and team building programmes; provide administrative support services to Secretariat and EAC Organs; and insure EAC Vehicles and assets while providing regular inspection and timely replacement.

9.1.1.1 Key achievements registered were: -

- (a) Platform for mounting equipment for extracurricular activities was constructed.
- (b) The roof of the headquarters building was water proofed.
- (c) The carpark used to flood during rainy season so it was repaired.
- (d) Anti-slip paving was put in both entrances to the building.
- (e) Flooding problem at the porch of headquarters building was rectified.
- (g) EAC motor vehicles and the standby generator were provided with fuel.
- (h) Utility bills were paid for.
- (i) 1 motor vehicle was procured to add on to the existing fleet.

#### **9.1.1.2 Budget execution**

The budget allocated to the Administration Department amounted to US\$ 530,540.00 for the financial year 2019-2020 with an expenditure of US\$ 268,216.72 % representing 51% of budget execution

#### **9.1.2 HUMAN RESOURCE**

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. For the Financial Year 2019/20, the department registered the following key achievements:

##### **9.1.2.1 Implementation of the institutional Review Recommendations**

- (a) The report on workload analysis and job evaluation was approved by the 40<sup>th</sup> extra ordinary meeting of the council;
- (b) The workforce plan for the Financial Year 2019/20 was developed;
- (c) Recruitment plan for the Financial Year 2019/20 was developed.

**9.1.2.2 Strengthen inter-organ/institutional collaboration and co-operation and develop the HR Development strategy to complement the 5th Development strategy**

- (a) Staff Rules and Regulations (2006) were reviewed and the draft is awaiting approval by the Council of Ministers;
- (b) The E-recruitment system for EAC was developed;
- (c) TORs for E- performance were developed and tendering process for the consultancy is ongoing;

**9.1.2.3 Improve processes, systems and infrastructure to provide high levels of efficiency, quality, and cost effectiveness by building the capacity of the Governance structure, EAC Management and Staff**

- (a) A training plan for smooth implementation of pillars of EAC integration was developed;
- (b) Human management Information system (INSPIRO) was improved.

**9.1.2.4 Strengthen and transform EAC's culture of excellence and facilitate strategic partnership to attain the EAC goals through improved performance**

- (a) The existing management system and design the policy frame work, tools and supporting material have been refined.

**8.1.2.5 Attract, develop, and retain competent staff**

- a. Staff salaries and other personal emoluments were paid regularly;
- b. 41 vacant positions were advertised;
- c. Staff survey to understand issues of performance, leadership and quality was carried out.

**9.1.2.6 Budget Execution**

The budget allocated to the Human Resource Department amounted to US\$ 16,221,474.00 for the financial year 2017-2018 with an expenditure of US\$ 12,569,328.90 representing 77% of budget execution.

**9.1.3 CONFERENCE**



The department planned to manage the EAC Meetings for 2019/20 effectively by June 2020:

The department well facilitated: -39th Ordinary Meeting of Council of Ministers - 41st Extraordinary Meeting of Council of Ministers. Rooms were allocated, refreshment served, proper and appropriate coordination with other EAC departments (security, communication, IT)

#### **8.1.3.1 Challenges**

1. Meetings that are postponed at last minute while costs have been engaged proof wasteful to the Community.
2. Lack of control system over the delegate's numbers from partner states, hence affecting proper logistical arrangements and increasing cost of running the meetings.
3. Zero budget ceiling has made it difficult to plan activities such as developing a conference management policy.

The budget allocated to the Conferences Section amounted to US\$ 82,800.00 for the financial year 2019-2020 with an expenditure of US\$. 56,995.83, representing 69%of budget execution.

#### **9.1.4 MANAGEMENT INFORMATION**

Management Information department is charged to ensure that all EAC records and archives are provided with efficient information management systems which ensure proper creation, management and retirement. In the period 2019/2020 planned to develop tools to that would ensure standard treatment of records ad archives in EAC organs and institutions by June 2020 for effective management and preservation;

##### **9.1.4.1 The key achievements were:**

(a) Previously the Secretariat bought a digitization programme which has seen the backlog of EAC records from 2008 to inception digitized and indexed into TRIM. This included buying some IT equipment and hiring some temporary 2 modern clerks to scan and index the target records.

##### **As of 30<sup>th</sup> June 2020:**

- **58,492** records had been scanned after getting the new equipment.
- **24,931** records had been indexed in the TRIM System.
- **34,561** records had been scanned but yet to be indexed in the TRIM.
- **160** folders (paper-based files) are yet to be scanned.
- By the end of the project, all EAC records at the Secretariat would have digitized and stored at the EAC records store which are estimated to be 70,250 records. An estimate of about **22,000** records will still be pending registration in the TRIM System.

(b) Management Information department also initiated organization of an EAC Records Center by buying 2 aircon units and 70 high steel open shelves for holding physical records.

Other aspects of setting up the Records Center remained untouched.

#### **8.1.4.2 Budget Execution**

The budget allocated to the Management and Information Section amounted to US\$ 213,816.00 for the financial year 2019-2020 with an expenditure of US\$. 96,030.89, representing 45% of budget execution.

#### **8.1.4.3 Challenges**

Logistical issues related to the effects of COVID-19 lockdowns made delivery of some equipment to be impaired. It is hoped that this will be addressed in the next financial year as countries have started opening up their airspaces.

### **9.1.5 INFORMATION AND COMMUNICATION TECHNOLOGY SECTION**

The Department's core business is to coordinate the planning and implementation of an effective and efficient information Systems Strategy; Develop, maintain and fully manage efficient and cost-effective Information Communications Systems of the EAC Secretariat; Coordinate, manage and control Information and Communication Technology (ICT) activities to enable the organization gain competitive advantage and perform its functions more efficiently and effectively

In the period under review, Information and Communication Section planned to train various ICT systems & conduct tailor-made IT users training; provide and maintain Auto-failover for All Applications (automation) software - production & backup sites by June 2020; maintain ICT systems, Network, computers accessories and infrastructure by June 2020; provide and maintain Auto-failover for All Applications (automation) software - production & backup sites by June 2020; and develop Corporate EAC Integrated Management Information System (MIS)

#### **8.1.5.1 The key achievements were:**

- a. Training in various ICT systems & conduct tailor-made IT users training.
- b. Auto-failover for All Applications (automation) software - production & backup sites provided and maintained
- c. ICT systems, Network, computers accessories and infrastructure maintained.

#### **8.1.5.2 Budget Execution**

The budget allocated to the information and communication Technology section amounted to **US\$ 923,216.60** for the financial year 2019-2020 with an expenditure of US\$ 741,982.75 leading to budget execution of 80%.

### **8.1.5.3 Challenges**

The development of an Integrated Information Management system was never achieved due to the limited budget. During Covid-19 period all EAC Activities went virtual and support virtual meetings became a challenge because scheduling the multiple meetings with limited equipment.

## **9.1.6 LIBRARY AND DOCUMENTATION**

According to the approved budget and Calendar of Activities for the period under review, the Library and Documentation office planned to pay annual membership subscription to professional associations, upgrade the EAC Information Repository and the Web Portal, upgrade the EAC Reports Database, conduct annual meeting of Technical Working Group on Information Resource Centres (TWGIRC) to articulate issues of the EAC's data, information and knowledge management, organize book exhibitions in Partner States' Regional/International knowledge forums, roll out digitization project to EAC Institutions, acquire online information materials, acquire books, subscribe to periodicals and journals, subscribe to online resources, harmonizing EAC data, information and knowledge management policies, standards and guidelines.

### **8.1.6.1 The key achievements included:**

(a) The IRC membership to Professional Library Associations namely; SCECSAL and IFLA.

(b) Upgrading the EAC Information Repository and Library Web Portal to Version 6.3 and 5.3.2 respectively. This is accessible through the links;(<http://repository.eac.int>) for Information Repository and (<http://elibrary.eac.int>) for the Library Web portal.

The upgrade of the EAC Information Repository and Library web portal ushered in new features that have enhanced quick access and visibility of the Repository. The EAC Information Repository is now mobile friendly, integrated with google analytics that has increased visibility through the various search engines, the thumb nail auto generation has allowed visibility responsiveness and accessibility, there is improved statistics and analytics on content access, incorporation of social media apps on the Library web portal has facilitated interaction between the Library clients and the Information Managers.

(c)EAC Reports database has been upgraded and is more rational, mobile and user friendly. The searching capability has been improved is now more user friendly. The backup mechanism and the speed in searching and retrieving the desired information when accessing the database from within and outside the secretariat has been improved.

(d) The TWGIRC meeting that was held in the Republic of Burundi, December 2019, deliberated on a number of data, information and knowledge management matters, that included among others the drafting of the “EAC Policy Framework for sharing data, information and knowledge”

(e) Marketed EAC information resources through book exhibitions during JAMAFEST in September 2019 and Jua Kali in December 2019, this created awareness on availability of EAC resources both hard copies and online resources. The IRC registered high increase on the access to the online resources.

(f) Rolled out digitization project to the East Africa Health Research Commission (EAHRC) and Inter-University Council for East Africa (IUCEA) through Training and sensitization sessions, collection of documents, developing metadata and uploading content into the EAC Information Repository.

(g) IRC acquired over 150 new titles related to EAC integration agenda as well as subscribing to various online information resources and databases from COTUL (Consortium of Tanzania University and Research Libraries) and the PressReader which is the World's best newspapers and magazines for everyone. It gives access to more than 7000 of world's top newspapers and magazines as soon as they are available on shelves.

#### **8.1.6.2 Budget Execution**

The budget allocated to the Library and Documentation Center for FY 2019/2020 under Partner States funding amounted to USD 101,253.00, execution was 88.6%.

The Library and Documentation Center was allocated **USD 83,827** from Partnership Fund, execution was **56%**. However, funds for harmonizing EAC data, information and knowledge management policies, standards and guidelines were not received.

### **9.2 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 Budget Act (2008), the EAC-Financial Rules and Regulations (2012) as derived from the Articles 7(h), 132 and 135 of the Treaty for Establishment of the East African Community (EAC) and the Financial Procedures Manual (2019).

The Directorate registered the following key achievements during the Financial Year 2019/2020

#### **8.2.1 Effective Financial Management Institutionalized and Maintained by June 2020**

The East African Community, Secretariat is in the process of integrating its Financial Management System the SUN System with relevant peripheral operating application systems like the Budget Management System (BMS); Hardcat Asset Management System, Inspiro. People Human Resource Management System and other application systems. As of June 2020, the Secretariat developed the System User Requirements and Technical Specifications for the Integrating Software – ION. The integration process will proceed in the FY 2020/2021. During the Financial Year ended June 2020, the Department also coordinated the development and implementation the Requisition and Accountability Management Systems (RAMS), which enhanced operational efficiency and reduction of costs of stationery.

#### **8.2.2 EAC Financial Operational & Management; Project Management Capacity implemented and enhanced in line with Leading Best Practices by June 2020**

The EAC Secretariat had planned internal capacity building training for its Finance staff during the period between Januarys to June, 2020. However, because of the challenges of COVID-19, the in-house training on Accounting Standards, the EAC Financial Policies and Procedures Manual, 2019, SUN Systems processes and other related trainings was not conducted and is planned for period July to December, 2020 in the new FY 2020/2021.

#### **8.2.3 EAC Budget for 2020/2021 developed, approved and Implementation monitored by June 2020**

EAC Budget Estimates for FY2020/2021 considered and adopted by council and submitted to Assembly for Approval. Two supplementary for FY2019/2020 budget approved for implementation.

#### **8.2.4 Budget Management System enhanced features function in all Organs & Institutions by June 2020**

Budgets implantation is processed by EAC Organs and Institutions through Budget Management System daily.

#### **8.2.5 EAC Financial Statement for the Financial Year 2019/2020**

Even if the 2019/2020 EAC Financial Statements were submitted by EAC's Management to the Audit Commission in September 2020, they are not part of the report because they aren't not yet audited by the EAC Audit Commission. The Audit is expected to begin in January 2021.

#### **8.2.5.1 EAST AFRICAN COMMUNITY, STATEMENT OF FINANCIAL POSITION FOR THE YEAR ENDED 30 JUNE 2020**

**Table 11: East African Community Statement of Financial Position as at 30 June 2020**

	Notes	As at 30 June 2020	As at 30 June 2019 (Audited)
<b>Assets</b>		<b>USD</b>	<b>USD</b>
<b>CURRENT ASSETS</b>			
Cash and Cash Equivalents	1	7,704,273	4,386,825
Other Financial Assets	2	6,000,000	5,000,000
Receivables from non-Exchange Transactions	3	14,696,425	15,204,196
Receivables from Exchange Transactions	4	557,237	606,253
Inventories	5	129,938	127,052
Taxes Recoverable	7	2,913,522	2,584,386
<b>TOTAL CURRENT ASSETS</b>		<b>32,001,396</b>	<b>27,908,712</b>
<b>NON CURRENT ASSETS</b>			
Work in progress	8	1,319,054	1,219,054
Property, Plant and Equipment	9	16,796,378	17,556,808
Intangible Assets	10	28,389	67,654
<b>TOTAL NON CURRENT ASSETS</b>		<b>18,143,821</b>	<b>18,843,516</b>
<b>TOTAL ASSETS</b>		<b>50,145,217</b>	<b>46,752,228</b>
<b>LIABILITIES AND NET ASSETS/EQUITY</b>			
<b>CURRENT LIABILITIES</b>			
Payables	11	2,126,593	4,257,860
Employee Benefits	12	2,840,420	1,276,224
Deferred Funds from Development Partners	13	5,328,713	3,636,458
Other Current Liabilities	14	65,259	65,259
<b>TOTAL CURRENT LIABILITIES</b>		<b>10,360,986</b>	<b>9,235,801</b>
<b>NON CURRENT LIABILITIES</b>			
Employee Benefits	12b	4,343,758	4,962,098
Deferred Credit for Assets	15	1,735,659	1,595,422
<b>TOTAL NON CURRENT LIABILITIES</b>		<b>6,079,417</b>	<b>6,557,520</b>
<b>TOTAL LIABILITIES</b>		<b>16,440,403</b>	<b>15,793,321</b>
Net Asset Equity			
Capital contribution and Grant		16,538,100	17,375,145
Accumulated Surplus		17,166,714	13,583,761
<b>Total Net Asset/equity</b>		<b>33,704,814</b>	<b>30,958,906</b>
<b>TOTAL LIABILITIES AND NET ASSETS/EQUITY</b>		<b>50,145,217</b>	<b>46,752,228</b>

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#### 8.2.5.2 EAST AFRICAN COMMUNITY, STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2020

**Table 12: East African Community Statement of Financial Performance for the Year ended 30 June 2020**

<b>REVENUE</b>		<b>FY2019/20</b>	<b>FY2018/19</b>
<b>Revenue from non-Exchange Transactions</b>	<b>Notes</b>	<b>USD</b>	<b>USD</b>
Contribution from Partner States	16	18,600,413	20,810,988
Special funds from Development Partners	17	10,185,882	12,884,492
Other Revenue	18	124,637	48,786
		28,910,932	33,744,266
<b>Revenue from Exchange Transactions</b>			
Other Revenue	19	341,322	169,953
<b>TOTAL REVENUE</b>		<b>29.252.254</b>	<b>33.914.220</b>
<b>EXPENSES</b>			
Salaries, Wages and Employee Benefits	20	12,662,044	13,045,857
Administrative, Meetings & Consultancy Expenses	21	12,213,712	15,840,092
Transfers to Other Institutions	22	570,235	762,507
Finance Cost	23	73,766	81,485
Other expenses	24	1,978	0
Depreciation and amortization Expenses	25	1,147,552	1,488,531
<b>TOTAL</b>		<b>26.669.288</b>	<b>31.218.473</b>
<b>SURPLUS / (DEFICIT) FOR THE PERIOD</b>		<b>2,582,966</b>	<b>2,695,747</b>
Attributable to:			
<b>EAC</b>		<b>2,582,966</b>	<b>2,695,747</b>

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### 8.2.5.3 EAST AFRICAN COMMUNITY, STATEMENT OF CHANGES IN NET ASSETS/EQUITY AT 30 JUNE 2020

**Table 13: East African Community Statement of Changes in Net Assets/Equity at 30 June 2020**

	<b>Notes</b>	<b>Capital Contribution Grant</b>	<b>Accumulated Surplus</b>	<b>Total Net Assets/Equity</b>
<b>Description</b>		<b>USD</b>	<b>USD</b>	<b>USD</b>
At 30 June 2018		17,883,293	10,951,590	28,834,884
Adjustment to PPE following Reconciliation of ledger and Assets Register		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
<b>At 30 June 2019</b>		<b>17,375,145</b>	<b>13,583,761</b>	<b>30,958,907</b>
Review of creditors for previous years		-	213,454	213,454
Transfers from/to Reserve	*	-	(50,512)	(50,512)
Surplus / (deficit) for the year		(837,045)	3,420,011	2,582,966
<b>At 30 June 2020</b>		<b>16,538,100</b>	<b>17,166,714</b>	<b>33,704,814</b>
*1) USD 146300 transferred to EAKC to fund the FY19/20 Budget from EAC General Reserve;				
*2) USD 48,843 reversed receivable from EACJ after reconciliation of current account;				
*3) USD 144,830 transferred to Reserve by EAKC as unused funds for FY'2018/2019.				

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#### 8.2.5.4 EAST AFRICAN COMMUNITY, STATEMENT OF CASH FLOW FOR THE YEAR ENDED 30 JUNE 2020

**Table 14: EAC Statement of Cash Flow for the Year Ended 30 June 2020**

Description	Note	FY'2019/2020	FY'201^019
		<b>USD</b>	<b>USD</b>
Cash flows from operating activities			
Surplus / (Deficit) at the end of the year		2,582,966	2,695,747
Add back (Subtract):			
Depreciation and Amortization for the year	24	1,149,530	1,488,531
Interest Received	19	(272,670)	(150,541)
(Profit) Loss on Assets disposed/Written off	19	-	(11,256)
		<b>3,459,826</b>	<b>4,022,481</b>
Changes in working Capital			
(Increase) / Decrease in Receivable from Non- Exchange Transactions	3	507,771	(4,672,581)
(Increase) / Decrease in Receivable from- Exchange Transactions	4	49,016	(524,890)
(Increase) / Decrease in Inventory	5	(4,864)	29,653
(Increase) / Decrease in Prepayments	6	0	0
(Increase) / Decrease in Taxes Recoverable	7	(329,137)	(293,863)
Increase / (Decrease) in Payables	11	(2,089,829)	426,687
Increase (Decrease) in Employee Benefits	12(a)&(b)	945,857	1,516,345
Increase (Decrease) in Deferred Revenue	13	1,692,255	(453,418)
Increase / (Decrease) in Other Current liabilities	14	0	(23)
Increase / (Decrease) in Deferred Credit for	15	140,236	262,376
Net Cash flows from operating activities		4,371,132	312.766
Cash flow from investing activities			
Acquisition of fixed assets	9&10	(375,841)	(89,070)
(Increase) Decrease in Work in Progress except reclassification	19	100,000	(395,283)
Decrease (increase) in Investment in Fixed Deposits	2	(1,000,000)	(3,000,000)
Cash generated from investing activities		(1,275,841)	(3,484,353)
<b>Cash flow from Financing activities</b>			
Interest Received	19	272,670	150,541
Transfers to (from) Reserve Fund		(50,512)	(1,348,527)
Cash generated from financing activities		222.158	(1.197.986)
Net increase in cash and cash equivalents		3.317.448	/4.369.573)
Cash and cash equivalents at beginning of period	1	4.386.825	8.756.398
<b>Cash and cash equivalents at end of period</b>	<b>1</b>	<b>7.704.273</b>	<b>4,386,825</b>

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## 8.2.5.5 EAST AFRICAN COMMUNITY, STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30 JUNE 2020

**Table 15: East African Community Statement of Comparison of Budget and Actual Amounts for the Year Ended 30 June 2020**

Description	Budgeted Amounts in USD		Actual Amounts on comparable basis in USD	Difference Final Budget and Actual in USD	Explanation
<b>Receipts</b>	<b>Original</b>	<b>Final</b>			
Contribution from Partner States	18,600,413	18,600,413	12,389,470	6,210,943	(1)
<b>Special funds from Development Partners</b>	34,171,396	37,165,541	11,358,588	25,806,953	(2)
Miscellaneous Revenue	524,595	1,007,995	829,960	178,035	
<b>Total Receipts</b>	<b>53,296,404</b>	<b>56,773,949</b>	<b>24,578,018</b>	<b>32,195,931</b>	
<b>PAYMENTS</b>					
Salaries, Wages and Employee Benefits	16,173,146	16,173,146	12,662,044	3,511,102	(3)
Administrative, meetings & consultancy expenses	30,332,115	33,809,660	12,213,712	21,595,948	(4)
Transfers to Other Institutions	569,735	569,735	570,235	(500)	
Finance Cost	53,300	53,300	73,766	(20,466)	
Capital Expenditure	6,168,107	6,168,107	475,841	5,692,266	(5)
<b>TOTAL</b>	<b>53,296,404</b>	<b>56,773,949</b>	<b>25,995,599</b>	<b>30,778,350</b>	
<b>NET RECEIPT/PAYMENTS)</b>	<b>0</b>	<b>0</b>	<b>(1,417,581)</b>		

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### Explanation of Variances

(1): As at 30th June 2020, the Secretariat had received 67% of the Partner States contribution. Therefore, part of the incurred expenditure was paid for during the following three months;

(2) The amount received from Development Partners was USD 11,358,588, representing 30% of the amount budgeted for. For most of the 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 number of project staff positions not filled and activities not carried out, due to late disbursements from Development Partners.

(5): The underspending in Capital Expenditure is due to delays in the procurement process where no objection from Development Partners is required

## EAC ORGANS AND INSTITUTIONS

### 10 EAST AFRICAN COURT OF JUSTICE (EACJ)

The East African Community was revived on 30<sup>th</sup> November, 1999 when the Treaty was signed. It came into force on 7<sup>th</sup> July, 2000. This was 23 years after the total collapse of the former Community. This followed a process of re-integration which was embarked on in 1993, and which involved the tripartite programmes in political, economic, social and cultural fields, research and technology, defence, security, legal and judicial affairs. The East African Court of Justice (EACJ) is one of the organs of the East African Community (EAC) established under Article 9 of the Treaty for the establishment of the East African Community.

The East African Court of Justice as currently constituted is different from the defunct East African Court of Appeal in terms of composition and jurisdiction. It is an international court unlike the defunct East Court of Appeal which handled only appeals from the National Courts. The Court's major responsibility is to ensure the adherence to law in the interpretation and application of and compliance with the Treaty. Following its inauguration and the swearing of judges and the Registrar on 30<sup>th</sup> November, 2001, the East African Court of Justice became operational. The sessions of the Court on transzonal period are *ad hoc* until the Council of Ministers determines that there is jurisdiction to make it fully operational. This means that judges are not required to permanently reside in Arusha where the temporary seat of the Court is located but they only convene to conduct sessions of the Court when the need to do so arises.

#### **Jurisdiction of the Court**

The Court has jurisdiction over:-

I. The interpretation and application of the Treaty

**Article 23(1)** provides that the Court shall be a judicial body which ensure the adherence to law in the interpretation and application of and compliance with the Treaty.

**Article 27(1)** provides that the Court shall have initial jurisdiction over the interpretation and application of the Treaty: Provided that the Court's jurisdiction to interpret under this paragraph shall not include the application of any such interpretation to jurisdiction conferred to organs of Partner States.

**Article 27(2)** provides that subsequent jurisdiction to include other original, appellate, human rights and other jurisdiction shall be determined by the Council of Ministers at a suitable time

Under **Article 35** of the Treaty, where a question is raised by a Court or Tribunal of a Partner State concerning the interpretation or application of the provisions of Treaty necessary for it to give a judgment then it may request the EACJ, by way of **Case Stated**, to give a primary ruling on the question.

Under **Article 36**, the Court may, on request by the Council of Ministers, the Summit of Heads of State or a Partner State, gives an advisory opinion regarding a question of law arising from the Treaty which affects the Community. The purpose of seeking an advisory opinion is to enable the Community, its organs and institutions and the Partner States get a clear interpretation of the Treaty on matters that are contentious or not clear.

## **II. Disputes between the Community and its employees arising from the terms and conditions of employment or the interpretation and application of the staff rules and regulations**

The Court has this jurisdiction under Article 31 of the Treaty that provides that the Court shall have jurisdiction to hear and determine disputes between the Community and its employees that arise out of the terms and conditions of employment of the employees of the Community or the application and interpretation of staff rules and regulations and terms and conditions of the Community.

## **III. Arbitration**

The Court has jurisdiction to hear and determine any matter arising out of contracts of the Community conferring jurisdiction; disputes between Partner States submitted to the Court under special agreement between the Partner States concerned.; commercial contracts (Article 32(a)(b) and (c) ).

Acting on its jurisdiction, the First Instance Division of the Court dealt with many matters during the period in issue. Some examples of those matters are summarized herein below

### **1. Reference No. 06 of 2019 Male H. Mabirizi K. Kiwanuka V Attorney General of The Republic of Uganda**

In the above case filed in May 2019 the Applicant alleged that several actions, directives and/or decisions of all the three organs of Government and State of the Republic of Uganda in conceptualizing, processing, pursuing and upholding of the Uganda Constitution (Amendment) Act 2018 were/are unlawful and/or are infringements of the Provisions of the Treaty. In Particular he alleged that the actions of curtailing and undermining citizens participation in their constitutional amendment process; securing an amendment of the Constitution through violence and/or threatened violence; not complying with strict procedures in the Uganda Constitution, Acts of Parliament and Rules of Procedure of Parliament; flouting the strict pre-assent mandatory conditions and

procedures. He also alleged that the action/decision and process of reaching the decision of the Uganda Supreme Court upholding part of the Constitution (Amendment) Act, 2018 which resulted from the impugned actions undermine the fundamental and operational principles of the Community.

Upon reading the documents filed by the parties and hearing their submissions the Court dismissed the Reference and held that the process leading up to the enactment of the Constitutional Amendment was time barred, but found the impugned Supreme Court decision to have been filed within time. The Court further found the impugned decision was not res judicata and that it had jurisdiction to interrogate the matter. Court found no Treaty violation by the Supreme Court on account of judicial ethics or in terms of its judicial process and result.

## **2. Application No. 3 of 2019 (Arising from Reference No. 9 of 2019) Francis Ngaruko v The Attorney General of Burundi.**

This application filed in June 2019 sought orders that pending the hearing and determination of the Reference an order do issue prohibiting the Respondent from implementing the impugned decision of disentitling him of his lawfully acquired property or in any way taking action to revoke, cancel or otherwise dispose of the Applicant's interest in the subject property. That the Respondent to file an appropriate undertaking before the Court that no alteration or any modification shall be done on the subject's property pending further orders of the Honourable Court.

