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MINISTRY OF EAST AFRICAN COMMUNITY AND REGIONAL DEVELOPMENT

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CONSTITUTIONAL REQUIREMENT ARTICLE 153(4B)

BY THE

CABINET SECRETARY

FOR THE MINISTRY OF EAST AFRICAN
COMMUNITY AND REGIONAL DEVELOPMENT FOR
THE FY 2019/2020

JULY 2020

List of Acronyms and Abbreviations

| | |
|--------|--|
| AfCFTA | African Continental Free Trade Agreement |
| CDA | Coast Development Authority |
| CET | Common External Tariff |
| CMA | Capital Markets Authority |
| COMESA | Common Market for Eastern and Southern Africa |
| DRD | Directorate of Regional Development |
| DCI | Directorate of Criminal Investigations |
| EAC | East African Community |
| EALA | East African Legislative Assembly |
| EAMU | East African Monetary Union |
| EATV | East African Tourism Visa |
| ENNDA | Ewaso Ng'iro North Development Authority |
| ENSDA | Ewaso Ng'iro South Development Authority |
| EU | European Union |
| ICT | Information, Communication Technology |
| KBC | Kenya Broadcasting Corporation |
| KOMEX | Kenya Commodity Exchange |
| KVDA | Kerio Valley Development Authority |
| LBDA | Lake Basin Development Authority |
| LVBC | Lake Victoria Basin Authority |
| LVFO | Lake Victoria Fisheries Organization |
| MDAs | Ministries Departments and Agencies |
| MOU | Memorandum of Understanding |
| NCIP | Northern Corridor Integration projects |
| NCTTCA | Northern Corridor Trade and Transport Coordination Authority |
| NTBs | Non-Tariff Barriers |
| OSBP | One Stop Border Post |
| RNCD | Regional and Northern Corridor Development |
| SADC | South African Development Community |
| SGR | Standard Gauge Railway |
| SCT | Single Customs Territory |
| TARDA | Tana Athi River Development Authority |
| TDMC | Tana Delta Main Canal |
| TDIP | Tana Delta Irrigation Project |
| UAE | United Arab Emirates |

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FOREWORD

This is the Ministry of East African Community and Regional Development Annual report for the Financial Year (FY) 2019/20. The Report is in compliance to the Article 153 (4b) of the Constitution that requires a Cabinet Secretary to provide Parliament with full and regular reports on matters under their control.

The main highlight of the report is the presentation of planned activities and the corresponding achievements, and challenges encountered during the FY 2019/20. Some of the notable achievements for the State Department for East African Community during the period include: improvement in Kenya's global ease of doing business global ranking to Position 56 from 61 out of 190 countries; convening stakeholders' consultation and identification of a total of 1,121 tariff lines for review under the EAC Common External Tariff; harmonization and adoption of 394 EAC Standards as national standards; commissioning of the Namanga One Stop Border Post at the Heads of State level; held stakeholder consultations on the Cross Border Markets in Busia and Taveta; coordination of ratification the Protocol on Cooperation in ICT; developed the EAC Common Market Protocol Scorecard 2018; developed EAC Banking certification Policy; developed EAC Microfinance services Policy and its implementation strategy; East African Monetary Institute Bill 2018 was assented to by all Partner States; and East African Statistics Bureau Bill 2018 was passed by EALA.

The achievements under Northern Corridor Integration Projects include: coordination of the development of the National Land Valuation Bill 2018 to control prices of land along the Northern Corridor; and undertaking of a valuation exercise on the status of East African Tourism Visa (EATV) Stickers sales at the national, regional and international level that revealed over 2.9 million US Dollars generated for Kenya.

Achievements for the State Department for Regional Development include: establishment of integrated irrigation projects, set up of value addition factories like the integrated fruit processing plant to support the "Big Four" Agenda; coordinated tree planting campaign where over 2,710,355 tree seedlings were planted as a mitigation towards climate change and also a contribution towards 10% tree cover; and development of a draft miscellaneous amendment Bill for the Regional Development Authorities Act.

As the country moves on with the implementation of the “Big Four” Agenda and Kenya’s Blue Print Vision 2030, it is envisioned that the information contained in this report will provide valuable source of reference in updating Kenyans on the business reforms on ease of doing business, progress of the EAC integration and also in the integrated regional development projects. I urge all stakeholders to review the report as a way of increasing knowledge and our commitment in the use of public resources.

Hon. Adan Mohamed, EGH
Cabinet Secretary
Ministry of East African Community and Regional Development

1.0 INTRODUCTION

1.1 Overview of the Ministry

The Ministry of East African Community and Regional Development was established in January, 2018 following the reorganization of the Government of Kenya. The Ministry has two State Departments namely; The State Department of East African Community, and the State Department Regional & Northern Corridor Development. The Ministry is established to coordinate Kenya's participation in the East African Community integration process pursuant to Article 8(3)a of the Treaty for the Establishment of the East African Community; coordinate business reforms and transformation in Kenya; coordinate Northern Corridor Integration projects (NCIP) and Regional Development Authorities.

1.2 Mandate

The Ministry derives its mandate from the Executive Order No.1 of June, 2018 (Revised), Executive Order No. 1 of May, 2020 (Revised) and Head of Public Service Circular of 2nd April, 2019 as follows:

- i. Policy on East African Community.
- ii. East African Community Affairs.
- iii. Implementation of the East African Treaty.
- iv. Facilitate and enhance the Ease of doing Business in Kenya.
- v. Identifying and recommending business reforms for promoting business and for making Kenya competitive locally, regionally and internationally.
- vi. Coordinating engagements of the Government of Kenya with private sector in respect to business climate and business transformation.
- vii. Co-ordination of implementation of EAC regional Programmes and Projects.
- viii. Promotion and Fast Tracking of EAC Integration.
- ix. Co-ordination of Government's participation in East African Community Affairs.
- x. East African Community Meetings and Institutions.
- xi. Coordinating Kenya South Sudan Liaison Office (KESSULO).
- xii. Coordination of Regional development Authorities.
- xiii. Monitoring and Evaluation of the implementation of Northern Corridor Development.
- xiv. Fast tracking identified Northern Corridor Integration Projects.
- xv. Oversight and Co-ordination of Lamu South Sudan Ethiopia Transit Corridor (LAPSSET) Programme implementation.
- xvi. Providing Secretariat Service during Ministerial and Head of States Summit Meetings on Northern Corridor Development.
- xvii. Coordinating Northern Corridor Transit and Transport Co-ordination Authority (NCTTCA).

1.3 Vision

To be a champion on regional integration, business transformation and sustainable basin-based development.

1.4 Mission

To deepen and widen East African Integration, facilitate business transformation and enhance integrated basin-based development for improved livelihoods for all Kenyans.

1.5 Ministry's Key Result Areas

The Ministry's Key Result Areas as outlined in the 2018-2022 draft Strategic Plan are:

- i) Finance and Human Resource management and development.
- ii) National consultations and engagement of stakeholders on EAC and Regional and Northern Corridor Development activities.
- iii) Coordination and participation in the formulation and implementation of EAC and RNCD policies, decisions and directives.
- iv) Implementation of the EAC Pillars of Integration.
- v) Institutionalize Knowledge Management.
- vi) Upgrading of ICT infrastructure within the Ministry.
- vii) National publicity and advocacy on EAC integration and its benefits.
- viii) Emerging issues in regional integration.
- ix) Gender, Youth and Disability mainstreaming.
- x) Deepen and widen the market access for goods and services within the context of Northern Corridor Integration Projects (NCIPs).
- xi) Coordination of Regional Development Authorities.
- xii) Sustainability of the Regional Development Authorities.
- xiii) Business climate reforms and transformation.

2.0 FINANCIAL REPORTING

2.1 Ministry's Budget Expenditure in 2019/2020

The Ministry was allocated a total of Kshs 5,939,398,323 with a recurrent and development allocations of Kshs 2,249,647,823 and Kshs 3,689,750,500 respectively. As shown in Table 1 below, the State Department for EAC had a budgetary allocation of Kshs. 514,639,385 as recurrent expenditure and no development allocation for the Financial Year 2019/20. The State Department for Regional and Northern Corridor Development was allocated of Kshs 5,424,758,938 with Kshs 1,735,008,438 and Kshs 3,689,750,500 as allocations for recurrent and development respectively.

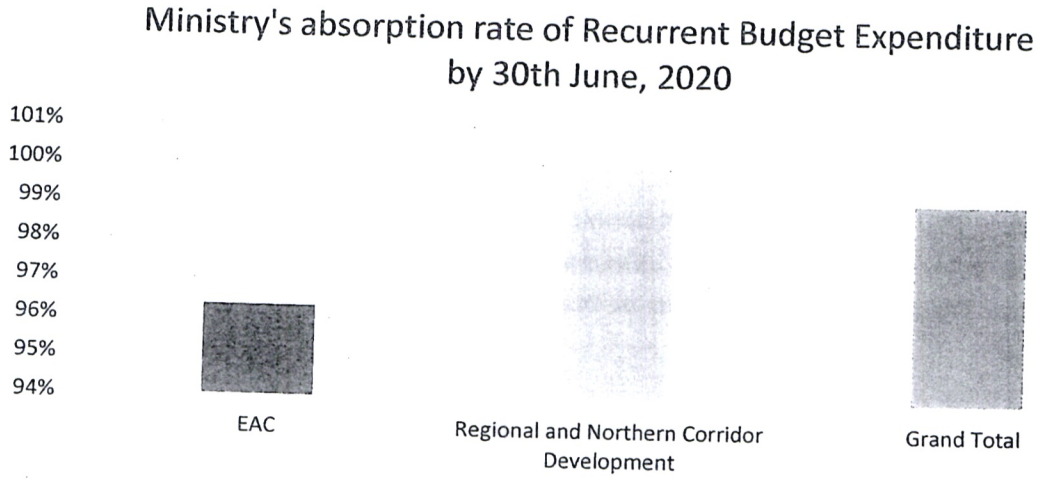
As at 30th June 2020, 96.8% of the allocation was utilized by the Ministry, with the State Department for EAC utilizing 96.3% of its allocation while the State Department for Regional and Northern Corridor Development managed to utilize 99.6% of its approved allocation as shown in the table below.

Table 1: Utilization of funds in the Ministry for the period 2019-20

| Expenditure Type | State Department | FY 2019/20 (Kshs) | | Absorption rate as at 30th June 2019 (%) |
|---------------------|--|---------------------------|--------------------------|--|
| | | Approved Estimates (Kshs) | Total Expenditure (Kshs) | |
| RECURRENT BUDGET | EAC | 514,639,385 | 495,739,002 | 96.3% |
| | Regional and Northern Corridor Development | 1,735,008,438 | 1,734,760,660 | 99.8% |
| | Sub Total | 2,249,647,823 | 2,230,499,662 | 99.1% |
| DEVELOPEMENT BUDGET | EAC | - | - | - |
| | Regional and Northern Corridor Development | 3,689,750,500 | 3,489,750,500 | 94.6% |
| | Sub Total | 3,689,750,500 | 3,489,750,500 | 94.6% |
| | Grand Total | 5,939,398,323 | 5,720,250,162 | 96.3% |

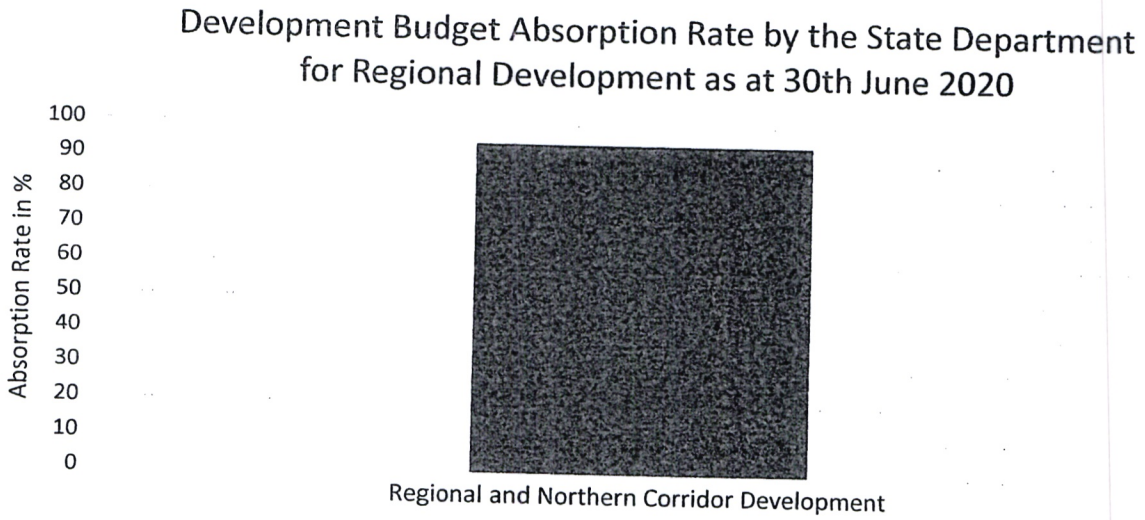
Figure 1 below outlines the comparative utilization rates of Recurrent budget within the two State Departments while Figure 2 is on Development budget in the State Department for Regional and Northern Corridor Development.

Figure 1: Budget utilization rates within the two State Departments



The Ministry's implementation of planned activities and programs resulted to the high absorption rate.

Figure 2: Development Budget utilization rate within the State Department for Regional & Northern Corridor Development



The itemized expenditure for the two State Departments are as shown in Figures 3 and 4 below:

Figure 3: Itemized utilization of funds in the State Department for EAC

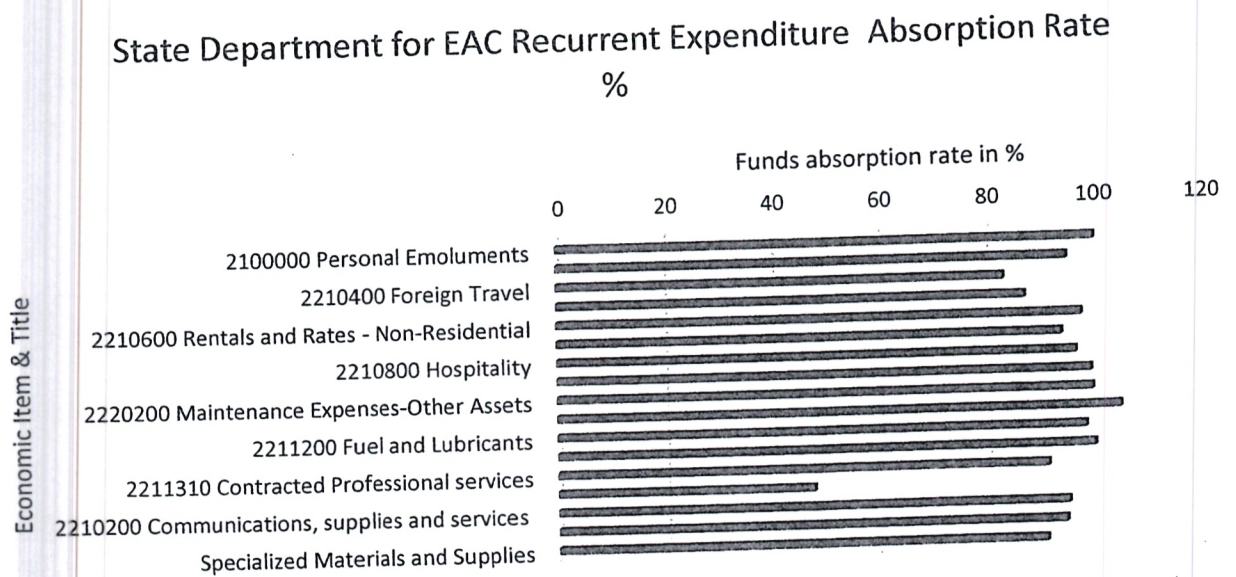
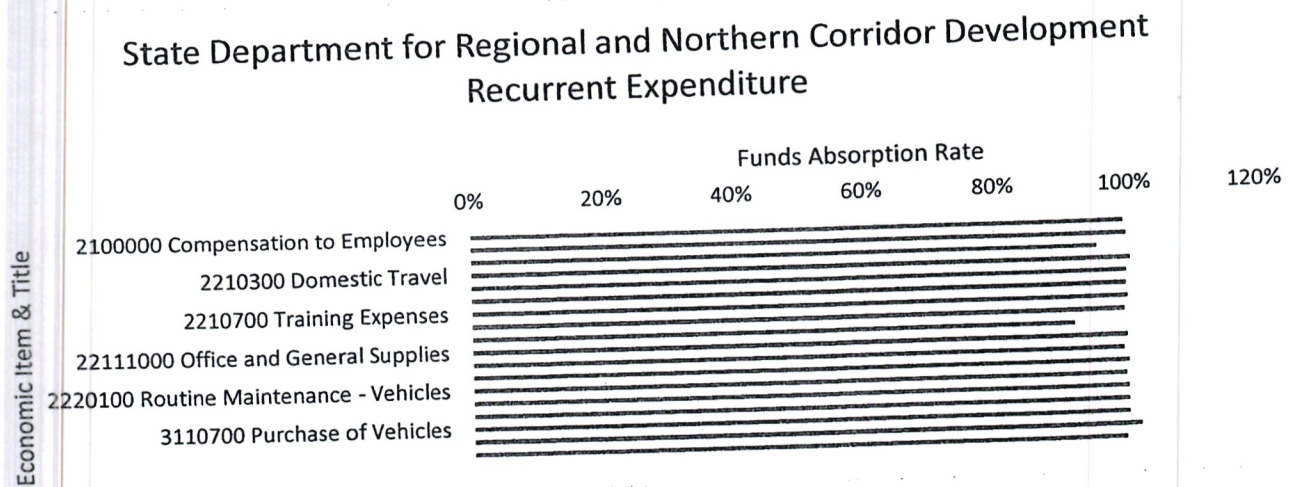


Figure 4: Itemized utilization of funds in the State Department for Regional and Northern Corridor Development



The actual expenditure rates for the two State Departments are herewith attached as *Appendix I and II*

2.2 Expenditure of Ministry' projects

The Ministry's main projects were allocated a total of **Kshs 3,689,750,500** with Appropriation in Aid of **Kshs 200,000,000**. The capital projects which are implemented by various Development Authorities are as tabulated in Table 2 below:

Table 2: Expenditure of Ministry's capital projects

| Project | Gross Expenditure | Appropriation in Aid | Net Expenditure |
|---|-------------------|----------------------|-----------------|
| Gum Arabic and Resins Integrated Development Programme | 85,000,000 | | 85,000,000 |
| Ewaso Ngiro North Catchment & Riparian Conservation Project | 250,540,000 | | 250,540,000 |
| Kieni Integrated Project | 133,900,000 | | 133,900,000 |
| Tana Delta Rice Irrigation Project (TDIP) | 151,700,000 | | 151,700,000 |
| Muranga Integrated Programme | 100,000,000 | | 100,000,000 |
| Ewaso Ngiro Leather Factory | 246,066,500 | | 246,066,500 |
| Integrated Bamboo commercialization and Value Addition | 58,647,100 | | 58,647,100 |
| Wei Wei Phase 3 Irrigation Project | 241,000,000 | 200,000,000 | 41,000,000 |
| Mango Value Chain Programme | 14,500,000 | | 14,500,000 |
| High Grand Fall – Pending Bill | 0 | | 0 |
| Arror Dam – Pending Bill | 0 | | 0 |
| Mwache Dam – Pending Bill | 0 | | 0 |
| Lower Ewaso Ngiro South Dam- Pending Bill | 0 | | 0 |
| Kimira Oluch Stallholder Farm improvement | 437,561,200 | | 398,408,500 |
| Oloyiangelani Dam Development Project | 81,025,000 | | 81,025,000 |
| Napuu, Lomut and Lower Turkwel Irrigation Project | 72,275,300 | | 111,428,000 |
| Lichota, Muhoroni and Alupe Solar Irrigation Project | 358,928,000 | | 358,928,000 |
| Boji Farmers Irrigation Project | 100,170,000 | | 100,170,000 |
| Wananchi Cottages in Kilifi County | 171,988,000 | | 171,988,000 |
| Construction of Nyakoe Market | 95,000,000 | | 95,000,000 |
| Coast Development Authority – Rehabilitation of Projects | 20,000,000 | | 20,000,000 |
| Galmagalla (FAFI) Water Dam | 200,000,000 | | 200,000,000 |

| | | | |
|--------------------------------|----------------------|--------------------|----------------------|
| Tulla (Tana North) Water Dam | 100,000,000 | | 100,000,000 |
| Boji Garsen Dam | 250,000,000 | | 250,000,000 |
| Chaffa – Chachane (BUBISA) Dam | 250,000,000 | | 250,000,000 |
| Malalba (North Horr) Dam | 100,000,000 | | 100,000,000 |
| Irresa Teno Dam | 100,000,000 | | 100,000,000 |
| Total | 3,689,750,000 | 200,000,000 | 3,489,750,000 |

Notes

- 1) The 2019/20 allocations to the above projects were disbursed to the Authorities for project implementation. However, for the following projects, disbursement was not done due to technical and procedural challenges.
- 2) For the donor funded projects funds are disbursed based on implementing agency provision of required documentation to the Ministry and forwarded to the National Treasury and Planning for processing as per laid down financial regulations i.e. Wei Wei Phase III Conservancy project.
- 3) Pending bills under the Development budget have not been paid due to lack of budgetary provision. However, the bills have been verified and a request for provision of a budget support has been sent to the National Treasury and Planning.

