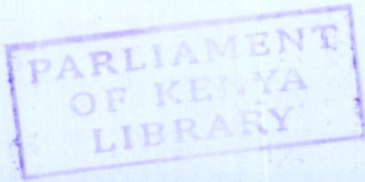
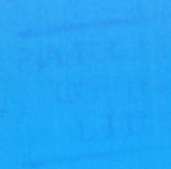
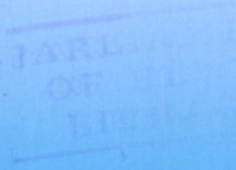




**REPUBLIC OF KENYA  
MINISTRY OF EAST AFRICAN COMMUNITY AND  
REGIONAL DEVELOPMENT**



**ANNUAL REPORT FOR 2018/2019**



**AUGUST 2019**



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**MINISTRY OF EAST AFRICAN COMMUNITY AND  
REGIONAL DEVELOPMENT**

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## 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 |
| 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      |
| ESA-IO | Eastern and Southern African and Indian Ocean |
| EU     | European Union                                |
| ICT    | Information, Communication Technology         |
| ILO    | International Labour Organization             |
| KBC    | Kenya Broadcasting Corporation                |
| KOMEX  | Kenya Commodity Exchange                      |
| KVDA   | Kerio Valley Development Authority            |
| LBDA   | Lake Basin Development Authority              |
| LVBC   | Lake Victoria Basin Commission                |
| LVFO   | Lake Victoria Fisheries Organization          |
| MDAs   | Ministries, Departments and Agencies          |
| MOU    | Memorandum of Understanding                   |
| MTCP   | Medium Term Convergence Program               |
| NCIP   | Northern Corridor Integration Projects        |
| NTBs   | Non-Tariff Barriers                           |
| OSBP   | One Stop Border Post                          |
| PFM    | Public Finance Management                     |
| RNCD   | Regional and Northern Corridor Development    |
| SADC   | South African Development Community           |
| SGR    | Standard Gauge Railway                        |
| TARDA  | Tana and Athi River Development Authority     |
| TMEA   | Trade Mark East Africa                        |
| TOR    | Terms of Reference                            |
| ToTs   | Training of Trainers                          |
| UNHCR  | United Nations High Commissioner for Refugees |

## **FOREWORD**

This is the Ministry of East African Community and Regional Development Annual report for the Financial Year (FY) 2018/19. 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 2018/19. Some of the notable achievements for the State Department for East African Community during the period include: 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; development and adoption of the Policy on the Establishment of the East African Financial Services Commission; coordination of ratification and depositing of instruments of ratification on the Protocol on Immunities and Privileges; coordination of Amendment to the EAC Financial Rules and Regulations 2012 to incorporate the Republic of South Sudan; and implementation of a social media campaign for University Students on the EAC integration benefits and opportunities.

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 leather factory to support the "Big Four" Agenda; coordination of tree planting campaign where over 2,710,355 tree seedlings were planted as a mitigation towards climate change; 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, the need for dedication and sustaining the momentum for implementation cannot be gainsaid. This will inevitably require commitment and effective participation of all the state and non-state actors and also the development partners.

It is my sincere hope that this report will be useful in updating Kenyans on the progress on EAC integration and in the integrated regional development projects. I urge all stakeholders to review the report as a way of increasing knowledge and enhancing timely tracking and reporting on achievements. This will ultimately ensure an effective feedback is made to the government, and where possible, remedial actions taken promptly to keep our development initiatives on track.



**Margaret W. Mwakima PhD, CBS**

**Principal 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 has two State Departments namely; East African Community, and Regional and Northern Corridor Development. Prior to 2018, the then State Department of East African Community Affairs was under the Ministry of East African Affairs, Labour and Social Protection while Regional Development was coordinated by the Ministry of Devolution and Planning. Northern Corridor Integration Project was coordinated from the Cabinet Office. 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 Northern Corridor Integration Projects (NCIP) and Regional Development Authorities; and coordinate business transformation in Kenya.

### **1.2 Mandate**

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

- i. Policy on East African Community;
- ii. Implementation of the East African Treaty;
- iii. Co-ordination of implementation of EAC Regional programmes and projects;
- iv. Promotion and fast tracking of EAC integration;
- v. Co-ordination of Government's participation in East African Community Affairs;
- vi. Identifying factors constraining ease of doing business and proposing solutions in partnership with stakeholders;
- vii. Identifying and recommending business reforms for promoting business and for making Kenya competitive locally, regionally and internationally;



- viii. Working with and coordinating partners to monitor Kenya's ease of doing business;
- ix. Coordinating dialogue initiatives between the public and private stakeholders aimed at improving the ease of doing business;
- x. Monitoring the business climate and recommending appropriate policy, legal, regulatory and administrative changes necessary to enhance conduct of business within Kenya and between Kenya and its trading partners.
- xi. Liaising with other partners to create awareness on Kenya's efforts at improving its ease of doing business;
- xii. Co-ordinating the Regional Development Authorities;
- xiii. Monitoring and evaluating the implementation of Northern Corridor Integration Projects; and
- xiv. Providing secretariat service during Ministerial and Head of States Summit Meetings on Northern Corridor Development.