The court held that the matter raised triable issues and since the Applicant was not able to prove that he would suffer irreparable injury that would not be sufficiently compensable by way of damages the court decided the matter on a balance of convenience which fell in favour of the Applicant that he stood to suffer graver injury as a consequence of possible eviction from the suit premises if the interim orders sought were not granted, than the Respondent would suffer from being temporarily prevented from exercising its right to operationalize the alleged execution order. The interim orders were therefore granted.

## **IV. Appellate Jurisdiction**

Under **Article 35A** an appeal from the judgment **or** any order from the First Instance Division of the Court shall lie to the Appellate Division on: \_

- a. Points of law
- b. Lack of jurisdiction
- c. Procedural irregularity

Owing to its jurisdiction as above explained, during the period under consideration the appellate division of the Court determined various matters, herein below are some examples of the same.

1. In ***Appeal No. 1 of 2019 Ismael Dabule & 1004 Others v The Attorney General of The Republic of Uganda***; The Appellants filed a Reference in the First Instance

Division of the East African Court of Justice after failing to get reprieve in a Constitutional Petition which they filed in the Constitutional court of Uganda and an Appeal in the Supreme Court of Uganda.

Following the overthrow of the government of President Idi Amin Dada in Uganda, in 1979, a law was enacted freezing the accounts of various people associated with the regime. Pursuant to Legal Notices enacted by the then Minister of Finance instructed the Bank of Uganda to take over the Appellants' personal and business accounts in various commercial banks in Uganda and freeze them. This led to the filing of the above petition and subsequently the Reference.

The Trial Court dismissed the Reference with a considered view that there was no cause of action. The Appellants appealed to the Appellate Division and their Appeal was allowed. The Appellate Court ruled that the Trial Court erred in law in finding that the Reference was not properly before it for want of Cause of Action, which was an issue framed by the Court itself. The Reference was remitted back to the Trial Court with directions to proceed with the hearings of the case by considering all the issues that arose at the Scheduling Conference.

2. In ***Appeal No. 2 of 2019, The Attorney General of the Republic of Burundi v The Secretary General of the East African Community & Another***; The Attorney General of the Republic of Burundi, by a Reference filed in court, challenged the election of the Speaker of the 4<sup>th</sup> Assembly of the East African Legislative Assembly (EALA) on the ground that the said election contravened or violated Rule 12 (1) of EALA's Rules of Procedure and infringed Articles 6 (d), 7 (2), 53 (1) and 57 (1) of the Treaty for the establishment of the East African Community.

The basis of the challenge was that any decision of EALA taken in the absence of one third of the EALA members from the Republic of Burundi and the United Republic of Tanzania run afoul of the quorum requirement in Rule 12 (c) of the Assembly's Rules of Procedure.

The trial court considered the Pleadings, the Evidence and the Parties Submissions and held that the provisions of the Rules of Procedure of EALA which governs election of Speaker is Rule 12 (1) and not Rule 6 (1) and accordingly the requisite quorum for election of Speaker was half of the elected members of EALA who should be composed of at least of at least one third of the elected members from each Partner State. The court expunged affidavits that were sworn by counsel as they amounted to hearsay evidence. The court also found that for lack of proof on lack of requisite quorum, and above reasons, the Reference was dismissed and declined to grant costs citing intrinsic circumstances of the case.

Having aggrieved by the said Judgment, the Appellant appealed to the Appellate Division. After listening to submissions by both parties, the Appellate Division held that the Trial Court did not commit any irregularity in striking out the affidavits. The Court also ruled that Rule 1 (2) of the Rules was not applicable in the circumstances of the case before the Trial Court and the said Court did not commit any error of law or a procedural irregularity

by not ordering production of evidence from the Respondent and the intervener on the fact of the existence of quorum during the election of the Speaker of the 4<sup>th</sup> Assembly. The Court also dismissed the issue challenging quorum requisite for election of Speaker. The cross – Appeal having succeeded, the Court also awarded cost to the Respondent and the Intervener in the Trial Court. The Court dismissed the Appeal, allowed the Cross – Appeal, set aside the Order of the Trial – Court and substituted with an order for costs to the Respondent and the Intervener.

3. In ***Applications No. 3 & 4 of 2019, The Managing Editor Mseto & Another v The Attorney General of the United Republic of Tanzania***; The Applicants filed a Reference No. 7 of 2016 under Articles 6 (d) 7 (2) of the Treaty for the Establishment of the East African Community challenging the orders issued by the Minister of Information, Culture, Arts and Sports of the United Republic of Tanzania to suspend the publication of Mseto Newspaper. Judgement was entered in favour of the Applicants.

Being dissatisfied with the said decision, the Respondents filed a Notice of Appeal. They however failed to institute and Appeal within the time stipulated by the Rules. The Applicants successfully made an application to have the Notice Struck out with costs by the Appellate Division.

4. In ***Application No. 5 of 2019, Media Council of Tanzania & 2 Others v The Attorney General of the United Republic of Tanzania***; The Applicants filed a Reference No. 2 of 2017 to challenge the provisions of the Media Services Act as being in violation of Articles 6 (d) and 7 (2) of the Treaty for Establishment of the East African Community. Judgment was entered in favour of the Applicants

### **Key Achievements Registered During the Period of July 2019 to June 2020**

In reference to its Annual Operational Plan (AOPs), on the period under review, the Court planned to Visibility of the Court raised by June 2020; Skills and Competence of Judges and Staff on specific fields enhanced by June 2020; ICT Master-plan drafted and approved by June 2020; Staff remuneration, benefits and other entitlements timely paid by June 2020; Efficient Administrative Support Services provided to EACJ by June 2020; and A least 70 cases heard and or determined during the FY 2019/2020.

#### **1. Visibility of the Court Raised by June, 2020**

During the financial year 2019/2020, the EACJ sensitized over 2000 stakeholders in the legal fraternity, private sector/ business community, researchers, academia across the region on the jurisdiction and role of the Court in the EAC Integration process, access to Court and Rules of Procedure. This was achieved through participation in Forums such as the East African Law Society Annual Conference & General meeting, the EAC 20<sup>th</sup> EAC Micro and Small Enterprise MSEs Trade fair and Judiciary Law Week in Tanzania.

The Court held its first annual Plenary and planning meeting in February, 2020. The Plenary considered and approved the calendar of activities, and emphasized on rolling out of e-filing of cases and draft rules to govern video conferencing of Court proceedings.

The Plenary further discussed emerging issues affecting its judicial work and made recommendations. In order to address the current changes and emerging challenges in administration of justice, the Court revised its Rules of Procedure which were then gazetted in September 2019 and are now operative.

To raise visibility and create further understanding of the Court's activities, Hon. Judges attended the East African Magistrates and Judges Association (EAMJA) Annual Conference held in Zanzibar, in October 2019. The Hon. Judges also attended the Commonwealth Magistrates and Judges Association (CMJA) Annual Conference which took place at Moresby, Papua New Guinea, in September, 2019. The Court used those opportunities to sensitize participants on the role and jurisprudence of EACJ through paper presentations.

## **2. Skills and Competence of Judges and Staff on specific fields enhanced by June 2020**

Judges underwent training on arbitration to improve skills and enhance the Courts capacity to handle arbitration cases. Further Judges and Judicial Officers were trained on their Role in the Adjudication of Trade and Customs Related Disputes in National and Regional Courts.

Respective members of staff attended training on various management systems being implemented by EAC in order to improve efficiency and effectiveness. Specifically the training focused on e-filing, e-Procurement, Preparation of Annual Procurement Plan, Requisition and Accountability Management System (RAMS) and Payroll Data Interface between Inspiro System and Sun System

## **3. ICT Master-plan drafted and approved by June 2020**

EACJ development of an ICT Master Plan is under the Partnership Fund. And during the period under review, the Court is developing the ICT Strategy which as of now the first draft of the same has already been in place, waiting for validation. The Court had already talked with Raoul Wallenberg who promised to fund the development of an integrated library management system,

## **4. Staff remuneration, benefits and other entitlements timely paid by June 2020**

During the period under review, EACJ also planned to pay timely, staff remuneration, benefits and other entitlements. In that circumstance the Court has successfully managed to pay staff salaries and allowances on monthly basis. It also paid other annual allowances payable to staff, such as spouse and, education, as well as paying other staff benefits payable through services, to wit, overtime work and air time bundles.

<b>Cost Code</b>	<b>Centre</b>	<b>Name of cost Center</b>	<b>Analysis Code</b>	<b>Activity Description</b>	<b>Approved Budget</b>
210101		Office of Judge President-As Dept	M5S01T0601S 01	To present a paper in East African Magistrate & Judges Association (EAMJA) Conference	11,550.00
210101		Office of Judge President-As Dept	M5S01T0601S 02	To present paper in Commonwealth Magistrate & Judges Association (CMJA) annual Conference	72,700.00
210101		Office of Judge President-As Dept	M5S01T0601S 03	Judge President & Registrar to represent EACJ in various for a and statutory meetings extended to EACJ	43,200.00
220101		Office of Registrar (Dept)	M5S01T0405S 02	To conduct training for Judges on Arbitration and other legal issues	31,200.00
220101		Office of Registrar (Dept)	M5S01T0501S 01	To upgrade CMS and Training of EACJ staff and Judges on the use of upgraded CMS	90,550.00
220101		Office of Registrar (Dept)	M5S01T0501S 02	To procure Recording and Transcription items	12,500.00



220101	Office Registrar (Dept)	of	M5S01T0501S 03	To create awareness on the use of E filling System among stakeholders	21,800.00
220101	Office Registrar (Dept)	of	M5S09T1902S 01	To pay staff salaries and allowances on monthly basis	1,924,919.08
220101	Office Registrar (Dept)	of	M5S09T1902S 02	To pay other annual allowances payable to staff on	214,929.00
220101	Office Registrar (Dept)	of	M5S09T1902S 03	To pay other staff benefits payable through service	340,277.99
220101	Office Registrar (Dept)	of	M5S10T0901S 01	To provide office supplies stationery and telepho	83,414.40
220101	Office Registrar (Dept)	of	M5S10T0901S 02	To attend Statutory meetings (Audit and Risk	83,000.00
220101	Office Registrar (Dept)	of	M5S10T0901S 03	To Provide Office Supplies	170,000.00
220101	Office Registrar (Dept)	of	M5S10T0901S 04	To procure assets (motor vehicles/compu tes/furnitures/e quipments etc)	250,000.00
220101	Office Registrar (Dept)	of	M5S10T0901S 07	To hold Court Plenary twice a year for policy decision making	43,440.00
220101	Office Registrar (Dept)	of	M5S10T0901S 08	To convene EACJ meeting of Rules of Procedures Committee to review the rules of court	26,100.00

220102	Court of First Instance & Appellate Division (Dept	M5S01T0601S 01	To hold Court Sessions - quarterly 30 days each in	376,360.00
220102	Court of First Instance & Appellate Division (Dept	M5S01T0601S 02	To hold Court Sessions - quarterly 30 days each in	429,300.00
<b>Total</b>				<b>4,225,240.97</b>

The budget allocated to the EACJ amounted to US\$ 4,225,240.97 For the financial year 2019-2020 with an expenditure of US\$. 3,168,045.43. representing 75% of budget execution.

## **5. Efficient Administrative Support Services provided to EACJ**

Under this head, EACJ management continued to support the smooth running of all routine activities taking place at its headquarters has shown herein, as well as at the Partner State level where the Court has its Sub-Registries. On the period under consideration, the Court management managed to procure two motor vehicles, hence accelerating the issue of hiring the vehicles during the Court's sessions.

The five Sub-registries were strengthened through provision and implementation of ICT Technology to enable free flow of data and information between the EACJ headquarters and the Sub-Registries. This enabled sharing of documents greatly facilitating the Virtual Court Sessions which were necessitated by the COVID 19 pandemic. In addition, the EACJ management continued also to provide monthly accountable imprest to the Sub-registries for them to conduct their daily activities smoothly.

## **6. At least 70 Cases Heard and or determined During the FY 2019/2020.**

During the period under consideration, EACJ held eight Sessions, two of which were held virtually due to restrictions brought about by COVID 19, hence was not possible to hear and determine 70 cases as planned before. A total of 56 matters were heard and 18 Judgments and Rulings were delivered. The Court revamped its website to allow live streaming of Court Sessions and effective sharing of information drawn great public interest.

**Full report from the Registry is as detailed below:-**

First Instance	Received	References		29
		Applications		29
	Matters heard			37
	Judgements delivered			5

	Rulings delivered			8
Appellate Division	Received		Appeals	5
			Applications	6
			Taxation Causes	1
			Arbitrations	1
	Matters heard			19
	Judgments delivered			2
	Rulings delivered			3

## 9.1 Challenge

1. Inadequate budgetary allocation and untimely disbursement of funds. During the period under review, the Court was forced to cancel two Court sessions (*in August and September for the Appellate Division and the First Instance Division respectively*) which led to delay in conclusion of cases.
2. The Ad hoc nature of service for the Judges contributed to the delay in hearing and determination of cases. 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.
3. Corona outbreak, caused obstacles to the implementation of the Court's calendar of activities, as some of its staff were forced to be in lockdown in their Partner States, some of them are still there hence working Online. This also touched the Judges who failed to travel from their countries to Arusha, Tanzania for Court's sessions therefore caused virtual court's sessions to be conducted. That was why the March Court Session for the 1<sup>st</sup> Instance Division was called off. In this regard, the Court's calendar of activities had to be changed to suit with the new existing situation.
4. Due to the challenges identified above, the Court runs the risk of losing confidence amongst the citizens which will eventually impact negatively on integration process and trade facilitation.

## 9.2 Recommendations

The East African Court of Justice is growing organ of the Community situating at Arusha but serving many people across the region. Those people need to be aware on the existence and functions of the Court. It is still adhoc and working under limited budget which mainly contributed to it by the Partner States, as it is to other organs and institutions of the Community. It is therefore general recommendations herei that the challenges raised above have to be minimized, if not completely finished so as the Court can discharge mandate fully.

In particular, it would be recommended that the Court has to do away with ad hoc nature, hence the authorised organs of the Community should be involved fully so as the process becomes successful. This has to go parallel with the acquiring of financial and administrative autonomy which will enable the Court to have its budget directly furnished hence executing its plans properly.

### **9.3 Conclusion**

EACJ, through its vision and mission, has a dream to become a world class court dispensing justice for a united and prosperous community. In this spirit, the Court is still aiming to contribute to the enjoyment of the benefits of regional integration by ensuring adherence to justice, rule of law and fundamental freedoms through the interpretation of and compliance with the East African Law. However, that good spirit of the Court cannot be achieved if it has not been well facilitated, particularly on budget issue. As shown in this report that some achievements were noted on the period under review, such succession could be more if the well-equipped and financially supported to as to reach a high-level discharge of its mandate.

## **11 EAST AFRICAN LEGISLATIVE ASSEMBLY (EALA)**

Article 49 of the Treaty for the establishment of the East African Community establishes the East African Legislative Assembly (EALA) 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.

For the Financial Year 2019/2020, the Assembly planned to carry out the following key activities:

- i. Undertake six Plenary and legislative activities to support the integration agenda
- ii. Carry out Oversight activities, mainly through its six Standing Committees, on the implementation of EAC programs and projects
- iii. Conduct sensitization of the people in the EAC Partner States to enhance their awareness of and participation in the integration programs.
- iv. Develop the EALA Strategic Plan 2019/2024.
- v. Strengthen the relations with its stakeholders (the National Assemblies, business community, civil society organizations, among others).

## **10.1 KEY ACHIEVEMENTS**

### **10.1.1 LEGISLATION AND PLENARY MATTERS**

EALA approved the EAC Budget amounting to USD 111,450,529 for the FY' 2019/2020 under the theme "transforming lives through Industrialization and Job Creation for shared prosperity".

The Assembly further conducted six (6) Plenary Meetings with one meeting which was turned into a sensitization activity namely:

- i. The 1<sup>st</sup> Meeting of the 3<sup>rd</sup> Session of the 4<sup>th</sup> Assembly from 16<sup>th</sup> September to 5<sup>th</sup> October, 2019 in Arusha, United Republic of Tanzania.
- ii. The 2<sup>nd</sup> Meeting of the 3<sup>rd</sup> Session of the 4<sup>th</sup> Assembly from 17<sup>th</sup> November to 7<sup>th</sup> December, 2019 in Arusha, United Republic of Tanzania.
- iii. The 3<sup>rd</sup> Meeting of the 3<sup>rd</sup> Session of the 4<sup>th</sup> Assembly from 9<sup>th</sup> February to 1<sup>st</sup> March 2020, in Arusha, United Republic of Tanzania.
- iv. The 4<sup>th</sup> Meeting of the 3<sup>rd</sup> Session of the 4<sup>th</sup> Assembly turned into sensitization activity from 17<sup>th</sup> March – 6<sup>th</sup> April, 2020.
- v. The 5<sup>th</sup> Meeting of the 3<sup>rd</sup> Session of the 4<sup>th</sup> Assembly from 16<sup>th</sup> April – 16<sup>th</sup> May, 2020, held at virtual meeting via video conference.
- vi. The 6<sup>th</sup> Meeting of the 3<sup>rd</sup> Session of the 4<sup>th</sup> Assembly from 10<sup>th</sup> -29<sup>th</sup> June, 2020, held at virtual meeting via video conference.

Through the above-mentioned plenary meetings, the Assembly recorded the following achievements

#### **A. Bills Passed**

**The Assembly enacted one (1) Bill, namely the East African Community Supplementary Appropriation Bill, 2020.**

#### **B. Bills read for the second time**

The East African Community Customs Management (Amendment) Bill, 2019 was read for the second time.

#### **C. Bills read for the first time**

The East African Community Competition (Amendment) Bill, 2020 and the East African Community Pharmaceuticals Bill, 2019 were read for the first time.

#### **D. Bills Assented to**

The following Bills were assented to by the EAC Heads of State and became Acts of the Community:

- i. The East African Community Appropriation Act, 2016.
- ii. The East African Community Supplementary Appropriation (No.2) Act, 2016.
- iii. The East African Community Customs Management (Amendment) Act, 2016.

- iv. The East African Community Appropriation Act, 2017.
- v. The East African Community Supplementary Appropriation Act, 2017.
- vi. The East African Community Supplementary Appropriation Act, 2018.
- vii. The East African Community Oaths Act, 2018.
- viii. The East African Community Monetary Institute Act, 2018.

This is one of the great achievements of the Assembly since the above-mentioned Bills have been pending for some time.

## **E. Resolution adopted**

The Assembly adopted the following seven (7) Resolutions and transmitted some of them to Council and Partner States for consideration and implementation: -

- i. Resolution of the Assembly commemorating 20 years of the East African Community.
- ii. Resolution of the Assembly to urge the Council of Ministers to urgently establish an emergency response fund to assist victims of floods and other environmental disasters.
- iii. Resolution of the Assembly requesting the Council of Ministers to produce a comprehensive report on the status of implementation of the Customs Union and Common Market Protocols.
- iv. Resolution of the Assembly paying tribute and congratulating the Clerk Mr. Kenneth Namboga Madete and Deputy Clerk Mr. Alex Obatre Lumumba upon completion of their service to the Assembly.
- v. Resolution of the Assembly to elect Members to constitute the EALA Commission.
- vi. Resolution of the Assembly to appoint Members to Standing Committees.
- vii. Resolution of the Assembly urging Partner States to honour their financial obligations to the Community.

### **10.1.2 OVERSIGHT**

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 adopted are as follows:

- i. Report of the Committee on Accounts on the oversight activity to the Lake Victoria Basin Commission (LVBC) to assess the status of implementation of the Assembly recommendations on the EAC Audited Accounts.

- ii. Report of the Committee on General Purpose on the Petition from East African Civil Society Organizations' Forum (EACSOF) on matters of crucial importance to the Community.
- iii. Report of the Committee on Communication, Trade and Investment on the status of ratification of the amended Article 24(2) (a) of the Protocol on the establishment of the East African Customs Union to provide for the establishment of the Trade Remedies Committee.
- iv. Report of the Committee on Regional Affairs and Conflict Resolution on the oversight activity on the proliferation of small arms and light weapons in the East African region.
- v. Report of the Committee on Agriculture, Tourism and Natural Resources on the oversight activity on the performance of the tourism sector in the region.
- vi. Report of the Committee on General Purpose on the oversight activity to assess the level of preparedness of Partner States in the management of Ebola and Dengue Fever Epidemics.
- vii. Report of the Committee on Legal, Rules and Privileges on the oversight activity on compliance of the EAC Protocols and Laws by the EAC Institutions
- viii. Report of the Committee on Accounts on the East African Community Audited Accounts for the Financial Year 2017/2018
- ix. Report of the Committee on General Purpose on the East African Community Supplementary Bill, 2020.
- x. Report of the Committee on Legal, Rules and Privileges on the proposal for Rules of Procedure for Virtual Meetings and Sitzings of the Assembly.

### **10.1.3 SENSITIZATION**

The Assembly undertook sensitization and outreach activities from 17<sup>th</sup> – 22<sup>nd</sup> May, 2020 to assess Partner States 'implementation of the Common Market Protocol in relation to cross-border trade in the EAC Region in the wake of the Covid-19 pandemic. The sensitization activities ran simultaneously in the Partner States. EALA Chapters made relevant recommendations aimed at addressing the challenges caused by the COVID-19 Pandemic both at the national and the EAC levels.

### **10.1.4 INSTITUTIONAL MATTERS**

#### **A. EALA Strategic Plan for Financial Years 2019/2024**

The Assembly adopted its 3<sup>rd</sup> Strategic Plan 2019/2024 during the 2<sup>nd</sup> Meeting of the 3<sup>rd</sup> Session of the 4<sup>th</sup> Assembly held from 17<sup>th</sup> November to 7<sup>th</sup> December, 2019 in Arusha, United Republic of Tanzania.

#### **B. Mid-Term Review of the Status of Implementation of EALA Annual Operational Plan**

The EALA Commission and Chairpersons of Committees conducted the Mid-Term review activity from 13<sup>th</sup> -15<sup>th</sup> January, 2020 in Arusha, Tanzania. The activity afforded the Assembly the opportunity to carry out an internal evaluation of its performance and take

corrective action in the course of the financial year. In this respect, the Meeting evaluated the status of implementation of the respective activities of the Commission and the Standing Committees and formulated appropriate recommendations for effective implementation of the EALA activities for the financial year 2019/2020.

### **C. Oath of Allegiance, Member of EALA**

During the period under review, the following Members took oath of allegiance in accordance with Rule 5 (4) 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.

- i. Hon. Prof. Nshuti Manaseh, Minister for Foreign Affairs and International Cooperation, Republic of Rwanda took oath of allegiance as an Ex-Officio Member of the Assembly.
- ii. Hon. Dr. Vincent Biruta, Minister for Foreign Affairs and International Cooperation, Republic of Rwanda virtually took Oath of Allegiance as an Ex-Officio Member of the Assembly.

### **10.1.5 RELATIONS WITH STAKEHOLDERS**

The Assembly is a key player in both regional and international fora and therefore continued to relate with a number of key stakeholders both at Regional and International levels.

#### **A. EAC BUREAU OF SPEAKERS**

The 13th Meeting of the EAC Speakers took place in Kampala, Uganda on 10th December, 2019. The Bureau discussed a number of issues of common interests on the EAC Integration agenda.

The Meeting, among others, raised concern that non-fulfilment or late fulfilment of financial obligations by some Partner States had hindered the implementation of a number of EAC planned activities. The EAC Speakers agreed to prevail upon the respective Ministers of Finance to honour the obligations of their respective countries to the EAC

#### **B. INTER-PARLIAMENTARY GAMES**

In addition to the above-mentioned activities, the Assembly successfully coordinated the 10th Inter-Parliamentary Games for the National Parliaments of the EAC Partner States in December, 2019 in Kampala, Uganda. The games play a fundamental role in enabling EALA's interaction with Members of the National Parliaments in the Partner States as envisaged in Article 49 (2a) of the Treaty for the Establishment of East African Community. At the same time, such games enhance interaction with the citizenry of the Partner States as a mode of sensitization and popularizing the integration process.



## **C. RELATIONS WITH OTHER STAKEHOLDERS**

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 49th Commonwealth Parliamentarians Association (CPA)-Africa Region Conference, from 13th -22nd August, 2019 in Gaborone-Botswana.
- ii. Observing the 17th Session of Parliament on consideration of the Constitution amendment Bill and Transgender Bill, 2017 from 28th –August-4th September, 2019, New Delhi.
- iii. The First Annual General Meeting and launch of the Eastern African Parliamentary Alliance on Food Security and Nutrition.
- iv. The 64th Commonwealth Parliamentary Conference (CPC) at Munyonyo Commonwealth Resort, Kampala, Uganda from 22nd -29th October, 2019.
- v. The 141st Assembly of the Inter-Parliamentary Union and related meetings from 13th -17th October, 2019 in Belgrade, Serbia.
- vi. The 2020 World Summit on "Peace, Security and Human Development: Interdependence, Mutual Prosperity and Universal Values" from 3rd -7th February, 2020 in Seoul, South Korea.

### **10.1. 6 BUDGET PERFORMANCE**

The overall budget performance for the financial year 2019/2020 stood at 76% due to the following variances;

- i. Delayed remittances by Partner States. EALA faced liquidity challenges hence could implement certain activities as planned.
- ii. Due to outbreak of the COVID 19 Pandemic, most activities in various Partner States in the last quarter of the financial year could not be implemented arising from different measures and approaches adopted by Partner States, other Nations and directives by WHO to manage the Pandemic worldwide which included NTB's like lockdowns, curfews, social distancing among others.
- iii. Delayed recruitment of staff to fill vacant positions in the EALA establishment.

### **10.1.7 KEY CHALLENGES**

The Assembly encountered the following challenges:

- i. Delayed remittance of funds by Partner States which affected proper planning and timely implementation of some of the planned activities of the Assembly.
- ii. Limited funding for Committee oversight activities.
- iii. Overlapping of activities between EALA and the EAC Secretariat.
- iv. Delays in tabling to the Assembly the EAC Statutory reports by the Council of Ministers.

- v. Non-compliance with the EAC Budget Act by the Council of Ministers to timely table the EAC Budget Estimates for the FY 2020/2021.
- vi. Non -tabling of the legislative programme by the Council of Ministers to be considered by the Assembly during each financial year.
- vii. The outbreak of COVID 19 Pandemic which caused restriction on movements of people prevented the Assembly from implementing some of its planned activities.
- viii. The interruptions of Virtual Meetings due to internet disconnections.
- ix. Non replacement of the 11 Staff (including the Clerk and Deputy Clerk Assistant) who completed their tour of duty of the Assembly due to end of contracts affected the capacity of the Staff to support the Assembly effectively.