2.3 Pending Bills

As at 30th June, 2020, the Ministry had a pending bill of **Kshs. 6.586 billion** as tabulated in Table 3 below:

Table 3: List of pending bills

| Unit | Development | Recurrent | Total |
|-----------------------------|----------------------|----------------------|----------------------|
| EAC | - | 4,486,900 | 4,486,900 |
| DRD HQs | 1,535,140,161 | - | 1,535,140,161 |
| KIMIRA OLUCH PROJECT | 616,093,551 | - | 616,093,551 |
| CDA | 11,249,886 | 0 | 11,249,886 |
| KVDA | 0 | 0 | 0 |
| LBDA | 151,432,121 | 3,522,313,908 | 3,673,746,029 |
| ENNDA | - | 449,571,283 | 449,571,283 |
| TARDA | 141,761,942 | 146,725,935 | 288,487,877 |
| ENSDA | 0 | 7,864,188 | 7,864,188 |
| TOTAL | 2,455,677,661 | 4,130,962,214 | 6,586,639,875 |

2.4 Challenges in the implementation of the budget

The Ministry faced the following major challenges in the implementation of the 2019/20 budget:

- i. Inadequate budgetary allocation vis-a-vis the departments mandate/planned activities.
- ii. Delays in exchequer releases.
- iii. Rapid change of policies such as delays in approval of supplementary budget.

3.0 SUMMARY OF PLANNED ACTIVITIES AND ACHIEVEMENTS DURING THE FINANCIAL YEAR 2019/2020

3.1 SUMMARY OF PLANNED ACTIVITIES FOR THE YEAR 2019-20

The following is a summary of the activities that the Ministry's planned to implement in the FY 2019/2020:

3.1.1 *State Department of East African Community*

- i. Improvement of Kenya's ease of doing business global ranking from position 61 to 56;
- ii. Convening of meetings with Kenya Revenue Authority (KRA) and other relevant stakeholders to ensure consistent application of EAC Customs Management Act (EACMA);
- iii. Coordination of high level meetings with each EAC Partner State to review status of relationship covering trade, social and security affairs;
- iv. Development of a Strategy and implementation plan for engagement with EAC Partner States;
- v. Finalize, review and coordinate the implementation of the EAC Common External Tariff;
- vi. Build capacity of front-line officers handling children on-the-move across the borders;
- vii. Hold stakeholders meeting to develop country position on the EAC Draft Protocol on Combatting Corruption;
- viii. Carry sensitization meetings on the EAC Political Confederation in two (2) selected Counties (Nairobi and Kisumu);
- ix. Coordinate collaborative management of trans-boundary Mara River Basin resources;
- x. Conduct stakeholder's validation meetings on the national policy on harmonization of national laws to EAC laws;
- xi. Undertake a feasibility study for the construction of Busia Jumuiya Cross Border Market;
- xii. Operationalize the Inter-State Water Supply Project of Isebania (Kenya) and Sirare (Tanzania);
- xiii. Coordinate the construction of the LVBC headquarters in Kisumu;
- xiv. Commemorate the 20th Anniversary of the EAC;
- xv. Train twenty (20) County Gender Sector Working Group members and the Intergovernmental Technical Team members on the EAC simplified Trade Rules, Regulations and procedures along the border points;
- xvi. Train 100 cross border women and youth traders along the border points on the Simplified Guide to EAC Trade Rules, Regulations and Procedures;
- xvii. Coordinate Kenya's participation in the development of regional instruments/standards for pest and disease control to promote intra-regional and international trade in Agri-business;
- xviii. Hold National Dialogue Forum for the Private Sector, Civil Society and other Interest Groups;
- xix. Convene the Fourth Speakers' Round Table in Nairobi;

- xx. Conduct field visits for Parliament to strengthen their oversight and representation role on the EAC Integration;
- xxi. Develop a framework for national consultations with State institutions on EAC integration to inform EALA debates;
- xxii. Conduct sensitization workshops for Judicial Officers on EAC integration process in collaboration with the Judicial Training Institute;
- xxiii. Develop regional instruments for sustainable management of the following trans boundary ecosystems: Fisheries and Waters in Lake Victoria; Mt Elgon Trans-boundary Ecosystem;
- xxiv. Coordinate Kenya's participation in preparation of EAC Position paper to inform negotiations at the Global Climate Change Conference (UNFCCC-COP 25).

3.1.2 State Department for Regional and Northern Corridor Development

3.1.2.1 Northern Corridor Integration projects

- i. Develop Lake Victoria inter-modal transport system;
- ii. Fast-track the link up of Kisumu Oil Jetty with the Bukasa Oil Jetty in Uganda;
- iii. Conduct national, regional and international East African Tourist Visa sticker sales verification exercise;
- iv. Develop a regional framework for power trading;
- v. Develop a legal framework to facilitate the acquisition of land for NCIP infrastructure development;
- vi. Develop a framework for mainstreaming and placement of Youth and Women in the Northern Corridor Integration projects;
- vii. Follow up on the registration of and operationalization of the Regional Commodity Exchange; and
- viii. Harmonize laws and sign MOUs to facilitate coordination of security in the region.

3.1.2.2 Regional Development Agencies

Ewaso Ng'iro South River Basin Development Authority (ENSDA)

- i. Under the Ewaso Ng'iro Tannery and Leather factory, complete Phase I and commence operations of the Tannery and Leather Factory. This entails water supply and solar power back up system, construction of office block and access road, and community capacity building;
- ii. Implement the Integrated Bamboo commercialization and value addition project by raising 200,000 bamboo seedlings in Narok, Nakuru and Nyandarua;
- iii. Establish one hundred acres bamboo plantation through Community capacity building in Nakuru, Nyandarua and Narok;
- iv. Establish two million fruit/tree seedlings across the region and conserve and restore 10 km² of wetland areas in Mau forest;

- v. Construct Kimuka Olosho-oibor water supply pipeline to provide 500,000m³ under the Oloyiangalani Dam Development programme;
- vi. Raise 10M tea seedlings for tea expansion programme and lease 100 acres of land for tea expansion under the Integrated Tea Development and value addition;
- vii. Rehabilitate, Drill and equip 40 boreholes under the Drought Mitigation Programmes;
- viii. Conduct full feasibility study and design the agro processing plant and acquire land for factory under the Agro processing (Tomato) and Value Addition programme.

Kerio Valley Development Authority (KVDA)

- i. Finalize preliminary activities for Aror multi-purpose project and Kimwarer multi-purpose project;
- ii. Develop irrigation infrastructure on 325 Ha, undertake topographic survey, design and preparation of bill of quantities for Korellach and conserve Korellach catchment, rehabilitate nine (9) kilometers of road, construct and murram 33km of access road, renovate seven (7) houses, construct Guest house, training center and laboratory, purchase and deliver project vehicles, sign 3yr capacity building and supply component contract under the Weiwei Phase 3 Integrated Project; Project complete except the capacity building component which was affected by tax issues and COVID-19);
- iii. Plant hundred acres of land as follows: 15acres sorghum, seven acres maize, nine acres green grams under the Napuu Irrigation project; (The project was invaded by locusts this hampered cultivation on the 100 acres planned earlier);
- iv. Supply, install and test the mango processing plant raise 500,000 mango seedlings and build capacity of key stakeholders under the Mango value chain Integrated Project.

Lake Basin Development Authority (LBDA)

Process 2,500 tonnes of rice, produce 16,000,000 fingerlings, finalize payment of Kshs 645,992,863 of LBDA Mall, drill and equip 4 boreholes, install solar panels and irrigate 30 acres of land at Lichota, Muhoroni and Alupe Solar Irrigation Project and reach 50% completion of phase I on construction of Nyakoe Market in Kisii County.

Tana and Athi Rivers Development Authority (TARDA)

Completed Strategic Plan for 2019 – 2023, desilted the rubber dam reservoir and the water intake to the farm, and repaired the Tana Delta Main Canal (TDMC) at Tana Delta Irrigation Project. Repaired canal regulator gates at Hewani section which provides water to community and TARDA's lower blocks along Lamu road. Repaired 2 (two) river brooks along river Tana at Peponi and Kerona areas within the project. Initiated (2) small holders irrigation projects in Muranga County. Value addition to 400 Kg of honey refined at Kiambere honey refinery. Raised 353,203 assorted tree seedlings and distributed/planted 228,153 seedlings to farmers.

Coast Development Authority

- i. Develop a Master Physical Plan layout for the Wananchi Cottages and Conference Facility;
- ii. Conduct a business study on the Wananchi Cottages and Conference Facility enterprise;
- iii. Construct, furnish and equip of 1 No. modern conference facility and 20 accommodation rooms;
- iv. Install 1 No. 100,000 Litre pressed panel galvanized steel tank;
- v. Establish irrigation infrastructure in 100 acres of land in Chakama and Challa;
- vi. Capacity build 300 farmers on Good Agricultural Practices at Boji and integrated fruit processing plant;
- vii. Support 100 households carry out high value crop production through solar irrigation farming;
- viii. Develop and operationalize a 10-acre demonstration farm in Boji for training purposes;
- ix. Commence operations at the Integrated Fruit Processing Plant;
- x. Get certification from NEMA and KEBS for the plant;
- xi. Develop a waste management system at the Fruit Processing Plant; and
- xii. Plant & grow 20,000 trees and establishment of 20km terraces in the Mwache catchment area.

Ewaso Ng'iro North River Basin Development Authority (ENNDA)

During the period under review, ENNDA planned to implement the following:

1. Ewaso Ng'iro North Integrated Catchment Conservation Project

Under this programme the Authority was to undertake the following activities:

- i. Carry out an integrated feasibility study on Dawa River in order to develop a water supply scheme for irrigation (300ha), pasture for livestock (10,000 heads) and domestic water use.
- ii. Development and protection of Ngilai water supply scheme for water supply.
- iii. Drilling of Boreholes: - drill, develop and equip 10 boreholes and install them with solar powered systems distributed across the Authority's area of jurisdiction.
- iv. Development of 7 Water Pans.
- v. Establishment of two (2) tree nurseries.

2. Gums and Resins Development Programme

Under this programme, the Authority was to undertake the following activities for the ENNDA Gums and Resins Factory in Wajir:

- i. Procurement and installation of second essential oil processing line, resins processing equipment and laboratory and quality control equipment.
- ii. Development of factory water supply and effluent treatment plant.
- iii. Mapping of Gums and Resins resources in the basin's high potential gums and Resins producing areas.
- iv. Construction of two (2) collection and grading centres.
- v. Carry out market survey and establish potential market zones for the Gums and Resins products (EU, UAE and ASIA).

3.2 SUMMARY OF ACHIEVEMENTS DURING THE FINANCIAL YEAR 2019/2020

During the period 2019-20, the Ministry under the two State Departments achieved the following in the highlighted thematic areas:

3.2.1 THE STATE DEPARTMENT FOR EAST AFRICAN COMMUNITY

Ease of Doing Business

The Ease of Doing Business Report is an annual report published by the World Bank Group, which measures global competitiveness across 190 economies globally across 10 indicators namely: Starting a Business, Getting Electricity, Obtaining Construction Permits, Registering Property, Paying Taxes, Getting Credit, Resolving Insolvency, Enforcing Contracts, Protecting Minority Interests and Trading across Borders.

Kenya is currently ranked position **61 globally out of 190 countries** up from position **56** in the previous financial year. It is noteworthy that since 2014 when Kenya was ranked position 136, Kenya has made a global improvement of 80 places, making the country one of the most reformed countries globally. Further, Kenya is currently ranked **3rd** position in Sub-Saharan Africa and has been amongst the top reformed countries for the last 5 consecutive years. In the period under review, the Ministry:

- i. Developed and disseminated the annual business reform action plan across the ten (10) Ease of Doing Business indicators.
- ii. Coordinated the drafting and enactment of the Business Laws (Amendment) Act 2020.
- iii. Coordinated the drafting and enactment of the Small Claims (Amendment) Act 2020.
- iv. Coordinated the publication of six (6) Legal Notices to implement the identified regulatory reforms.
- v. Held twenty-five (25) meetings to monitor the implementation of reforms in accordance with the action plan for the 2019/2020 reform cycle
- vi. Coordinated the publication of twenty-three (23) Public Notices that communicate the implemented Business Reforms in the Financial Year 2019/2020. The publications are as shown from Figures 6 – 26.

Figure 5: The new enhanced business registration process

1 STEP REGISTRATION

DOING BUSINESS MADE EASIER

REGISTER YOUR BUSINESS IN ONE EASY STEP

The Name Reservation and Business Registration processes have been **MERGED** into one easy step. Submit your choice of 3 preferred names and the full application online

Make the most of these benefits:

- ✓ NITA registration for companies with up to 100 employees has been waived for the first 12 months
- ✓ Single Business Permit fees waived for the first 24 months of all new businesses registered
- ✓ Department of Health and Safety registration requirement waived for 12 months for new businesses
- ✓ Company seal no longer a requirement by law

Download all the documents you need from one place

- Certificate of Incorporation
- Company PIN
- VAT, PAYE, NSSF & NHIF registration, and Official Search "CR12"

Log on to brs.ecitizen.go.ke and experience a **Fresh, New and Easy** way to register your business in one step in one day

brs.ecitizen.go.ke

#DoingBusinessMadeEasier

Figure 6: The automated case allocations at the Judiciary & waiver court fees for Small Claims not exceeding Kshs. 1 million

THE JUDICIARY
Justice be our Shield and Defender

MILIMANI COMMERCIAL CHIEF MAGISTRATE' COURT

DOING BUSINESS MADE EASIER

AUTOMATION OF CASE ALLOCATIONS & WAIVER OF COURT FEES

We wish to notify the general public and court users that:



- The Judiciary has rolled-out an automatic system based case allocation process for commercial matters in the Milimani Commercial Chief Magistrate' Court with effect from 20th April 2020.
- Court fees for commercial disputes with a claim value not exceeding Kenya Shillings One Million (KShs. 1,000,000.00) has been waived for a period of two (2) years with effect from 1st April, 2020.

Benefits

- Real time bipartisan allocation of cases to Magistrates upon filing
- Faster case allocation without human intervention
- Transparency and enhanced dispensation of justice
- Affordable access to justice

log on to www.judiciary.go.ke

Figure 7: Creation of a dedicated Commercial Division at the Magistrates Court and automated the court processes


THE JUDICIARY
Justice be our Shield and Defender



DOING BUSINESS MADE EASIER

NAIROBI CHIEF MAGISTRATES COURT GOES ONLINE

We wish to notify the general public that a dedicated commercial division at the Magistrates Court to handle commercial matters with a claim value not exceeding KES 20,000,000 has been set up for faster determination of disputes. In addition, to facilitate efficient and faster determination of matters affecting small and medium businesses, the processes at the dedicated division are now fully automated.

Online services available for

- e-Filing of pleadings
- e-Assessment of court fees
- e-Payment of court fees
- e-Service




Benefits of online services

- File a suit from the comfort of your home/office
- No more lost files
- No more queues
- e-Tracking of matters
- Save time and money

www.judiciary.go.ke

Figure 8: A fast-tracked electricity connection process

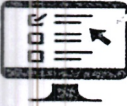



Kenya Power

DOING BUSINESS MADE EASIER


FASTER ELECTRICITY CONNECTIONS


As part of our agenda to power the nation and support businesses, we wish to inform potential customers, electrical engineering consultants and contractors that new applications for business customers in Nairobi will be done within 7 days





Apply, pay online & sign for connections





Get connected within 7 days* for business connections within 200 meters from KPLC grid for supply between 100KVA to 200KVA


Did you know?