#### **10.1.8 RECOMMENDATIONS**

- i. Partner States should adhere to their commitments to 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 EALA and EAC Secretariat should coordinate and harmonise their respective annual work plans to avoid any overlap.
- iv. The Council of Ministers should comply with its obligation to submit statutory annual reports to the Assembly.
- 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 table to the Assembly the legislative programme to be considered by the Assembly during each financial year.
- vii. The Council of Ministers should fast-track recruitment of staff to fill the vacant employment positions of the Assembly.

## **12 LAKE VICTORIA BASIN COMMISSION (LVBC)**

Article 40(b) of the Protocol for sustainable Development of the Lake Victoria Basin requires the Executive Secretary of LVBC to present an Annual Report of the activities of the Commission as well as the audited accounts to the Council for consideration highlighting the progress of implementation of regional projects and programs during the financial year. The Report provides synthesized information about key activities implemented by Lake Victoria Basin Commission (LVBC) covering the period 2019/2020.






For purposes of making the reader(s) understand the operating context of LVBC, an overview is provided.

## 12.2 Background

### Lake Victoria and its Basin

Lake Victoria (LV), with a surface area of 68,870 Km<sup>2</sup>, is Africa's largest and the world's second largest freshwater lake. The Lake lies at an altitude of 1134m above sea level and touches the equator on its northern reaches. It is relatively shallow, reaching a maximum depth of about 80m, and an average depth of about 40m. Precipitation is the main source of water into the lake accounting for 82% while the rest (18%), comes in through river discharges. Evaporation accounts for 76% of the loss of water from the lake. The other 24% is lost through outflow through the River Nile. The lake's water residence time is estimated to be 23 years, while its flushing time is 123 years. The Lake Victoria's catchment area covers 180,950 Km<sup>2</sup> with Tanzania occupying 44%, Kenya 21.5%, Uganda 15.9%, Rwanda 11.4% and Burundi 7.2%. The catchment in most of the Partner States is characterized by hilly terrain and consequently soil erosion is a major problem. The basin is endowed with a huge natural resource base upon which its inhabitants depend for their livelihoods. Major sources of income include: agriculture and livestock production, fisheries, wildlife and tourism, mining among others.

2 Table ..: Lake Victoria and its Basin

Country	Flag	Lake Surface Area		Catchment Area		Lake Shoreline	Popu lation
		Sq Km	%	Sq Km	%	%	(million)
Tanzania		35,124	51	79,570	44	33	5.7
Uganda		29,613	43	28,857	15.9	50	10.3
Kenya		4,113	6	38,913	21.5	17	12.1
Rwanda		-		20,550	11.4	0	6.9
Burundi		-		13,060	7.2	0	
<b>Total</b>		<b>68,870</b>		<b>180,950</b>		<b>100</b>	<b>35</b>

The 1st EAC Development Strategy (1997 – 2000) and subsequently the EAC Council of Ministers designated Lake Victoria Basin as a 'Regional Economic Growth Zone' and 'an area of Common Economic Interest' for the people of the East Africa. Despite huge growth and development potential, LVB still faces interrelated development challenges: rapid population growth, ill-health, poverty, land degradation, declining agricultural productivity

and water quality all of which must be addressed concurrently to achieve sustainable development. It is for this purpose; Lake Victoria Basin Commission was established.

#### Lake Victoria Basin Commission (LVBC)

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 Commission commenced its operations in January 2005 after the ratification of the Protocol for sustainable development of LVB and later relocated to its designated headquarters in Kisumu City, Kenya on January 2007.

The Protocol for Sustainable Development of Lake Victoria Basin as the guiding legal instrument of the LVBC, the Partner States agreed to cooperate in the areas relating to the conservation and sustainable utilization of the resources of the Basin, specifically: (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.

A photograph of one of the LVWATSAN II infrastructure projects inserted here to exemplify/simplify the literature above

#### **11.2.1 LAKE VICTORIA BASIN COMMISSION'S PARTNERSHIPS**

Since its establishment, LVBC has partnered with state and non-state actors with a view of achieving its mandate and EAC vision through programmatic interventions and partnerships with EAC Partner States and Development Partners. During the period under review the Commission continued partnering with World Bank (WB), African Development Bank (AfDB), USAID Kenya and EA, Adaptation Fund/UNEP and the Federal Republic of Germany/KfW in implementing its projects and programmes.

To build local ownership and sustainability, the Commission further partnered with local civil society organization and Private sector actors in specialized domains such as Health, Water and Sanitation, Natural Resources Management and Environmental Conservation in EAC Partner States. Specifically, the Nile Basin Discourse Forum Rwanda, Sustainable

Water Partnership, Pathfinder International, have spread messages through awareness campaigns at local levels in the Partner states

### **11.2.2 ACHIEVEMENTS BY PRIORITY AREAS.**

Achievements for the year (2019/2020) were in line with the EAC Development Strategy (2015-2020), LVBC Strategic Plan (2016/17-2020/21) and Annual Operational Plan for the Financial Year (19/20). The achievements registered during the Financial Year 2019/2020 by the Commission used a participatory process in planning, budgeting, coordination and performance monitoring of priority interventions.

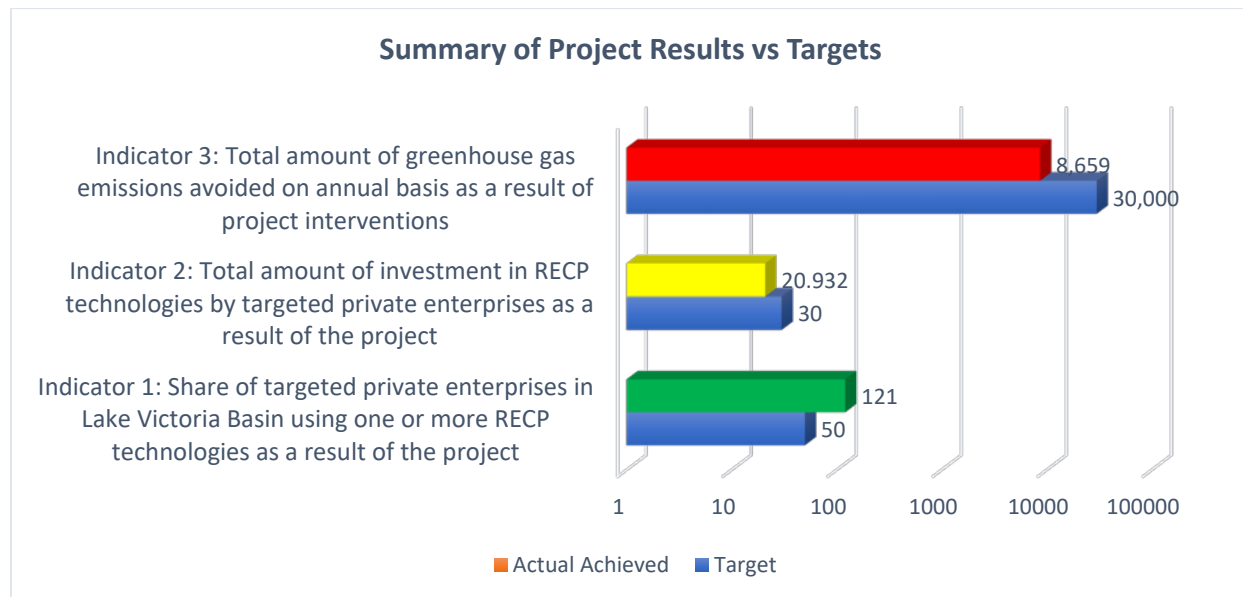
#### **11.2.2.1 Enhanced Management of ecosystems, natural resources, and climate change adaptation and mitigation strategies.**

##### **A. Engaging Private sector in Green Growth**

Building on the achievements of LVEMP II, the Commission secured financing from the World Bank Managed Single Donor Nordic Development Fund (NDF) to the tune of Euro 3.2 Million to sustain Resource Efficiency and Cleaner Production (RECP) interventions. The initiative of Engaging the Private Sector in Green Growth sought to: (i) ensure that at least 50% of the targeted 100 enterprises adopt and use one or more RECP technologies; (ii) Ensure 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.

Graph 2: Summary of Project Results (FY 19/20 Against Project Targets (2019-2020)



*Indicator 1: Percentage (%) of 100 targeted enterprises*

*Indicator 2: Million USD*

*Indicator 3: Tons of CO<sub>2</sub> Equivalent of GHG*



In view of the above, the commission achieved the following:

- (i) 300 private enterprises participate 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.

## **B. 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 phenomena. To address these challenges, 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 and EAC Partner States.

The overall Project objective is to “reduce vulnerability of the negative effects of climate change in the Lake Victoria Basin (Burundi, Kenya, Rwanda, Tanzania and Uganda), by building climate resilience”. 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.

### **11.2.2.2 Improved Safety of Navigation and Security on Lake Victoria.**

*The Multinational Lake Victoria Maritime Communications and Transport (MLVMCT)* 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 provided land/plot in Mwanza to EAC for construction of Regional Maritime Rescue Coordination Centre (RMRCC).

The overall Project 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. The specific objectives of the project are to:

- (i) Improve maritime communication network coverage and functionality;
- (ii) Operationalize the Maritime Rescue Coordination Centre 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) organization;
- (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 programme;
- (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 programmes; and
- (ix) Strengthen the implementation of Lake Victoria Transport Act 2007 and its Regulations, and Oil Spill Contingency Plan for Lake Victoria.

The project is funded by the African Development Bank (AfDB) and implemented in three EAC Partner states (Kenya, Uganda and United Republic of Tanzania). The project aims at establishing Regional Maritime Rescue Coordination Centre in Mwanza and two sub-centers in Kisumu and Entebbe.





#### **11.2.2.3 Harmonized policies, laws, standards and strengthened institutional development and governance in natural resources management promoted:**

In line with LVBC mandate, several meetings bringing together state and non-state actors were convened with the view of harmonizing policies, laws and standards in EAC Partner States. Specifically, the Sectoral Council of Ministers for Lake Victoria Basin held on 24<sup>th</sup> May 2019 in Kisumu Kenya, adopted directives and decisions geared towards strengthening the institutional development and governance of shared Natural Resources in Lake Victoria Basin.

Through PREPARED Project, LVBC in partnership with RCMRD, ICPAC and FEWS NET conducted the Vulnerability Impact Assessment (VIA) to support decision makers in EAC Partner States. The VIA will contribute to improving the understanding of; and making informed decisions on current and future adaptation actions, policies, and programs relating to climate change variability. The Vulnerability Impact Assessment addressed five sectors: 1) agriculture and food security; 2) aquatic ecosystems and water; 3) health, sanitation, and human settlements; 4) terrestrial ecosystems, forestry, wildlife, and tourism; and 5) energy. The LVB Climate Change Adaptation Strategy and Action Plan was approved by the 5<sup>th</sup> Sectoral Council of Ministers on Environment and Natural Resources.

Recognizing the importance of the Mara ecosystem, the 10th Sectoral Council of Ministers for Lake Victoria Basin, held on 4th May 2012 in Kigali, Rwanda, declared every 15th September, the “Mara Day”, to coincide with the great migration of wildlife from Serengeti National Park in the United Republic of Tanzania to Maasai-Mara National Game Reserve in the Republic of Kenya.

Consequently, LVBC facilitated the signing of the MoU between the Republic of Kenya and the United Republic of Tanzania in 2015 aimed at sustainable management of the Mara Ecosystem. In line with the afore-mentioned Sectoral Council of Ministers directive, LVBC in partnership with the Narok County organized the 8th Mara day Celebrations on

15th September 2019 in Mugumu, Seregenti District of Mara Region, United Republic of Tanzania with the theme “Mimi Mto Mara, Nitunze nim Kutunze”. (“I mara Stand with Me) and graced by the Minister of Water in the Republic of Tanzania. 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 Conferenced ended with resolutions to guide policy interventions in Mara Region. The Mara ecosystem is one of the critical ecosystems in the Lake Victoria Basin that supports sustainable socio-economic development and biodiversity conservation.

#### **11.2.2.4 Improved public health services with emphasis on HIV/AIDS, Gender, Reproductive health and Water Supply and Sanitation.**

##### **A. Integrated Population Health and Environment (PHE):**

During the reporting period the LVBC PHE Program strengthened the National PHE Networks in the Partner states and specifically supported; i) the approval of the Kenya National PHE Strategic Plan (2018 – 2022) which will help in enhancing PHE advocacy and Mainstreaming the PHE activities into national plans; The Uganda PHE Network to mainstream the PHE approach in Universities, specifically Makerere University; The Tanzania PHE Network to support the University of Dar es Salaam Main to launch the Master of Arts Programme in Population, Health and Environment (PHE). A total of eight (8) students are registered on the Programme which officially started in September 2019.

LVBC in partnership with K4Health developed the PHE Mainstreaming Guidelines and Regional PHE Indicators of Integration. These guidelines were approved by the 20th Sectoral Council of Ministers for Lake Victoria Basin and will help to standardize the approaches and processes used by the different actors for purposes of generating comparable results in PHE Programming.

##### **B. Integrated Water Resources Management (IWRM)**

*Integrated Water Resources Management Programme with High Priority Investments* is supported by the Federal Republic of Germany through a Grant of €30 million (€20 million will be provided by KfW and €10 from EU). The programme’s overall objective is to improve water quality and availability through strategic and sustainable management of Lake Victoria Basin and will be implemented in Kisumu, Kenya, Kigali, Rwanda, Kampala, Uganda and Mwanza in the United Republic of Tanzania. To programme seeks to specifically achieve the following results:

- i) The regional coordination of Member Countries led by LVBC has been improved through joint decision-making guided by an IWRM Strategy and Investment Programme based on IWRM Database and Model.
- ii) Knowledge Management and capacity of the LVBC and national partners for effective and sustainable management of water resources in Lake Victoria Basin has been strengthened through regular IWRM data collection and modelling,

organised knowledge sharing and targeted training to use the computer-based model for decision making.

- iii) Water quality of Lake Victoria is improved through the implementation of selected 'no regret' High Priority Infrastructure (HPIs) investment projects. These projects contribute to a reduction of inflow of untreated wastewater and reduce the degradation of natural resources of the Lake Victoria Basin.



*Launch of IWRM-Programme by stakeholders, February 2020, Kisumu, Republic of Kenya*

### **C. Water Supply and Sanitation**

Lake Victoria Basin Commission, coordinates water supply and sanitation interventions through Lake Victoria Water Supply and Sanitation Programme in 15 secondary towns of the 5 EAC Partner States. Funded by the African Development Bank, the programme's overall goal is to improved sustainable water supply and sanitation infrastructure in 15 secondary towns in Lake Victoria Basin (LVB).

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.

During the period under review, LVBC supported the construction of 3 water treatment plants and drilled 5 boreholes in Burundi. The Commission further facilitated the construction of 39.8 kms of water pipelines and completion 6 reservoirs. Additionally,

LVBC supported completion of 4 sludge treatment plants 3 in Burundi (Muyinga, Ngozi and Kayanza) and One in Uganda (Mayuge). Further LVBC Procured the Training & Capacity Building Equipment and delivered to programme Beneficiaries.



#### **11.2.2.5 Co-ordination and Management Capacity of LVBC:**

##### **A. Human Resource and Administration**

The Commission's Principal Resource is its Staff. As such, the 39<sup>th</sup> Ordinary meeting of the EAC Council of Ministers held in Arusha, Tanzania, on 29<sup>th</sup> November 2019, Approved appointment three Professional Staff under Integrated Water Resources Management Programme (IWRM) and two Staff under the Climate Change Adaptation Project to strengthen the Project Implementation Unit of the Commission. To strengthen operational capacity of the Commission, the 37<sup>th</sup> EAC Council of Ministers approved USD1, 350,000 for the Construction of the first phase of LVBC headquarters, and the recruitment of vacant positions.

##### **B. Financial Matters**

The LVBC mobilizes its financial resources from EAC Partner States and DPs to achieve its mandate as outlined in the 2004 Protocol for Sustainable Development in Lake Victoria Basin.

LVBC's budget for the financial year 2019-2020 was USD 12,420,022 out of which the Partner States contribution amounts to USD 4,268,373 (28%) and funding from Development Partners USD 11,151,649 (72%). The absorption rate as at 30<sup>th</sup> June 2019 was 42% due to delayed disbursement of funds.

To enhance LVBC's fiduciary function and effective management of financial resources, EAC Partner States conducted financial audits and LVBC secured clean-audit (2018-



2019). Similarly, the DFPA and USAID-funded projects were audited during the same period and obtained a clean audit opinion.

3 **TABLE: STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AS PER THE AUDITED FINANCIAL STATEMENTS 2019/2020**

	Budget	Actual	Variance	Utilization %	
	2019	2019	2019	2019	Remarks
LVBC REVENUE- ACTUAL EXPENDITURE	USD	USD	USD		
REVENUE					
Contribution from Partner States	3,260,342	1,769,999	1,490,343	54%	1
Contribution from EAC Reserve Fund	1,350,000	1,350,000	0	100%	
Miscellaneous Income	0	37,299	-37,299		
Funds from Development Partners'	10,809,680	3,977,957	6,831,723	37%	2
<b>TOTAL REVENUE</b>	<b>15,420,022</b>	<b>7,135,255</b>	<b>8,284,767</b>	<b>46%</b>	
	Budget	Actual	Variance	Utilization %	
EXPENDITURES	2019	2019	2019	2019	
Personnel Emoluments (PS)	2,121,386	1,834,915	286,471	86%	
Administrative Expenses (PS)	2,488,957	678,683	1,810,274	27%	
AfDB (LVWATSAN)	218,250	133,105	85,145	61%	3
Danish Family Planning Association	83,980	51,889	32,091	62%	
Integrated Water Resource Management	1,854,720	0	1,854,720	0%	4
Maritime Communication & Transport Project	2,044,569	10,965	2,033,604	1%	5
NDF Project	2,486,850	2,246,379	240,472	90%	
PPA Project	1,213,557	628,699	584,858	52%	6
Adapting to Climate Change (ACC)	1,697,165	232,679	1,464,487	14%	7
USAID -PHE	457,201	311,427	145,774	68%	8
USAID -PREPARED	753,388	362,027	391,360	48%	9
<b>TOTAL EXPENDITURE</b>	<b>15,420,023</b>	<b>6,490,768</b>	<b>8,929,251</b>	<b>42%</b>	

#### 11.2.2.6 Key lessons Learned

Structural support to programme implementation: LVBC has learnt that the effective implementation of projects and programmes needs to integrate social mobilization at all levels (Regional, National and Community) for ownership and sustainability of results. Specifically, whereas LVWATSAN and LVEMP II registered significant success, the social component generated room/space for further learning and continuous improvement.

Software are as important as hardware for sustainability of results—LVBC has gained valuable knowledge from coordination, management and monitoring of regional programmes and projects implemented in EAC Partner states. It has come to our realization that hard infrastructure investments and software interventions are mutually reinforcing. It is there important to integrate the software component I the programme/project design at regional level.

Harmonizing Standard Operating Procedures for Effective Coordination—As a regional Organization, LVBC coordinates different actors towards sustainable development in Lake Victoria Basin. As such, drawing consensus in managing transboundary natural resources enhanced LVBC's coordination capacity and stewardship in shared natural resources management.

Strengthening Monitoring and Evaluation in Programme/Project to effectively measure performance and timely inform decision making. — LVBC has learnt that regular performance monitoring, mid-term evaluation and end of project evaluation are paramount for effective and efficient in the implementation of development interventions.

Enhancing Institutional Capacity to discharge its mandate. LVBC experienced challenges related to delayed disbursement of funds both from Partner States contribution and Development Partners as well as slow recruitment of some members of Staff. As such LVBC leveraged on the available resources to continue carrying out its mandate.

## **13 LAKE VICTORIA FISHERIES ORGANIZATION (LVFO)**

### **INTRODUCTION**

This report provides information on activities undertaken by the Lake Victoria Fisheries Organization (LVFO) in the FY 2019-2020. The mandate of the organization is to coordinate the management and development of fisheries and aquaculture in the East African Community (EAC). The Organization implements its activities through four technical four program directorates. The four directorates are:

- i) Fisheries Management and Development
- ii) Aquaculture Management and Development
- iii) Fish Quality Assurance and Marketing
- iv) Fisheries Resource Monitoring and Research

### **13.1. INTEGRATING THE REPUBLIC OF BURUNDI INTO LVFO OPERATIONS**

The LVFO invited the Republic of Burundi to visit the Organization. A delegation from the Republic of Burundi led by the Honourable Minister of Agriculture and Environment visited LVFO Secretariat on 7th - 9th November 2019 to get acquainted with the Organization operations. In return, a team from LVFO Secretariat led by the Executive Secretary visited the Republic of Burundi on 16th - 17th January 2020 to get a better understanding of the status of fisheries and aquaculture in the Country, to interact with the political and technical leadership on fisheries and aquaculture matters, to sensitize them about LVFO affairs and opportunities, and agree on the way forward. Among the agreed actions was support on capacity building in fish quality and safety assurance in fish and fishery products.

Subsequently, LVFO convened a Training and Sensitization Workshop from 11th to 13th February, 2020 in Bujumbura, Burundi to: (a) build capacity of the Competent Authority in the Republic of Burundi in official controls regarding fish quality and safety of fish and fishery products; (b) build capacity of Fisheries Inspectors to understand the requirements and be able to ensure fish quality and safety of fish and fishery products; and (c) build capacity of Fish Traders to comply with fish quality and safety standards. The Training was conducted by Technical Officers from the Republics of Uganda and Kenya, and the United Republic of Tanzania. Seven (7) Technical staff and twenty (20) fish and fishery products traders were trained. The Training Workshop identified areas for follow-up as follows:

- i) The need for the Republic of Burundi to domesticate the Fisheries and Aquaculture Policy for EAC, EAC Harmonized Sanitary and Phytosanitary measures Volume II, Harmonized Fisheries and Aquaculture Border Inspection Manual for EAC and Harmonized EAC guidelines for traders in fishery and aquaculture products and inputs in regional and international trade;
- ii) Fast track designation of Directorate of Promotion of fisheries and aquaculture as the Competent Authority for fisheries matters and designation of staff as Fisheries Inspectors to handle development of relevant documentation for quality and safety assurance and to conduct the required inspections and certifications; and
- iii) The Republics of Kenya and Uganda and the United Republic of Tanzania to document and share information on approved small-scale fish processing facilities for local and regional trade to facilitate regional trade.

### **13.2. STATUS ON RESOURCE MOBILIZATION TO REVIVE OUTREACH MISSIONS AND CONDUCT OF REGIONALLY COORDINATED LAKE WIDE SURVEYS**

Resources were mobilized to fund the lake-wide hydroacoustic survey 2018, 2019 and 2020 through the GIZ funded Responsible Fisheries Business Chains project on Lake Victoria (GIZ-RFBC). The organization also mobilized resources (Euro 250,000) through

EU-funded ECOFISH Programme to conduct Frame survey in 2020. Under GIZ funding, Electronic-Catch Assessment Surveys (e-CAS) is being introduced which has minimum costs and gives real time data. A lake-wide e-CAS survey is planned to take place in April 2021.

The LVFO Secretariat has conducted mapping of potential donors and is engaging them for funding through emails, visits and video conference meetings. Concept notes were developed as per LVFO Strategic plan and among others highlighted are outreach missions as one of the strategic areas to be addressed. Finally, LVFO has captured in the Financial year 2021-22 a donor conference to further this matter forward.

### **13.3. STATUS OF IMPLEMENTATION OF REVISED WORK PLAN AND BUDGET FOR OPERATION SAVE NILE PERCH**

The three (3) riparian Countries of Lake Victoria, the Republic of Kenya, United Republic of Tanzania and the Republic of Uganda on 6th November 2009 under the 2nd Emergency Meeting of the LVFO Council of Ministers held at Laico-Regency Hotel, Nairobi (Kenya) agreed to Contribute USD 1.8 million to conduct a lake wide 14-days joint operation to remove illegal fishing gears and reverse the drastic decline of Nile perch biomass (amount of fish in the lake).

The LVFO Sectoral Council of Ministers in their meeting of 1st March 2019 considered the status of Nile perch stocks and observed that the stocks of Nile perch were still declining. The estimated biomass in 2018 (553,770 tons) was 10% lower than that recorded in 2017 implying the continuous decline of Nile perch. The Sectoral Council agreed on a revised work plan and budget to support joint operations and directed LVFO Secretariat to implement the work plan and budget to consider sustainability and joint operations by national multi-agencies (FASCoM/RS2/4(I)) and also directed the secretariat to support the national multi-agencies to implement the OSNP program [FASCoM/RS2/4(II)].

The work plan was presented to the 39th EAC Council that observed that the proposed work plan did not clearly specify the expected outcomes of the project in line with the original objective of addressing the declining stock of Nile Perch in the lake. The Council referred the draft Workplan to the Sectoral Council on Fisheries and Aquaculture to revise it and specify the expected outcomes and submit to the 40th Ordinary Meeting of the Council [EAC/CM 39/Decision 48).



### **13.4. HARMONIZATION OF THE REGIONAL POLICIES, LEGISLATIONS AND STANDARDS**

#### **13.4.1. Regional Guidelines for Fisheries Co-management on Lake Victoria**

The 1st Regular Session of FASCoM held on 2nd March 2018 urged Partner States to strengthen and facilitate co-management institutions in view of their key role in fisheries management [FASCoM/RS1/3.2 (VI)]. It further directed LVFO Secretariat to work with Partner States to review the Co-management Guidelines to take care of the roles of different stakeholders and the central and devolved/local governments by September 2018 [FASCoM/RS1/3.2 (VII)].

The LVFO Secretariat convened a regional Technical meeting on 29th June 2018 to initiate the review of the Co-management guidelines. The meeting identified gaps which needed to be considered during the review of the regional guidelines like providing for elections and tenure of office for Beach Management Unit (BMU) networks. Also identified was the need to include BMU networks in national legislations, need to strengthen linkages and institutionalize a reporting system between the co-management institutions and National Governments, and need to provide for funding of BMU networks among others. The LVFO Secretariat developed Terms of Reference in consultations with Partner States and engaged a consultant to spearhead the review process. Consultations were held at national level and the draft was validated in a regional workshop in May 2019.

The purpose of the revised guidelines is to provide guidance for the harmonized formation and operation of the Co-management Networks, including their roles and functions, taking into consideration changes which have occurred in the fisheries and in the governance and policies of Partner States. It is expected that there will be improved clarity on responsibilities between the government, fishing communities and other stakeholders. It is also expected that co-management institutions will be developed at different levels: a) Sub-County (Uganda)/Ward (Kenya and Tanzania) b) District/ Sub-county (Kenya) c) County (Kenya)/ Region (Tanzania) d) Lake Victoria (National) e) Regional to enhance participation, information flow, funding and reporting. The formation and effective operation of networks take time and therefore require continued awareness creation, capacity building and mobilization of funds to support their activities.

#### **13.4.2. Regional guidelines on extraction, processing and trading of Nile perch maws from Lake Victoria**

The Second Session of FASCoM in their meeting of 1st March 2019 directed LVFO Secretariat to coordinate development of harmonized traceability guidelines for fish maw to control IUU and ease inspection at the borders. The need for development of fish maw guidelines emanated from the challenges facing trade in fish and fishery products in the

region such as that associated with increased demand and fluctuating prices for the Nile Perch Maw. Although the increased demand and high prices are good for the maw businesses, they raise emerging sustainability issues which have to be mitigated. More so, even though the Nile Perch maw is a valuable product, the markets require safe and good quality product. The Nile Perch maw trade in the region has also been characterized by smuggling across borders leading to increased illegal, unregulated and unreported (IUU) fishing and fish maw trade. Also, extraction and processing of Nile perch fish maw need improvement to produce better safe and quality product.

The purpose of these guidelines is to provide guidance on tracing and tracking the product along the value chain, there is need to guide the extraction, processing and trading of Nile perch maws. This will ensure the safety and quality demanded by the market and sustainability of the Nile Perch fishery. The guidelines are intended for all maw business operators, relevant government officials and other stakeholders that are responsible for promoting best practices during extraction, processing and all stages in the trading process. The LVFO Partner States are requested to incorporate provisions of these guidelines in their national laws, regulations and guidelines to promote sustainability of fisheries resources and optimize trading in maws.

### **13.5. STATUS OF IMPLEMENTATION OF PROGRAMMES AND PROJECTS IN FISHERIES AND AQUACULTURE**

#### **13.5.1. Management of fishing effort**

The 1st Regular Session of FASCoM meeting held on 2nd March 2018 urged Partner States to register and license all fishing vessels but aim at 70,696 for the whole Lake (13,403 in Kenya; 29,154 in Tanzania and; 28,139 in Uganda) and not to go beyond 37,679 fishing vessels for Nile perch (7,531 in Kenya; 15,327 in Tanzania and; 14,821 in Uganda) [FASCoM/RS1/3.1 (II)]. The Sectoral Council also urged Partner States to provide funding and facilitate e-Licensing [FASCoM/RS1/3.1 (V)]. Licensing of fishing vessels is still a challenge and requires concerted efforts to act as a control measure in fisheries management. For 2019, in the United Republic of Tanzania, about 58% were licensed; in the Republic of Uganda, about 39% were licensed while in the Republic of Kenya, about 20% were licensed.

The Sectoral Council urged Partner States to coordinate efforts to eradicate illegal activities in fishing and trading [FASCoM/RS1/7.2 (V)] and urged Partner States to enforce related fisheries legislations applicable in each Partner State to enhance compliance [FASCoM/R1/7.2 (VII)]. Riparian Partner States of Lake Victoria are now using different enforcement strategies to control Illegal, Unreported and Unregulated (IUU) fishing. The Republic of Uganda is using the 'Fisheries Protection Unit' composed of the army, the Republic of Kenya has established 'Kenya Coast Guard Service' while the United Republic of Tanzania is using multi-agencies. Under the LVFO component of ECOFISH

Programme, capacity building and coordinated lake patrols have been planned in 2021. For effective operations, there is need for agreed mechanisms of collaboration and information sharing between the different agencies during operations.

The 2nd Session of FASCoM meeting approved regional guidelines on establishment and management of fish breeding and nursery areas in March 2019 with the aim of enhancing survival of juvenile fish to contribute to sustainability of fisheries resources. Breeding and nursery areas have since been identified in the Republics of Kenya (20) and Uganda (42) and the two Countries are in the process of gazetting them while the United Republic of Tanzania have gazetted (147) already. However, none of the Countries has physically marked them. Through the EU-ECOFISH Programme, the organization has earmarked resources to pilot physical marking of selected landing sites.

#### **13.5.2. Status of Aquaculture in the Partner States**

Aquaculture is being developed in the EAC region to increase fish production and meet the fish deficit from the declining capture fisheries. However, aquaculture production is still low and there is need for concerted efforts by Partner States to promote investments in aquaculture along the value chain. In the Republic of Burundi, the total fish production is 1,586 tonnes, in the Republic of Kenya it is 14,952, in the Republic of Uganda it is 112,328 tonnes while in the United Republic of Tanzania it is 14,800 tonnes.

The main challenges in aquaculture that need to be addressed include inadequate supply of quality fish seed and feed, limited extension services and limited support on credit facilities. Following the Directive of the FASCoM requiring Partner States to harmonize standards and certification procedures for fish seed and fish feed across the region. The LVFO Secretariat secured funds under EAC Partnership Funds and developed regional guidelines for the certification of fish seed and feed in the Financial Year 2019/2020. The guidelines have already been validated by the Partner States, but final editing, input of comments and printing of the final copies is yet to be finalized.

#### **13.5.3. Sustainable cage culture on Lake Victoria**

The Riparian States of Lake Victoria are developing cage farming in Lake Victoria to increase fish production and contribution to food security, income and provision of employment. LVFO produced harmonized guidelines for the establishment and management of cages which were approved in 2018.

LVFO conducted sensitization to cage fish farming in the last quarter of FY 2019/2020 to build their capacity to ensure harmony and to address environmental issues. The Partner States are required to institute environmental monitoring to monitor the water and sediments and put in place mechanism to ensure compliance to the regional guidelines.

The activities to be implemented will include the development of a zoning strategy and undertaking some of the preliminary implementation steps, i.e. collation and review of

existing data sets, develop and deploy spatial planning tools like geographic information systems (GIS) and mapping – including, through surveys where necessary, defining zone selection criteria and identifying suitable areas.

#### **13.5.4. Fish quality assurance, Trade and Marketing**

There has been an increase in the export of fish and fishery products because of recovery of fish stocks in Lake Victoria. In the United Republic of Tanzania, fish exports increased from 362,645 tonnes worth USD 664,947 in 2017 to 470,309 tonnes worth USD 960,978 in 2019. Imports of fish and fishery products into the United Republic of Tanzania decreased from 23.8 tonnes to 9.74 tonnes between 2017 and 2019 saving the Country about TZS 27.74 billion that would have been used to import fish.

EAC Partner States cannot export smoked fish to foreign markets like the EU because of the failure to meet recommendation for sale of smoked fish for consumption. Smoking fish by local processors is highly characterised by the traditional methods of using charcoal and various forms of firewood. The smoked products contain up to 40,000 parts per billion (ppb) carcinogen of polycyclic hydrocarbons (PAHS) surpassing the maximum 12 ppb for the PAHs requirement for the EU market. Therefore, there is a need for the region to come up with appropriate fish smoking materials and methods for improved product quality and safety so as to access lucrative foreign markets.

#### **13.5.5. Evaluation of Status of fish stocks in Lake Victoria**

This report presents results of the 22<sup>nd</sup> Lake Victoria regional Hydro-acoustics and environmental survey conducted from 15<sup>th</sup> September to 13<sup>th</sup> October 2019. The cruise tracks are shown in Fig. 1 below. Acoustic data were collected alongside limnological and biological parameters from pre-defined transects following a radial design.

Results showed total biomass of fish and *Caridina nilotica* in the lake to be 2.68 million tons (t), corresponding to a 21% increase in total biomass compared to the previous year (2018). The silver cyprinid, *Rastrineobola argentea*, also known as dagaa, was the most abundant (35%), followed by Nile perch, *Lates niloticus* (31%), while haplochromines and others constituted least (13%) and *Caridina niloticus* constituted 21% to the total biomass of the lake. The results indicated that:

- i) Nile perch was more abundant in southwest and north-western parts of the lake, and in inshore and coastal areas, compared to the eastern parts and deeper waters;
- ii) Nile perch registered a 48% increase in biomass, compared to the previous year, but the increase was only in the Ugandan and Tanzanian waters;
- iii) There was a noticeable improvement in size structure of Nile perch, especially in the north-western parts of the lake (Uganda), with more fish above 50 cm TL compared to the previous years;

- iv) Dagaa registered a 42% increase in biomass, but unlike Nile perch, the increase was apparent in all parts of the lake (Kenya, Uganda, Tanzania) with no discernible spatial differences in densities;
- v) Haplochromines, on the other hand, registered a 15.5% decrease in biomass compared to the previous year; the decrease was more pronounced in Tanzanian and Kenyan waters;
- vi) *Caridina niloticus* on the other hand, registered a slight decrease of 2.6% decrease in biomass compared to the previous year; like in 2018 survey, the biomass was highest in the Ugandan waters and lowest in Kenyan waters.;
- vii) Acoustic biomass estimates were consistent with catch rates from bottom net trawls; The report of the survey concluded as follows:
- viii) Fish abundance is higher in inshore and coastal areas compared to deeper waters and seems to be influenced by water quality.
- ix) The increase in fish biomass (Nile perch and dagaa) may be attributed to the current enforcement especially in the Ugandan and Tanzanian parts of the lake.
- x) The size structure of Nile perch has continued to improve, especially in the Ugandan parts of the lake, which may also be attributed to the ongoing effort by the military to enforce the minimum mesh size regulation.
- xi) The decrease in the biomass of haplochromines is not surprising, given the increase in predator (Nile perch) abundance. This is likely to affect Nile perch stock, although we observed in this survey adult Nile perch also ingesting *C. nilotica*, whose abundance has increased.
- xii) Overall physical and chemical attributes show that the lake to be in a fair and stable state of environmental health.

The survey recommendations were as follows:

- i) Prey species such as haplochromines and *Caridina nilotica* need to be protected to sustain the recovering stocks;
- ii) Lake-wide enforcement of fisheries regulations should be embraced. Empirical evidence shows an increase in number and size of fish in areas with enhanced enforcement and compliance with fisheries regulations;
- iii) There is still need to facilitate re-analysis of all the data from all the past surveys so as to improve reporting on the trends for all the monitored taxa.
- iv) We still recommend that re-analysis of data for dagaa from previous surveys using the school detection algorithm is facilitated and fast-tracked.
- v) There is need to ensure, during the planning of the next survey, that every region and strata has at least one bottom trawl conducted.
- vi) The long transects that end in the night is still a logistical challenge that needs a review.



Kisumu, Kenya for ensuring reliable availability of Information Systems and business continuity in case of any disaster.

### **Development of Database systems and Applications**

In collaboration with Partner State database developers and funding from GIZ-RFBC and other collaborators, the Organization has managed to develop East Africa Fisheries Platform, a system which is intended to host all fisheries and aquaculture related data and to facilitate timely archival and retrieval of fisheries and aquaculture data for timely decision-making process.

So far, the platform has three modules completed; one for Catch Assessment, Economic and Financial Impact Assessment and Frame Survey. The Economic Impact Assessment module was used to capture the data using mobile technology and has been very important in timely completion of the report. In addition, Frame Survey 2020 data has been captured under the same system and the report will be completed soon after the regional workshop for report writing is convened towards the end of March 2021.

### **Development of an online recruitment system**

The LVFO Secretariat has managed to develop an electronic recruitment system internally without any external consultancy, thereby becoming the first institution in the EAC to have established such a system. The system has successfully automated the recruitment process from advertising job posts, applications, screening, filtering applicants depending on different criteria, automatic and on demand email notifications to applicants etc. On its recent use, around 2,600 applications were received online and successfully processed. The system is accessible through the address: <https://recruitment.lvfo.org/>

## **13.6. PROJECTS OF THE ORGANISATION**

### **13.6.1. Responsible Fisheries Business Chains on Lake Victoria Project**

The Responsible Fisheries Business Chains (RFBC) on Lake Victoria project supported through GIZ (€ 1.794M) has facilitated undertaking of Lake-wide hydro-acoustic surveys in 2018 and 2019 to provide updated status of fish stocks in the Lake Victoria for their sustainable management and development. Between these periods, the stock of Nile perch has increased from 553,800 MT in 2018 to 816,694 MT in 2019 making more food and income available for East Africans.

In addition, the project supported LVFO to:

- i) Develop an electronic catch assessment survey (e-CAS) system to capture Fish Catch data. The system is designed for real time data capture, analysis and timely reporting.

- ii) Conduct economic and financial impact assessment of fisheries with the aim of teasing out the real contribution of fisheries along the value chain.
- iii) Review of co-management guidelines for enhanced involvement of key stakeholders to the management of the fisheries resource, mainly by increasing participation of the local communities into the decision making processes.
- iv) Development of guidelines for the extraction, processing and trading of fish maw with the aim of increasing benefit to local community from the earning from this lucrative business,
- v) Refurbishment of the Research Vessel (RV Explorer) that is used during hydro-acoustic surveys, procurement of goods and services,
- vi) Review of Standard Operating Procedures undertaking of regional technical meetings, and validation of several regional technical documents.

### **13.6.2. EU-EAC TRUE-FISH Project**

The European Union (EU)-EAC TRUE-FISH Project (€10.15M) is a collaboration between LVFO, the EAC Secretariat and the EU Delegation Regional Office in Tanzania for Promoting Aquaculture in the Lake Victoria basin under EDF 11. The project is a total grant of €10.15 million to support the promotion of Aquaculture in the EAC region. The project financing agreement between EAC and EU delegation was signed in December 2018 for a period of 60 months.

The main objective is to contribute to the development of competitive, gender equitable and sustainable commercial aquaculture in order to support economic development and sustainable management of natural resources in the Lake Victoria basin. The project is implemented in collaboration with FAO and WorldFish Centre. So far, Letter of Agreement (LoA) between LVFO and FAO and hosting agreement between LVFO and WorldFish Centre have been signed. The process lead by EAC Secretariat is underway to procure a consultancy firm to support implementation of project activities under Component 1, which is to support improved access to finance and to commercial networks for competitive aquaculture-related businesses.

### **13.6.3. EEOFISH Programme**

The EEOFISH Programme, Contribution of Sustainable Fisheries to the Blue Economy of the Eastern Africa, Southern Africa and the Indian Ocean Region (EA-SA-IO) (€ 2M) is aimed at enhancing equitable economic growth by promoting sustainable fisheries in the EA-SA-IO region. Other areas that the project will support include: Review of Policies and Legal Frameworks to support transformation of LVFO into EAFO, enforcement, licensing, protection of breeding and nursery areas, sensitization and support to LVFO Secretariat. The project started with a start-up phase from October 2019 to February 2020 that developed the detailed programme estimate, recruited and procured equipment and materials for the implementation of the programme, which includes one field vehicle.



The Programme Steering committee meeting to approve the project activities and budget was held on 24th January 2020. While the implementation of the Programme was affected by COVID-19 pandemic restrictions some, virtual meetings were held but physical meetings/trainings were delayed to commence until 2021. The project is currently in the process of recruiting two consultancy services: 1) to undertake legal, institutional and organizational framework of the proposed EAFO and 2) to review the performance of the Lake Victoria Fisheries Management Plan-III (2016-2020) and develop a new plan (2021-2025).

#### **13.6.4. IFAD Grant**

In December 2019, LVFO submitted a Proposal to IFAD in response to a publically advertised call targeting management of small fish species in Lake Victoria (USD 2M). In February 2020, LVFO was informed that the proposal had been selected for funding under the IFAD grant: Promoting sustainable technologies and marketing strategies to increase incomes and reduce food losses in small fish systems. The grant amount is 2 m Euros for a period of 3 years went through IFAD administrative reviews and approvals but implementation was halted due the COVID19 Global Pandemic. The organization has now received alert from IFAD Headquarters Rome, Italy to express interest in resumption of this grant application process. The organization responded in the affirmative and now awaits further guidance from IFAD.

#### **13.6.5. MECCA Project**

LVFO in collaboration with the University of Bergen, Utrecht and Potsdam Institute for Climate Impact Research is implementing a three-year project titled, 'Targeting Mental Models of Climate Change Risk to facilitate Climate Action - MECCA'. The overarching objective of the Project is to identify adaptation and mitigation strategies by analyzing the gap between stakeholder's perceptions of change and risk and projected impacts of human activities under changing climatic conditions in East Africa (Lake Victoria) and West Africa (Lagos).

The MECCA Project will provide estimations that are more realistic and better-quantified uncertainties about climate change impacts for different scenarios. It will also provide insight into perceptions of climate change among important decision-makers. This project responds to the theme of developing pathways to achieve the long-term objectives of the Paris Agreement, and to the UN SDG 13 - facilitating collective action on climate change. So far all contracts with LVFO have already been completed and fieldwork is expected to start in the third quarter of the Financial Year 2020/21. The project will build capacity of 3 EAC scientists at MSc level and offer several short courses to EAC researchers.

#### **13.6.6. FAO Support and Collaboration**

LVFO in collaboration with the Food and Agriculture Organization of the United Nations (FAO) is co-organizing the Global Workshop on Fisheries Tenure, Access and User Rights

in the Great Lakes and Inland Water Bodies of the World (US\$ 46,500) under a Letter of Agreement signed in December 2019. The Workshop was originally scheduled to take place from 24th to 26th March 2020 in Entebbe, Uganda but has been postponed to a later date due to the outbreak of COVID-19. The Workshop's objective is to gather knowledge and information that can help identify how to design and implement appropriate tenure, user and access rights systems in inland fisheries to help accelerate the uptake and application of the VGGT and the SSF Guidelines. FAO together with LVFO are still observing the course of the COVID19 Pandemic before further actions can be proposed.

#### **13.6.7. Collaboration with the University of St. Andrews**

LVFO in collaboration with the University of St. Andrews secured funding (UK£ 724,548.80) from the UK Royal Society to implement two Projects:

**Schistosomiasis, shallow-water fisheries and human resilience around Lake Victoria:** towards a multidisciplinary solution for interlinked human-health and food-security challenges. This is a three-year project intended to untangle the relationship between fish production and schistosomiasis (bilharzia) infection in the fishing communities on the major islands of Lake Victoria. Comprehensive studies were conducted in 2019 and 2020 to establish the extent of schisto infestation on island fishing communities and types of fish around these areas to determine the types that eat snails in order to reduce schisto intermediate hosts. This project is worth UK£ 500,000.

**Cutting-edge fisheries research for sustainable management of Lake Victoria's Silver Cyprinid'.**

The main objective of the project is to improve understanding of Dagaa variability in its temporal and spatial distribution and improve long-term sustainable management. The project has been implemented effective 1st January 2019, to run for 3 years. This project is worth UK £ 224,548.80. So far, two surveys using new EK80 hydro-acoustic wide band system has been organized to identify and characterize schools of dagaa in the water column with a view to improve its biomass estimation. In addition, 7 scientists were taken for a short course in UK and 2 are pursuing long term training in UK at PhD level. Activities for this year were postponed due to new covid-19 restrictions imposed by the UK government.

#### **13.6.8. Collaboration with African Centre for Aquatic Research and Education (ACARE)**

LVFO in collaboration with ACARE organized an African Great Lakes Stakeholder Network Workshop in Entebbe, Uganda from 5th to 7th November 2019, with a theme "Strengthening capacity in Research, Policy and Management through Development of a Network of African Great Lakes". One of the key outputs of the workshop was the

establishment of Advisory Groups for each lake (including Lake Victoria) which are tasked with the responsibility of provision of scientific and management advice as well as resource mobilization. The impact of COVID19 Pandemic notwithstanding, the ACARE – LVFO annual conference was held virtually in December 2020 in which diverse experiences were shared. To further strengthen the relationship, MOUs are being concretized between ACARE and LVFO that will entail the working relationship between the ACARE-Lake Victoria Advisory group and the LVFO-Stock Assessment Working group.

#### **13.6.9. Study on Small-Scale Fisheries Affections and Responses to Covid-19 and Flooding in Lake Victoria (RCEE)**

LVFO in collaboration with the Research Centre for Environmental Economics (RCEE), Heidelberg University, Germany is conducting a study on the impact and response of Lake Victoria fisheries to COVID-19 and flooding. The overall objective of the study is to assess the short-term direct and indirect socio-economic impacts of covid-19 and flooding to fishing communities in Lake Victoria. In addition, recent increase in water level has caused severe damage to fisheries infrastructure and significantly impacted the livelihood of fishers and other stakeholders. Therefore, this study will inform the Partner States on the impact COVID-19 and flooding had on the livelihood of fishers and other stakeholders along the value chain for better planning and preparedness for such events in the future. The field activity is planned to be completed within March 2021 and will be very instrumental for future preparations.

### **13.7. CONSTRUCTION OF EXTRA SPACE TO ACCOMMODATE AQUACULTURE, FISH QUALITY ASSURANCE AND PROJECTS OF LVFO**

#### **13.7.1. Background**

The EAC Secretariat is finalizing the 6<sup>th</sup> Development Strategy in which one of the key priority intervention areas to spur regional development is Resource mobilization. Similarly, the LVFO is preparing a new strategic plan (2021 – 2025) together with a Framework implementation plan (FIP). Important requirements to implement the strategy include among others material, human, and financial resources. In order to mobilize human and material resources to implement the diverse development strategies, the organization draws on various sources of revenue, allowing it to support its ongoing efforts and to undertake new initiatives. However, funding from Partner States is currently meagre and can only support Administration and mainstream human resource emolument needs, leaving the bulk of institutional mandate to be supported by competitively attracted research and development grants. Consequently, the LVFO has stepped up efforts to mobilize additional human and financial resources to support in implementation of her mandate as summarized in Table 1 below:

Table 1: Summary of key human and financial resources attracted/hosted and utilized to implement the institutional mandate.

S/N	Project	Funding Source	Total Project Budget	No of staff
1	Responsible Fisheries Business Chains on Lake Victoria	GIZ	€ 1.794M	9 (GIZ) 2 (LVFO)
2	EU-EAC TRUE-FISH farming story in Lake Victoria Basin	EU	€ 10.15M	2 (FAO) 2(World Fish) 1(SO1) 3 (LVFO)
3	EEFISH Programme	EU	€ 2M	2 (LVFO)
	Total		€13.944	21

In addition to the projects in the Table 1 above, there are other financial resources attracted to support the organization as detailed in section 5. It is projected that by the FY 2022-23, LVFO may have up to 30 project staff at the organization if all the projects in the offing are concluded and contracts signed.

In addition, the amendment of the LVFO convention in 2016 expanded the mandate and scope of the organization and ultimately led to creation of two directorates 1) Directorate of Aquaculture Management and Development and 2) The Directorate of Fish Quality Assurance, to handle the expanded scope specifically aquaculture and fish quality assurance, and trade. With the expanding human and financial resources, the organization is limited with office space to accommodate additional staff from the two extra directorates and projects.

Subsequently, the organization has temporarily partitioned part of the second floor of the main building to house some of the extra Directorate and project staff. Secondly, the organization routinely gets challenges in implementing projects where administrative costs are required but not provided for under the project contracts, yet during negotiation with Development partners, they routinely require a policy to support imposition of administrative costs on the projects.

### **13.7.2. Funding Proposal**

The organization has provided for the required costs for preparation of architectural drawings and preparation of Bills of Quantities (BOQs) in the FY 2021-22 Organization budget. Once the initiation of the project is approved by FASCoM, the Organization will engage a consultant to prepare the drawings and BOQs and present the proposal to the EAC Council of Ministers through FASCoM to seek utilization of the LVFO General Reserve Fund to initiate construction of the building as it continues to build on the reserve funds with annual savings as well as sourcing for additional support from upcoming projects.

## **13.8. FINANCE, ADMINISTRATION AND HUMAN RESOURCE MATTERS**

### **13.8.1. Finance Matters**

Following the Partner States completion of their respective arrears towards the approved LVFO budget by the 2nd of July 2020, and the 41st Extra Ordinary Council directive to invest the same (EAC/EX-CM/41/Directive 03), the LVFO invested an equivalent of USD1,050,000.00 (USD525,400.00 b/d and USD524,600.00 arrears released) into an interest earning account for a period of one (1) year.

### **Status of Operation Save Nile Perch fund**

As at 2nd July 2020, the LVFO Partner States had completed their respective contributions to the fund. A total of US\$1,797,458.33 (inclusive of US\$43,208.33 interest earned for the period to 20th March 2020) was reinvested at a interest of 3.5%.

### **13.8.2. Audit Matters**

The EAC Audit Commission issued an unqualified opinion following the audit of the Financial Statements for the FY 2018/2019.

### **13.8.3. Administration**

A number of the institution assets are old/broken and no longer in use. Following previous advice from the sectoral council, LVFO Management engaged the Chief Mechanical Engineer from the Ministry of Works and Transport of the host Partner state Uganda, who evaluated the items and submitted a report. The report has been carefully validated and therefore Management wishes to dispose of these items as per attached list (Annex X).

### **13.8.4. Human Resource Matters**

With the joining of Burundi, funds are now available to cater for recruitment of Principal Fish Trade and Marketing Officer (P3); and Procurement Officer (P1).

## **14 EAST AFRICAN KISWAHILI COMMISSION (EAKC)**

The East African Community (EAC) recognizes the role of Kiswahili in regional integration. Article 137 (2) of the EAC Treaty states that Kiswahili shall be developed as a *lingua franca* of the Community. To actualize this, the EAC established the East African Kiswahili Commission (EAKC) to coordinate and promote the development and use of Kiswahili in the EAC Partner States in terms of research, teaching, learning and development through policy formulation, knowledge generation and curriculum review and standardization of terminologies. The Commission became operational in 2015 with its headquarters in Zanzibar United Republic of Tanzania

During the Financial Year 2019/20, the Commission planned to undertake: Mid-Term Review of the EAKC Strategic Plan; Develop Principles and Guidelines for the establishment of National Centers of Research and Training in Kiswahili in EAC;

Development of EAC Kiswahili Language Policy; Development of Frameworks and Guidelines for the establishment of National Kiswahili Councils and National Kiswahili Associations; Design Kiswahili Training Programmes and Manuals in EAC; Procure furniture and fittings for EAKC Resource Centre; and Printing and Publishing EAKC materials. In view of the planned activities, the achievements registered during the year were as follows: -

### **12.1 Draft EAC Kiswahili Language Policy**

The Commission drafted the EAC Kiswahili Language Policy that provides acceptable and appropriate measures to be taken at both National and Regional levels to foster Kiswahili development in all communication domains. The Draft Policy further provides guidelines to be used in the development of the language at all levels. The Policy will help Partner States implement the 35<sup>th</sup> Council of Ministers directive to formulate National Kiswahili Language Policies and enhance the use of Kiswahili in official domains (EAC/CM 35/Directive 36). The Policy will further support the development of Kiswahili both at national and regional levels which is a key platform for the promotion/facilitation of free movement of goods, persons, workers and cross-border investments among other benefits critical in realization of the four pillars of EAC integration.

The EAC Kiswahili Language Policy provides for implementation of measures and initiatives to develop and popularize Kiswahili both in formal and informal settings. The Policy provides standards for the EAKC and Partner States to develop and promote Kiswahili for regional integration and sustainable development. It further provides principles and guidelines upon which the EAKC will coordinate and support Kiswahili development efforts within the EAC and beyond.