- Power outages have reduced due to live line maintenance
- Faster connections due to live line operations
- You can access services at your finger tips on MyPower app available on Play Store & App Store

www.kplc.co.ke

*Other connection timelines are as published in the KPLC website

Figure 9: Simplified payment of various tax obligations










KENYA REVENUE AUTHORITY


DOING BUSINESS MADE EASIER

SIMPLIFIED TAX PAYMENTS


KRA wishes to notify the Public that a number of reforms aimed at simplifying and enhancing the efficiency of payment of various tax obligations have been rolled out as below:

| | |
|---|---|
| <ul style="list-style-type: none"> <li style="border: 1px solid #ccc; padding: 5px; margin-bottom: 5px;">  Online filing of NSSF deductions File NSSF deductions online via selfservice.nssf.or.ke <li style="border: 1px solid #ccc; padding: 5px; margin-bottom: 5px;">  National Industrial Training Levy (NITA) NITA levy now made annual and payable on iTax <li style="border: 1px solid #ccc; padding: 5px; margin-bottom: 5px;">  Waiver of Presumptive Tax for new businesses The presumptive tax is waived alongside the Nairobi County Single Business Permit for the first 24 months | <ul style="list-style-type: none"> <li style="border: 1px solid #ccc; padding: 5px; margin-bottom: 5px;">  Capital Gains Tax and Stamp Duty Capital Gains Tax no longer twined with Stamp Duty payment <li style="border: 1px solid #ccc; padding: 5px; margin-bottom: 5px;">  Tax Audits Amend your tax returns online (via iTax.kra.go.ke) for automatic approvals on any upward return adjustments <li style="border: 1px solid #ccc; padding: 5px; margin-bottom: 5px;">  Tax Compliance Certificate (TCC) Automatic issuance of Tax Compliance Certificate (TCC) is now available |
|---|---|



 **Mobile USSD platform**
Leveraging on mobile platform to ease filing and payment of tax for small tax payers

www.kra.go.ke








KENYA REVENUE AUTHORITY

DOING BUSINESS MADE EASIER

UNIFIED PAYROLL RETURN

KRA wishes to notify the Public that a number of reforms aimed at simplifying and enhancing the efficiency of payment of various tax obligations have been rolled out as below:

- 
Log on to iTax
- 
Fill in returns PAYE, NSSF, NHIF & NITA
- 
Submit
- 
Generate e-slip for each return
- 
One payment

MONTHLY FILING BY 9TH DAY

www.kra.go.ke

Figure 10: Simplified land transfer process and making it affordable

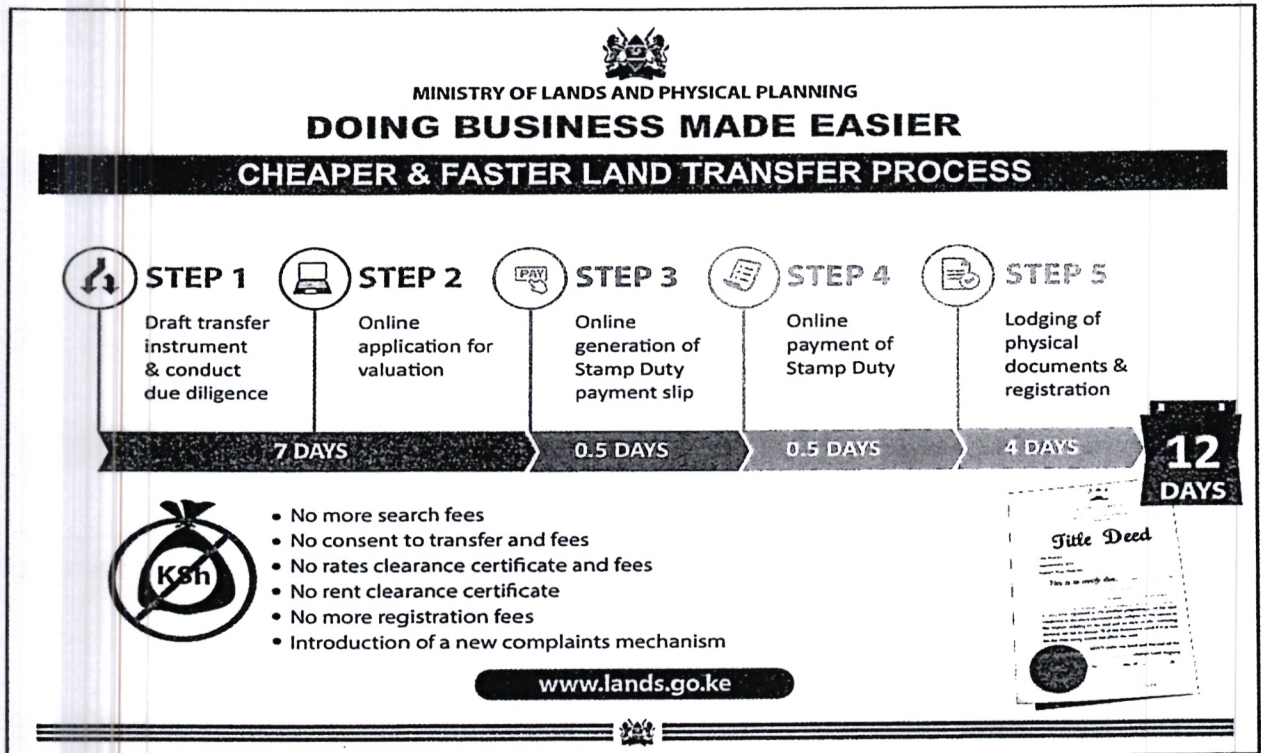




Figure 11: Re-engineered the land registration processes


MINISTRY OF LANDS AND PHYSICAL PLANNING
DOING BUSINESS MADE EASIER
RE-ENGINEERING OF REGISTRATION PROCESSES

The Ministry of Lands is committed to facilitating easy, fast, and efficient processes in transaction of land property.
 To this end, the following reforms have been effected:

| | |
|---|---|
| <ol style="list-style-type: none"> 1 Title search is FREE 2 Application for registration is FREE 3 Consent NOT required to; <ul style="list-style-type: none"> • sub-let • transfer • charge and • mutation | <ol style="list-style-type: none"> 4 Rent clearance certificate NOT required to; <ul style="list-style-type: none"> • sub-let, • transfer and • mutation 5 Rates clearance certificate NOT required to; <ul style="list-style-type: none"> • sub-let, • transfer and • mutation |
|---|---|


LAND TRANSFER MADE EASY, FAST & EFFICIENT
www.lands.go.ke

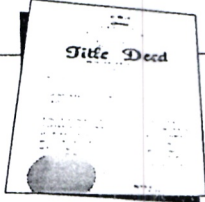



Figure 12: Simplified the registration of Construction Project approvals


NATIONAL CONSTRUCTION AUTHORITY
DOING BUSINESS MADE EASIER
REGISTER & OBTAIN CONSTRUCTION PROJECT APPROVALS FASTER

RISK BASED APPROVALS

| | | |
|--|---|---|
| <p style="text-align: center;">LOW RISK</p> <ul style="list-style-type: none"> • Single dwelling bungalows and mansionette • Small scale shops • Standard warehouses • Minor renovation works • Projects should be less than Kes. 25M, below 1400m² and a maximum of 2 levels | <p style="text-align: center;">MEDIUM RISK</p> <ul style="list-style-type: none"> • Low rise flats and multi-dwelling housing • Low rise office blocks, shopping centres • Religious centres • Community centres • Projects should be between Kes. 25M – Ksh150M, between 1400m² – 3000m² and between 3 to a maximum 5 levels | <p style="text-align: center;">HIGH RISK</p> <ul style="list-style-type: none"> • High rise flats and dense multi-dwelling housing • High rise office blocks, heavy industrial warehouses, business centres and stalls • Industrial parks and factories • Education complexes • Hotels • Shopping malls • Health facilities • Projects should be above Kes. 150M, above 3000m² and more than 5 levels |
|--|---|---|

Registration process now takes


1 DAY

Registration process now takes

3 DAYS

For more information on requirements for registration visit <https://nca.go.ke/developers/project-registration>


Figure 13: Launched an Online QR Code system


Nairobi City County

DOING BUSINESS MADE EASIER

Launch of an Online QR Code System

Nairobi City County Government hereby notifies the professional consultants in the built environment, developers, property owners and the public that, we have launched an online QR Code System to provide a unique identification of all approved architectural and structural plans.



QR Code system will provide a unique identification of all approved architectural and structural plans

Did you know?

- You will not be required to provide hard copy development plans for stamping upon approval
- The QR Code system will reduce the approval time for construction permits






Figure 14: Rolled out weekly approvals of Construction Permits


Nairobi City County


DOING BUSINESS MADE EASIER

WEEKLY APPROVALS FOR CONSTRUCTION PERMITS


The Nairobi City County Government hereby notifies the professional consultants in the built environment, developers, property owners and the public that, Technical Committee Meetings have been scheduled every (7) seven days, on Wednesdays, for consideration and approval of low-risk development applications. These are project proposals which fall under the following categories:




Single Dwelling Houses (excluding large comprehensive schemes)




All renewals for already approved building plans, changes of use and sub-division schemes




All internal alterations and amendments not exceeding 500m²



Godowns and warehouses of up to 1400m²



All apartments of 4 levels and below



Technical Committee Meetings will be held every 14 days (second and fourth Thursdays every month) to consider and approve the other development applications which do not fall in the above categories

<https://nairobi.go.ke/public-notice-weekly-approvals-construction-permits/>




Figure 15: Simplified approvals for low risk Construction Projects


DOING BUSINESS MADE EASIER
SIMPLIFIED APPROVALS FOR LOW RISK CONSTRUCTION PROJECTS

Take advantage of simplified Environmental Impact Assessment procedures



5 DAYS

Data on all approved projects is now accessible on our website


For more information on the application criteria visit
http://www.nema.go.ke/index.php?option=com_content&view=article&id=302&Itemid=458

*Summary report replaces the old requirement for an Environmental Impact Assessment (EIA) for low risk projects

Figure 16: Established a Public Complaints Office to deal with Complaints arising from land administration and management



MINISTRY OF LANDS AND PHYSICAL PLANNING

DOING BUSINESS MADE EASIER

PUBLIC COMPLAINTS OFFICE

The Ministry of Lands & Physical Planning wishes to inform the general public that in line of principles of good governance and efficiency in service delivery it has established a Public Complaints Committee to deal with land complaints arising from land administration and management.

Download complaints forms on
www.lands.go.ke






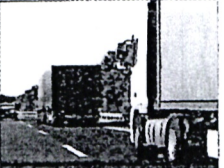
Make your complaints via
info@ardhi.go.ke /
complaintslands@ardhi.go.ke
or +254(0)202718050 /
204803961

To ensure and guarantee execution of its mandate
this committee is completely independent



Figure 17: Simplified Import processes and making them affordable


DOING BUSINESS MADE EASIER
FACILITATING TRADE TO GROW BUSINESS

Experience faster, efficient import processes

IMPORTS

- Reduced import custom clearance documents from 10 to 4 (www.kra.go.ke)
- Exemption of Certificate of Conformity requirement for imports of brand new motor vehicle spare parts (www.kenyalaw.org, www.kebs.org)
- Smart gates at ICD Nairobi has reduced queues
- Faster processing of IDF on Integrated Customs Management System (ICMS) (www.icms.kra.go.ke/)
- Real time tracking of containers
- Speedier clearance through expedited fast track mechanism for exports (www.kra.go.ke)
- Reduced port handling time and cost (www.kpa.go.ke)
- Reduced overall time for customs clearance












Figure 18: Simplified export processes


DOING BUSINESS MADE EASIER
FACILITATING TRADE TO GROW BUSINESS

Experience faster, efficient export processes

EXPORTS

- Reduced exports custom clearance documents from 9 to 4 (www.kra.go.ke)
- Reduced documentary costs through elimination of Phytosanitary fees and Export Health Certificate fees (www.kenyalaw.org)
- Speedier clearance through expedited fast track mechanism for exports (www.kra.go.ke)
- Reduced port handling time and cost (www.kpa.go.ke)
- Reduced overall time for customs clearance
- KEPHIS, AFA & Port Health now on onboarded onto the single window (www.kentrade.go.ke)



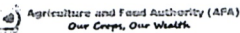




Figure 19: Integrated KEPHIS export Phytosanitary Certification system with the Kenya TradeNet System (Single Window)



Kenya Trade Network Agency
(KenTrade)

PUBLIC NOTICE

Integration of KEPHIS Export Phytosanitary Certification system with the Kenya TradeNet System

This is to notify all exporters of **Tea, Coffee, Herbs and Spices** that the current integration between the Kenya TradeNet System and the KEPHIS Export Certification System (ECS) is now operational.

The integration will enable transmission of the KEPHIS Phytosanitary Certificate to the TradeNet System and facilitate visibility to other regulatory agencies such as Kenya Revenue Authority.

To ensure a seamless transmission of documents to the TradeNet System, exporters of Tea, Coffee, Herbs and Spices shall be required to input the Unique Consignment Reference (UCR) number while applying for the permits / Phytosanitary Certificates through the KEPHIS system.

Marketing & Communication Department

April 1, 2020

Simplifying Trade Processes for Kenya's Competitiveness

Figure 20: Integrated the AFA Permit systems with the Kenya TradeNet System



PUBLIC NOTICE

Integration of AFA Permits system with the Kenya TradeNet System

This is to notify all exporters of Tea and Coffee that the integration between the Kenya TradeNet System and the AFA System (IMIS) is now complete and operational.

The integration will enable transmission of AFA Tea and Coffee Permits from the AFA System to the Kenya TradeNet System and facilitate visibility to other regulatory agencies.

To ensure a seamless transmission of documents to the TradeNet System, exporters of Tea, Coffee, Herbs and Spices shall be required submit all applications through the Kenya TradeNet System.

Marketing & Communication Department

April 1, 2020

Simplifying Trade Processes for Kenya's Competitiveness

Figure 21: Revised the Building Projects registration timelines



PUBLIC NOTICE

REVISED BUILDING PROJECT REGISTRATION TIMELINES

The National Construction Authority, in an effort to improve service delivery, has revised the procedure for project registration in order to ease the process and hasten the issuance of a compliance certificate as part of construction permitting while ensuring enforcement of building quality standards.

The Authority has classified projects based on risk level, attendant to the kind of construction activity expected, as follows:

| PROJECT CATEGORY RISK | DESCRIPTION | PROJECT CATEGORY | REGISTRATION TIMELINES |
|-----------------------|---|------------------|------------------------|
| LOW RISK | i. Residential developments (single dwelling bungalows and mansionette) ii. Light Commercial developments (small scale shops) iii. Light industrial complexes (warehouses) iv. Small scale renovation works. Low risk projects should be less than Kes. 25M, floor area below 1400m ² and a maximum of 2 (G+1) levels . | | 1 day |
| MEDIUM | i. Residential developments (Low rise flats and multi-dwelling housing) ii. Commercial developments (Low rise Office blocks, shopping centres) iii. Religious centres iv. Community centres Medium risk projects should be between Kes. 25M – Ksh150M, floor area between 1400m ² – 3000m ² and between 3 (G+2) to a maximum 5(G+4) levels. | | 3 days |
| HIGH RISK | i. Residential developments (High rise flats and dense multi-dwelling housing) ii. Commercial developments (High rise office blocks, business centres and stalls) iii. Heavy industrial complexes (Industrial parks, warehouses and factories) iv. Education complexes v. Hotels vi. Shopping malls vii. Health facilities viii. Sports facilities High risk projects should be above Kes.150M, floor area above 3000m ² and more than 5 (G+4) levels. | | 3 days |

The changes that have been instituted by the Authority are part of the Kenya Government reforms towards ensuring ease of doing business within the construction industry, which is one of the key enablers of the country's economic growth.

For more information on the requirements of registering any of the above projects with the Authority, kindly visit the website via <https://nca.go.ke/developers/project-registration> and proceed to register directly on the portal. The list of all registered projects and inspected sites will also be published on the website.

The Authority remains committed to continuously improving the customer experience, by enhancing efficiency in service delivery.

ENG. MAURICE AKECH
EXECUTIVE DIRECTOR/REGISTRAR OF CONTRACTORS

Figure 22: Waived the requirement for a Single Business Permit for all new businesses

PUBLIC NOTICE
WAIVER OF SINGLE BUSINESS PERMIT FOR ALL NEW BUSINESSES

Notice is hereby given to the public that H. E. the Governor of Nairobi City County has, pursuant to Executive Order No.1 of 31 January 2020 and Executive Order No. 2 of 28 February 2020 waived the requirement to obtain a Single Business Permit and associated fees for all New Businesses for the first two years (twenty four months) from the date of business registration.

The objective of the waiver is to streamline business registration processes in reducing number of procedures and cost, especially for starting small and medium scale businesses, and make the City and the Country more attractive and competitive investment destination.

This waiver is also aimed at promoting the President's Big 4 Agenda and his commitment on Access to Government Procurement Opportunities (AGPO) for the youth, women and persons with disabilities.

A valid certificate of registration/ Incorporation or Business Name Issued by the Business Registration Service shall serve as business permit, during the first two years of registration, for purposes of enforcing this Order. However, the waiver does not override the need to comply with other existing legal requirements for businesses.



This Order shall take effect from 1 March
 Dated the 28th day of February 2020

Justus M. Kathenge
 Ag. County Secretary

Customer Care: +254 725 624 489
 +254 (0)20 344 194


Email: info@nairobi.go.ke
 Twitter: 047County
 Facebook: County Government 047

www.nairobi.go.ke

NAIROBI CITY COUNTY
 OFFICE OF THE GOVERNOR

Figure 23: Rolled out weekly approvals for Construction Permits



NAIROBI CITY COUNTY

PUBLIC NOTICE

WEEKLY APPROVALS OF CONSTRUCTION PERMITS

The Nairobi City County Government hereby notifies the professional consultants in the built environment, developers, property owners and the public that, **Technical Committee Meetings have been scheduled every (7) seven days, on Wednesdays, for consideration and approval of low-risk development applications.** These are project proposals which fall under the following categories:

- Single Dwelling Houses (excluding large comprehensive schemes)
- All renewals for already approved building plans, changes of use and sub-division schemes
- All internal alterations and amendments not exceeding 500m²
- Godowns and warehouses of up to 1400m²
- All apartments of 4 levels and below.

Similarly, there will be Technical Committee Meetings every 14 days (second and fourth Thursday of every month) to consider and approve the other development applications which do not fall in the above categories.


We urge consultants to be prompt in addressing any comment posted through the e-construction and e-development permit system with regard to their development applications for ease of fast-tracking the approvals.

This notice takes effect from the week of **17th February 2020.**


Charles Kerich

COUNTY EXECUTIVE COMMITTEE MEMBER - LANDS, URBAN PLANNING, URBAN RENEWAL AND PROJECT MANAGEMENT

Figure 24: Rolled out the online application and payment of new water & sewer connections



Nairobi City Water & Sewerage Company Ltd.
Improving Reliability
KAMPALA ROAD - P. O. Box 30656 - 00100, Nairobi, Kenya
Tel: 0703 080598 - E-mail: info@nairobiwater.co.ke
www.nairobiwater.co.ke



Improving Reliability

NOTICE TO OUR ESTEEMED CUSTOMERS

ONLINE APPLICATION AND PAYMENT OF NEW WATER & SEWER CONNECTIONS

Nairobi City Water & Sewerage Company Ltd (NCWSC) has simplified and improved the process of **applying and paying for the Water and Sewer connections by introducing an online application portal**. The simplification of the application process is part of the current reforms on the ease of doing business in the country, which will result in **enhanced processing efficiency and reduction of connectivity time from 30 to 14 days**. NCWSC is committed to continuously enhancing service delivery and will roll out the revamped online portal on the 28th of February 2020.