### **12.2 Development of Kiswahili Training Programmes and Manuals in EAC**

The Commission developed Programs and Manuals for Kiswahili teaching and training in Partner States in accordance with Council Directive (EAC/CM 35/Directive 95). The Commission in partnership with Partner States developed Training Programmes to be implemented at national level as follows;

<b>Partner State</b>	<b>Programme Developed</b>
Republic of Burundi	Kiswahili Training for Basic Education Teachers (Primary and Secondary).
Republic of Kenya	Kiswahili Training for Parliament.
Republic of Rwanda	Kiswahili Training for Trade and Business (SMEs).
Republic of South Sudan	Training of Teachers of Kiswahili at Secondary School Level
United Republic of Tanzania	Training experts to Teach Kiswahili to speakers of other languages
Republic of Uganda	Kiswahili Training for Parliament.

These Training Programmes were identified by Partner States during a capacity assessment exercise (undertaken by EAKC in the Partner States?) and were considered

key in addressing immediate Kiswahili development needs of each Partner States. Implementation of these Programmes is envisaged to create a favorable ground for Kiswahili development initiatives in Partner States.

### **12.3 Printing and Publishing EAKC Materials**

The Commission made three major publications in accordance with Article 15 (1) I of the Protocol for the establishment of the East African Kiswahili Commission which prioritizes the publication and dissemination of Kiswahili materials in all contemporary media.

The Commission published and printed 2019 (Two thousand nineteen) copies and distributed them Kiswahili stakeholders in EAC as follows;

- i. 700 copies of Mitaala ya Kiswahili katika Vyuo Vikuu vya Afrika Mashariki (2019. ISBN: 978-9976-1650-0);*
- ii. 618 copies of Kiswahili, Utangamano na Maendeleo Endelevu Afrika Mashariki (2019. ISBN: 978-9976-5-1653-1);*
- iii. 701 copies of Capacity Assessment of the Development and Use of Kiswahili in the EAC (2019: ISBN: 978-9976-5-1656-2);*

Printing and dissemination of project activities to the broader Kiswahili community is key in creating awareness about the importance of Kiswahili as a language of wider communication for regional integration and sustainable development. Policy recommendations on the development and use of Kiswahili have been pronounced in all the publications which are expected to cause more action on how Kiswahili development matters are handled both at regional and national levels.

### **12.4 Establishment of EAKC Resource Center**

The Commission established a resource center in line with Sectoral Council directive to EAC organs and institutions establish information resource centers (EAC/SCMEACP26/Directive 19). The EAKC resource center will contribute to learning of Kiswahili by reinforcing and extending learning of concepts, skills or topics required to perfect Kiswahili by those interested. All East Africans will be encouraged to visit the resource center either physically or virtually once it is fully stocked and fully online. The resource center will further facilitate Kiswahili researchers by providing unlimited access to Kiswahili materials through open access and hard copies. This will not only help East Africans pursue their careers in Kiswahili but also help the Commission on delivering on its mandate as per Article 15 of the Protocol for the establishment of the East African Kiswahili Commission.

### **12.5 Challenges**

Although the Commission had planned a number of activities aimed at contributing to the development and use of Kiswahili in EAC Partner States, this was not possible since most of the activities were scheduled to be undertaken during the third and fourth quarter of the financial year that was heavily affected by Covid 19 pandemic. The closure of borders

by EAC Partner States meant that both regional and national activities that required physical engagement could not take place hence inability by the Commission to undertake all the planned activities.

## **15 EAST AFRICAN COMPETITION AUTHORITY (EACA)**

### **13.1 Introduction**

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 efficient and competitive EAC regional markets. The key functions of EACA are (i) regulation of market structure (mergers and acquisitions and control of subsidies); (ii) regulation of market conduct (cartels and abuse of dominance); (iii) protection of consumers; and (iv) advocacy and capacity building.

Section 38 of the Act also provides for the appointment of commissioners by the Council (one from each partner State). The Commissioners, who are a quasi-judicial body are charged with the responsibility of providing policy guidance and making determinations on the cases brought before EACA.

In the year under review, the EACA prioritized the following activities: to finalize on the amendments to the Act; develop Outreach and Advocacy Strategy; develop merger Regulations and Guidelines; Develop prioritization framework; conduct stakeholder sensitization Workshops on competition policy and law in the Partner states; and build human capacity, including creating visibility for EACA mandate.

### **13.2 Key achievements**

The Key achievements registered during the period under review include:-

#### **13.2.1 Amendments to the EAC Competition Act, 2006**

EACA commenced the process of reviewing its regulatory framework, the Act, to address the lacuna identified in regulation of market structure and market conduct in the EAC region. The proposed amendments to the Act, were motivated by the Report on Review and Assessment of The EAC Merger Control Framework which clearly indicated the need to align EAC Competition Act with International best practices, hence introducing thresholds for notification and filing fee for investigation and evaluation of cases; the



Sectoral Councils for Trade, Industry, Finance and Investment (SCTIFI), and 20<sup>th</sup> Meeting of the Sectoral Council on Legal and Judicial Affairs (SCLJA) had directed the Secretariat to initiate a review of the Act, and made observations regarding the amendment of the Act in regard to section 37, 42, 43 and 44 of the Act respectively; and, the 37<sup>th</sup> Council of Ministers directed the Authority Secretariat to convene a meeting of Legal and Competition Experts to identify and make proposals for amendment of the EAC Competition Act, 2006 to address the shortcoming identified (EAC/ICM37/Directive 13).

*The Authority convened numerous meetings to draft and consider the proposed amendments. This culminated into EAC Competition (Amendment) Bill, 2020, which underwent the first reading before the plenary of East African Legislative Assembly (EALA) on 18<sup>th</sup> February, 2020. The Bill was referred to the Committee on Communication, Trade and Investment (CTI) for consideration. The CTI met and considered the Bill and was awaiting stakeholder views before being taken to EALA plenary. CTI Committee during the discussions on Competition (Amendment) Bill, March, 2020,*

Nairobi

### **13.2.2 AMENDMENT OF EAC COMPETITION REGULATIONS, 2010.**

The EACA convened competition and legal Experts meeting comprised of competition and legal experts to consider proposed amendments to the EAC Competition (Regulations), 2010. This was premised on the fact that, the Regulations were approved for operationalization ten (10) years ago following the enactment of the Act, and a number of gaps were identified which needed to be addressed. The amendments to the Regulations were also necessary to align them with the proposed amendments to the EAC Competition Act, 2006 and in line with international best practices. The Experts considered and developed proposed amendments to the Regulations. However, they observed, *among others*, that there was need to consider and develop provisions on consumer welfare since they were not covered in the Regulations, 2010. Further meetings were required to finalize on the proposed amendments to the EAC Competition Regulations,

2010.

### **13.2.3 Development of the EAC Competition Authority Outreach and Advocacy Strategy**

EACA developed the EACA Outreach and Advocacy Strategy, 2021/22 – 2025/26. This was motivated by the 5<sup>th</sup> EAC Development Strategy 2016/17 – 2020/21, appreciated the role of the EACA as critical and prioritized the development of an Outreach Strategy to promote public awareness and sensitization of the EACA mandate, functions and activities. Upon its adoption by the Council, the Strategy is expected to facilitate and strengthen stakeholder awareness and education on Community competition matters. Various experts' meetings were held in March to consider and validate the draft Strategy. SCTIFI approved and recommended to Council to adopt the Outreach and Advocacy Strategy for the EAC Competition Authority (2021/22-2025/26) (EAC/ExSCTIFI/37/Decision 29).

#### **13.2.4 DEVELOPMENT OF EAC MERGER REGULATIONS AND GUIDELINES**

In the year under Review, EACA contracted a Consultant to undertake the study to inform and develop mergers and acquisitions Regulations and Guidelines that would steer the Community in having an efficient and effective merger and acquisition regulatory regime. The guidelines included Merger thresholds, Merger notification filing fee and Merger assessment guidelines. The draft Assessment Study report and the draft Regulations were submitted awaiting discussions, validation and approval by Partner States and policy organs.

#### **13.2.5 DEVELOPMENT OF EACA PRIORITIZATION FRAMEWORK ON COMPETITION ENFORCEMENT AND CONDUCT OF MARKET STUDIES**

The EACA convened an Expert meeting to consider and develop a prioritization framework on competition enforcement and conduct of market studies. The prioritization framework is intended to assist EACA in directing resources, time, and energy to those activities that are deemed most relevant to achieving the objectives laid out in the Authority's strategic plan. The draft Prioritisation Framework on Competition Enforcement and Conduct of Market Studies was in place by the close of the subject financial year.

#### **13.2.6 Awareness creation on competition policy and law in the partner states**

The EACA participated in the 20<sup>th</sup> EAC MSMEs Trade Gikondo Expo Grounds, Kigali, Rwanda. The trade fair attracted exhibitors, buyers, private sector stakeholders, researchers, students, public officials from Ministries, Departments and Agencies, among others. The EACA sensitized participants on the EAC Competition regulatory framework and mandate of the Authority on the grounds. The Authority the EACA made a presentation at the symposium convened during the trade fair that covered topics on adoption of competition laws in the EAC, objectives of EAC competition law, mandate and functions, benefits of competition, Small and Micro Enterprises in the EAC region and nexus with competition policy and obligation of EAC Competition Authority towards SMEs.

During the subject financial year it is notable that Rwanda operationalized its Competition Authority namely; Rwanda Inspectorate, Competition and Consumer Protection Authority (RICA). One of the crucial lessons emanating from this activity is 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.

#### **13.2.7 Cooperation Frameworks Between EACA and Other Organizations**

Section 42 (1) (I) of the Act provides that in the performance of its functions under the Act, the Authority shall have powers to co-operate with regional and international organizations and with foreign competition authorities. Additionally, the EACA Strategic Plan 2019/20 –

2023/24 prioritizes development of cooperation framework through the conclusion of Memoranda of Understanding (MoU) with the COMESA Competition Commission (CCC), considering the overlapping jurisdictions (4 Partner States of EAC are Members of COMESA). The cooperation framework is aimed at promoting a degree of harmonization in the implementation of competition laws and setting out how the jurisdictions will consult with each other, exchange information (including the treatment of confidential information), cooperate in investigations, develop capacity and resolve disputes. Premised on this, the EACA and CCC held a meeting and developed a draft work plan and draft Memorandum of Understanding.

### **13.2.8 Capacity Building and visibility for EACA**

**a. Training for Commissioners and Staff** - EACA conducted a training Workshop for the Commissioners and staff. The facilitation was done by Leiden University (school of Law), who have established a Centre for Legal and Comparative Studies of the East African Community (LEAC). The training focused on comparative and cooperation in enforcement of competition policy and law to the benefit of EAC integration process. Training for EACA Commissioners and Staff August 2019, Zanzibar, Tanzania

**b. Development of EACA Website** - A consultant was contracted to develop a website for EACA. The Initial Layout Design (wireframes) were developed by the consultant, awaiting validation and launching of the website.

**c. Recruitment** – the 37<sup>th</sup> Extraordinary Council of Ministers held on 4<sup>th</sup> September, 2018 directed the EAC Ad hoc Service Commission to expedite the recruitment of a Registrar and other staff of EAC Competition Authority (EAC/EX/CM/37/Directive 22). The Registrar was appointed by the Council of Ministers held in November, 2019 (EAC/CM 39/ Decision 61). Other Staff are yet to be recruited.

### **13.2.9 Participation in Regional competition meetings**

The EACA is coordinating EAC Partner States for negotiations under the Tripartite FTA (COMESA-EAC-SADC). EACA, is part of the Tripartite Technical Working Groups (TWG) on Competition Policy. The TWG on competition policy developed a 2<sup>nd</sup> Draft Tripartite Protocol on Competition Policy which contained contentious issues and EACA facilitated consultations with EAC partner states in developing a common understanding as a regional block.

The Authority also participated in other international competition meetings, including International Competition Network Conference, in which competition enforcement topical issues were discussed such as the digital economy and the competition enforcement investigative process.

### **13.2.10 Budget performance**

In the year under review, the approved budget of EACA, USD 786,971, was allocated to fund its operations. Out of the approved budget, USD 648,901 was expected from Partner states contribution whereas USD 78,600 was expected to come from Development

Partners. The amount received from Partner States was less than the approved (432,223) and amount utilized in the year was USD 416,148. The funding from development Partners was USD 37,650, and amount utilized was USD 36,221.

### **13.2.11 Key challenges and Recommendations**

During the year under review, EACA faced the following challenges:

- a. Lack of adequate human capital - Although the EACA's vacant positions were advertised in the year to facilitate in fully operationalizing the Authority and even budget allocated, no recruitment was done. There is only one established staff (Registrar and one short term staff. EACA intended to recruit its staff in two phases. The delay in recruitment was necessitated by the Moratorium to stay recruitment for EAC organs and institution to facilitate reorganization of EAC;
- b. Covid-19 Pandemic - due to uncertainties and travel restrictions related to the COVID-19 pandemic, most of the activities planned for the financial year 2019/20 were not finalized;
- c. Budgetary constraints (All the activities expected to be funded by the development partners were not undertaken because the funding came in late before the expiry of the project).
- d. Limited competition culture in the EAC region

The recommendations include:

- a. Expedite recruitment of EACA staff to facilitate implementation of the EAC competition Act, 2006.
- b. Implement the outreach and advocacy activities to deepen competition culture in the EAC region.

## **15 EAST AFRICA COMMUNITY CIVIL AVIATION SAFETY AND SECURITY OVERSIGHT AGENCY (CASSOA)**

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: -

- a. 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;

- b. 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
- c. 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

## **Key Priorities during FY 2018/19**

EAC CASSOA had planned its activities under one priority areas during the period under review. The priority was geared towards Maximizing benefits of a safe, secure and efficient air transport system in the region.

### **14.1 Key achievements**

#### **14.1.1 Republic of South Sudan received a fully developed set of Aviation Security Regulations**

The Agency's primary mandate is to assist our Partner States in Aviation Safety and Security to attain a high Effective Implementation score in ICAO USOAP and USAP Audits under the Chicago Convention and its Annexes. In light of this mandate, the Republic of South Sudan has now received a fully developed set of Aviation Security Regulations, a customized copy of the EAC Model National Civil Aviation Security Programme and National Civil Aviation Security Training Programme, a customized copy of the EAC Model Civil Aviation Security Quality Control Programme in addition to other Agency developed documents with funding for the missions being provided by the ICAO AFI SECFAL fund.

#### **14.1.2 High level visit to the Republic of South Sudan by EAC CASSOA Board**

On 16<sup>th</sup> and 17<sup>th</sup> of July 2019, Kenya Aviation Expert and CASSOA Executive Director visited RSS on behalf of the Board. The delegation presented opportunities for RSS as a member and how they can be assisted by the Agency.

#### **14.1.3 Consideration of Automatic Validation of PEL paper by the 40<sup>th</sup> ICAO Assembly.**

EAC CASSOA Director (Technical) presented 3 working papers to the 22<sup>nd</sup> meeting of APIRG (Africa-Indian Ocean Planning and Implementation Regional Group) and, the paper on Automatic Validation of Personnel License (PEL) was selected to be presented to the 40<sup>th</sup> Assembly. Due to the Agency's very highly visible and successful stature, there is consideration from AFCAC to have CASSOA as a full-time member of its soon-to-be established Technical Safety Team.

#### **14.1.4 In-house development of 3<sup>rd</sup> EAC CASSOA Strategic Plan.**

The Agency managed to complete the draft 3rd Strategic Plan with only internal resources in a period of one month and our effort was rated as 85% completion factor by the PSs Planners

#### **14.1.5 Capacity building in the region.**

##### **National Auditors training:**

During the year under review the Agency in collaboration with European Civil Aviation Conference (ECAC) organized a training course for National Auditors under the EU CASE Project. CASE is the project under EU (ECAC) that supports Aviation Security in Africa and Arabian Peninsula.

Best Practices for National Auditors – Level 1 (BPNA1) is a training activity specifically tailored for the professional development of National Auditors. It is one of the CASE Project activities aimed at supporting the development of a viable and sustainable compliance-monitoring system for Aviation Security in Partner States, by strengthening the skills and competencies of National Auditors.

Total of 17 participants attended comprising of PSs of Tanzania (07), Burundi (03) and South Sudan (07) who benefitted from the training. The first group started the course from 19th to 23rd August 2019 and the second group from 26th to 30th August 2019.

##### **Airport Training Program:**

The Agency, through the Centre for Aviation Medicine, presented a paper/proposal on an Airports Training Program and was able to receive funds from GIZ GmbH to cater for this. The training took place in identified EAC International Airports in Nairobi, Mombasa, Kisumu, Zanzibar, Juba, Dar es Salaam and Kilimanjaro. The training was carried out between May and June 2020 with emphasis on Covid-19 preparedness and response. The remaining two trainings for Airports in Kigali and Burundi will be done on the next financial year 2020/2021.



*Stakeholders at Jomo Kenyatta International Airport receiving hands on training on COVID-19 preparedness and response.*

### **ECCAIRS version 5.0 training for Rwanda Civil Aviation Authority:**

The Agency organized and conducted an end user course of the ICAO European Co-ordination Centre for Aviation Incident Reporting System (ECCAIRS) on request by Republic of Rwanda. The training was held between 30<sup>th</sup> September and 4<sup>th</sup> October 2019 on ECCAIRS version 5.0 safety data analysis and management. The training participants were the newly recruited safety department staff and accident investigation officers from Ministry of Infrastructure.

The End-User course delivered by CASSOA was aimed at participants who would input the safety data into ECCAIRS or interrogate the system for safety analysis purposes. This course covered Accident/Incident Data Reporting (ADREP) taxonomy, as well as hands-on experience of ECCAIRS as a tool used to code, enter, extract or analyze safety data.

### **14.1.6 A successful 5<sup>th</sup> EAC Aviation Symposium.**

The 5<sup>th</sup> Aviation symposium organized by the Agency in collaboration with partner states and sponsors was held in Bujumbura, Burundi between 27<sup>th</sup> and 28<sup>th</sup> February 2020. The theme of the symposium was 'Evolving with dynamic technological transformation – The case of Aviation Safety and Security'.

A number of presentations were made including Legal Challenges Arising From Technological Dynamism In Aviation, Engaging Stakeholders In a coordinated collaboration for aviation development in Africa, Google Loon, CCO/CDO implementation in Africa, Status of implementation of the Single African Air Transport Market, EMEA Airspace Mobility Solutions Land & Air Systems, Global Surveillance from Space Based Ads-B, Aspects of Aviation Medicine in Flight Safety, Feasibility and reality Of an EAC UTMS System, EMPIC, Standard Software for Regulators, Air Ambulance Operations, Airport Collaborative Decision Making (ACD-M), ICAO Traveler Identification Programme (ICAO TRIP) and The Path To The SADC Upper Air Space Control/Management Centre (Challenges And Achievements).Thirteen (13) resolution were proposed and adopted by the meeting.



*Panel Discussion on “the path to SADC upper air space control/management centre (challenges and achievements)”*

#### **14.1.7 EAC Aviation Medical Protocols**

Pursuant to Article 92 of the EAC Treaty it is important to note that Inter States are working towards harmonization of their policies and procedures on Civil Aviation in order to promote the development of safe, reliable, efficient and economically viable Civil Aviation with a view to developing appropriate infrastructure, new practical skills and technology as well as the role of aviation in support of other economic activities. An Aviation Medicine Experts working group assisted by a team of medical specialists was convened to develop medical protocols meant to guide the Aviation Medical Examiners during medical assessment process and certification of pilots, air traffic controllers, flight engineers and flight attendants, who may have any of the health/medical conditions in the document. This exercise was done from 22<sup>nd</sup> to 25<sup>th</sup> July 2019.

#### **14.1.8 Development of Government Safety Inspector – Aerodromes and Ground Aids course.**

ICAO- ESAF convened a meeting with the East Africa School of Aviation (EASA) and EAC-CASSOA on the 19 June 2019 at United Nations Offices in Nairobi with the aim of building and maintaining harmonious efforts on matters relating to providing training in pre-identified areas of “great training need” in the EAC region and beyond. The meeting reviewed course material and modules, discussed the target population and modalities of implementation, developed/reviewed continuous and summative assessments, determined the course instructors and discussed awards for the course.

#### **14.1.9 Procurement of PPE’s**



On behalf of GIZ GmbH, the Agency procured and distributed Personal Protective Equipment (PPEs) for the COVID-19 preparedness and response Airport stakeholders training as seen in a table below

<b>No.</b>	<b>Item Description</b>	<b>Quantity</b>
<b>1</b>	<b>Disposable K/N95 Masks</b>	<b>5000</b>
<b>2</b>	<b>Disposable Surgical Masks</b>	<b>20000</b>
<b>3</b>	<b>Full Cover Anti-fog safety goggles</b>	<b>1500</b>
<b>4</b>	<b>Disposable Nitrile gloves</b>	<b>80000</b>
<b>5</b>	<b>Isolation Gown (jumpsuit style)</b>	<b>1150</b>

#### **14.1.10 Development of Examination questions**

Air Traffic Controller (ATC) experts' working group held a meeting in CASSOA headquarters from 3<sup>rd</sup> to 7<sup>th</sup> February 2020. A total of 2227 ATC questions were developed in an effort to automate and harmonise EAC Aviation examination system.

### **14.2 Budget Performance**

#### **14.2.1 Revenue**

Revenue received by 30th June 2020 as contributions from Partner States through their Civil Aviation Authorities was US\$2,202,768. This amount comprised 100% contribution from Kenya, Rwanda, Tanzania, Uganda and 80% contribution from Burundi. Burundi subsequently paid another 10% in July 2020. No contribution had been received from South Sudan. The Agency also received miscellaneous income of US\$57,004 being interest from banks on both fixed and current deposits, 5th EAC Aviation Symposium sponsorship and tender fees.

#### **14.2.2 Expenditure**

Total actual expenditure incurred as at 30th June 2020 was US\$ 2,306,487 which is 74% of the annual Budget and comprised US\$ 1,252,326 staff emoluments, US\$ 1,032,649 administrative expenses and US\$ 21,512 capital expenditure.

### **14.3 Main challenges**

The Agency's day-to-day activities have been greatly affected during the global novel COVID-19 pandemic as this led to a country-wide lockdown implemented by the government of the Republic of Uganda with effect from end March 2020.

The Aviation industry has been greatly impacted by the global novel COVID-19 pandemic and the future is looking bleak as everything is now at a standstill/grounded.

#### **4.1 Addressing the Challenge**

The Agency has implemented Teleworking Continuity Guidelines and Procedures during the COVID-19 Pandemic as guided by the Government of Uganda and this has helped ensure continuity in operational effectiveness of its objectives.

## **16 EAST AFRICAN SCIENCE AND TECHNOLOGY COMMISSION (EASTECO)**

The Treaty for the Establishment of the East African Community recognizes the fundamental role of science and technology for the economic development and it encapsulates, in the Chapter 16, Article 103, provisions for the Partner States to promote cooperation in the development and application of science and technology within the Community, complemented by Article 80 on industrial development.

As per the Protocol establishing EASTECO, the overall objective of the Commission is to coordinate and promote the development, management and application of Science and Technology in Partner States to support regional integration & socio-economic development.

The specific objectives of EASTECO include among others is to promote and support the development, adoption and adaptation of new & emerging technologies, foster scientific & technological innovation in the Partner States (to seed for future growth), and develop mechanisms for the identification, promotion and growth of special talents in science and technology, with particular emphasis on the youth and gender parity. In this period under review, EASTECO achieved the following;

### **16.1 Development of the EAC regional Policy for Science, Technology and Innovation (STI)**

The development process started off with national stakeholder consultations to review Partner States' national STI policies with a focus of addressing gaps in these national policies in regard to the development objectives.

The Sectoral Council for Education, Science and Technology, Culture and Sports (SCESTCS) on its 15<sup>th</sup> Meeting that took place on 7<sup>th</sup> June 2019, Arusha directed URT to undertake the internal consultations on STI Policy as requested and submit their inputs to EASTECO by Sept 2019.

With support from UNESCO, EASTECO convened an open regional consultation meeting (from 14<sup>th</sup> -15<sup>th</sup> Oct 2019 in Arusha URT) of key STI experts to validate a final draft to ensure the policy covers all the aspects and is of quality before approval at EAC Ministerial level, a Workshop Report was signed by all partner state including URT.

All the comments and recommendations from STI experts including URT were incorporated in the final draft EAC Regional Policy for STI. The final draft EAC Regional Policy for STI has been approved by the EASTECO Board on its 11<sup>th</sup> June 2020 meeting and recommended to the EAC Sectoral Council of Education, Science, Technology, Culture and Sports to consider and approve the draft EAC Regional Policy for Science, Technology and Innovation.

## **16.2 Development of the EAC regional Policy for Intellectual Property (IP)**

The IP development process started off with national stakeholder consultations to review Partner States' national IP related policies with a focus of addressing gaps in these national policies in regard to the development objectives.

The stakeholder consultation workshops were held in the six EAC Partner States where stakeholders from governments, private sector and academia were engaged in discussions on what the EAC IP Policy ought to address and how. Furthermore, several other stakeholders were engaged virtually on an online portal created specifically to collect stakeholder views on the EAC IP Policy. The Review process also covered a legal framework governing IP at national, regional, continental and global level.

Throughout the development process, various reports (interim report and draft report) were prepared and presented to a cross section of stakeholders from the EAC Partner States at validation workshops where views previously collected and documented in the development process were further analyzed and refined.

The Regional IP Policy strategic objectives include the following: To enhance infrastructure capacity for the generation, protection and exploitation of IP assets and enforcement of IP rights in the EAC, to enhance human resource capacity for the generation, protection, exploitation and enforcement of IP in the EAC, to foster a conducive environment for utilization of the IP system in the EAC and promote IP-driven Local technology development and exploitation in the EAC.

The Sectoral Council for Education, Science and Technology, Culture and Sports (SCESTCS) on its 15<sup>th</sup> Meeting that took place on 7<sup>th</sup> June 2019, Arusha directed URT to undertake the internal consultations as requested and submit their inputs to EASTECO by Sept 2019.

The final draft EAC Regional Policy for IP has been approved by the EASTECO Board on its 11<sup>th</sup> June 2020 meeting and recommended to the EAC Sector Council of Education, Science, Technology, Culture and Sports to consider and approve the draft EAC Regional Policy for Intellectual Property.

### **16.3 Development of the EAC regional Policy for regional innovation-led bio-economy strategy.**

A supplementary budget was approved for EASTECO in FY2018/19 to develop a regional innovation driven bioeconomy strategy shared by the countries in the Eastern Africa region.

The main objective of BiSEA is to develop a regional innovation driven bioeconomy strategy shared by the countries in the Eastern Africa region. This will be done in close consultation with Science and Technology Councils/Commissions and relevant ministries and stakeholders in all six BioInnovate countries (Ethiopia, Burundi, Kenya, Rwanda, Tanzania and Uganda) and South Sudan. National Working Groups (NWGs) have been established in all the participating countries as well as a Regional Drafting Group (RDG).

The consortium partners held two regional stakeholders' consultation meetings in the EAC. The meeting discussed the project inception report, preliminary stakeholders' analysis report, agreed on the structure/content of the proposed regional innovation-driven bioeconomy strategy, reviewed the terms of reference for the National Working Groups (NWGs), reviewed the terms of reference for the Regional Drafting Group (RDG) and; shared experience on bioeconomy strategy development and implementation from Europe and South Africa.

EASTECO with the BiSEA team held the first and second National Working Group (NWG) meetings in each Partner State with the objective of NWGs contributing new data/knowledge that was fed into the version 1.1 of the draft Eastern African Regional Bioeconomy strategy. The version 1.2 was validated by the stakeholders meeting that was held from 20<sup>th</sup> – 21<sup>th</sup> November 2019- Entebbe, Uganda. The comments from the stakeholders meeting have been incorporated to produce version 1.3 of the draft Eastern African Regional Bioeconomy strategy.

The third National Working Group (NWG) meetings have been carried out with objective of following up on commitments of the members of the NWG, reviewing and discussing the version 1.3 of the draft Bioeconomy Strategy. Specifically, the National Working Group meetings validated the version 1.3 of the draft Bioeconomy Strategy and provided more in-depth situational analysis, reviewing capacities and resources needed for bioeconomy, review of the policy and regulatory frameworks, review of the stakeholder's analysis, review of the SWOT analysis and review of the future pathways and foresight analysis. The meetings filled the data gaps and ranking of the national bioeconomy priority sectors.

The project has also developed Bioeconomy Knowledge sharing observatory portal to provide regular data for policy makers to monitor the development of the bioeconomy and accordingly to support the implementation of the EAC Regional Bioeconomy Strategy. This will enable the EAC region to regularly assess the progress and impact of the bioeconomy and the observatory to be one stop centre for access to data, knowledge and intelligence on bioeconomy in Africa Region.

#### **16.4 The East African Journal of Science, Technology and Innovation (EAJSTI) was published.**

In order to support and enhance Scientific Research and dissemination of R&D production and findings, Volume 1, Issue 1 of the East African Journal of Science, Technology and Innovation (EAJSTI) was published on 25<sup>th</sup> October 2019. The publication contains six scientific articles derived from original research on topics of interest to the furtherance of the East Africa community socioeconomic development and integration agenda. The 2<sup>nd</sup> Issue was published in April 2020. The Journal Editorial Board held its 2<sup>nd</sup> meeting on 8<sup>th</sup> June 2020 and approved the third issue which was published on 25<sup>th</sup> June 2020.

The EAJSTI is a multidisciplinary journal, which publishes original research of relevance to the East African Community (EAC), covering science, technology and innovation applications for development. The goal of the Journal is to enhance, advance and disseminate scientific, technological and innovative knowledge that supports regional development. The online journal system is aiding in the process of manuscript preparation and a number of manuscripts are in the process for production of additional issues.

#### **16.5 The Regional Research and Development agenda and management framework developed and validated.**

In order to streamline and harmonies research and development priorities within the EAC region for effective and efficient resource allocation to most deserving and pressing needs that support the regional socio-economic development and integration, EASTECO is developing a Regional Research Agenda and Management framework through a national and regional consultative process. The Draft Agenda and the framework were finalized in December 2019 and are ready for regional stakeholder validation. The Regional Research Agenda will ensure a harmonized and well-coordinated research and development that synergistically addresses regional challenges through generating evidence-based solutions to enhance socio-economic development. The framework for the coordination of the regional research is designed to respond to regional research system and realities within the research coordination landscape in Partners States. A high level regional validation workshop was held in March 2020 in Arusha and subsequently presented to the GB committee on Research and Innovation who also adopted it.

#### **16.6 Implementation of the EAC Regional Collaborative Research Grant 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 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, Tanzania and Uganda) and the Science Granting Councils Initiative for Sub-Saharan Africa (SGCI). Within the implementation phase, EASTECO conducted Monitoring, Evaluation and Learning on the pilot research projects. The pilot

research projects therefore provided an opportunity for EASTECO to test and fine-tune regional research management framework tools including guidelines, procedures, and processes in support to regional collaborative research.

#### **16.7 Development of Research Technological Organizations database for 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 technology adoption, transfer and diffusion to support manufacturing and industrial development.

In this regards EASTECO organized and supported a technical working group of Industrial Research and Technology Organizations and National Councils/Commissions of Science, Technology and Innovation from 20th to 21st February 2018 in Kampala, Uganda to finalize and sign the final MOU on Proposed Establishment of the EAC Network of Industrial Technologies and Research Organization (EANITRO). During the meeting, the MoU was signed, database on the available technologies, Innovations, Projects and Programmes validated and the concept note for the regional programmes for enhancing the access, adaptation, transfer and diffusion of manufacturing & industrial technologies in EAC region was adopted. Furthermore key areas were 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 Phytomedicine and Pharmaceutical Products against Liver Diseases 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); iv) Food Fortification and Laboratory Proficiency Testing (FFLPT) by UIRI (Uganda).

A regional interactive on-line platform for the available technologies and innovations in the EAC region has been developed. Data on available technologies, innovations, facilities, industrial experts, projects and programmes has been collected from the 5 RTOs in EAC Region and online regional Research Technological Organisations database developed for Enhancing access, adaptation, transfer and diffusion of manufacturing & industrial technologies in EAC region.

#### **16.8 Held the 1st EAC regional STI Conference on 23-24 October 2019 in Kampala-Uganda.**

The Consortium consisting of the East African Science and Technology Commission (EASTECO), the Inter-University Council for East Africa (IUCEA), the Nelson Mandela-African Institute of Science and Technology (NM-AIST) and the Science Granting Councils Initiative (SGCI) held the 1<sup>st</sup> EAC regional STI Conference on 23-24 October 2019 in Kampala Uganda. The objective of the Conference was to provide a platform for

information sharing among the scientists, technologists, industrialists and innovators from a wide range of sectors, including the academia, public and private sectors. A total of 40 scientific and topical keynote papers on various thematic areas including Agriculture, Food Security and Rural Development; Health and Wellbeing; Natural Resources & Environment; Infrastructure; Energy and Industrial Development; Information Communication Technology (ICT); and Science, Technology, Engineering and Mathematics (STEM) were presented. The conference was attended by over 500 participants. Key outputs of the conference included increased linkages, networks and collaboration among STI stakeholders; increased dissemination of scientific information and data; and enhanced partnership among regional STI stakeholders. A number of resolutions and recommendations were distilled from the presentations and are under implementation by respective organizations. The EAC Regional STI Forum was officially launched, and the first issue of the East African Journal of Science Technology and Innovation (EAJSTI) was officially unveiled during the STI Conference.

#### **16.9 Development and carried out open online (MOOC) knowledge and skills in scientific writing for manuscripts and competitive grant proposals course.**

EASTECO, in collaboration with the International Network for the Availability of Scientific Publications (INASP) piloted a 6-weeks massive open online course (MOOC) on scientific writing training in September/October 2019. The aim of the course was to develop capacity among scientists in universities and research institutions in writing manuscripts for publication in quality peer reviewed journals, presentation at conferences, and to effectively communicate to various professional audiences. The program guided participants on speedy and effective ways of developing quality scientific manuscripts; extraction of a manuscript from a thesis or project report; effective review and utilization of literature; techniques of reviewing manuscripts; research and publishing ethics; impact factor; and journal assessment indices. A total of 212 participants enrolled in the course and 182 made a start, out of which 105 completed the essential modules, giving a completion rate of 58%. About 51% completed at least 1 of the 2 additional modules, and 42% took part in at least 1 of the 2 forums in the 'research impact' modules. The implication of this output is that MOOC platform can be effectively employed to develop capacity in scientific writing skills for enhanced quality and quantity of scientific production in the East African region.

#### **16.10 The Assessment of the East African Community E-Health Readiness and Regional Digital Health Interoperability.**

The 19<sup>th</sup> Ordinary Meeting of the Summit of the EAC Heads of States held in Kampala, Uganda on 23<sup>rd</sup> February 2018 approved nine health sector investment priorities for the period 2018 to 2028 and that one of the priority areas is Investment in e-Health technology for better research for health, health services delivery and health outcomes. In addition, most of the other eight priorities heavily incorporate investments in e-Health.

It is in line with the Ministerial conference resolution (ii) as above that EASTECO in collaboration with EAC Secretariat is planning to carry out the EAC regional e-Health

readiness assessment and report back to the Sectoral Council of Ministers. Relevant EAC institutions, including EACHRC will be involved.

EASTECO approached the regional health program of USAID Kenya and East Africa Mission USAID for technical assistance and financial support on the e-Health readiness assessment and they agreed to assist EASTECO deliver on this directive as part of its mandate. The regional health program of USAID Kenya and East Africa Mission, in coordination with USAID Global Health Bureau, US Global Development Lab and USAID Bureau for Africa, engaged MEASURE Evaluation to provide Technical Assistance support to EASTECO to conduct an EAC regional e-health readiness assessment incorporating aspects of systems interoperability and costs of investing in e-Health in the EAC region, where this information is available.

The goal is to enhance national and cross border healthcare delivery and services through integrated health information and e-Health systems. The objectives are to: carry out a survey and analyze the existing health information systems and their standards with a view of interoperability readiness and also any available costing information for developing and deploying these digital health solutions; identify gaps and propose solutions on how they will be overcome in order to have systems that will be able to seamlessly communicate to each other; conduct workshops to share the outcome of the e-Health readiness assessment with Partner States and e-Health Partners of the EAC.

The consultant team met one-on-one with key stakeholders and e-Health system owners in the EAC region. A participatory HIS Interoperability Maturity Assessment workshop was held and attended by key HIS/e-Health stakeholders to identify key digital health priorities. The consultant has developed recommendations for moving HIS and interoperability forward in EAC Partner States. A Regional consultative meeting on the dissemination of the findings on National Assessments on e-Health Readiness and Interoperability was held in Nairobi in November 2019. Final draft of the assessment report was validated by Partner States and report has been published by USAID.

## **15.11 KEY ACHIEVEMENTS**

- a. EAC regional Policies for Science, Technology and Innovation (ST) developed and validated;
- b. EAC Regional policy on Intellectual Property (IP) developed and validated;
- c. Developed the second draft of the Eastern Africa Regional innovation-led bio-economy strategy;
- d. The East African Journal of Science, Technology and Innovation (EAJSTI) launched and 3 journal issues have been published;
- e. The Regional Research and Development agenda and management framework developed and validated;;
- f. EAC Regional Collaborative Research Grant Program implemented
- g. Research Technological Organizations available innovations, facilities, expertise, projects and programme online database developed;
- h. Held the 1st EAC regional STI Conference on 23-24 October 2019 in Kampala Uganda;



- i. Carried out open online (MOOC) knowledge and skills in scientific writing for manuscripts and competitive grant proposals course;
- j. Carried out East Africa Digital Health and Interoperability Assessment;
- k. Developed Bioeconomy Knowledge sharing observatory portal, a regional open access repository for bioeconomy data and information to provide regular data for policy makers to monitor the development of the bioeconomy.

## **1. STATE OF PREPARATION OF NEW PROPOSALS IN CASE OF PROJECTS**

- i. Developed proposal for the development of EAC Regional Innovation Strategy and submitted to UNIDO and EU for funding.
- ii. Developed proposal for development of STEM and submitted to UNESCO for funding
- iii. Proposal for development of STI roadmap for the SDGs in the EAC Region submitted to EU for funding

### **15.12 KEY CHALLENGES**

- i. On Institutional staffing, EASTECO operates at 30% staff capacity according to the established Organo-gram (Annex III). This leads to slow implementation of activities.
- ii. EASTECO operates at 10% of the total budget for programme activities, there is need to allocate considerable funding to EASTECO programme activities.
- iii. Covid-19 pandemic has also affected the implementation of the EASTECO activities in the 4th quarter of FY19/20.

### **15.13 BUDGET PERFORMANCE**

The budget allocated to the EASTECO amounted to **US\$ 1,984,639** for the financial Year **2019/2020** with an expenditure of **US\$ 1,375,555** leading to budget performance of **69%**.

### **15.14 Recommendations**

- i. Recruit the programme staff of EASTECO according to the established Organo-gram
- ii. Allocate considerable funding to EASTECO programme activities to at least 60% of the total budget.
- iii. EASTECO will in this FY 20/21 be innovative to use online meeting platforms and video conferencing facilities available to carryout National and other stakeholders consultations and holding online meetings where necessary.

## 17 EAST AFRICAN HEALTH RESEARCH COMMISSION (EAHRC)

### 16.1 Background

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 worked under the **Development Objective of the East African Community which**

*Strengthening the Social Dimensions of the Regional Integration process to deliver quality, effective and efficient socio-economic services - with emphasis on enhancing Human Capital Development; gainful employment and decent work; health status; as well overall welfare of the people of East Africa, under the priority area of Providing 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 the related matters*

**16.2 Key activities planned to be achieved during the FY 2019-2020 are as following:**

- i. Conduct implementation Science Studies related to HIV & TB under the East African-Cross Border Health Services Programme.
- ii. Establish research programmes that will be operationalized o by 2021
- iii. Draft strategy of Health Research Financing & Accessing in EAC - Roadmap
- iv. Organize a meeting of Experts to design the EAC Comprehensive Cholera Program & proposal of an implementation framework by EAC PS
- v. Conduct reviews (including literatures, national & subnational reports and database) on Cholera outbreaks & develop a GIS based Cholera hotspots in EAC PS
- vi. Operationalize of the interoperable East African Health Cloud (EAHC)
- vii. Maintenance and updating of the EA web portal ([www.eahealth.org](http://www.eahealth.org)) for health information
- viii. Regular issues of the East African Health Research Journal launched and operational
- ix. Preparations of the East African Health and Scientific Conference to be held in March 2021
- x. Development of the East African One Health Roadmap developed by 2020
- xi. Operationalization of the East African Health Research Commission:

## **16.3 Key achievements**

### **16.3.1 Institutional Capacity Development**

#### **16.3.1.1 EAHRC Headquarters (HQ)**

The EAHRC Secretariat is headquartered in rented premises at Quartier Kigobe, Avenue des Estates Unis, no 71, BP 350 Bujumbura, Burundi.

The EAHRC Secretariat was expecting from the Government of Burundi to avail a land for EAHRC permanent Headquarters as per Article 2 (1) (a) of the Headquarters Agreement between the Government of the Republic of Burundi and the EAC for the EAHRC that provides that, *"the permanent seat of the Commission which will be donated to the Commission by the Government of the Republic of Burundi, free of rent and any encumbrances whatsoever and shall be based in the city of Bujumbura."*

The EAHRC Secretariat was requested to pay land service fees in order to acquire the plot. The Council requested the Government of Burundi to exempt the Commission from paying the land service fees for the allocated plot to build the EAHRC permanent headquarters.

The Government of the Republic of Burundi granted end of the year 2019 a plot free of service fees to the EAHRC to build a permanent EAHRC headquarters as per the as per Article 2 (1) (a) of the Headquarters Agreement between the Government of the Republic of Burundi and the EAC. The piece of land has a square of 24,395.97 m<sup>2</sup> and is located in Kizingwe-Bihara, Bujumbura. The EAHRC secretariat is preparing a team of experts from the EAC secretariat to support the EAHRC to develop an architectural plan as per the directive.

#### **16. 3.1.2 EAHRC Organogram and Staffing**

The 13<sup>th</sup> ordinary meeting of the EAC Sectoral Council of Ministers of Health approved the EAHRC organogram and staffing (EAC/Health/SCM13/Decision 20). The approved organogram comprises of 34 staff and was expected to be fully implemented during the period 2016 – 2021 to coincide with the period of the 1<sup>st</sup> EAHRC strategic plan.

Recruitment process of approved staff was prolonged and lagged behind the approved recruitment schedule under the EAHRC Strategic Plan 2016 – 2021. All recruitment processes were suspended due the Workload Analysis and Job Evaluation Exercise of the EAC Organs and Institutions that started in 2018. This resulted into EAHRC not being able to fill in the established positions.

The five-year term of the Executive Secretary ended in July 2020, while the second term of the Deputy Executive Secretary ended in August 2020 on mandatory retirement policy based on 60-year age limit. The advertisement of the recruitment of EAC staff including EAHRC Executive Secretary and the Deputy Executive Secretary was sent out in July 2020 and the recruitment process is going on.

The 41<sup>st</sup> Extra-Ordinary Meeting of Ministers held on 4<sup>th</sup> August 2020 approved the appointment of Dr. Novat Twungubumwe, an EAHRC Principal Health Officer, as the Acting Executive Secretary for a period of six (6) months with effect from 4<sup>th</sup> August, 2020 or until the position is filled whichever is earlier while Dr. Fabian Mashauri, an EAHRC Officer, was appointed as Acting Deputy Executive Secretary for a period of six(6)months with effect from 1<sup>st</sup> October, 2020 or until the position is filled whichever is earlier.

#### **16.3.1.3 Branding of the EAHRC: EAHRC 2020 calendar**

### **16.3.2 Research Collaboration and Capacity Development**

#### **16.3.2.1 Baseline assessments**

The EAHRC Secretariat concluded the baseline assessments of clinical trials capacity in the EAC Partner States. The findings of the baseline assessment were validated at regional level; an implementation work plan to strengthen the clinical trials capacity in the region is under development.

#### **16.3.2.2 Prevalence of SARS-CoV-2 in patients with Severe Acute**

##### **Respiratory Infection in EAC region**

The Joint Meeting of Ministers Responsible for Health, Trade and EAC affairs on COVID-19 pandemic preparedness and response directed the EAHRC to synthesize and conduct research on COVID -19 to inform the Partner States on new technologies, advances in care and treatment, vaccines, behavior of the virus, diagnostic among others, to inform policy and practice in the region (**EAC/JMHE/ Directive /010**);

The EAHRC Secretariat with financial support from GIZ will conduct a study on the prevalence of SARS-CoV-2 in patients with Severe Acute Respiratory Infections (SARI) between 1st November 2019 and 29th February 2020 and of available antibodies. The study will be implemented in five (5) EAC Partner States as a two-step molecular and sero-epidemiological cross-sectional study. In the first phase, archived swab samples of patients who presented with SARI-like symptoms between 1st November 2019 and 29th February 2020 will be re-tested with PCR for the prevalence of SARS-CoV-2. In the second phase, patients whose swab samples were tested positive will be contacted and, after informed consent, visited. They and their family members will be asked to donate blood for COVID-19 antibody testing.

The study of COVID-19 antigen antibody in the EAC will provide baseline data for follow-up investigations to understand the development of SARS-CoV-2 prevalence in the EAC region over time as well as provide comparative data for further investigations in other study populations.

### **16.3.2.3 East Africa Cross Border Health Services (EA-CBHS) Pilot programme**

The 18<sup>th</sup> Sectoral Council approved the East Africa Cross Border Health Services (EA-CBHS) Pilot programme (**EAC/SCHealth/18/Decision 19**); and directed the East African Health Research Commission in collaboration with the National Focal Points to implement the East Africa Cross Border Health Services (EA-CBHS) pilot programme and share progressive reports every six months, starting with 19<sup>th</sup> sectoral council (**EAC/SCHealth/18/Directive 42**).

The approval of the EA-CBHS pilot programme coincided with the expiry date of the Implementation Letter APHN-1 (12<sup>th</sup> April 2019) which was implementing the East Africa Cross Border Health Services (EA-CBHS) Pilot programme.

In addition, the EAHRC Secretariat was requested to redesign the project according to a new design of projects based on Fixed Amount Award (FAA) principle and required by United States Agency for International Development for the new Implementation Letter. The EAHRC Secretariat submitted to USAID-KEA the reviewed proposal in June 2020. The proposal is under consideration by USAID Washington.

### **16.3.3 Digital Regional East African Community Health (Digital REACH) Strategic Plan 2019-2028**

The 15<sup>th</sup> Sectoral Council on Health (EAC/Health/15SCM/Decision 21) and subsequently the 35<sup>th</sup> Extra-ordinary Council of Ministers (EAC/EX-CM/35/Decision 18) approved the Digital Regional East African Community Health (Digital REACH) roadmap and recommended the EAHRC Secretariat to develop a strategic plan for its implementation. Digital Health was approved by the 19<sup>th</sup> Ordinary Summit of the EAC Heads of State as one component of the nine (9) health sector investment priorities for the region for the next ten (10) years.

The EAHRC Secretariat has implemented one of the Health programme, namely the East African Health Cloud (EAHC), an interoperable health information system that will enable real-time capture, storage, analysis, and retrieval of health data across the region. The EAHRC secretariat conducted an assessment of three common goods, *facility registry*, *terminology service* and *regional data warehouse* in five EAC Partner States of Republic of Burundi, Republic of Kenya, Republic of Rwanda, United Republic of Tanzania and Republic of Uganda. The assessment will help EAHRC secretariat to develop a dynamic and interactive data repository through the East Africa Health Data Visualization Portal (EAHDVP).

### **16.3.4 EAHRC Fora Bellagio meeting: July 29 to August 2, 2019**

#### **Young East African Health Research Scientists' Forum (YEARS' Forum)**

The YEARS' FORUM is an EAHRC 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 15<sup>th</sup> EAC Sectoral Council of Ministers of Health as one of the preconference meeting of

the East African Health and Scientific Conference. Four workshops to build research capacities of Young East African Research Scientists have been organized since June 2018.

The YEARS' Forum was officially launched by Her Excellency Samia Suluhu Hassan, the Vice President of the United Republic of Tanzania, during the 7<sup>th</sup> East African Health and Scientific Conference held in Dar es Salaam in March 2019. During the period of June to July 2019, the launch on national network of YEARS was held in 5 EAC PS. Young East African Research Scientists have expressed the need to be supported by EAHRC National Focal Points for their network activities at national level.

In the context of the Commemoration of the 20th EAC Anniversary 1999-2019, the EAHRC Secretariat organized in November 2019 a workshop to strengthen the Research Skills of the Young East African health professionals as health research scientists and leaders under the theme: **'Readying the EAC next Generation Health Leaders and Scientists for the 4th World Industrial Revolution'**

The research skills that were considered during the workshop were: (i) Application of ICT in Research (application of ICT in research, tools and services for research); (ii) Writing skills in research; (iii) Research communication skills; (iv) Reviews in health research; and (v) Data management. The EAHRC Secretariat planned to hold a workshop during the current FY 2020-2021 on strengthening the YEARS in health research management.

### **16.3.5 EAHRC Knowledge Management Platforms**

#### **16.3.5.1. East African Health Research Commission Journals**

The East African Health Research Journal (EAHRJ) and the Africa Science (EASci) are peer reviewed journals which publish scientific health research conducted in the EAC partner states. The EAHRJ, "basis for better health policy and practice" was approved by the 12<sup>th</sup> ordinary meeting of the Sectoral Council of Ministers EAC (EAC/Health/12SCM/ Decision 071; EAC/Health/12SCM/ Decision 072). The EASci "search: discover: develop" was 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. The EASci was launched during the 7th East African Health and Scientific Conference held in Dar es Salaam, United Republic of Tanzania from 27<sup>th</sup> -29<sup>th</sup> March 2019. Two regular issues of EAHRJ and one regular issue of EASci were published during the year 2020.

EAHRC has built the infrastructure as well as developing human capacity to run the journals. The two journals are currently hosted on the East Africa web portal as infrastructure for the editorial system. This infrastructure can be used by other journals in the region. The EAHRC Secretariat has established a permanent pool of reviewers from health research institutions, universities and academia to provide technical support of the peer review process.

#### 16.3.5.2 East Africa Web Portal for Health Information ([www.eahealth.org](http://www.eahealth.org))

The concept note of the East Africa Web Portal for health information was approved by the 12th Sectoral Council of Health (EAC/Health/12SC-VI/ Decision 073). As a knowledge management platform for health, the East Africa web portal is the official East African Community comprehensive compendium of health information in East Africa. The EA web portal was launched by the Vice President of the United Republic of Tanzania during the 7<sup>th</sup> East African Health Science Conference held in Dar es Salaam, Tanzania from March 27<sup>th</sup> to 29<sup>th</sup> 2019.

The EA web portal provides a platform for a single-point-of-access of health information by stakeholders in the region and globally and showcases the capacity in the health sector available in the region. Since March 2019, the monthly statistics show that the web has an average of more than 2,600 viewers per month, viewers come from all the world's continents. The most leading viewers are from Tanzania, Kenya, Uganda, United States of America, and United Kingdom. EAHRC secretariat in collaboration with EAHRC National Focal Points and focal point persons appointed by the EAC partner States Ministries of Health, update the portal regularly.

Currently the EAHRC is developing additional features for the Portal, this includes more detailed information on health financing, real-time alerts on disease outbreaks, etc. To optimise the benefits of the platform and to sustain it, there is a need to develop a business case for the portal to be a source of income generation. In response to COVID-19 pandemic, EAHRC secretariat has developed a diseases surveillance dashboard for the EAC partner States and world map health real time. The dashboard provides COVID-19 status in real time in the region.

#### 16.3.5.3 The 8<sup>th</sup> East African Health and Scientific Conference

The 18<sup>th</sup> Sectoral Council decided that the 8<sup>th</sup> East African Health and Scientific Conference will be held from (24<sup>th</sup> to 26<sup>th</sup>) March 2021 and will be hosted by the Republic of Kenya. The 18<sup>th</sup> Sectoral Council directed the Republic of Kenya and the East African Health Research Commission Secretariat to commence mobilization of the necessary resources for the convening of 8<sup>th</sup> East African Health and Scientific Conference.

During the 7<sup>th</sup> EAHSC, cards inviting scientists for the 8<sup>th</sup> EAHSC were distributed. The Scientific Committee of the EAHRC Secretariat has agreed on the main theme of the 8<sup>th</sup> EAHSC which is “ **East African Community Sustainable Development Goal on Health: Reflection and Path Ahead to 2030**”. The EAHRC scientific committee has agreed on the sub-themes and the symposia. The Ministers underscored that Universal Health Coverage should be a major focus of the scientific conference.

The EAHRC secretariat requested the EAC Partner States to activate the EAC Regional and National Organizing Committee of the East African Health and Scientific Conferences. So far only some EAC Partner States have activated the committees.

The EAHRC planned to discuss with Senior Officials of the Ministry of Health of the Republic of Kenya about logistics related to the conference.

#### 16.3.5.4 Monitoring & Evaluation of the implementation of the EAHRC strategic plan

The 17th Sectoral Council directed the EAHRC to conduct a midterm review of the EAHRC strategic plan 2016-2021 and submit the review report to the 19th Sectoral Council on Health for consideration (EAC/SC Health/17/Directive/061). The mid-term review assessed the relevance, efficiency and effectiveness in the implementation of the EAHRC strategic plan and the progress towards the achievement of the 6 strategic focus areas. The assessment 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. Commissioners will be informed that the report of the mid-term review has been validated and printed. The EAHRC requests the Commissioners to consider the recommendations and provide guidance on implementing the recommendations.