The Online Portal has a two (2) step procedure for a new connection within Fourteen (14) days:

Step 1: Online application and payment of water and sewerage connection fees and submission by the customer in one (1) day;


Step 2: Inspection of works and Connection by Nairobi City Water and Sewerage Company. This activity will be completed within thirteen (13) days upon finalization of works by customer.



The Online Application Portal will be accessible on the NCWSC Website - <https://www.nairobiwater.co.ke/index.php/en/>.

All information on the requisite documents and material for the water and sewer connection will be published on the portal.

The manual application for water and sewer connections will cease on the **28th of February 2020**.

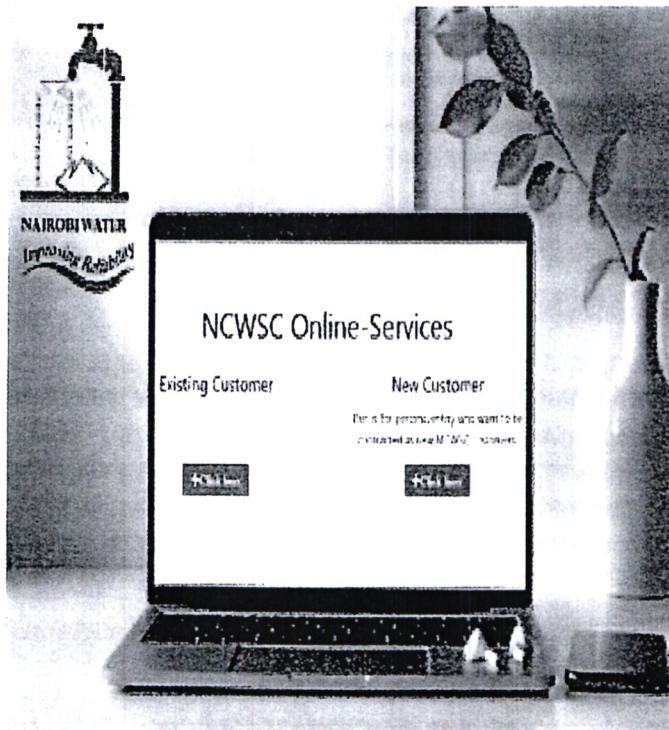
Managing Director



 NairobiWaterCompany  @NairobiWater

www.nairobiwater.co.ke

Figure 25: Introduced a customer friendly water & sewer online application portal



NCWSC has introduced a customer friendly Water & Sewer application portal.

Visit our website
<https://portal.nairobiwater.co.ke>
to apply

You will have a new account in 14 days
Call - 0700 384980 for queries

Figure 26: Simplified the process for undertaking an Environmental Impact Assessment



NATIONAL ENVIRONMENT MANAGEMENT AUTHORITY

PUBLIC NOTICE

EIA LICENSING FOR LOW-RISK PROJECTS MADE SIMPLE AND FASTER

On 30th April 2019 the Environmental (Impact Assessment and Audit) Regulations, 2003 were amended through Legal Notice 31 & 32, to introduce a **simplified Environmental Impact Assessment (EIA), the Summary Project Report (SPR) for low risk projects.**

Accordingly, this process was rolled out and continues to be applicable in 2020 to enable Ease of Doing Business in the Country.

The Authority has reduced the time taken to review and issue its Record of Decision on Summary Project Reports from **30 days to five (5) days.**

A register of the low risk projects SPRs processed within Nairobi County has been published on the NEMA website.

MAMO B. MAMO

AG. DIRECTOR GENERAL

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Report incidences and complaints:
Incidence reporting line: **0786 101 100, 0741 101 100**
Email: dgnema@nema.go.ke, Website: www.nema.go.ke
Facebook: National Environment Management Authority - Kenya
Twitter: @NemaKenya



Our Environment, Our Life, Our Responsibility

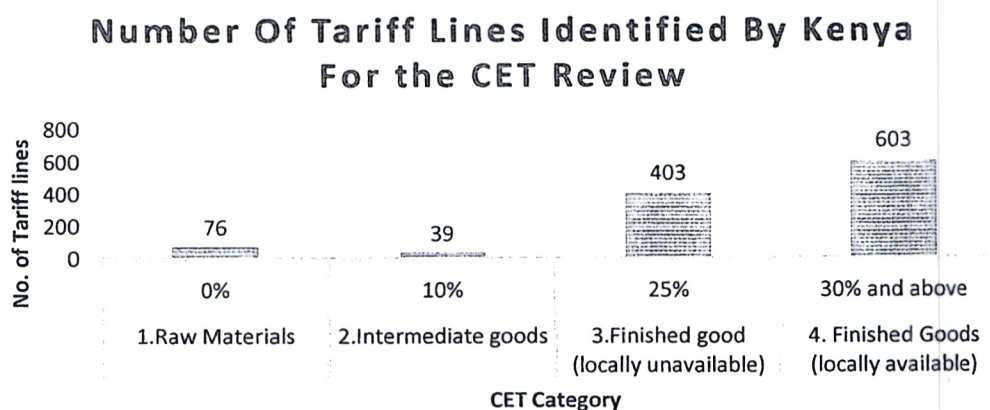
(EIA)

EAC Customs Union

- i. The implementation of the EAC Customs Union and Common Market Protocols continued during the review period. Negotiations at the regional level by the Regional Task Force on the Comprehensive Review of the EAC Common External Tariff (CET) commenced on 26th February 2019. The negotiations are based on the consolidated Regional Report by the Consultant. Among the expected outputs is updating the EAC CET 2012 version to HS 2017 version, reviewing the sensitive list and addressing any inconsistency identified in the EAC CET and the EAC Rules of Origin

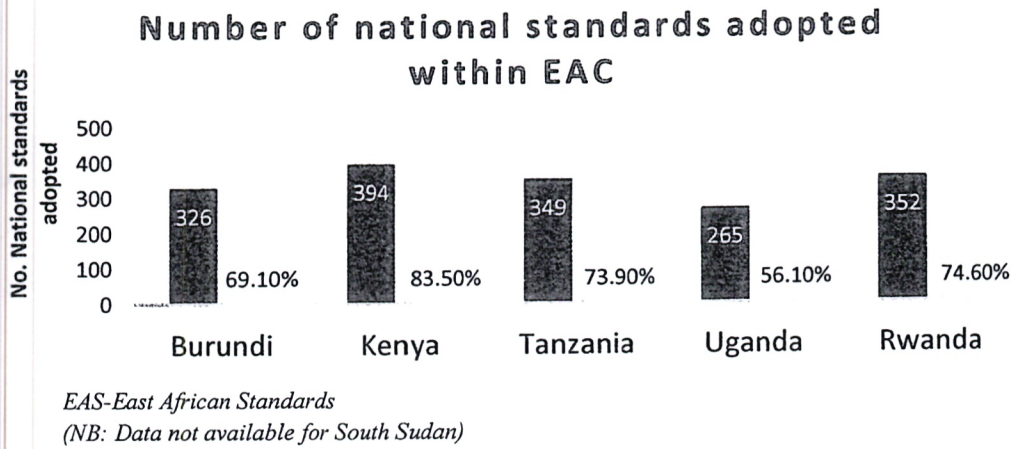
Towards this process, the Ministry conducted four (4) stakeholders’ consultative meetings on CET Review, consolidated submissions from stakeholders on CET Review and submitted Kenya Country Position Paper on CET to EAC Secretariat before the given deadline of August 2018. Kenya’s proposal on CET included establishment of a 4-band classification i.e. Raw materials, intermediate goods, finished good (locally unavailable) and finished Goods (locally available). The completion deadline on CET review was extended to October, 2019. Kenya identified a total of 1,121 tariff lines for review as shown in Figure 27.

Figure 27: The four bands classification and number of Tariff Lines Identified by Kenya for the CET Review



- ii. As at June, 2020, a total of 1300 standards had been cumulatively harmonized and adopted as EAC standards by East African Standards Committee ((EASC). Kenya being the Partner State with the highest share of intra-EAC trade is bound to benefit more from harmonization of more standards. The harmonization of standards reduces occurrence of standard related NTBs. Partner States reported adoption status of the Harmonized EAC Standards as shown in Figure 28.

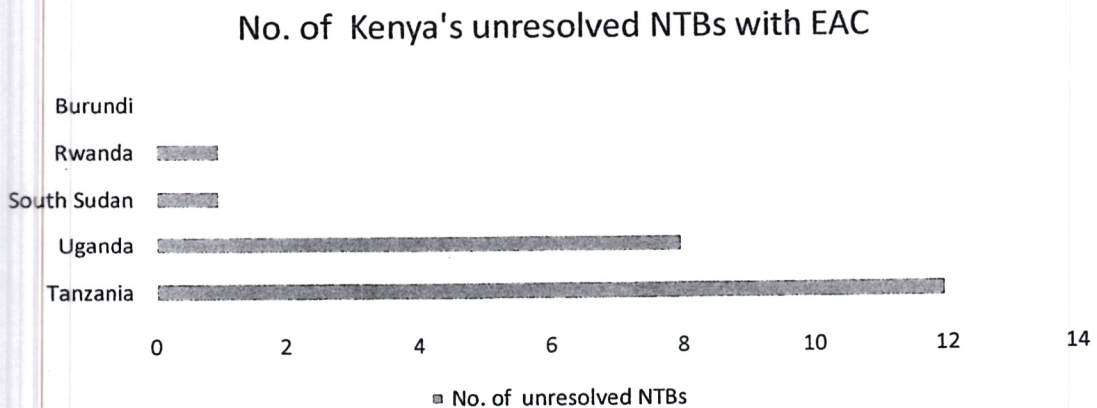
Figure 28: Number of National Standards adopted within EAC



Kenya, with 83.5% rate of adoption was the highest in the EAC.

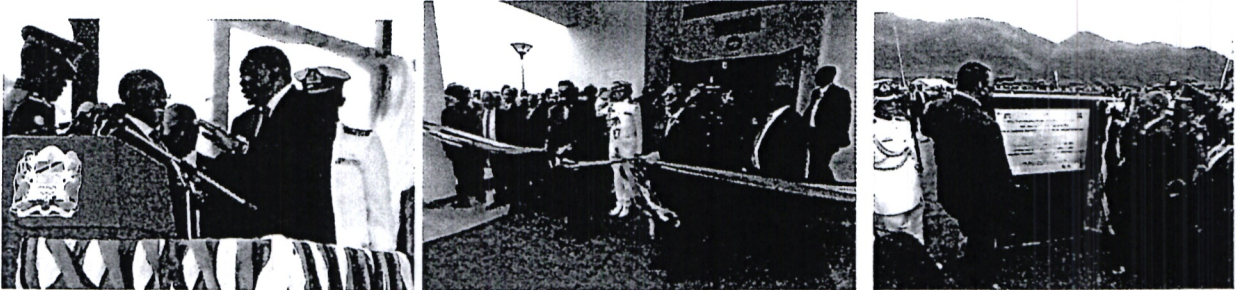
- iii. As at 30th June 2020, 122 NTBs had been cumulatively resolved since 2009. A total of 22 NTBs remain unresolved and are spread in the EAC as shown in Figure 29.

Figure 29: Number of Kenya's unresolved NTBs with EAC



- iv. One-Stop-Border-Posts (OSBP) along the Namanga border was commissioned at Head of state level. Figure 30 below captures the commissioning ceremony by Tanzanian President John Pombe Magufuli and his Kenyan counterpart Uhuru Kenyatta.

Figure 30: Commissioning ceremony of the Namanga One Stop Border Post (OSBP)

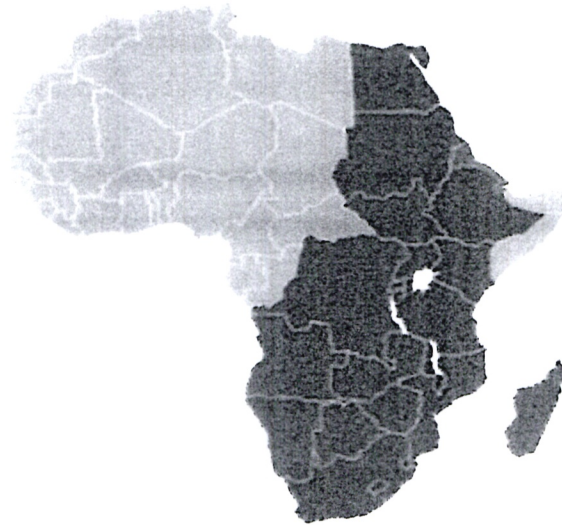


Sources: EAC, Capital fm and APA News respectively

Among the benefits of the OSBP are improved infrastructure, faster clearance and processing of passenger and cargo, seamless process flow, improved work environment, coordinated border management and increased transparency.

- v. Negotiations on the movement of business persons across the three RECs, COMESA-EAC and SADC are ongoing. This will enhance more trading opportunities across a wider market as highlighted in Figure 31.

Figure 31: The Geographical share of COMESA-EAC-SADC in Africa



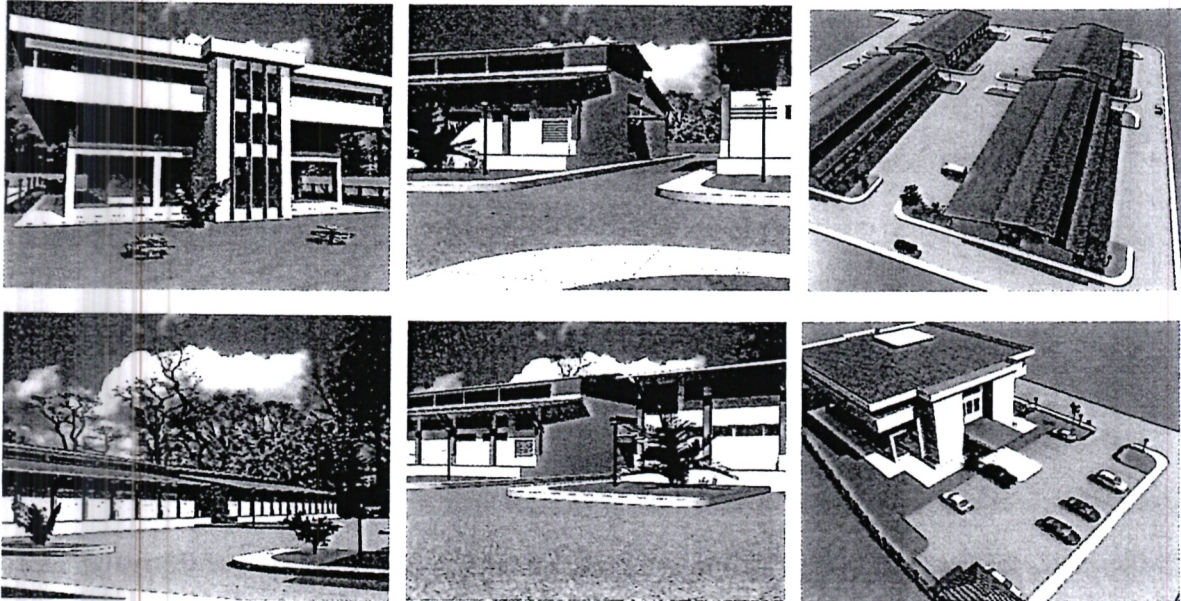
Source tralac.org

- vi. Kenya ratified the African Continental Free Trade Agreement (AfCFTA). The AU Summit was expected to launch the operationalization the AfCFTA in July, 2019;
- vii. The Ministry developed a concept paper for the establishment of the integrated Cross Border market in Busia which will encompass a retail section, wholesale and business hub. Inter-

governmental consultations on the same were held and a feasibility study undertaken. Engagement with possible financiers were held and an agreement for Trade Mark East Africa to fund the retail section will be signed in July 2019. Figure 32 below shows a prototype of the cross-border market.

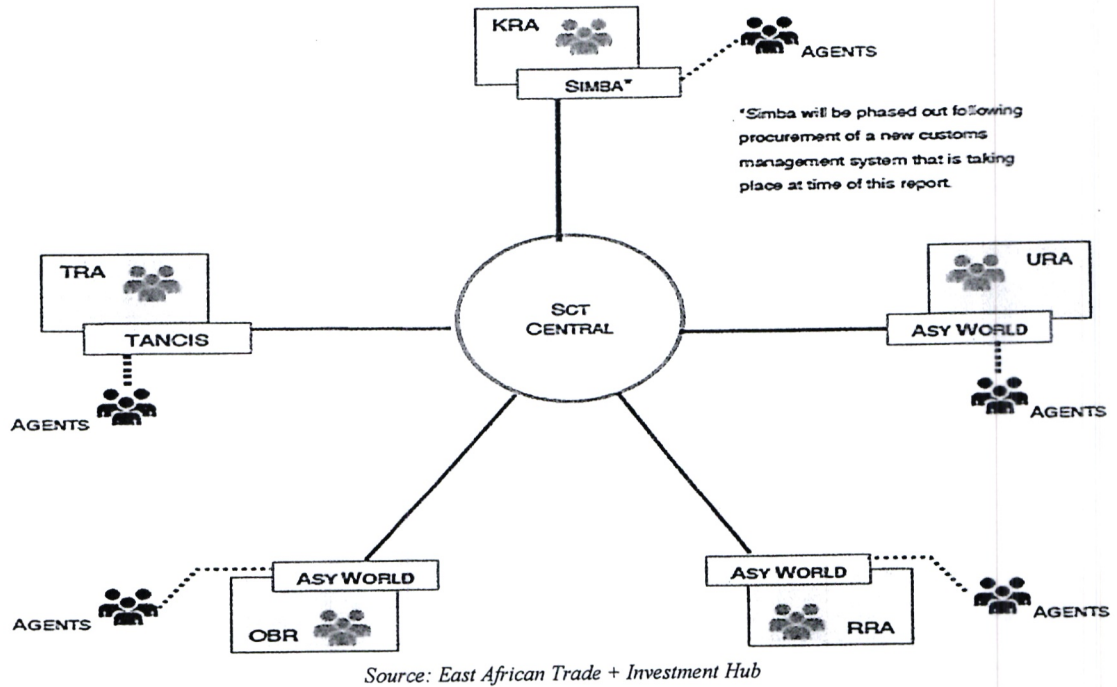
- viii. The Ministry held stakeholder consultations at the National and county level on the planned Jumuiya Market at Taveta. Through these consultations land was identified for the construction of the Market.