## 18 INTER-UNIVERSITY COUNCIL FOR EAST AFRICA

IUCEA interventions are supported by the six EAC Partner States, member universities and the network of stakeholders including the Development Partners from the region and beyond. The table below shows key interventions that were implemented or coordinated by IUCEA during the FY2019/2020.

**Table 1: IUCEA PLANNED KEY INTERVENTIONS DURING THE FINANCIAL YEAR 2019/2020**

<b>Sector Development Objectives</b>	<b>IUCEA Key Targets for Financial Year 2019 - 2020</b>
1. Accelerating full implementation of the Common Market Protocol, including protection of fair competition	<ul style="list-style-type: none"> <li>• Develop and Implement Masters (MSc) Scholarship programme to promote regional student mobility by December 2019;</li> <li>• Publish manuscripts from EAC authors;</li> <li>• Operationalize East African Qualifications Framework for Higher Education (EAQFHE);</li> <li>• Operationalize Regional Quality Assurance System;</li> <li>• Develop and implement programme benchmarks in universities in the region;</li> <li>• Develop EAC Higher Education Policy and Strategy;</li> <li>• Facilitate Staff and student's mobility within the region; and</li> <li>• Facilitate networking and dissemination of research findings at regional &amp; international forums.</li> </ul>
2. Strengthening the Social Dimensions of the Regional Integration	<ul style="list-style-type: none"> <li>• Facilitate the establishment and management of World Bank funded Centers of Excellence (ACEs);</li> <li>• Establish Regional Multi-Disciplinary Research Project;</li> <li>• Establish collaborative links with regional and international players in higher education;</li> </ul>



process to deliver quality, effective and efficient socio-economic services - with emphasis on enhancing Human Capital Development; gainful employment and decent work; health status; as well overall welfare of the people of East Africa	<ul style="list-style-type: none"> <li>• Develop a Higher Education Management information System (MIS);</li> <li>• Enhance Capacity Building for university leadership;</li> <li>• Establish collaborative research platforms in universities;</li> <li>• Establish an East African Centre for Mathematical Research (EACMAR);</li> <li>• Promote establishment of incubation and innovation centers in Higher Learning Institutions (starting by Centers of Excellence);</li> <li>• Support regional and international partnerships, collaborations and networking for research dissemination; and</li> <li>• Strengthen the ICT infrastructure through establishment of Tier 3 data centre, data storage and backup system.</li> </ul>
3. Developing and strengthening the capacity of all EAC Organs and Institutions to effectively execute their Mandates	<ul style="list-style-type: none"> <li>• Enhance human resources and professional capacity of staff (facilitate staff training and participation in conferences);</li> <li>• Strengthen IUCEA Governance Systems and internal processes;</li> <li>• Enhance and diversify resources;</li> <li>• Enhance and establish collaboration arrangement with regional and international institutions that are serving similar objective;</li> <li>• Strengthen IUCEA Planning, Monitoring &amp; Evaluation capacity;</li> <li>• Provide professional services to EAC Audit and Risk Committee;</li> <li>• Implement internal audit quality control activities;</li> <li>• Enhance IUCEA visibility among stakeholders (government, universities, development partners, students, etc);</li> <li>• Secure and maintain the IUCEA HQs building;</li> <li>• Ensure staffing as per approved organization structure;</li> <li>• Review and operationalize the IUCEA Act 2009;</li> </ul>

### 18.1. ACHIEVEMENTS IN FY2019 - 2020

This annual report for FY2019 - 2020 marks the 4<sup>th</sup> year of implementation of IUCEA's five year Strategic Plan 2016 – 2021. The Secretariat continues to strive and steadily surpassing each of its key performance indicators including those for the flagship projects activities of ACE II, EASTRIP, KFW, and GIZ. This report elaborates achievements and notes challenges and lessons learnt; summarizes the Secretariat's Institutional strengthening. It gives highlights, progress achieved and update on IUCEA's scholarship programmes, capacity building for university leadership programme, Staff and students mobility programme, quality assurance and research and innovation endeavors, flagship projects achievements, as well as selected Institutional and human resource targeted

results achieved in the FY2019/2020. The IUCEA strategic Plan 2016 – 2021 has been contributing to the 5<sup>th</sup> EAC Development strategy, and these were the two key guiding documents in coming up with the IUCEA Annual Operational Plan 2019/2020.

Specifically for the financial year 2019/2020, IUCEA implemented planned activities as per IUCEA approved annual operation plan derived from the IUCEA Strategic Plan which has 5 strategic objectives as presented in appendix I. The status of events, activities, projects and programmes during the reporting period are mapped to the deliverables of the Strategic Objectives.

### **Scholarship Programmes**

The scholarship programmes under this subheading will only touch those that are facilitated by IUCEA but are not within the two main flagship projects of ACE II and EASTRIP. Those scholarships can be grouped into three categories:

#### **(a) IUCEA – Kyung Dong University Scholarship**

During the financial year 2019/20, IUCEA facilitated a 1<sup>st</sup> Cohort of 24 students from EAC Partner States to join Kyung Dong University in South Korea under a joint (IUCEA-Kyung Dong) scholarship program for undergraduates in smart computing; business administration and hotel management. They are from: Burundi (4); Kenya (3); Rwanda (4) Republic of South Sudan (5); Tanzania (3) Uganda (5).

#### **(b) CENIT@EA Scholarship**



INTER-UNIVERSITY COUNCIL FOR EAST AFRICA (IUCEA) 8<sup>th</sup> ANNUAL MEETING ON

28<sup>th</sup> - 29<sup>th</sup> June 2017 at Zanzibar Beach Hotel, ZANZIBAR - TANZANIA.

The EAC and the German Federal Ministry for Economic Cooperation and Development (BMZ) agreed to establish a Regional Centre of Excellence (CENIT@EA) in the field of Information and Communication Technology (ICT) in one of the EAC Partner States. The implementation set-up involve GIZ as a lead implementing agency, IUCEA as the implementing and coordinating partner on the EAC side, while DAAD is supporting the implementation of the academic strand of the project on the funder's side. This program is hosted by Nelson Mandela African Institute of Science and Technology (NM-AIST) CENIT@EA and plans to enroll more 33 students in the subsequent year. The Centre of Excellence addresses three fields of intervention: (i) Establishment of a need-driven postgraduate Master's program "Embedded and Mobile Systems in East Africa"; (ii) Gearing the courses and services of the universities towards the needs of the private and public sector in East Africa; (iii) Regional networking.

### **(c) EAC-KFW Scholarship**

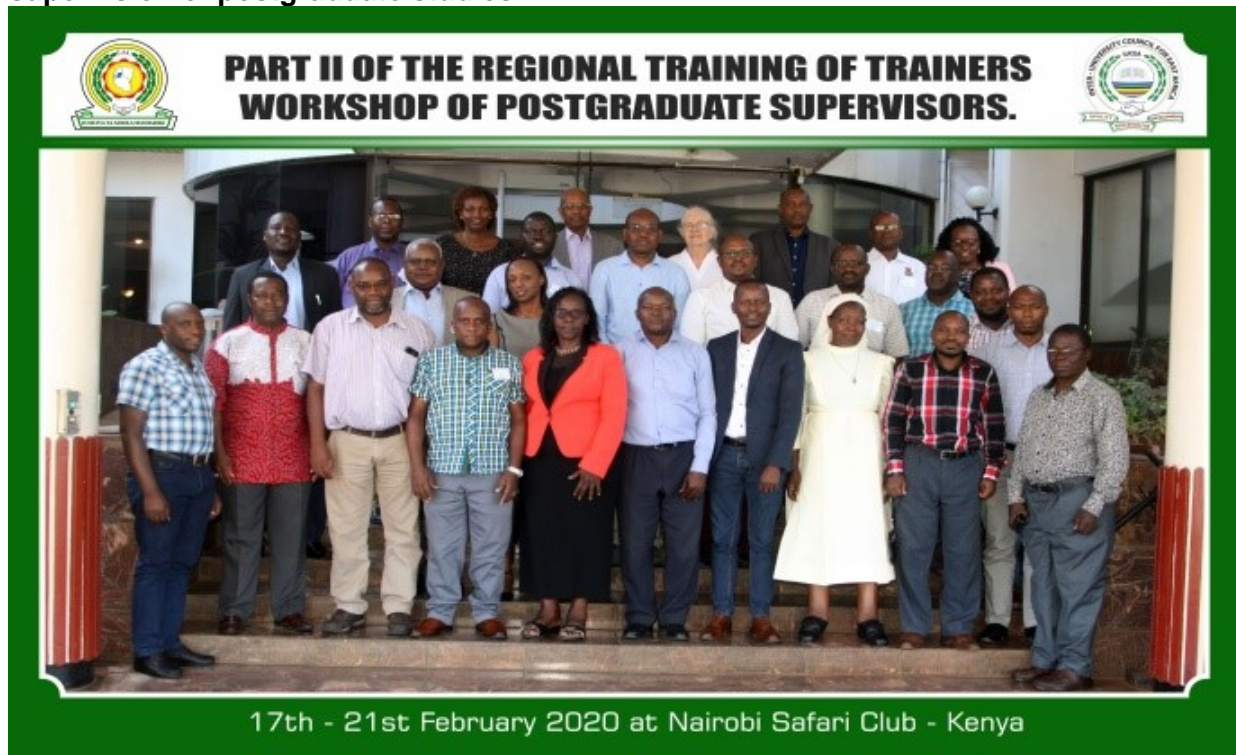
The East African Community Scholarship Programme is an initiative of the East African Community (EAC), the Inter-University Council for East Africa (IUCEA) and the German Development Bank (KfW). The Program's objective is to contribute towards the promotion of the EAC Integration Agenda by supporting three (3) Cohorts of Master's students in Mathematics, Engineering, Informatics, Science, Technology and Business Science thematic areas and their role in fostering awareness for the integration process. Cohort development for this Programme is a two- stage process, i.e. selection of eligible study programmes and recruitment of students. 57 students were enrolled in Cohort 1 and are in the 2nd semester of their 1st year of studies whereas selection of eligible study programmes for cohort 2 is being finalized. Out of the fifty seven (57) Cohort 1 students ten (10) are from Burundi, ten (10) from Kenya, nine (9) from Rwanda, nine (9) from South Sudan, nine (9) from Tanzania and finally ten (10) from Uganda. Of these 60% are males while 40% are female students.

During this same period, IUCEA attended one meeting in German to discuss on the strengthening of KfW scholarships management in the East African Community.

### **Quality Assurance and Qualification Framework**

The quality assurance unit purpose is to develop and implement regional frameworks and instruments that will ensure harmonization of higher education through quality assurance and Qualifications Framework mechanisms to contribute to the integration agenda of the East African Community, with the ultimate goal of transforming the EAC into a Common Higher Education Area. During the financial year 2019 – 2020, several achievements were realized and the following are highlights of some key ones:

**(a) Completion of 1st Cohort Regional Training of Trainers' workshop on quality supervision of postgraduate studies**



The Inter-University Council for East Africa (IUCEA) has developed a tailor made regional Training of Trainers workshop aimed at creating a critical pool of experts in quality supervision of Postgraduate Studies who will be engaged for multiplication training workshops at national and regional levels. Forty (40) participants were drawn from the African Centres of Excellence II from EAC Partner States participating in the project and from selected IUCEA member universities for the region. The training was conducted into two parts (one in Tanzania and second one in Kenya) with an aim to equip and retool participants with modern, innovative and interactive methodologies of supervision of students in order to enhance the quality of supervision of postgraduate students and henceforth quality of outputs therefrom (graduates, research outputs, publications, thesis/dissertations)

**(b) Development of Benchmarks**

The benchmarks provide a frame of reference for universities when developing and reviewing academic programmes and curricula in order to ensure that the programmes and curricula in the region are harmonized. Furthermore, benchmarks promote curriculum reforms in East African in order to equip graduates with skills and knowledge which meets the needs of employees as well as needs for self-employment, inform the labour market and other stakeholders on what the graduates are able to do after completion of their studies.

In the effort to enhance the quality of academic programmes and also provide a framework for harmonisation of higher education, IUCEA successfully coordinated in FY2019/20:

(i) The development of benchmarks for mathematics for undergraduate, Masters and PhD. in pure, applied and statistical mathematics which contained mainly, agreed upon competencies, and expected learning outcomes, contents (core courses and electives)



and assessment methods of the programmes. The process was carried out in line with the on-going activities of the regional initiative of the East African Centre for Mathematical Research which is under the auspices of IUCEA Secretariat in order to facilitate mobility of students in mathematics in East Africa and promotion of mathematics subject in the region. The benchmarking exercise was also supported by the experts from the departments of Mathematics in the 6 EAC Partner States together with experts from Sweden and Finland through the support of SIDA.

(ii) The development of benchmarks for sports and physical education programmes whereby IUCEA initiated the process and the first meeting took place from 13th to 17th January 2020, in Arusha, Tanzania. The Fifty (40) participants to the meeting were drawn from universities in EAC, employers, labor market and experts from the USA. The main output of the process was a draft framework of benchmarks for the undergraduate programmes in the areas of sport management and sport tourism; exercise and sport sciences; leisure and recreation; and sport education.



**(d) Development of IUCEA Higher Education Leadership training (IUCEA-HELP) programme**

One of the major challenges facing Higher Education in East Africa is related to governance, leadership and management of universities. The governance of the institutions, though important for delivering quality education, has always not been taken into consideration. It has been the practice that managers are simply appointed from lecture rooms or research institutions to administration without having been trained on how to manage higher education institutions. However, institutions of higher learning must be well managed if quality higher education is to be delivered sustainably. Following the above, in order to enhance the capacity of senior university leadership to effectively manage their respective institutions, IUCEA completed the development of a structured and full-fledged leadership programme through a consultative process. The process has

resulted into the identification of thematic areas focusing on innovative and strategic leadership and also establishment of a core team of six (6) international experts who were involved in the development of modules for the training and also for steering the training programme through face to face and on-line platform.



March, 2020 and would comprise of Vice Chancellors who are members of the Executive Committee and the Vice Chancellors hosting the African Centers of Excellence (ACEII). Unfortunately, the training could not take place as envisaged due to Covid-19 Pandemic lockdown. The overall goal of the regional capacity building programme for University leadership is to strengthen leadership and management competencies of university managers in East Africa by equipping them with the required basic knowledge and tools to effectively manage these institutions in order to fully realize their potential in promoting social and economic development.

#### **(d) Development of a Regional Accreditation Framework**

Currently, the African continent is developing a Pan-African Quality Assurance and Accreditation Framework (PAQAF). Also, a joint African Union- European Commission Strategy on harmonisation of African Higher Quality Assurance and Accreditation (HAQAA) has been put in place. One of the primary outputs of the HAQAA initiative is the African Standards and Guidelines for Quality Assurance (ASG-QA). The ASG-QA is providing instrumental guidance for regional and national Quality Assurance Agencies

(QAAs) as well as Higher Education Institutions across the continent and in fostering a shared quality culture, facilitating the cross-border recognition of quality assurance and accreditation decisions. During the FY2019/2020, IUCEA participated fully in the above initiatives as a key stakeholder representing the East African Regional Economic Community (REC). During the period under report, IUCEA started the process of developing structures and mechanisms for regional accreditation and organized two (2) technical meetings of representatives of six (6) National Commissions/Councils for Higher Education from the EAC Partner States with the main objectives of developing an agreeable structure and mechanisms that will facilitate regional accreditation. The outcome of the meetings was a draft Regional Accreditation Framework comprising of the governance structure, principles and mechanisms for regional accreditation which will be subjected to the IUCEA approval processes from the standing committee on operationalisation of the EAC Common Higher Education Area up to the EAC Council of Ministers through the Sectoral Council for Education, Science, Technology Sports and the EAC.

### **Exchange, Linkages, Projects and Partnerships**

The IUCEA function on exchange, linkages, projects and partnerships was formed to respond to some of the IUCEA functions according to the IUCEA Act 2019: To collaborate with Partner States and other appropriate bodies and authorities in developing strategies for increased investment in Higher Education in the community; to encourage exchange of students and staff between member universities; provide scholarships to students and grants to teaching and research assistants.

#### **(a) Staff and Students mobility Programme**

IUCEA implements and coordinates Staff and Students mobility programmes guided by the academic mobility policies and operationalization guidelines with the aim of sharing knowledge, skills and facilities among scholars, students and staff in the EAC based universities. The main priority for the mobility is among the institutions across the EAC Partner States for effective contribution to the EAC Common Market Protocol, and the realisation of the EAC Common Higher Education Area. The staff mobility programme provides for staff participation in either among the teaching and Learning, Research and Community Engagement as well as external examination, with beneficiaries being junior and senior academic staff mainly in terms of learning, collaboration and sharing experiences. During the financial year 2019/2020, a call for staff mobility 2019/2020 was issued on 11<sup>th</sup> December 2019 and a total number of ninety three (93) applications were received by 25<sup>th</sup> March 2020 out of which 29 applicants were endorsed and met the requirements before the COVID-19. However, out of the twenty nine (29) 12 were offered letters. Of those, only 2 visiting staff managed to complete their missions and submitted their final reports while one returned at his home working station as soon as the lockdown was announced due to COVID-19 and closure of Higher Learning Institutions in the EAC Partner States. IUCEA prepares to re-launch the call as soon as universities are opened.

#### **(b) The Kyung dong University Programme**

IUCEA signed an MoU with Kyung dong University (KDU), a university based in the Republic of South Korea, on a wide range of areas of cooperation that include students

from the EAC Partner States joining the university in South Korea with tuition fees and accommodation catered for by KDU, the scholarship is to be for 4 years undergraduate studies in the areas of Smart Computing, Hotel Management and Business Administration. The scholarship provides for 30 students each year for a period of five years. Under the framework, KDU will provide four years undergraduate scholarships to five students from each of the EAC Partner States. The duration of the MoU shall be five years from its signing date of 17th September 2018. During the financial year 2019/2020, IUCEA made a Call for applications for scholarships for the second cohort on 10th February 2020. By 15<sup>th</sup> May, 2020 a total of 132 applications were received and a shortlisting was conducted and resulted into thirty-five (35) selected applicants that are going to be facilitated and join the university in South Korea in the next financial year. From the thirty five (35) selected students, six (6) were from Burundi, six (6) from Kenya, five (5) from South Sudan, six (6) from Rwanda, five (5) from Uganda and seven (7) from United Republic of Tanzania. Out of the total there are twenty one (21) male students and fourteen (14) female students.

### **(c) The Fees Structure Model**

The 14th Sectoral Council on Education, Science, Technology, Culture and Sports, directed IUCEA in collaboration with the Ministries responsible for EAC to develop a harmonized Fees Structure Model and conduct national validation exercise in all EAC Partner States. IUCEA therefore developed the Fees Structure Model through a process that involved utilization of real data from a number of selected universities in the EAC Partner States. During the financial year 2019/2020 dissemination workshops were conducted in the Republic of Burundi and Kenya on 9<sup>th</sup> August 2019 and 30<sup>th</sup> January 2020 respectively. However the plans to undertake the same dissemination workshops in the remaining EAC Partner States were put on hold due to COVID-19 pandemic.

It is expected that once the cycle of dissemination completes, it will lead to the formulation of policy related directives on the usage of the model for enhanced role of higher education institutions in socio-economic development and regional integration especially of access and affordability for East Africans.

### **Research and Innovation**

Research and Innovation coordination programme at IUCEA is responsible for planning and coordination of implementation of regional research and innovation interventions, considering that research and innovation has a crucial role to play in socio-economic development and transformation of society in the East African Region. The programme promotes the development of high quality research infrastructure and facilities that characterize centres of research and innovation excellence, considering that innovations of commercial value generated by high quality scientific research would motivate industry to support research and take up innovations of commercial value. During the financial year 2019/2020, key achievements of the unit can be highlighted as follows:

#### **(a) Collaborative research Platforms, Partnerships and Networks**

**(i)** In the interest of improving university research management systems in East Africa, IUCEA developed a proposal on a programme entitled “Enhancement of Research Management Capacities for Improved Performance of Higher Education Systems in East Africa” and the proposal was funded by SIDA of Sweden with SEK 1 million (\$100,000



USD) seed funding for conducting the research. The output of the study therefore is expected to inform the development of research management capacity building interventions for higher education institutions in the EAC.

**(ii)** In partnership with the East African Science and Technology Commission (EASTECO) and Nelson Mandela African Institution of Science and Technology (NMI-AIST), IUCEA coordinated the establishment of a Forum for Science, Technology and Innovation, providing a platform for researchers to share experiences and results of their work. Recognizing the high potential of the forum in addressing socio-economic development matters, the African Development Bank (AfDB) supported the initial activities through a grant of USD 200,000. This grant was utilized on preparatory activities for establishment of the East African Journal of Science, Technology and Innovation, by holding the 1st East African STI Conference, which was held with the APPPF, October 23-25 2019, Kampala Uganda.



The APPPF focuses on enhancing linkage between the academia, research institutions, and public and private sector enterprises; promoting the utilization of higher education research output and innovations by the private sector/business community; promoting consultative engagement in curriculum and research development and implementation. The 2019 APPPF was organised under the theme: “Science, Technology and Innovation (STI) as a Catalyst towards Achievement of East African Community Vision 2050”.



### **(b) Strengthening University Research management System**

IUCEA developed a proposal on interventions that will enhance the performance of universities in East Africa by implementing a programme entitled “*Enhancement of Research Management Capacities for Improved Performance of Higher Education Systems in East Africa*”. The proposal was approved for funding by Sida of Sweden with SEK 1 million (\$100,000) seed funding to be used to carry out (i) a situational analysis on research management capacities of selected universities on their performance and contribution to sustainable knowledge-based society, and (ii) a needs assessment to understand gaps and challenges for the enhancement of research management capacities in higher education institutions in the region. The output of the study is expected to inform the development of research management capacity building interventions for higher education institutions in the EAC.

### **(c) IUCEA – APHRC Partnership**

#### **• Grant-writing Workshop**

In partnership with the African Population and Health Research Center (APHRC), IUCEA invited research proposals from member universities with the potential for development into grant proposals. A total of 55 proposals were received and submitted to APHRC for review, resulting in the selection of 5 proposals (with 21 partners) for further consideration. A grant-writing workshop was scheduled for successful applicants on April 20-24, 2020 in Nairobi, Kenya, where they were expected to complete the proposals under supervision and facilitation of grant writing specialists contracted by APHRC. This workshop was later postponed due to the COVID-19 outbreak. A virtual meeting was later organised between IUCEA and APHRC and number of recommendations on the way forward were formulated.

#### **• IUCEA – APHRC Study**

IUCEA is in collaboration with the African Population and Health Research Center (APHRC) to implement a project entitled “Examining Participation and Quality of

Experiences of Women in Science Technology Engineering and Mathematics (STEM) Postgraduate Training Programs and Careers in East Africa.” Funded by the International Development Research Center (IDRC) with a total budget of USD 390,232, the study will be conducted over a period of five years. In its first phase, the project would look at “Supervision and Mentorship of Women in Science Technology Engineering and Mathematics Postgraduate Training Programs in East Africa.” The purpose of this phase will be to generate evidence on supervision and mentorship experiences of women in postgraduate programs in STEM in IUCEA member universities with the aim of identifying best practices and benchmarks to inform regional mentorship and supervision guidelines. A matrix of responsibilities for different stakeholders was developed and approved for implementation.

#### **(d) Establishment of an EAC Academic Network and Centre(s) of Excellence on Regional Integration**

The idea of establishing an EAC Academic Network and Centre(s) of Excellence on Regional Integration has been proposed to harmonise initiatives to have regional integration courses in place. Consequently, a proposal on the establishment of an EAC Academic Network on Regional Integration was presented during the 30th meeting of the IUCEA Executive Committee in Kampala on 9<sup>th</sup> December, 2019. The Executive Committee welcomed this idea and directed the IUCEA Secretariat to go ahead and produce a full proposal on the establishment of the EAC Academic Network on Regional Integration. The Secretariat was further directed to mobilize resources for the establishment of a center or centers of excellence on regional integration. The Secretariat developed a memorandum of understanding with Ambassador Tim Clerk to support the initiative on resource mobilisation towards the establishment of the centre (s) of excellence on regional integration matters.

#### **(e) IUCEA – ESSA Partnership**

In order to better understand the disruption caused by the COVID-19 pandemic on higher education and to investigate the first measures undertaken by higher education institutions in East Africa to respond to the crisis, IUCEA has partnered with Education Sub Saharan Africa (ESSA) and the East African Business Council (EABC) to launch a regional survey on the impact of the COVID-19 pandemic on higher education in the region. A concept has since been developed for a regional survey whose aim is to assess the impact of COVID-19 on higher education in East Africa in order to provide evidence-based guidance on how higher education can mitigate future scenarios. The survey will be guided by the following objectives:

- i. To identify the varied institutional, national and regional responses to the COVID-19 pandemic;
- ii. To assess the impact of COVID-19 on higher education activities in the East African Community;
- iii. To develop strategies for mitigating the impact of the pandemic in the short, medium and long terms.

#### **IUCEA Projects and Programmes**

The IUCEA interventions are supported by Partner States and a network of stakeholders including Development Partners from the Region and beyond. The following were Projects implemented or coordinated by IUCEA but supported and funded by Development Partners such as WB, KFW, German Government, Peoples Republic of China, Sweden, and etc.

**(a) The Eastern and Southern Africa Higher Education Centers of Excellence Project (ACE II)**

The ACE II is an initiative of participating African Governments (Ethiopia, Kenya, Malawi, Rwanda, Mozambique, Tanzania, Uganda and Zambia) and the World Bank (WB) which has established twenty four (24) Africa Centres of Excellence (ACEs) in the priority sectors of Agriculture, Health, Science and Technology and Applied Statistics and Education. The centres have been building and sustaining excellence in higher education and bridging skill gaps in the human resources required to address the development needs in the region.



The ACE II was designed to identify and address higher skills and innovation requirements for priority sectors in the region and thus produce quality high skilled human resources in the priority growth sectors. The Centers of Excellence are hosted at 16 universities in eight countries - Ethiopia, Kenya, Malawi, Mozambique, Rwanda, Tanzania, Uganda and Zambia. Burundi which does not host any ACE is eligible to access services offered by the ACEs in other countries and regional capacity-building activities under the project. Developing and enabling such capacity in the region is necessary to ensure, for example, that drug development prioritises the region's key ailments, or that agricultural research focuses on enhancing the productivity of ESA crops; areas that are not always prioritized by western researchers and research organizations.

Each of the 24 specialised regional centers received a grant of up to US\$6 million over the project duration of five years to produce measurable results in the form of increased quality and quantity of graduates, quality and quantity of research and increased collaboration and partnerships with industry and other higher education institutions in the region and internationally.