Figure 32: Busia Cross Border Market Prototype



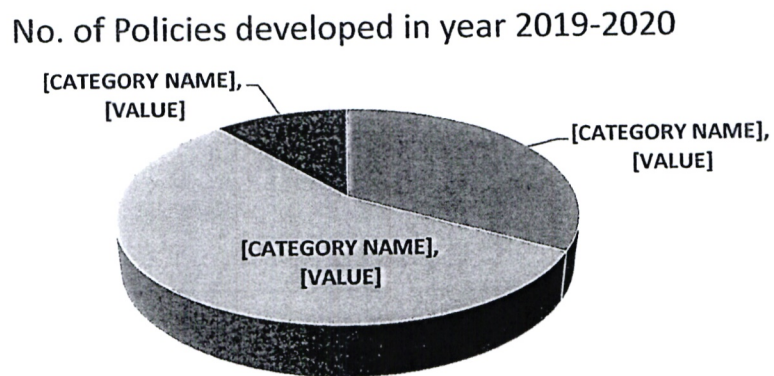
- ix. The Single Customs Territory (SCT) was implemented and preferential treatment accorded to Kenyan products. The SCT involves computerised clearance and electronic tracking through interconnectivity of customs systems. It further facilitates seamless flow of information between customs stations and a payment system to manage transfers of revenues between EAC Partner States. It is a step towards a full customs union, achievable by the removal of restrictive regulations and reducing internal border controls on goods moving between partner states. Figure 33 outlines the SCT central architecture.

Figure 33: The EAC SCT Centralized Design



- x. During the review period, the Ministry cumulatively developed 9 policy documents in 3 sectors namely Industrial, Financial services and Taxation. The distribution is as shown in Figure 34.

Figure 34: Number of Policies cumulatively developed up to 30th June 2020



The list of policy documents developed is outlined in Table 4.

Table 4: List of policy documents developed in 2019-2020

| Sector | No. of Policies developed | Policy Documents |
|---------------------------|---------------------------|---|
| Industrialization Sector | 3 | EAC Cotton, Textile and Apparels policy |
| | | EAC Mineral Value Addition (MVA) Strategy |
| | | EAC Hides & Skins Strategy |
| Financial Services Sector | 5 | EAC Micro-finance Bill |
| | | EA Insurance Bill (Referred back to Task Force by Sectoral Council of Finance and Economic Affairs (SCFEA)) |
| | | EA Monetary Institute Bill (ratified, Feb 2019) |
| | | EA financial Services Commission Bill |
| | | EA Surveillance, Compliance, & Enforcement Commission Bill (referred to Legal and Judicial Committee) |
| Taxation sector | 1 | East Africa Policy on Harmonization of Domestic Taxes (Approved by 38 th Council of Ministers) |
| Total | 9 | |

- xi. During the period under review, Partner States continued to accord community tariff treatment to imports from EAC Partner States whereby imports were charged 0 tariffs by the importing Partner State. Table 5 below shows imports that were accorded Community Tariff Treatment by the importing Partner State.

Table 5: Value of Imported goods accorded Community Tariff Treatment during the period July – December, 2019 (in USD)

| Exporting Partner State | Importing Partner State | | | | | |
|-------------------------|-------------------------|-------|--------------------|-------------|--------------------|--------------------|
| | Burundi | Kenya | Rwanda | South Sudan | Tanzania | Uganda |
| Burundi | 0 | | 1,345,942 | | 570,806 | 516,431 |
| Kenya | 21,862,598 | | 39,821,793 | | 126,532,126 | 204,101,895 |
| Rwanda | 2,142,581 | | 0 | | 452,529 | 3,260,617 |
| RSS | 0 | | 0 | | 144,002 | |
| Tanzania | 25,354,432 | | 46,485,434 | | 0 | 46,156,240 |
| Uganda | 22,621,627 | | 82,176,102 | | 31,547,308 | 0 |
| Total | 71,981,239 | | 169,829,270 | | 159,232,074 | 254,035,183 |

EAC Common Market

During the review period, the Ministry coordinated the development of;

- i. The EAC Common Market Protocol Scorecard 2018 on Free Movement of Labour, Rights of Establishment and Residence (EAC CMS, 2018) finalized and validated during a regional meeting of Labour Experts and Directors Coordinating the implementation of EAC Common Market Protocol held from 10th – 11th February, 2020 in Nairobi.
- ii. A draft Framework for Reporting Restrictions imposed on Capital Account in compliance with Article 25(2) of the Common Market Protocol that was approved by the 11th Sectoral Council for Finance and Economic Affairs and recommended for adoption and use by the Partner States after approval by the Council.
- iii. The EAC Banking Certification Policy, its Implementation Strategy and Roadmap was finalized and approved by the 11th meeting of the Sectoral Council for Finance and Economic Affairs and to be considered and adopted by the Council to pave way for implementation by the EAC Partner States.
- iv. The EAC Microfinance Services Policy and its Implementation Strategy and Roadmap was finalized and to be considered and adopted by the Council to pave way for implementation by the EAC Partner States.
- v. The EAC Insurance Bill that was finalized and approved by the 11th Meeting of the Sectoral Council for Finance and Economic Affairs in January, 2020 and to be considered and adopted by the Council to pave way for implementation by the EAC Partner States.
- vi. Draft EAC Insurance Regulations where Kenya undertook in-country consultations on the draft regulations in February, 2020.
- vii. The draft Paper and the corresponding Principles on Extending Pension Coverage to the Informal Sector in the EAC Region was finalized and approved by the 11th Meeting of the Sectoral Council for Finance and Economic Affairs in January, 2020. The approved Paper and Principles will be considered for approval for implementation by the 39th meeting of the EAC Council of Ministers.

EAC Monetary Union

During the review period,

- i. The East African Monetary Institute Bill 2018 was assented to by all Partner States with, the Republic of Burundi being the last to assent in January, 2020. The Council shall consider the bill once it is fully assented to.

- ii. The East African Statistics Bureau Bill, 2018 was discussed and passed by EALA and has been shared with Partner States for in-country stakeholder consultations before consideration by Heads of State for assent.
- iii. Five (5) additional Chapters (5-9) of the EAC Guidelines on Compilation of Government Finance and Public Sector Debt Statistics to facilitate harmonization of Fiscal Statistics were developed and are due for publication in readiness for implementation by the Partner States.
- iv. The 1st Draft Report of the Study on the Required Reforms to align the EAC Structure, Programs and Activities with Financial Resources Available from EAC Partner States was done and the first regional validation meeting held on 22nd June, 2020 via Video Conference.
- v. The directive by the 17th Summit of the EAC Heads of State to mainstream the East African Development Bank (EADB) into the EAC Mainstream and advise the Council was finalized by the Regional Technical Working Group and considered by the 11th Meeting of the Sectoral Council for Finance and Economic Affairs in January, 2020. The Sectoral Council noted that there are no inconsistencies between the 1980 EADB Charter and the EAC Treaty (1999) regarding powers of the EADB governing council and those of the EAC Council of Ministers. Upon approval by the Council, the EAD Governing Council will have the opportunity to annually inform the Summit on the performance of the Bank be given opportunity to annually inform the Summit on the performance of the Bank.

EAC Political Federation

- i. During the period, experts drafting the Constitution for the EAC Political Confederation held two regional meetings in Mwanza, Tanzania and Entebbe Uganda from 25th – 27th September 2019 and 15th -17th November 2019 respectively. This culminated in the launch of the National Stakeholders' Consultations on the envisaged Political Federation Constitution on 18th November 2019 in Entebbe, Uganda. This was followed by a successful stakeholder's consultations activity in the Republic of Burundi from 14th – 21st January 2020. Similar consultations will be undertaken in the other five Partner States in the next financial year.
- ii. To enhance governance observance of human rights in the region the Ministry coordinated Kenya's participation in the:
 - a) Meeting of the Heads of National Human Rights Commission from 11th – 12th March 2020 in Entebbe -Uganda. The EAC Forum of National Human Rights Commissions brings together Human Rights Commissions from the six partner states, annually to deliberate on human rights matters of concern in the region;
 - b) Public Hearing of the East African Integrity and Anti-Corruption Bill 2019 held in Nairobi on 19th October 2019. The Kenyan stakeholders were accorded a platform to give their views and the report thereof submitted to EALA for action.
- iii. The internal processes regarding the draft EAC Mutual Defence Pact and Draft Mechanisms for the Operationalization of the Pact were finalized as directed by the 38th Extra Ordinary Meeting of the Council held on 30th January 2019. The internal processes getting approval from the Defence Council and the Cabinet.

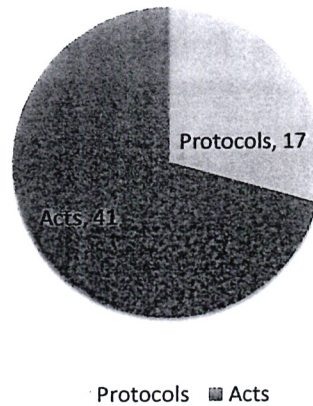
- iv. To enhance cooperation in Defence and regional security, the Ministry coordinated Kenya's participation in the:
- a) 12th EAC Military Games and Cultural Event 2019 held in Nairobi from 11th -26th August 2019;
 - b) EAC Counter Terrorism Stakeholders' Forum held in Dar es Salaam from 10th -13th September 2019;
 - c) The Concept Development and Initial Planning conferences for the 12th EAC Armed Forces Field Training Exercise (FTX) Ushirikiano Imara 2020 held in Kampala Uganda from 28th -30th January 2020 and 18th -20th March respectively;
 - d) Sensitization meeting of Border Agencies and Community Leaders on the EAC Draft Trans-Boundary Security Framework and other Cross Border Initiatives held in Busia County from 27th -29th August 2019;
 - e) On Spot Assessment of Kenya's designated EAC Police Centers of Excellence; DCI Training Academy, Police Counter Terrorism and the Police Air Wing from 26th -27th February 2020;
 - f) Extra Ordinary meeting of Chiefs of Prisons/ Correctional Services held in Kampala Uganda from 11th -12th July 2019.
- v. Based on the interventions and planned activities outlined in the EAC COVID 19 Response Plan for the EAC Peace and Security Sector, the Ministry coordinated the EAC Support to Border Governance Agencies' Response to COVID-19 Pandemic Programme. Through GIZ support, each of the six operational OSBPS received Personal Protective Equipment (PPEs) comprising: 500 reusable Face Masks, 800 Sets of Gloves and 50 bottles of Sanitizers (500mls). Additionally, each of the OSBP received 300 copies of Pamphlets containing Information on Management of Cross Border Movement in the context of COVID-19. This programme was undertaken from 22nd – 26th June 2020.

EAC Cross Cutting Issues

- i. Up-to the 30th June, 2020, the EAC has cumulatively enacted a total of 17 Protocols and 41 Acts. The conclusion of this instruments was coordinated through this Ministry which ensured that Public Participation was carried out. Figure 35 shows the Protocols and Laws cumulatively enacted.

Figure 35: EAC Protocols and Laws cumulatively enacted

EAC Protocols and Laws enacted



The list of the Protocols and Acts are attached as **Appendix III and IV**.

- ii. During the review period, Kenya supported the Lake Victoria basin Commission in the finalizing the designs and developing the Tender Documents for the construction of the first phase of LVBC Headquarters. Tenders were advertised and bids evaluated. However, all the bidders failed to meet the mandatory requirements and re-advertisement and conclusion of the identification of a suitable contractor is expected to be completed in the first quarter of the current financial year paving way for ground breaking in by the second half of the Financial Year;
- iii. The State Department undertook various sensitization and awareness creation forums on customs union, common market, monetary union and political federation with a view to informing the stakeholders of the available opportunities. The sensitization workshops were on Regional Integration policy, business community (Small and Micro enterprises, Border communities, Youth /women/ disadvantaged groups). The State Department, in partnership with the Law Society of Kenya (LSK), successfully conducted sensitization workshops for lawyers in the Counties of Nairobi, Mombasa (twice), Kisumu, Kilifi, Uasin Gishu, Nakuru and Meru;
- iv. To increase visibility of the Ministry, implementation of the Media Plan continued. The plan entails outreach to the print and electronic media to enhance the coverage and positive reporting on EAC. The media houses reached included KBC, Citizen, Nation Media Group, Muga FM, Voice of America.
- v. To disseminate the benefits and opportunities that the integration avails, a social media campaign for University students on the EAC integration was implemented. The Campaign dubbed “#Ushirikiano Digital” was conducted through Twitter, YouTube, Wordpress, Facebook and Instagram. Results achieved included a total reach of 10 million people 86% of whom were in the age bracket of 18-24, vertical and horizontal knowledge sharing, formation of sustainable

- networks of engagement among the students as well as student participation in community service under the principle of giving back to the Community.
- vi. A roadmap for the launch of EAC Projects and Programmes at the Presidency level was developed. The aim is to raise awareness among the citizens on the projects that EAC implements at Partner State level.
 - vii. The Ministry coordinated the Cabinet Approval for establishment of the National Kiswahili Council.
 - viii. The Department launched EAC Clubs in fifty-five (55) secondary schools in eleven (11) counties to enhance the interest of the youth in school on EAC integration, promote continuous dialogue, encourage advocacy on regional integration initiatives and engagement in peer sensitization.
 - ix. Coordinated the National Stakeholders in the conclusion of the MoU with the Republic of Uganda for the collaborative Management of the Mt. Elgon ecosystem;
 - x. Convened a national stakeholders forum to deliberate and develop country negotiation paper for the Water Allocation Planning of the shared Mara River between Kenya and Tanzania;
 - xi. Hosted the 9th East African Petroleum conference in May 2019 at the Pride Inn Paradise Beach resort in Mombasa;
 - xii. Coordinated the conclusion and launch of the Lake Victoria Integrated Water Resources Management (IWRM) Project. The project among others will provide sanitation services to Manyatta and Obunga slums of Kisumu City;
 - xiii. Coordinated the development of regional policy instruments for Pest Risk Analysis (PRA) for Maize, Beans and Rice;
 - xiv. Coordinated the development an EAC Regional Food Balance Sheet as a mechanism for Early Warning and monitoring of Food Security situation in the region;
 - xv. Coordinated the establishment and domestication of a regional agriculture joint sector review mechanism in line with best practices of the (Comprehensive African Agricultural Development Programme (CAADP) Mutual Accountability;
 - xvi. Coordinated the development of Guidelines for Registration of Biopesticides and Biocontrol agents for Plant protection,
 - xvii. Develop EAC regional Harmonized Pesticides Guidelines;
 - xviii. Successfully followed up on the ratification of the EAC Protocol on cooperation in ICT;
 - xix. Coordinated the identification of Kenya's flagship projects to be considered by the EAC Heads of States as regional priority Infrastructure projects;
 - xx. Convened stakeholder meetings at national level as well as Bilateral meetings with Uganda and Tanzania and sustained the monitoring and resolution of challenges encountered by cross border transporters between Kenya and other EAC Partner States owing to measures taken to contain the spread of Covid-19.
 - xxi. Coordinated the procurement of Two Mobile Laboratories for Covid-19 testing under the EAC Regional Network of Public Health Reference laboratories project. The two mobile laboratories are deployed at Namanga OSBP and Naivasha ICD. The two laboratories have facilitated the testing of truck drivers transporting cargo along the Transit Corridors.

Figure 36: The Four 4-wheel drive vehicles used as mobile laboratories in Namanga Border



Figure 37: Ministry of Health official inspecting the handing over documents



3.2.2 STATE DEPARTMENT FOR REGIONAL AND NORTHERN CORRIDOR DEVELOPMENT

During the review period, the state Department made the following achievements:


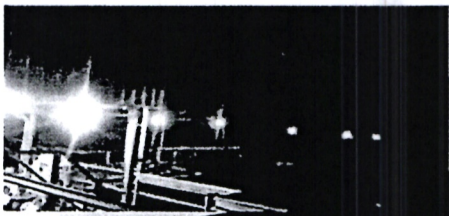
3.2.2.1 NORTHERN CORRIDOR INTEGRATED PROJECTS



- i. The National land valuation index bill 2018 to control prices of land along the Northern Corridor was developed and submitted to parliament for debate and policy guidance;
- ii. The fast-tracking of the link up of Kisumu Oil Jetty with the Bukasa Oil Jetty in Uganda is ongoing. The development and benefits of Kisumu Oil Jetty is as shown in Figure 38.

Figure 38: The development and benefits of the Kisumu Oil Jetty

The Kisumu Oil Jetty

- ❑ KPC engaged a contractor to construct the Jetty in May 2017. The project was completed and handed over in February 2018.
- ❑ **The Facility is designed to:**
 - ✓ Load 2 barges/lake vessels of length of upto 70m at a time.
 - ✓ To throughput **1 billion litres per annum** under Phase 1, with provision for expansion to **3 billion litres per annum**, subject to business prospects.
- ❑ **The KOJ system currently consists of:**
 - ✓ 4 No. independent lines carrying AGO, IK, MSP and Jet-A1 from the tanks to the Jetty Head.
 - ✓ AGO line is 10 inch with 3 pumps of total capacity of 540m³/hr
 - ✓ MSP line is 8 inch with 4 pumps of total capacity 720m³/hr.
 - ✓ IK line is 8 inch with 2 pumps of total capacity of 360m³/hr
 - ✓ Jet A-1 line is 8 inch with 2 pumps of total capacity 180m³/hr.










Kenya Pipeline Company Limited

KOJ Benefits

- ❑ **Benefits to the Region**
 - ✓ Provision of alternative least cost petroleum product transportation mode.
 - ✓ Enhanced security of supply of petroleum products to the land locked countries.
 - ✓ Reduced incidences of adulteration and product losses.
 - ✓ Reduced road carnage and environmental degradation.
- ❑ **Benefits to Kisumu and other Western Kenya Counties**
 - ✓ Investment opportunities in lake vessels and piers.
 - ✓ Employment opportunity with the spurred activities around the lake.
- ❑ **Benefits to KPC**
 - ✓ Enhanced throughput and revenue.
 - ✓ Decongestion of Western Kenya pipeline depots.



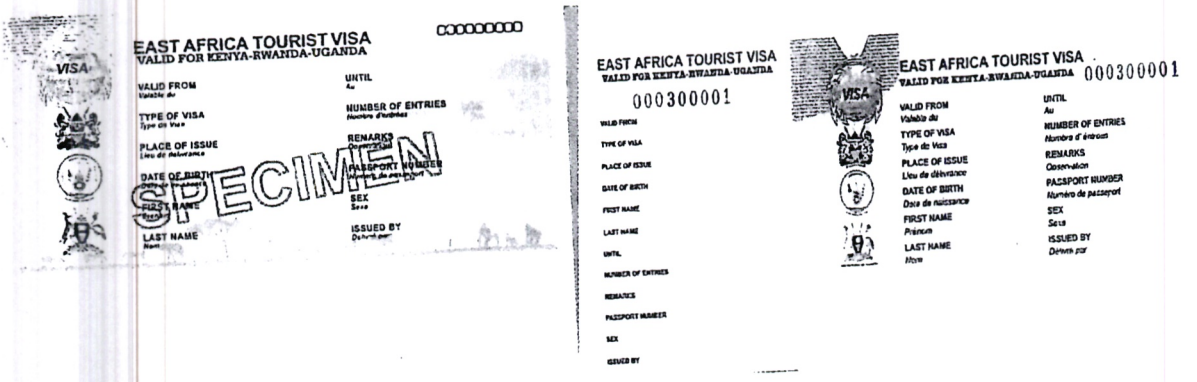



Kenya Pipeline Company Limited

- iii. A verification exercise was undertaken on the status of East African Tourism Visa (EATV) Stickers Sales at national, Regional and International level which recommended that Partner States need to publicize the EATV at all border entries and enhance record keeping and data

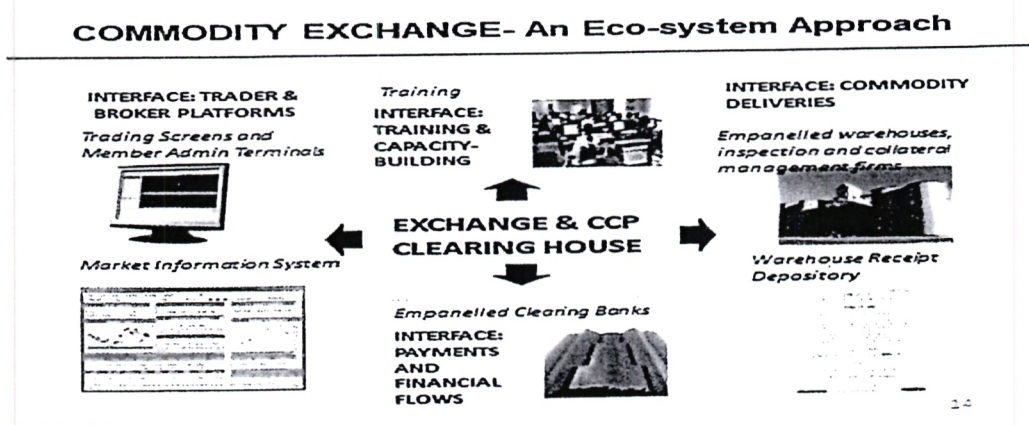
management. The implementation of the EATV has led to an increase in the number of tourists visiting Kenya and has generated over 2.9million US Dollars for Kenya.

Figure 39: A Specimen of the East African Tourist Visa



- iv. Kenya registered a Kenya Commodity Exchange (KOMEX) and is ready for trading upon receipt of license from CMA.

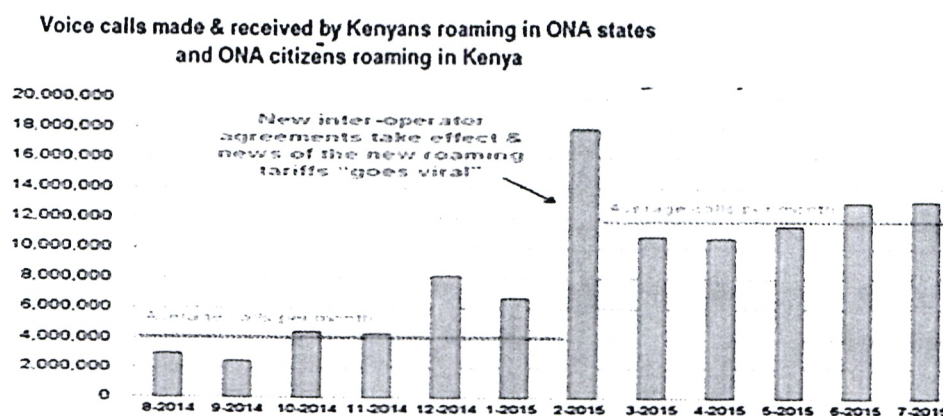
Figure 40: Kenya Commodity Exchange model



- v. The implementation of the Single Custom Territory for all imports continued where over 60 percent of exports are handled. The implementation of the Single Custom Territory has greatly contributed in decongesting the port of Mombasa and fast-tracking cargo clearance at Nairobi Inland Container Depot. It has also attracted more use of the SGR thereby reducing the cost of doing business along the Northern Corridor;
- vi. The process of identifying Partner States laws that hinder free movement of goods and services among the Partner States is on-going;
- vii. Implementation of the One Network Area (ONA) for telecommunications continued. The implementation of the One Network Area in telecoms has enhanced regional connectivity and

made the region more competitive by reducing the international calls termination rate among the Member States. Figure 41 shows the impact of the ONA immediately if took effect in 2015.

Figure 41: ONA tariff impact on voice roaming traffic



- viii. Labour mobility and immigration procedures between the Member States are being implemented as per the Summit directives. Use of the National ID card as travel documents has enhanced the movement of persons across the region and made the region more attractive for business; and
- ix. Signing of several MOUs and agreements in the Peace and Security Cluster to facilitate coordination of security in the region. The status of implementation of Peace and Security Cluster is shown in Table 6.

Table 6: Status of implementation of EAC Peace and Security Cluster

NCIP achievements

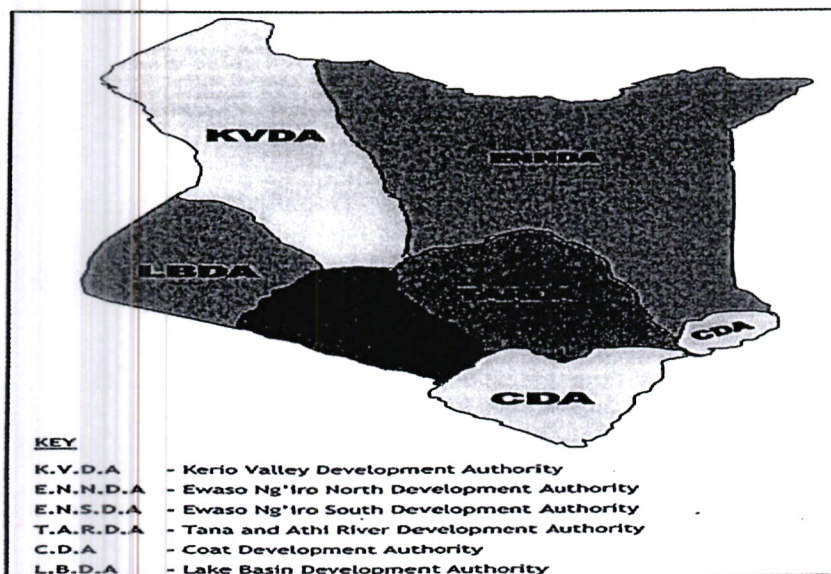
| Cluster | Key Issues | Status of Implementation |
|--------------------|---|---|
| Peace And Security | Accession Treaty to the Mutual Peace and Security Pact 2014 | adopted |
| | Coordination Mechanism for Peace and Security Cluster | adopted |
| | Cooperation agreement on transfer of sentenced prisoners and offenders | Kenya did not ratify since it in conflict with the Transfer of Prisoners Act 2015 Article 3 (6), and 10 (2) |
| | Cooperation agreement on combating terrorism, transnational organised crimes, and violent extremism | not signed – Kenya and Uganda still consulting |
| | MOU on the harmonization of road safety and security management: | Rwanda and Uganda ready to sign but Kenya prefers a general framework on areas of cooperation otherwise she has to amend her traffic Laws |
| | MOU on disaster management and Crisis Response | adopted & signed |
| | MOU on Combating Wildlife and Other Environmental Crimes | Signed |

3.2.2.2 REGIONAL DEVELOPMENT PROJECTS

The State Department of Regional Development:

- i. Continued with the RDAs reform process in order to align the RDAs with the constitution and strengthen governances;
- ii. Contributed to the big four agenda through establishment of the integrated irrigation projects, value addition factories and manufacturing plants;
- iii. coordinated the tree planting campaign in the RDAs and over saw the distribution/planting of over 2,710,355 tree seedlings by the RDAs and their stakeholders
- iv. Contributed to the achievement of the 10% tree cover by participating in tree planting in fulfillment of the presidential directive as well;
- v. Oversighted the RDAs by undertaking monitoring and evaluation the RDAs projects and Programmes;
- vi. Developed a draft miscellaneous amendment Bill for the RDAs Act; and
- vii. Initiated the process of developing the following Policy documents:
 - a. Regional Development Policy
 - b. Regional Development Strategy
 - c. Regional development compendium.
 - d. National regional development Masterplan.

Figure 42: Map showing RDAs coverage*



* The RDAs' boundaries are **permanent standards** based on the basin's divides (physical permanent dividing lines) and are defined by their inherent viable development units; enabling sustainable utilization and conservation of natural resources within respective basins.

Table 7: RDAs coverage

| RDA | Coverage | Watershed/catchment | Counties |
|-------|-------------------------|--|---|
| KVDA | 96,285 Km ² | Kerio, Turkwell, Arror, Perker, Embobut, Weseges, Wei-Wei and Muruny rivers as well as their tributaries | Baringo, Turkana, Parts of West Pokot, Elgeyo Marakwet, Nakuru, and Samburu |
| ENSDA | 47,000 Km ² | Ewaso Ng'iro South River Basin | Narok, Kajiado, Nakuru and parts of Nyandarua |
| ENNDA | 209,576 Km ² | Ewaso Ng'iro North River Basin | Isiolo, Wajir, Marsabit, Mandera, Laikipia, Nyandarua, Sam Meru, parts of Nyeri and Garissa, |
| CDA | 83,681 Km ² | Exclusive Economic Zone (EEZ) of 200 nautical miles and the immediate coastal hinterland. | Kwale, Mombasa, Kilifi, Taita Taveta, Lamu, Tana River, Exclusive Economic Zone, and parts of Ijara in Garissa cour |
| LBDA | 39,000 Km ² | Lake Victoria catchments in Western, Rift Valley and Nyanza | Bomet, Bungoma, Busia, Homa Bay, Kakamega, Kericho, Kisumu, Migori, Nandi, Nyamira, Siaya, Trans Nzoia, Vihig Uasin Gishu, Parts of West Pokot, Elgeyo Marakwet and Na |
| TARDA | 138,000 Km ² | Tana and Athi Rivers catchments | Kiambu, Nairobi, Machakos, Makueni, Kitui, Embu, Thara Nithi, Tana River, Kirinyaga, Kilifi, Murang'a, Nyeri, Meru parts of Kajiado, Nyandarua, Isiolo, Garissa, Lamu and Tait Taveta |

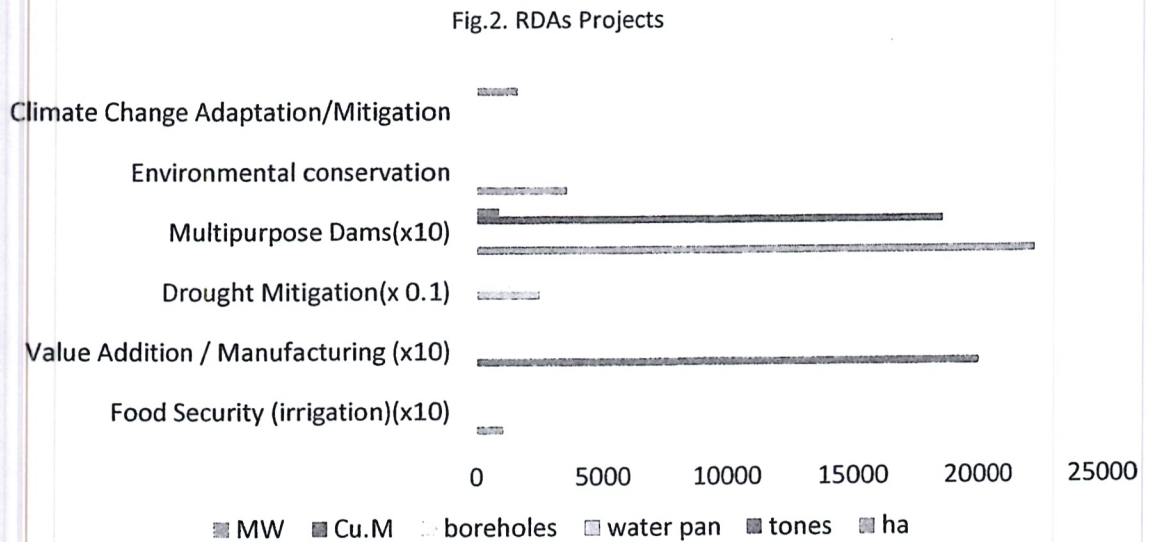
RDAs PROJECTS

The regional development Authorities are tasked with the implementation of various category of integrated projects as outlined in table 8 and figure 18 below.

Table 8: Projects category and potential

| PROJECTS CATEGORY | POTENTIAL |
|---|---|
| Food Security Enhancement Programmes (irrigation)- | 10,996 ha of land under irrigation |
| Value Addition / Manufacturing projects-have a potential of producing | 199,775 tones of various products from bamboo products, mango value addition, gum Arabic, tannery, etc. |
| Drought Mitigation Projects- facilities | there are 250 water pans, 250 boreholes and 75 small water storage in place |
| Multipurpose Dams- | Have potential to irrigate a total of 223,700 Ha of land and conserve related water catchment area, 186000 Cubic metres of water per day and a total of 930 MW of H.E.P |
| Environmental conservation and river bank protection | 3600 Ha |
| Climate Change Adaptation/Mitigation | 1640 MW of solar and wind power |

Figure 43: Distribution of projects within the various categories



ACHIEVEMENTS

Conservation

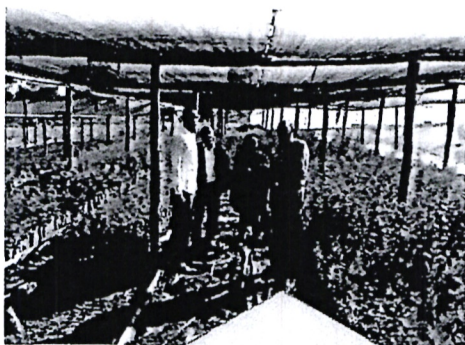
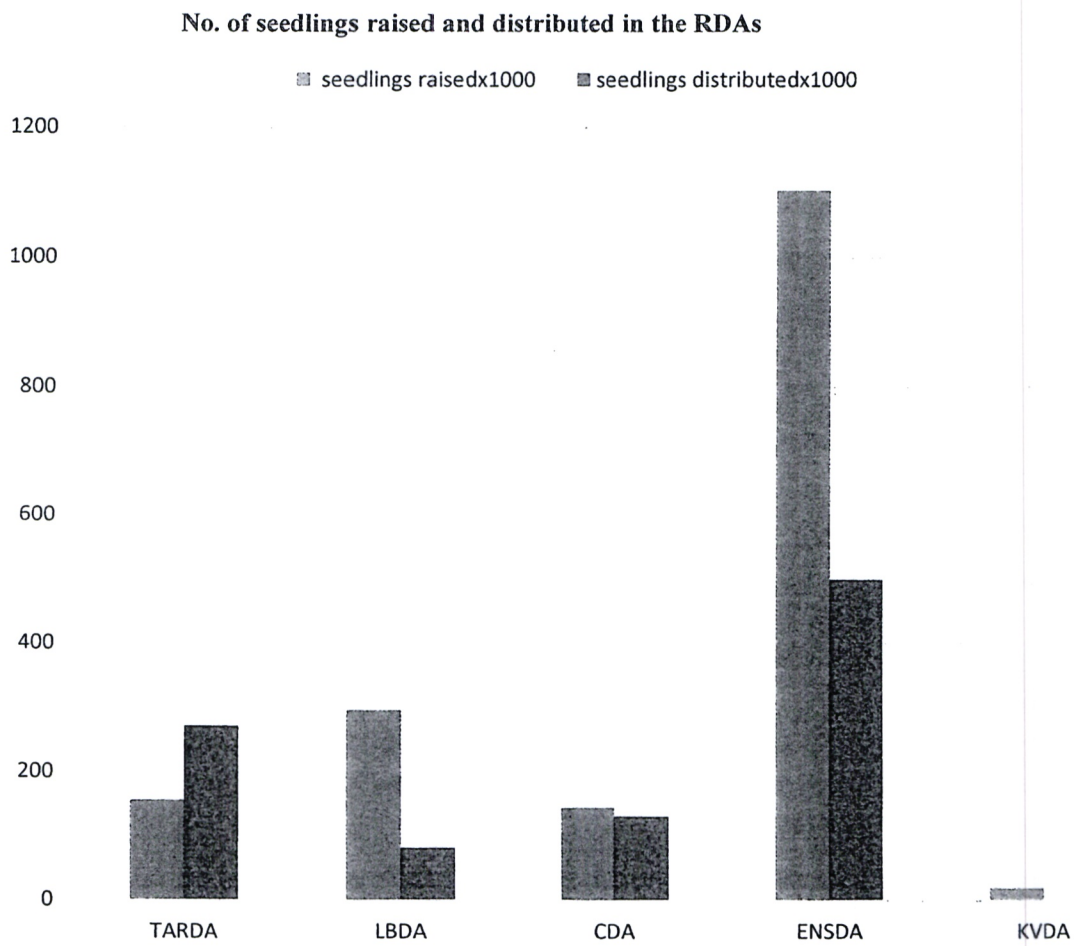
The regional Development Authorities intensified tree planting activities during 2019-2020 financial year after presidential directive for MDAs to achieve 10% tree cover through tree planting.

Tree planting sites in LBDA were distributed over seven locations. During the short rains period in 2019, there were 556,892 seedlings raised by the Authority in the nurseries and community partnership while 257,450 seedlings were distributed through CSR activities in collaboration with other stakeholders and partners.

TARDA raised 353,203 assorted tree seedlings and 227,514 seedlings distributed/planted by the stakeholders/ farmers within the regions.

ENSDA raised 1,103,000(mostly bamboo) and distributed 500,000 seedlings to schools and farmers, CDA raised 144,739 and planted/distributed 138,120 whereas KVDA planted 19,000 (Figure 44).

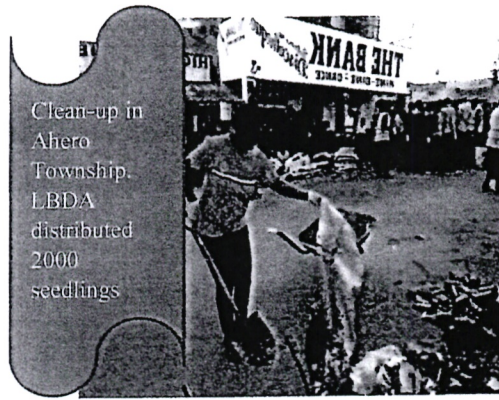
Figure 44: No. of seedlings raised and distributed in the RDAs



Seedlings in ENSDA,
Kisiriri site



This is Kisiriri tree nursery where mass production of indigenous and exotic tree seedlings is done.