Since 2016 the ACEs have been enrolling students, publishing and disseminating research, developing partnerships, conducting faculty development and staff training, pursuing fellowships and post-doctoral studies, participated in networking activities with national and international partners, hosted and participated in conferences, and engaged in other activities that can make them strong regional centers of excellence. During the reporting period, ACE II project achieved on the following:

- **Student enrolment and accreditation**

By the project's mid-term point in December 2019, a total of 1,142 Masters students and 253 PhD students were enrolled in 209 nationally accredited Masters and PhD academic programs. In their proposals, the ACEs had planned to enroll more than 3,500 graduate students by the end of five years. But by the mid-term in 2019, the ACEs had surpassed their enrolment target. The ACEs are expected to seek international accreditation as a mark of global excellence. So far, the Centre of Excellence for Aquaculture and Fisheries Science (AQUAFISH) at Lilongwe University of Agriculture & Natural Resources (LUANAR) managed to acquire the international accreditation of its Master of Science in Aquaculture and PhD in Aquaculture and Fisheries Science. Other centers are at different stages of acquiring international accreditation of their programs.

- **ACE Scholarship Program**

This competitive scholarship was awarded in 2018 and 2019 to 60 females to attain a Master's degree in any of the ACEs, with the aim to cultivate future leaders, encourage student mobility and promote regional integration. The students are studying courses in the priority disciplines of the ACE II project of (i) STEM (Science, Technology, Engineering and Mathematics) or Industry, (ii) Agriculture, (iii) Health, (iv) Education and (v) Applied Statistics. All the 60 students study in an ACE outside their native country. However during the reporting period the project awarded 32 female scientists to undertake MSc studies in ACE II propriety areas, namely agriculture, health, industry, applied statistics and education.

- **Establishment of regional incubation centers for Eastern and Southern Africa.**

The regional incubation centers are helping to build important linkages between academia and industry. In May 2019 four Centers of Excellence were awarded US\$250,000 each as seed funds to establish regional incubation centers for Eastern and Southern Africa. The evaluation process prioritised ACEs that already had good enough products that required improvement, promotion for wider markets and potential for business incubation. Under this target and during the reporting period, the project financed the establishment of 4 incubation centers as follows: (i) Incubation Center for Data Driven Innovation for Food and Nutritional Security at the Nelson Mandela Africa Institutions of Science and Technology, Arusha, Republic of Tanzania; (ii) Incubation Center for Manufacturing and Business at Moi University, Republic of Kenya; (iii) Incubation Center of Energy and



Sustainable Development at the University of Rwanda, Republic of Rwanda; and (iv) Incubation Center for Traditional Medicines and Biopharmaceuticals, Mbarara University of Science and Technology, Republic of Uganda.

- **PASET benchmarking**

During the reporting period, the project facilitated the participation of ACEs in the Partnership for Applied Sciences, Engineering and Technology (PASET) benchmarking exercise. PASET is a World Bank supported initiative that seeks to build a technical and scientific skilled labour force for priority sectors, from technical/vocational to higher education levels as well as research. All ACE hosting institutions participated in the PASET benchmarking program.



The program aims to improve the quality and relevance of higher education by equipping institutions to identify their strengths and weaknesses and assess and monitor their progress relative to similar national, regional and global institutions.

- **Partnerships and Publications**

A total of 300 partnerships, mostly with other academic institutions had been developed between the ACEs and other institutions by the project's mid-term point in November 2019. This is another target that has been surpassed quickly. Partnership in this regional initiative aim to stimulate research collaboration and networking to cost-effectively solve regional problems. The project prioritized partnerships with other institutions and industry to ensure long term sustainability and also, as a route through which knowledge created through research could be shared with the industry. ACEs are in academic partnerships with institutions across the African continent and others in China, Japan, India, USA and other countries. An MoU was signed between the Department of Science and Technology (DST) of the Ministry of Science and Technology of India and the World Bank to officially support the collaboration between ACEs and 10 Indian Institutes of Technology (IITs).

In terms of publications, by September 2019, the project had published 918 papers, most of them with regional co-authors. The overall target is to publish 1500 peer-reviewed journal papers or peer reviewed conference papers prepared collaboratively with national, regional and international co-authors

- **State-of-the-art facilities**

One of the barriers to STEM education and research is lack of modern facilities and good quality laboratory equipment. To attain excellence in education and research capacity, the Centers of Excellence are setting up adequate scientific infrastructure and have rehabilitated laboratories and student hostels, bought modern research equipment and materials, and equipped classroom with interactive LED touch panels, data projectors and screens and expanded computer laboratories. Many ACEs are constructing their own offices and classroom facilities.

- **Revenue generation**

In order to ensure fundraising capacity for financial sustainability of the project, ACEs were expected to generate revenue from external sources. By the end of financial year 2019/2020, ACEs had generated a total of US\$ 7.2 million from external sources. The end target is for the centers to collectively generate US\$30 million in external revenue. The aim of the indicator for revenue generation is to develop the capacity of the ACEs and motivate them to seek innovative ways to generate revenues to finance their development needs after the ACE II project closes. The project matches US\$1 for every US\$1 raised from national sources, and US\$2 for every US\$1 raised from regional and international sources.

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

The East Africa Skills for Transformation and Regional Integration Project (EASTRIP) is a five-year project funded by the World Bank and the Governments of Ethiopia, Kenya and Tanzania to increase the access and to improve the quality of TVET programmes that will be offered by the selected Regional Flagship TVET Institutes (RFTIs).



The project is designed to address skills shortage and mismatch, by providing technical, financial and industry partnership to improve the relevance and quality of training programmes in the 16 selected RFTIs. The project supports the development of highly specialized TVET programs at diploma and degree levels for training of technicians and TVET faculty, as well as industry recognised short-term training, targeting regional priority sectors in transport, energy, manufacturing, and ICT. EASTRIP facilitates regional integration by providing a regional platform to promote exchange of policies and practices, students and faculty mobility and harmonisation of occupational standards and qualifications. During the reporting period, the project achieved on the following:

- **Consultative meeting bringing together all TVET Regulatory Authorities and TVET Experts**

A consultative meeting of TVET Regulatory authorities was held between 11th and 13th March 2020 in Nairobi, Kenya. The meeting brought together all TVET Regulatory Authorities and TVET experts from Ethiopia, Kenya and Tanzania to discuss harmonization and mutual recognition of qualification frameworks, curricula and occupational standards.





The meeting yielded the following: (i) A proposed regional technical committee to spearhead the harmonisation process; (ii) a recommendation to hire of consultant to conduct baseline study on TVET regional, curricula, occupational standards and Qualifications Framework; (iii) nominated members to the Technical committee by EASTRIP National Coordinators; (iv) drafted terms of reference and appointment letters for the members of the committee.

EASTRIP organised also a Technical Advisory and Capacity building workshop in Dar es Salaam, Tanzania.



Educationists and leaders from Technical and Vocational Education and Training (TVET) institutions in Ethiopia, Kenya, and Tanzania met, for a technical advisory workshop and

discussed strategies to address shortage of technical skills in ICT, transport, energy, manufacturing, and agro-processing.

- **China – EASTRIP TVET Scholarship**

The China Ministry of Education offered 100 scholarships to EASTRIP whereby each year 20 scholarships would be offered to the 16 TVET institutes for people to study in China universities for the following priority areas: statistics, manufacturing, infrastructure and energy at Masters and PhD levels. It was reported that selection of the successful students was almost completed and that selected candidates were ready to take on their studies once the pandemic restrictions are lifted.



The applications for the financial year 2020/2021 are currently being reviewed by respective universities that will host the candidates in China.

- **Regional Collaboration in TVET and Project Coordination**

During the reporting period, a third Regional Steering Committee meeting was held in February 2020 in Nairobi, Kenya. The recruitment of the M&E Officer was concluded and he reported on 1st of June 2020 and started working from Addis Ababa virtually. Procurement training was conducted online while financial management was held in July. There was a development of the draft communication strategy and was shared with stakeholders for review and comments. An assessment was conducted by the RFU to study and assess the readiness of RFTI to conduct e-Learning in response to COVID-19 pandemic and the results show that more than 53,000 students from 16 TVET institutes had been negatively affected by the lockdown as they had no access to learning. The RFU held Technical virtual meetings with each RFTI ICT Teams to develop technical specifications for setting up eLearning systems and managed to set up an information sharing portal on COVID-19 on EASTRIP website (<https://www.eastrip.iucea.org/coronavirus-covid-19/>). The portal includes links to Open Education resources to assist RFTIs in content development.

EASTRIP supported all the 16 selected Regional Flagship Technical and Vocational Education and Training (TVET) Institutes, to develop the e-Learning platforms to facilitate continuous learning during COVID-19 and in the long term. The total or partial lockdown initiated by various African governments as a result of COVID-19 pandemic made face-to-face learning and practical training untenable in most TVET institutes, making e-Learning the most viable option for continuous learning during the reporting period.

The World Bank Task Team Leader, Dr. Xiaoyan Liang, requested the leadership of the 16 institutes to review their project plans to include requirements for establishing or improving e-Learning infrastructure, including software and hardware, and capacity for developing educational content to support e-Learning. It is also envisaged that in the next

financial year, the e-Learning systems will also be set up at national and regional level to support capacity building training, sharing of knowledge, information and best practices for a successful e-Learning practice. The IUCEA RFU will develop a series of Webinar courses that focus on TVET management, leadership, and project management training and provide a regional networking platform.

- ***EASTRIP TVET Institutes efforts to respond to COVID-19 Pandemic***

From May 2020 and in the effort to respond to Covid-19, EASTRIP flagship TVET Institutes stepped up with various innovations to be used in the fight against the pandemic.

(i) The Arusha Technical College designed a solar-powered automatic hand washing machine to reduce Covid-19 infections.



This hand washing machine uses solar power to automatically dispense water without contact with handles of the washing equipment. The innovation is in response to the challenges faced with the hand washing equipment on the market where users have to be in contact with the handles of the washing equipment. By using its solar-powered automated system, the hand washing machine eliminates such contact thereby eliminating any potential threats of further infection.

(ii) The Dar es Salaam Institute of Technology (DIT) developed solutions to help society to respond to COVID-19 pandemic. Some of the products developed by DIT included hand sanitizers, automatic hand washing machine, face shields, reusable laser frame design just to mention a few. Some of these products are produced in the DIT Design Studio. At the reporting period, the Institute was in the process of developing Ventilator Machines to assist hospitals in responding to COVID-19 pandemic.





(iii) Meru National Polytechnic contributions to fighting against COVID-19 with production of sanitizers and face masks.

Also one of the EASTRIP Regional Flagship Institutes based in Meru, Kenya, (Meru National Polytechnic) produced number of items to assist the country and the local community to respond to COVID-19 pandemic. The items produced by the institutes technical staff and students included face masks, hand sanitizers, hand washing soap which are used in preventing the spread of COVID-19 pandemic.



Meru national Polytechnic planned for several contingency scenarios and took a decisive, informed action to prevent the spread of COVID-19 while ensuring the continuity of their teaching through E-Learning Platforms.

All these innovations above mentioned, demonstrate that TVET empowers students with relevant skills to resolve current and future challenges.

### **(c) Regional Centre of Excellence (CENIT@EA)**

The centre of Excellence is hosted by Nelson Mandela African Institute of Science and Technology (NM-AIST) CENIT@EA and addresses three intervention areas. However, only two intervention areas are being reported on since the scholarship intervention was reported under scholarship heading.

- **Collaborations, innovation and Research**

During the reporting period, (i) CENIT@EA had managed to sign two (2) partnerships for collaboration with: IBM Africa, and Kiira Motors Ltd in September 2019 and June 2020 respectively. From these partnerships, Kiira Motors is hosting two (2) interns from the centre of excellence while IBM Africa supported summer schools and trainings ; (ii) CENIT@EA Scholars innovated a Drowsiness Detector prototype for Road Safety that uses Artificial Intelligence (AI) which won 1st prize among 100 ideas submitted GLOBALLY in the 2020 @giz\_gmbh companywide #GIZInnovation Fund; (iii) Two students sponsored by CENIT@EA at NM\_AIST were declared first runner-up of Climate Launch Pad @Greentech idea competitions by @Anza for their Artificial Intelligence based solution on waste management; (iv) It was realised that more than 70% of placement for industry are secured in only four (4) EAC Partner States.

- **Status of Higher Education Information Systems in East Africa**

During the reporting period, IUCEA commissioned a study on the “Status of the EAC higher education Information system” whose main objective was to develop the framework for the East African Community Higher Education Information System (EAC-HEIS) and propose a strategy for implementation. IUCEA currently has one hundred thirty three (133) member institutions and the sample data on universities and university colleges was from forty nine (49) universities and university colleges covering the five (5) EAC Partner States and constituting 36.8%. Data was also collected from five out of six representing (83.3%) of the national commissions / councils for higher education.

The study report was ready by the FY2019/2020 and was able to:

- (i) Establish the status of Higher Education Information Systems in EAC;
- (ii) Establish how the information is currently collected, managed and organized;
- (iii) Identify the key stakeholders and custodians of this information;
- (iv) Establish legal provisions at institutional, national and regional / EAC level that would positively or negatively affect a regional HEIS;
- (v) Establish the kind of system that should be developed to serve regional needs, the technical and human resources requirements needed to develop and maintain it, and how best data from universities would be channelled into or collected for the regional system.

However, due to Covid -19 pandemic situation, whereby most Countries announced a total lockdown, the findings of the study were presented in the following FY 2020/2021.

## **INSTITUTIONAL AND HUMAN RESOURCE MATTERS**

### **Human Resource Matters**

- **Unlocking staff capacity**

In general, at the reporting period, IUCEA has forty (40) members of staff as follows: Established staff – 29, Project staff- 11 and Temporary staff- 1. The staff are all structured into departments and units. During the financial year 2019/2020, forty (40) staff were trained in Leadership courses, all staff were paid their emoluments and allowances. During the same period, 3 finance staff participated in international workshops and conferences, five (5) finance staff attended at least five (5) EAC meeting for budget related discussions to develop institutional annual priorities and budget; two (2) audit staff attended international continuous professional development programs; two (2) audit staff participated in EAC annual internal auditors planning meetings to develop harmonised internal audit plans and systems in compliance with IPPF planning standards.

- **Staffing**

During the reporting period, IUCEA recruited four (4) staff for projects and one for established positions. More achievements were as follows: (i) four (4) new positions advertised in the region, (ii) two (2) replacements including the position of the IUCEA Executive Secretary also advertised in the EAC region (iii) compilation of all other positions that are vacant and planned to be vacant in the next financial year.

- **Fiduciary Aspects**

During the reporting period, IUCEA internal audit provided independent objective assurance and advisory services designed to add value and improve the fiduciary aspects in the secretariat's operations. It helped the secretariat achieve its objectives by bringing systematic, disciplined approach to evaluate and improve the effectiveness of governance, risk management, control and accountability process. Four specific engagements from the selected risk based auditable areas were completed namely; (i) audit of ACE II Incubation Centres Selection process; (ii) audit of the IUCEA Quality Assurance Activities; (iii) audit of the Draft 2018/19 IUCEA Financial statements; (iv) Audit of the scholarship activities conducted by IUCEA. The unit successfully coordinated the 2019 External Audit Exercise on the IUCEA financial statements for the year 2018/19 conducted by the EAC Audit Commission and a clean opinion on the IUCEA books of accounts was released by the audit commissioners. In addition, the unit successfully made follow ups of the implementation of all the recommendations of the internal and external audits; coordinated preparations of the 20th and 21st IUCEA Audit Committee meetings which took place in December 2019 at SKYZ Hotel, Kampala, Uganda; prepared, presented and supported the 22nd and 23rd EAC Audit and Risk Committee meetings that were held in December in Entebbe Uganda and in March 2020 in Mwanza, URT respectively; participated in the preparation of the 6th Annual EAC Audit and Risk Committee report to the council in October 2019 in Arusha, United Republic of Tanzania; and finally coordinated the process of nomination of members to the IUCEA Audit committee upon the expiry of the term of office of two representatives from the Republic

of Burundi, one representative from the private sector foundation Tanzania and one representative from private sector Kenya.

### **Institutional Matters**

- **Governance and Legal services**

IUCEA is an organization composed by more than 132 member Universities and other Institutions. The highest organ of IUCEA is the General Assembly while the apex decision making body on operational and technical issues is the Executive Committee. IUCEA is governed by the Executive Committee, which is the governance body, while the Secretariat is the executive arm under the IUCEA Executive Secretary deputized by the deputy Executive Secretary. The IUCEA staff are recruited from all East African Partner States.

During the reporting period, all statutory meetings from the Executive Committee and the Standing Committees as envisaged in the IUCEA Act 2009. There is also an Annual Meeting, which is the Assembly of Vice-Chancellors, Rectors, Provosts, Principals or Directors of member universities, university colleges, and other degree-awarding institutions. Inter-University Council for East Africa (IUCEA) is one of the surviving institutions of the former East African Community whose mandate is to advise the Partner States on all matters related to Higher Education. Under article 5 and 102 of the EAC Treaty, Partner States are committed to undertake concerted measures to foster cooperation in education and training within the Community. IUCEA was established through the IUCEA Protocol of 2002 that was ratified by the three initial East African Community Partner States (Kenya, Uganda and Tanzania). It was established as a body corporate responsible for coordinating higher education in the Community. In order to entrench IUCEA into the East African Community framework, the Inter-University Council for East Africa Act, 2009 was enacted by EALA and was assented to by the Heads of States of the five EAC Partner States. The other legal instruments governing IUCEA is the Treaty for the Establishment of the East African Community. In Article 9 of the Treaty, IUCEA falls in the category of surviving institutions of the former EAC. Article 102 of the Treaty, urges Partner States to among other things revive and enhance the activities of the Inter University Council for East Africa. In addition the EAC Common Markets Protocol (2010) has provisions that have a bearing on the functioning of IUCEA on free movement of labour and services.

- **Resource Mobilisation**

IUCEA is mainly funded through contributions from EAC Partner States (Republic of Burundi, Republic of Kenya, Republic of Rwanda, United Republic of Tanzania and the Republic of Uganda), from member universities and grants from strategic partners. Remittance of funds from EAC Partner States and the member universities however has been slow and this has led to accumulation of arrears and consequently delays in implementation of various strategic interventions. Key IUCEA Partners as at the reporting period were the World Bank, German Academic Exchange Service (DAAD), GIZ, KFDW, KADFP, Kuyung Dong University, Nile Basin Initiative and the Government of China. In addition, IUCEA developed a proposal and submitted to SIDA of Sweden and secured SEK 1,000,000 (about USD 100,000) in order to develop interventions that will enhance the performance of universities in East Africa.

At the reporting period however, IUCEA mobilised substantial amount of funds for implementation of key interventions. However, the cumulative situation of resource mobilised up to the time of this report is as presented in the table below:

Table 1: Cumulative Resource Mobilisation Initiatives

No	Initiatives	Dev. Part.	Funding
1	Scholarship Masters Prog.	KFW	10,000,000 (euros)
2	ACE II	WB	8,000,000 (usd)
3	EASTRIP	WB	8,000,000 (usd)
4	CENIT@EA	GIZ	4,000,000 (euros)
5	Scholarship Undergraduate	Kyung Dong	8,500,000 (usd)
6	Research Grant	SIDA	100,000 (usd)

The above contributors to IUCEA annual budget approve annually the amount to support interventions. However, from the above table the CENIT@EA fund closed and ACE II fund is remaining with one year of implementation. There is need therefore to come up with an innovative financing mechanism in order to sustain IUCEA interventions in the region.

- IUCEA Headquarter Building

One of the key deliverables of the Inter-University Council for East Africa is to develop the facilities of its headquarters. During the reporting period, the Partner States, through the EAC Council of Ministers approved a sum of four (4) million United States Dollars for the development of the priority facilities of the Master Plan that will directly enhance IUCEA capacity to implement its mandate as Phase II construction, using part of the arrears funds contributed by the EAC Partner States. This approval was secured after IUCEA presentation of designs to the Council of Ministers and after deliberations, IUCEA sought incorporation of the conference facilities into the facility that was originally earmarked for additional Phase II offices. The Phase II Offices will now, host cafeteria; information resource center; archive; thematic areas based offices; seminar rooms and the newly introduced conference Halls. The proposed facility and its budget were approved during the 39th Meeting of the Council of Ministers held on 21st - 28th November 2019 in Arusha, Tanzania.

## FINANCIALS FY2019 - 2020

During the reporting period, the IUCEA presented a budget of USD9, 580,426 as an annual budget, whereby USD4, 848,268 was to be funded by Partner States representing 50.6% while USD4,738,158 was to be funded by Development Partners representing 49.4%.

Fig 2: Contributions for FY2019/2020



Source: information from financial statements 2019/2020

The approved budget for FY2019/2020 was USD 9,586,426 funded by USD 4,379,970 from Partner States, Member Universities USD 468,300, and USD 4,738,158 from development partners. There was also a supplementary budget that was introduced for a project funded by a Development Partner of USD 623,229 which made a final total figure of the approved budget of USD10,209,655 for FY2019/2020. For FY2019/2020 the Secretariat received USD 2,013,500 for project operations for World Bank ACEII Project , USD269,081 for project operations of World Bank EASTRIP project and USD 808,765 for EAC/KFW Scholarship project. The partner States met their budget support at 58% (2,561,179) and reduction to the outstanding arrears was USD 2,460,252, 16% of USD 15,723,845. As at 30th June 2020, the amount outstanding as unpaid contribution for FY2019/2020 was USD 1,818,791. The table below shows the amount budgeted and actuals for the year ended 30th June 2020.

Table 1: Budgeted vs Actuals FY2019/2020

Source	Budgeted	Actual	% Disbursement
Partner States	4,379,970	2,561,179	58.5%
Member Universities	468,300	335,022	71.5%
Development Partners	5,353,587	3,151,514	58.9%
Other Revenues.	7,800	7,016	89.9%
<b>TOTAL</b>	<b>10,209,655</b>	<b>6,054,731</b>	<b>59.3%</b>

This demonstrates that during the FY2019/2020, the budget support was funded up to the turn of 59.3% compared to the budgeted amount, thus being the available funds for the Secretariat to utilise for implementation of her 2019/2020 annual interventions. In spite of the delay by the Partner States to meet their obligations on time, IUCEA achieved a budget performance of 65 % (USD 3,848,024) and revenue contribution of 58% (USD 2,561,179).

The following statements are financial position and financial performance for the year ended by 30<sup>th</sup> June 2020 for the Secretariat:

**STATEMENT OF FINANCIAL POSITION AS AT 30TH JUNE 2020**

		<b>2020</b>	<b>2019</b>
	<b>Note</b>	<b>US\$</b>	<b>US\$</b>
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and Bank balances	10	6,110,450	2,073,519
Fixed Deposits	11	2,501,429	5,170,983
Staff Gratuity Deposit	12	796,810	659,535
Receivables	13	1,277,036	1,669,616
Capital Contribution from Partner States(HQ)	14	500,000	500,000

Receivables from Partner States	14	15,723,845	16,353,381
<b>TOTAL CURRENT ASSETS</b>		<b><u>26,909,570</u></b>	<b><u>26,427,034</u></b>
<b>NON-CURRENT ASSETS</b>			
Property, Plant and Equipment	15	2,432,054	2,492,329
Intangibles	16	70,021	64,747
<b>TOTAL NON-CURRENT ASSETS</b>		<b><u>2,502,074</u></b>	<b><u>2,557,076</u></b>
<b>TOTAL ASSETS</b>		<b><u>29,411,645</u></b>	<b><u>28,984,110</u></b>
<b>LIABILITIES AND NET ASSETS/EQUITY</b>			
<b>CURRENT LIABILITIES</b>			
Staff dues	17	8,609	23,455
Accruals	18	873	847
Payables	19	431,543	779,789
Staff Gratuity payable	21	0	148,332
<b>TOTAL CURRENT LIABILITIES</b>		<b><u>441,025</u></b>	<b><u>952,423</u></b>
<b>NON-CURRENT LIABILITIES</b>			
Deferred Projects Revenue Grants	20	1,559,609	2,573,802
Provision for Staff Gratuity	21	796,810	511,204
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b><u>2,356,419</u></b>	<b><u>3,085,006</u></b>
<b>TOTAL LIABILITIES</b>		<b><u>2,770,443</u></b>	<b><u>4,037,430</u></b>
Net Assets/Equity			
<b>NET ASSETS/EQUITY</b>		<b><u>26,614,201</u></b>	<b><u>24,946,681</u></b>
Accumulated Surplus	22	11,663,126	12,464,141
HQ Capital	22	3,560,269	3,560,269
Contribution from Partner states			

Designated Fund (Arrears)	22	11,324,031	8,863,779
Revaluation Reserves	22	66,772	58,490
<b>TOTAL NET EQUITY</b>		<b><u>26,614,199</u></b>	<b><u>24,946,679</u></b>
<b>TOTAL EQUITY &amp; LIABILITIES</b>		<b><u>29,411,645</u></b>	<b><u>28,984,110</u></b>

## 19 GENERAL CHALLENGES

The key challenges which affected implementation of Community programmes and projects during the period under review include: -

- a) Delays in disbursements of financial commitments by Partner States and Development Partners especially during first two quarters of the financial years.
- b) The approval process by Finance and Administration Committee and EALA sometimes cut Budget of key priority areas adopted during the pre-budget conference
- c) Limited staffing capacity as most Departments/Units have a single established position- staff are highly overwhelmed by workload, situation that is detrimental to their health and work performance
- d) COVID 19 Pandemic

## 20 RECOMMENDATIONS

The Community will implement the following strategies to mitigate the effects of the above challenges: -

- a) Elimination of NTBs to facilitate growth of trade through the operationalization of EAC NTBs Act 2015, thereby enhancing prosperity among the East Africa citizens;
- b) fast-tracking of implementation of the priority projects in infrastructure;
- c) Of the Alternative Financing Mechanism for a more sustainable source of funds for implementation of Community projects and programmes. This is critical in the face of dwindling financial resources from development partners;
- d) Finalization and implementation of the policy on harmonization of domestic taxes (income tax, Excise Tax, and VAT), and simplification of tax procedures and harmonization of tax incentives to promote fair competition;
- e) Finalization and implementation of the institutional review exercise. This is long outstanding and is affecting the operational efficiency of the Community; and
- f) Enhanced human resource capacity for effective delivery on the Community's commitments to the people of East Africa.

## 21 CONCLUSION

The achievements of the EAC have earned it international recognition as the top performing REC on regional integration overall by internationally renowned institutions like the African Development Bank, the East African Development Bank and the World Bank.

The Annual Report FY2019/2020 highlights that the Community has witnessed a number of important developments for the people of East Africa. Though the Community has registered a number of key achievements, it has also faced a number of challenges which are delaying the implementation of the EAC activities at all levels. These challenges among others include: - delayed disbursements of funds by Partner States and developed Partners which led to a number of our planned policy and technical meetings postponed

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.