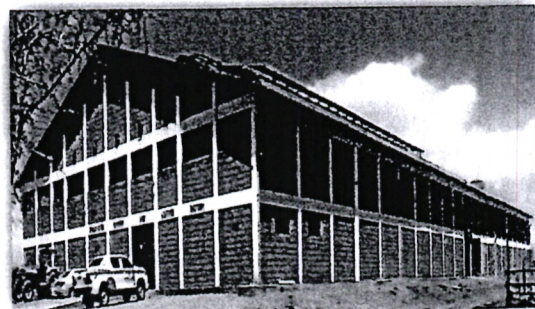
Launch of tree planting in ENNDA during 2019 long Rains season

Achievements by the specific regional authorities are summarized below.

Ewaso Ngiro South River Basin Development Authority (ENSDA)

During the review period ENSDA achieved the following:

- i. Commenced operations of the Tannery by producing over 700,000 square feet of leather and continued capacity building across the value chain to promote the quality of raw hides and skin



- ii. Implemented the Integrated Bamboo commercialization & value addition project by raising 200,000 bamboo seedlings in Narok, Nakuru and Nyandarua, and establishing 300 acres bamboo plantation in the Mau Forest.



Bamboo seedlings being propagated in Kisiriri



Establishment of bamboo plantation in the Mau forest (Nkoben).

- iii. Commenced Phase 1 of construction of the Oloitokitok Agro-Processing Factory Project and conducted prefeasibility study and design of the Agro-processing (potato) & Value Addition plant.

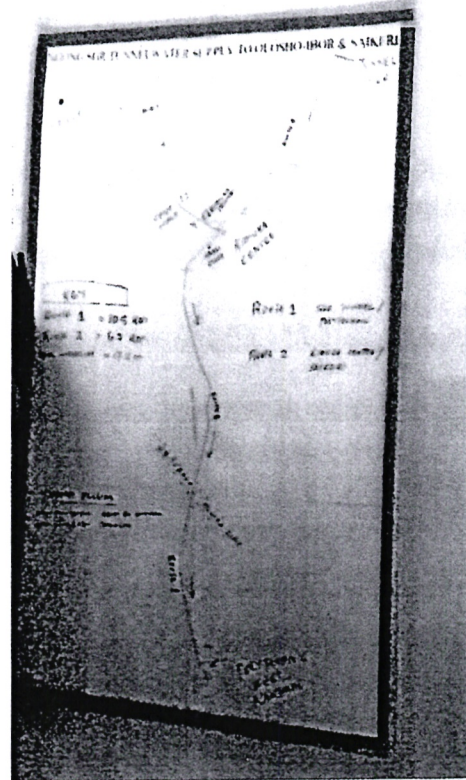


Tomato produce at Oloitokitok Region 1

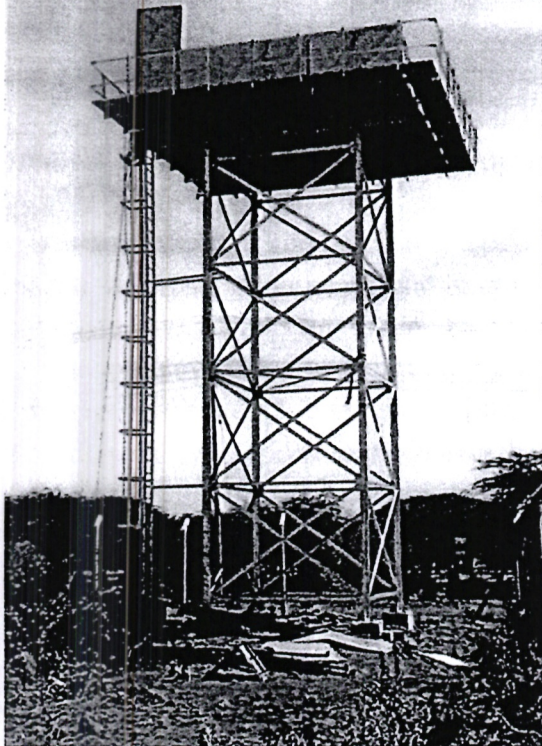
- iv. Established two million fruit/tree seedlings across the region and conserved and restored 10 km² of wetland areas in Mau forest;
- v. Under the Oloyiangelani / Olosho Oibor Dam Development programme the Authority supported in developing a 50-acre community irrigation scheme in Kimuka, Kajiado West and 5-acre demonstration / model farm at Kajiado West Vocational Training Centre and trained the project committee members and sensitized over 100 farmers on irrigation and agricultural production.



Excavation for laying of the 17 km pipel 1



Drawing of the Kimuka project area 1



One of the elevated Steel Tanks for wat 1

- vi. Raised 2M tea seedlings for tea expansion programme under the Integrated Tea Development and value addition. This reduced conflict along the Transmara - Kisii border by creating employment and income generation;

The challenges that ENSDA faced include:

- i. Delay in releases of funds and financial constraints which affected implementation of some projects;
- ii. Covid-19 pandemic affecting operations
- iii. Prolonged drought in the region.

Kerio Valley Development Authority (KVDA)

During the review period KVDA achieved the following:

- i. Finalized preliminary activities for Aror multi-purpose project and awaiting actual implementation;
- ii. Finalized preliminary activities for Kimwarer multi-purpose project and is awaiting actual implementation;
- iii. Under the Weiwei Phase 3 Integrated Project the irrigation infrastructure was developed on 325 Ha, topographic survey, design and preparation of bill of quantities for Korellach done, Korellach catchment conserved, nine (9) kilometers of road was rehabilitated, 33km of access road constructed and murramed, seven (7) houses renovated, construction of Guest house, training center and Laboratory are being finalized, project vehicles were purchased and delivered to the project for use, 3yr capacity building and supply component contract was signed and contractor will start working in 2019/2020(The capacity building and supply of Equipment component was not implemented due to tax issues and COVID-19);
- iv. Under the Napuu Irrigation project, crops were planted on 36 acres of land as follows: 15 acres sorghum, nine acres green grams, 12 acres maize. ;(the maize crop was destroyed by locusts);
- v. Under the Mango value chain Integrated Project, the mango processing plant was supplied, installed and tested. The plant will be commissioned in September 2019 during the mango season. Mango juice and puree production is on-going, and a total of 310,000 mango seedlings have been raised and capacity building on-going;
- vi. Under Lomut irrigation project, conveyance pipeline of 5km was done, sedimentation tank done, weir and intake completed.

Tana and Athi Rivers Development Authority (TARDA)

During the review period TARDA:

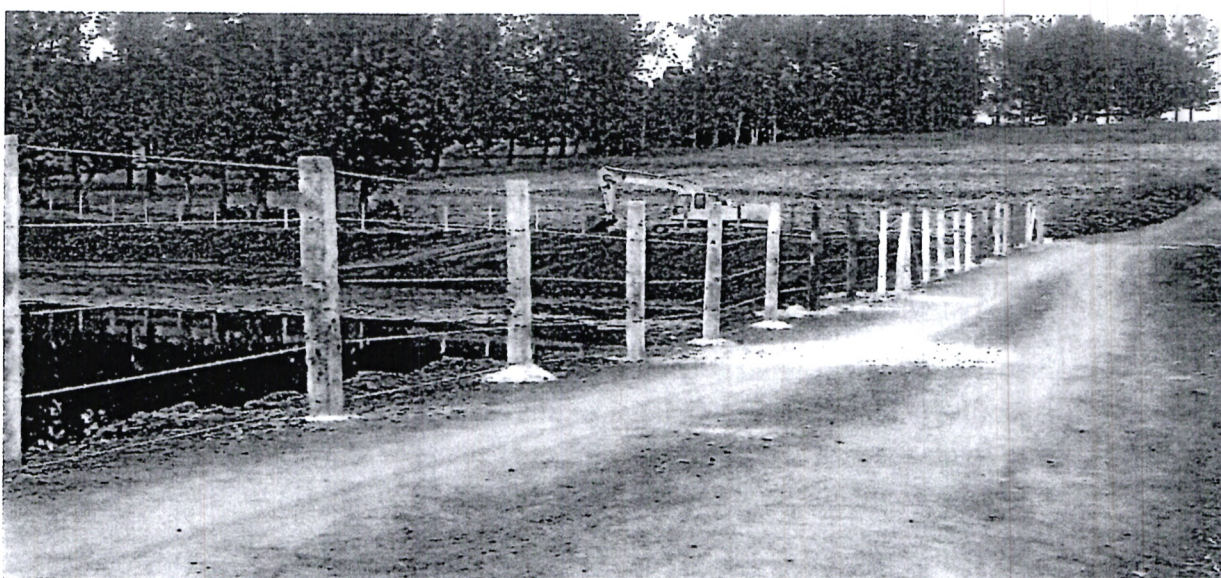
- i. Finalized Strategic Plan for 2019 – 2023 to be launched in 2020-2021 FY
- ii. Desilted the rubber dam reservoir and the intake which supply water to the entire farm including all repair works to the Tana Delta Main Canal (TDMC).
- iii. Repaired canal regulator gates at Hewani section which provides water to community and TARDA's lower blocks along Lamu road.



Repair of canal regulator gates at Hewani

- iv. Repaired 2 (two) river brooks along river Tana at Peponi and Kerona areas within the project.
- v. Initiated (2) small holders irrigation projects in Muranga County namely Wairuri Mariki Samar (90%) complete and Gaitega at 80% complete. The projects were not completed due to inadequate of funds, heavy rains over the year and effects of Covid 19. However, the projects are planned for completion in the FY 2020/21.

Figure 45: Wairuri, mariki Samr small scale irrigation project



Mariki Sama small holder project

- vi. Under value addition, 400 Kg of honey was refined at Kiambere honey refinery.
- vii. TARDA raised 353,203 assorted tree seedlings and 228,153 seedlings distributed/planted by the stakeholders/ farmers within the regions.



Damaged river brook at TDIP

Figure 46: Repaired river brook at Tana delta Irrigation Project



Figure 47: Gaitega Small Holder project water intake piping and reinforcement fixing works ongoing

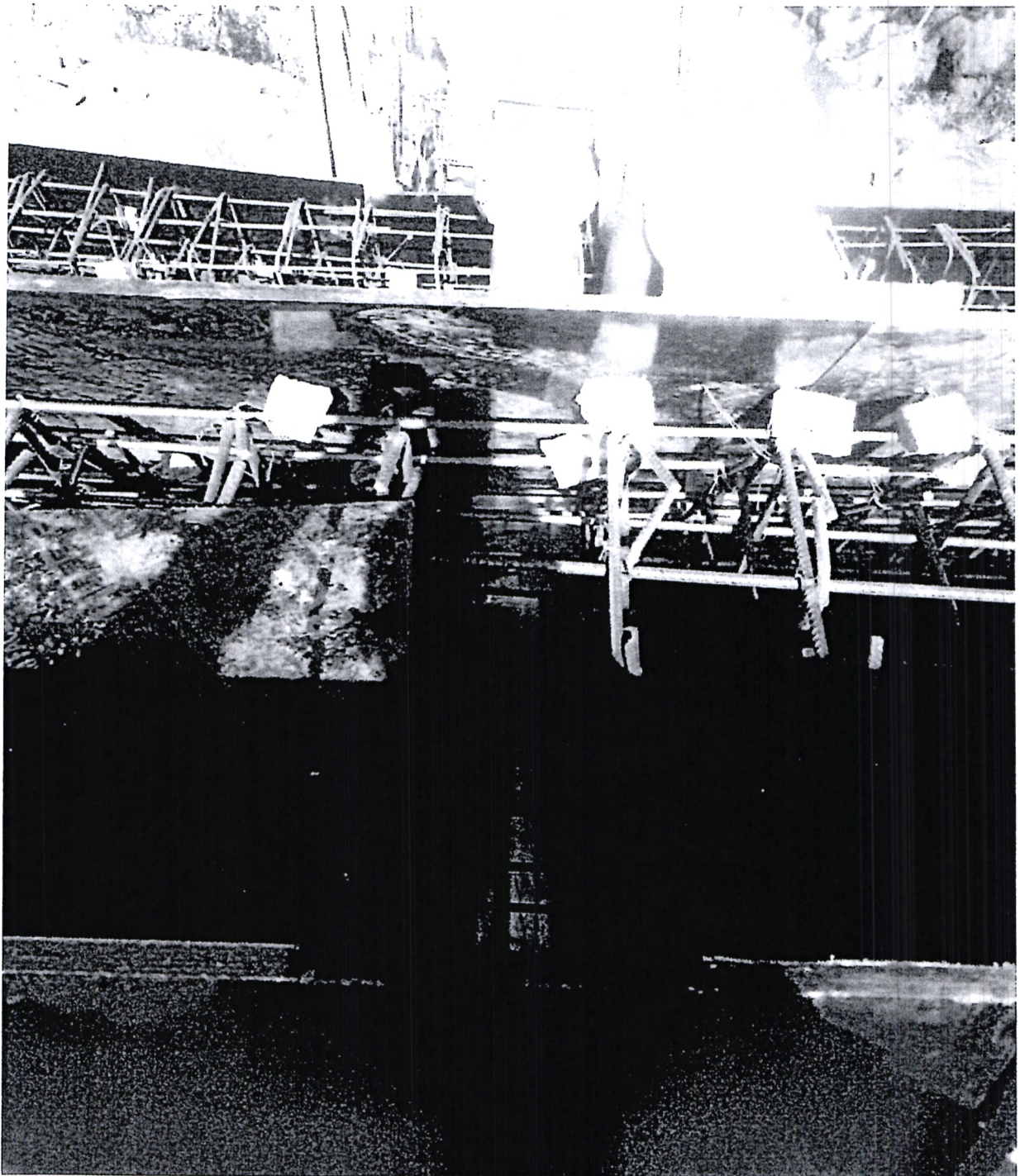


Figure 48: Tree seedling bed at Masinga



Seedling production at Machakos tree nursery

Figure 49: Tree planting ongoing at Tana region with communities



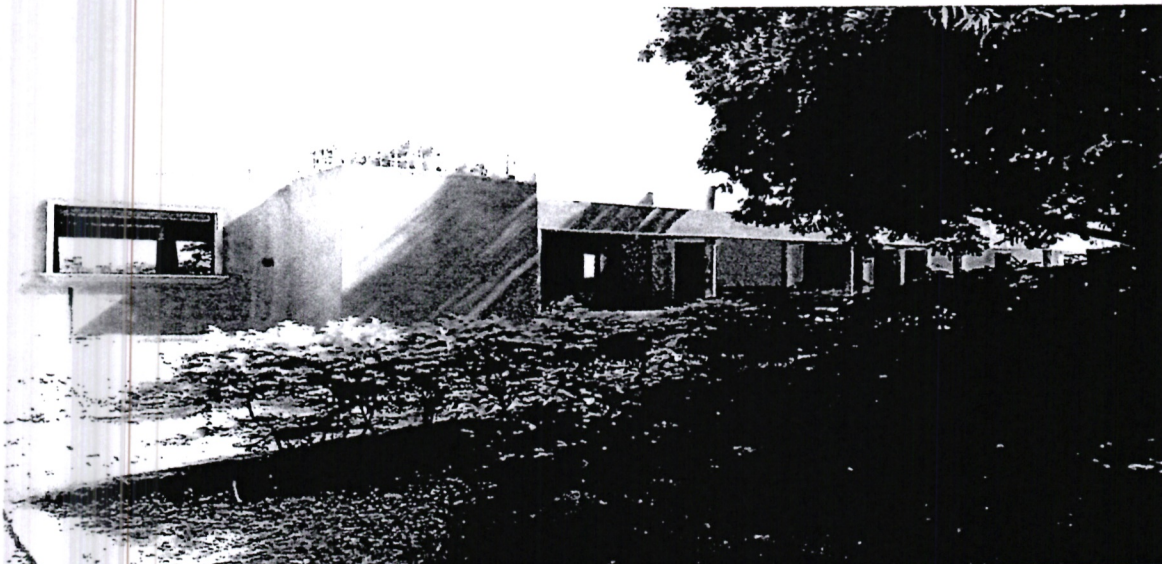
Coast Development Authority (CDA)

The Authority achieved the following during the period under review:

Wananchi Cottages and Conference Facility

- i. Construction of one state of the art conference facility of 400pax capacity and 43 accommodation rooms on-going.
- ii. Business plan developed.

Figure 50: Foundation of the new accommodation rooms



New conference facility under construction

Boji, Challa and Chakama Small Holder Irrigation Project

1. Surveyed Challa & Chakama irrigation schemes.
2. Solarized borehole drilled and equipped at Nakuruto.
3. Training manual on GAP developed.

4. Establishment of irrigation infrastructure in 176.8 Ha of land in Chakama and Challa undertaken.

Figure 51: Water canal and distribution box at Boji

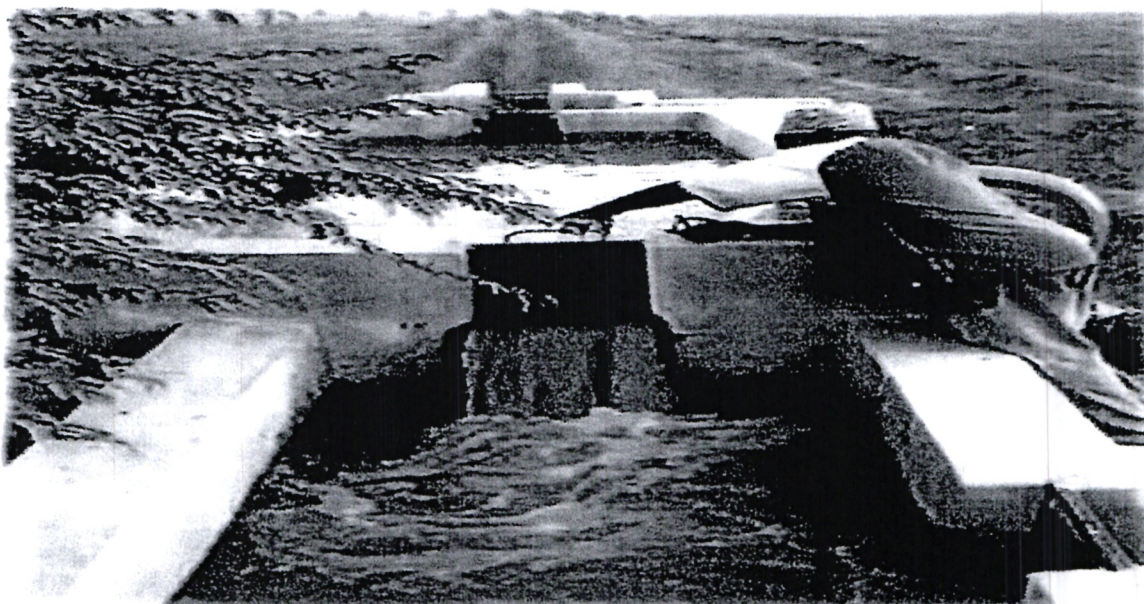
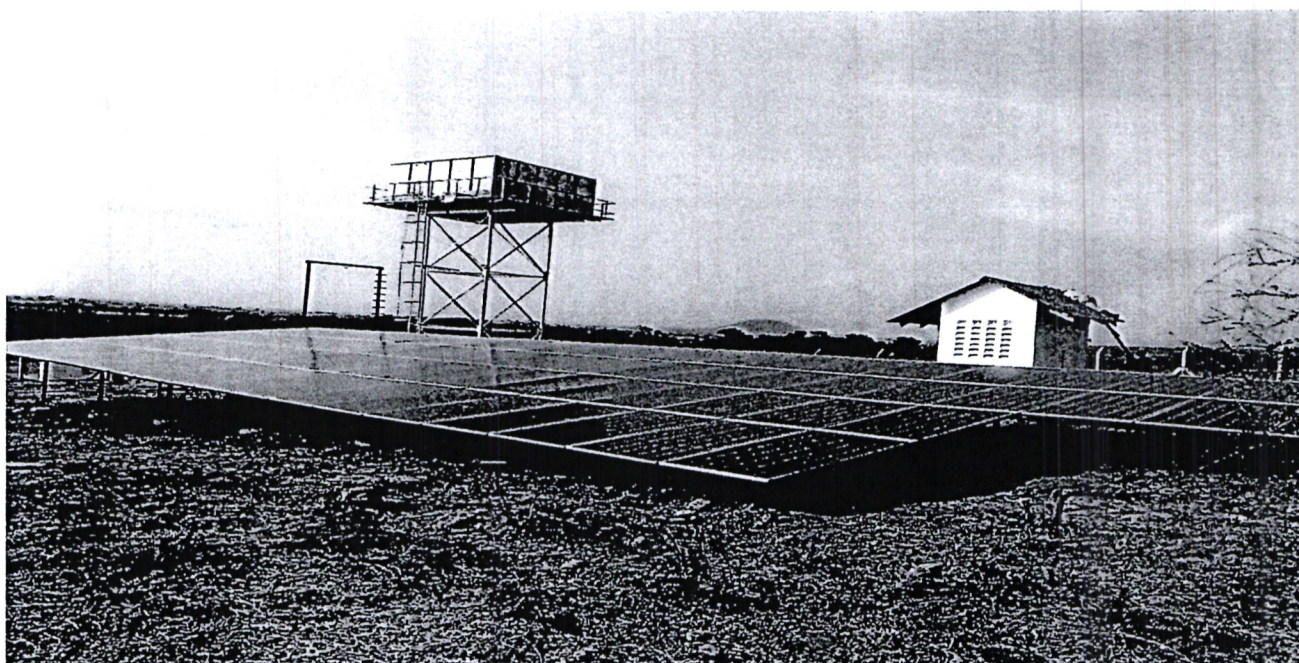


Figure 52: Solarized borehole at Nakuruto Challa



Integrated Fruit Processing Plant

- i. Commissioning of the plant undertaken
- ii. KEBS and NEMA certification of the plant acquired
- iii. Waste management system development underway

Figure 53: Integrated fruit processing plant



Commissioning of Fruit processing plant



Water processing and Bottling section

Mwache Catchment Management

- i. 30,000 trees planted and grown.
- ii. 20km terraces dug.

Figure 54: Upendo A Makutano Group tree nursery



Figure 55: Digging of terraces by farmers at Mwache



Lake Basin Development Authority (LBDA)

- i. During the review period LBDA upscaled the LBDC Rice Mill leading to the purchase and processing of 556 tonnes of paddy rice, and produced 789,684 fingerlings under the Regional Demonstration and Technology Development Centres.
- ii. For the implementation of Solar irrigation project, the Authority has drilled and equipped 6 boreholes (2 boreholes each site), installed solar panels (90 panels) at each site and installed sprinklers for irrigating about 60 acres of land in Alupe, Muhoroni and Lichota Solar irrigation project sites
- iii. LBDA has constructed Nyakoe Market to about 50% completion of Phase I. the project will spa trade in Kisii county and in extension to Nyanza region due to its location and accessibility.
- iv. Further, the Authority implemented 8 integrated water and food development projects in eight different locations namely;
 - a) St. Brigitta Girls School in Mosop constituency
 - b) Seretut primary and secondary in Belgut constituency
 - c) Bishop MacrowleyLukesi secondary school in Saboti constituency
 - d) Ideleri primary and secondary in Vihiga constituency
 - e) Boronyi DEB primary and secondary in NyaribariCache constituency
 - f) Katanga primary school in Kasipul constituency
 - g) Wikoteng' primary and secondary schools in Rangwe constituency
 - h) Oriwo SDA in Karachuonyo constituency

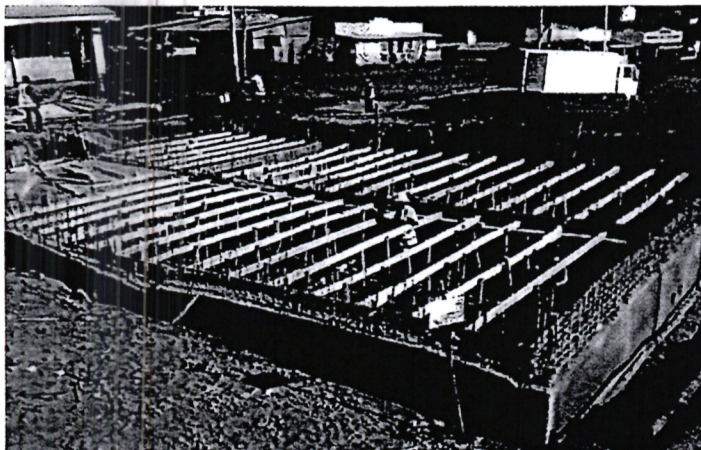
The projects included drilling and equipping boreholes, installation of solar panels and construction of water collection points.



Figure 56: Boronyi water and food development project



Solar panel array in Alupe



Ewaso Ng'iro North Development Authority (ENNDA)

During the review period, ENNDA achieved the following:

1) Ewaso Ng'iro North Integrated Catchment Conservation Project

ENNDA achieved the following:

- i. Constructed four (4) water pans i.e.
 - a. Lakole Water Pan (Isiolo).
 - b. Shantamount Water Pan (Mandera).
 - c. Dakara Qalo Water Pan (Wajir).
 - d. Abey Umur Water Pan (Mandera).
- ii. Desilted three (3) water pans i.e.
 - a. Forossa Water Pan – Isiolo.
 - b. Madhahgesi Water Pan – Garissa.
 - c. Hullo Water Pan – Mandera.
- iii. Drilled ten (10) boreholes and equipped them with solar power system i.e.
 - a. Manyatta Guyo Arero Borehole – Marsabit.
 - b. Malkagalla Borehole – Isiolo.
 - c. Boji Borehole – Isiolo.
 - d. Bode Borehole – Mandera.
 - e. Bulla Arge Borehole – Garissa.
 - f. Kauthene Primary School Borehole – Meru.
 - g. Mwhoko Secondary School Borehole – Laikipia.
 - h. Taxsilla Borehole – Mandera.
 - i. Bute Borehole – Wajir.
 - j. Darkatur Borehole Mandera.
- iv. Protected the Ngilai water spring in Samburu and developed water intakes and piping of water for domestic, irrigation conservation and livestock.
- v. Established two (2) modern tree nurseries in Isiolo and Nanyuki.

2) Gums and Resins Development Programme

ENNDA achieved the following:

- i. Awarded contract for equipping of essential oils and resins processing equipment and works are on-going.
- ii. Awarded contract for construction of effluent treatment plant.
- iii. Awarded contract for supply and installation of laboratory and quality control equipment.
- iv. Undertook mapping of gums and resins in Wajir.
- v. Designed and constructed two (2) collection and grading centers in Wajir.



Some of the challenges that ENNDA faced include:

- i) Delayed receipt of development funds hence delay in implementation of some of the projects.
- ii) COVID-19 pandemic which affected implementation of some projects like tree planting which involve active participation from learning institutions and carrying out of market survey which required international travelling.
- iii) High levels of insecurity in some of the areas where projects are being implemented.

4.0 CHALLENGES FACING THE MINISTRY

4.1 State Department for EAC

- i. Delay in ratification of protocols such as the Protocol on Sanitary and Phytosanitary. This hinders implementation of key interventions. Only Kenya, Uganda and Rwanda have ratified the Protocol;
- ii. Decision making process at the regional level is by consensus. This implies that incase one Partner State disagrees with a decision; nothing progresses until there is consensus; and
- iii. Financial challenges at regional level which hamper implementation of regional activities as per the EAC Annual Calendar of Activities.

4.2 State Department for Regional and Northern Corridor Development

- i. Frequent movement of the Directorate on government reorganization;

- ii. Slow pace of reviewing the Regional Development Authorities policy and bills;
- iii. Inadequate staffing;
- iv. Align the regional Development Authorities towards implementation of programmes/projects under the 'Big Four' initiatives;
- v. Regional geopolitics has adversely affected the implementation of the Petroleum Oil Pipelines and other NCIP infrastructure projects;
- vi. The construction of the SGR continues to present challenges of land acquisition and funding in Kenya while in Uganda the project financing is a major bottleneck;
- vii. The East African Tourism Visa (EATV) stickers' sales continue to experience the challenge of accountability due to poor record keeping at points of sale and uncoordinated purchases of stickers by Partner States. This makes it difficult to reconcile the sales and revenue sharing among the Partner States;
- viii. Delay in enacting of the proposed amendment of land laws in Kenya to fast track land acquisition for NCIP;
- ix. Delayed submission of geo-spatial data by Ministries in charge of infrastructure projects leading to inefficient coordination of implementation of the NCIP by the lands cluster;
- x. Incompatible Partner States National Laws that hinders the finalization of several agreements and MOUs in the Peace and Security Cluster;
- xi. The NCIP office faces challenge of inadequate funding for project monitoring and evaluation; and
- xii. Lack of a policy framework to guide the funding and operationalization of the NCIP Regional Centres of Excellence.

| Economic Item and Title | FY 2019/20 (Kshs) | | Absorption rate as at 30th June 2020 (%) |
|---|--------------------------|--------------------------|--|
| | Revised Estimates (Kshs) | Total Expenditure (Kshs) | |
| 2100000 Personal Emoluments | 215,700,000.00 | 216,579,763.95 | 100.41 |
| 2210300 Domestic Travel | 58,338,737.00 | 55,602,645.40 | 95.31 |
| 2210400 Foreign Travel | 58,602,791.00 | 48,804,933.50 | 83.28 |
| 2210500 Printing and Advertising | 6,874,171.00 | 5,996,505.00 | 87.23 |
| 2210600 Rentals and Rates - Non-Residential | 74,687,191.00 | 73,149,455.10 | 97.94 |
| 2210700 Training | 4,705,878.00 | 4,434,740.00 | 94.24 |
| 2210800 Hospitality | 27,886,256.00 | 26,997,109.10 | 96.81 |
| 2220100 Maintenance Expenses-Motor Vehicles | 5,587,216.00 | 5,562,339.50 | 99.55 |
| 2220200 Maintenance Expenses-Other Assets | 780,709.00 | 778,826.00 | 99.76 |
| Current transfers to SAGAs | - | - | - |
| Medical & Group Personal Insurance | - | - | - |
| 2211100 General Office Supplies | 5,258,747.00 | 5,506,850.20 | 104.72 |
| 2211200 Fuel and Lubricants | 9,782,596.00 | 9,631,889.80 | 98.46 |
| 2211308 Legal fees/Arbitration | 4,400,000.00 | 4,400,000.00 | 100.00 |
| 2211310 Contracted Professional services | 15,422,136.00 | 14,091,376.20 | 91.37 |
| 2211306 Membership Fees and Subscriptions | 349,889.00 | 166,960.00 | 47.72 |
| 2210200 Communications, supplies and services | 6,543,124.00 | 6,223,154.05 | 95.11 |
| 2210100 Utilities, Supplies and services | 180,000.00 | 170,269.00 | 94.59 |
| Specialized Materials and Supplies | 1,087,578.00 | 988,218.00 | 90.86 |

| | | | | |
|----------------|--|-----------------------|-----------------------|--------------|
| Other Expenses | Contracted Guards and Cleaning Services | 6,794,000.00 | 6,656,986.85 | 97.98 |
| 2211324 | Registration of Land | 1,020,000.00 | - | - |
| 3111001 | Purchase of Office Furniture and General Equipment | 638,366.00 | 572,299.85 | 89.65 |
| 3111400 | Research, Feasibility Studies, Project Preparation and Design, Project Supervision | 10,000,000.00 | 10,120,188.50 | 101.20 |
| TOTALS | | 514,639,385.00 | 496,434,510.00 | 96.46 |

Appendix II

**State Department for Regional and Northern Corridor
Development**
Recurrent Expenditure

| Economic Item and Title | Approved Estimates (Kshs). | Total Expenditures (Kshs). | Absorption rate as at 30th June 2020 % |
|--|---|---|---|
| 2100000 Compensation to Employees | 68,600,000 | 68,346,345.6 | 99.6% |
| 2210100 Utilities Supplies and Services | 1,400,000 | 1,400,000 | 100% |
| 2210200 Communication, Supplies and Services | 4,315,830 | 4,120,790 | 95.5% |
| 2210300 Domestic Travel | 20,656,575 | 20,800,959 | 100.6% |
| 2210400 Foreign Travel | 3,187,104 | 3,186,840.1 | 99.9% |
| 2210500 Printing and Advertising | 560,241 | 559,330 | 99.8% |
| 2210700 Training Expenses | 736,220 | 736,220 | 100% |
| 2210800 Hospitality Supplies | 16,266,574 | 16,183,921.3 | 99.5% |
| 2211000 Specialized Materials and Supplies | 325,397 | 300,010 | 92.2% |
| 22111000 Office and General Supplies | 5,678,274 | 5,676,659 | 99.9% |
| 2211200 Fuel Oil and Lubricants | 7,724,386 | 7,674,165.2 | 99.3% |
| 2211300 Other Operating Expenses | 1,100,000 | 1,100,000 | 100% |
| 2220100 Routine Maintenance - Vehicles | 7,312,511 | 7,282,455 | 99.6% |
| 2220200 Routine Maintenance | 336,882 | 336,877 | 99.9% |
| 2630100 Current Grants to Govt Agencies and Other Levels of Government | 1,532,700,000 | 1,532,699,999 | 99.9% |
| 3110700 Purchase of Vehicles | 22,500,000 | 22,498,998 | 99.9% |
| 3111000 Purchase of Office furniture | 21,608,444 | 21,977,090 | 101.7% |
| 3110300 Refurbishment of Buildings | 20,000,000 | 19,880,000 | 99.4% |
| TOTALS | 1,735,008,438 | 1,734,760,659 | 99.8% |

Development Expenditure

| Economic item and Title | Approved Budget FY 2018/19 (Kshs) | Cumulative Expenditure | Absorption Rate % |
|--|--|-------------------------------|--------------------------|
| 2600000 Grants & Transfer to other Govt Agencies | 3,689,750,000 | 3,489,750,000 | 94.6% |
| AIA | 200,000.000 | 0 | 0 |
| TOTAL | 3,489,750,000 | 3,489,750,000 | 100% |

Appendix III

The list of the Protocols cumulatively enacted in the EAC up to 30th June, 2020

1. Protocol on the Decision-Making by the Council
2. Protocol on the Establishment of East African Community Monetary Union (EAMU)
3. Protocol on the Establishment of East African Community Common Market (CMP)
4. Protocol on the Establishment of the East African Customs Union
5. Protocol on the Establishment of the East African Community Civil Aviation Safety And Security Oversight Agency (CASSOA)
6. Protocol on the Establishment of the East African Kiswahili Commission
7. EAC Protocol on Standardization, Quality Assurance, Metrology And Testing
8. Protocol on the Establishment of the Inter-University Council For East Africa
9. Protocol for the Sustainable Development of Lake Victoria Basin Commission
10. Convention for the Establishment of the Lake Victoria Fisheries Organization
11. EAC Protocol on Cooperation in Defence Affairs
12. Protocol on the Establishment of the East African Science and Technology Commission
13. Protocol on the Establishment of the EAC Health Research Commission
14. Protocol on Combating Drug Trafficking in the East African Region
15. Tripartite Agreement on Inland Waterway Transport
16. Tripartite Agreement on Road Transport
17. Search and Rescue Agreement Co-operation in Infrastructure and Services (Security).

The list of the Acts cumulatively enacted in the EAC up to 30th June, 2020

1. East African Legislative Assembly (Powers and Privileges) Act, 2003
2. Acts of the East African Community Act, 2004
3. Laws of the Community (Interpretation) Act, 2004
4. Community Emblems Act, 2004
5. East African Community Customs Management Act, 2004
6. East African Community Competition Act, 2006
7. East African Community Standardization, Quality Assurance, Metrology and Testing Act, 2006
8. East African Community Customs Management (Amendment) Act, 2007
9. Community Emblems (Amendment) Act, 2008
10. East African Community Customs Management (Amendment) Act, 2008
11. East African Trade Negotiations Act, 2008
12. Inter- University Council for East Africa Act, 2008
13. East African Community Customs Management (Amendment) Act, 2009
14. East African Community Customs Management (Amendment) Act, 2011
15. The Administration of the East African Legislative Assembly Act, 2011
16. East African Legislative Assembly Elections Act, 2011
17. East African Parliamentary Institute Act, 2011
18. The Lake Victoria Transport Act, 2008
19. The Summit (Delegation of Powers and Functions) Act, 2008
20. The Community Emblems (Amendment) Act, 2009
21. The Inter- University Council for East Africa Act, 2009
22. The East African Community Civil Aviation Safety and Security Oversight Agency Act, 2009
23. The East African Community Competition (Amendment) Act, 2010
24. The East African Community Service Commission Act, 2011

25. The Inter- University Council for East Africa (Amendment) Act, 2012
26. The Community Emblems (Amendment) Act, 2012
27. The East African Community Conflict Management Act, 2012
28. The East African Community Elections Act, 2012
29. The East African Parliamentary Institute Act, 2012
30. The East African Community Vehicle Load Control Act, 2013
31. The East African Community One Stop Border Posts Act, 2013
32. The East African Community Elimination of Non- Tariff Barriers Act,
2017
33. The East African Community Civic Education for Integration Act, 2015
34. The East African Community One Stop Border Posts Act, 2016
35. The East African Community Oaths Act, 2018
36. The East African Community Monetary Institute Act, 2018
37. The East African Community Appropriation Act, 2019
38. The East African Community Supplementary Appropriation Act, 2019
39. The East African Community Customs Management (Amendment) Act,
2019
40. East African Community Oaths Act, 2019
41. East African Monetary Institute Act, 2019