### **1.3 Vision**

The Ministry's vision is "to be a champion on regional integration, business transformation and sustainable basin-based development".


### **1.4 Mission**

The mission is 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 Strategic Objectives**

The Ministry's strategic objectives as outlined in her 2018-2022 Strategic Plan are to:

- i) Upscale nationwide publicity and advocacy on EAC integration and its benefits;
- ii) Enhance the effectiveness of stakeholder consultations and engagements;

- 
- iii) Strengthen the coordination and participation in the formulation and implementation of EAC and RNCD policies, decisions and directives;
  - iv) Deepen and widen implementation of the EAC Pillars of integration (Customs Union, Common Market, Monetary Union and Political Federation);
  - v) Enhance knowledge management within the Ministry;
  - vi) Re-engineer Kenya's engagement in regional integration for optimization of benefits from the integration process;
  - vii) Create an enabling environment for promotion of Gender equality, Youth and disability mainstreaming;
  - viii) Optimize the benefits accruing from the Northern Corridor Integration Projects (NCIP);
  - ix) Enhance sustainability, coordination and oversight of Regional Development Authorities;
  - x) Enhance institutional capacity for sustained efficiency and effective service delivery;
  - xi) Support private sector through implementation of targeted business reforms;
  - xii) Strengthen legal and regulatory reforms for business competitiveness.

## 2.0 FINANCIAL REPORTING

### 2.1 Ministry's Budget Expenditure in 2018/2019

The Ministry was allocated a total of **Kshs 6,860,138,898** with recurrent and development allocations of **Ksh 2,961,446,035** and **Ksh 3,898,692,863** respectively. As shown in Table 1 below, the State Department for EAC had a budgetary allocation of Ksh 912,169,751 with Ksh 895,919,751 and Ksh 16,250,000 as allocations for recurrent and development respectively. The State Department of Regional and Northern Corridor Development was allocated Ksh 5,947,969,147 with Ksh 2,065,526,284 and Ksh 3,882,442,863 as allocations for recurrent and development respectively.

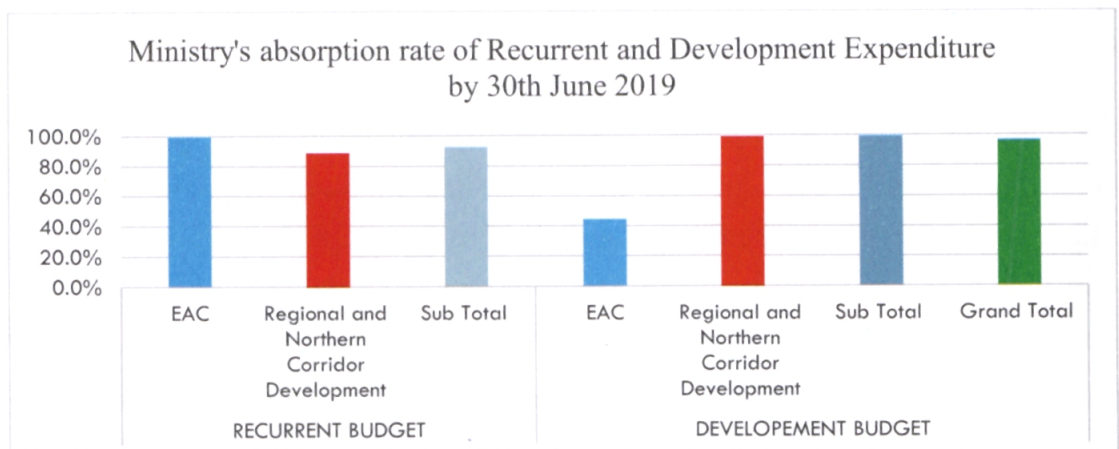
As at 30<sup>th</sup> June 2019, **96.8%** of the allocation was utilized with the State Department of EAC utilizing **99.9%** of its allocation while the State Department of Regional and Northern Corridor Development managed to utilize **99.6%** of its approved allocation as shown in Table 1.

**Table 1: Utilization of Funds in the Ministry for the Period 2018/19**

| Expenditure Type   | State Department                           | FY 2018/19 (Kshs)         |                          | Absorption rate as at 30 <sup>th</sup> June 2019 (%) |
|--------------------|--|---------------------------|--------------------------|--|
|                    |  | Approved Estimates (Kshs) | Total Expenditure (Kshs) |  |
| Recurrent Budget   | EAC  | 895,919,751               | 894,809,347              | 99.9%  |
|                    | Regional and Northern Corridor Development | 2,065,526,284             | 1,854,308,627            | 89.8%  |
|                    | <b>Sub Total</b>                           | <b>2,961,446,035</b>      | <b>2,749,117,974</b>     | <b>92.8%</b>   |
| Development budget | EAC  | 16,250,000                | 7,303,400                | 44.9%  |
|                    | Regional and Northern Corridor Development | 3,882,442,863             | 3,882,442,863            | 100.0%   |
|                    | <b>Sub Total</b>                           | <b>3,898,692,863</b>      | <b>3,889,746,263</b>     | <b>99.8%</b>   |
| <b>Grand Total</b> |  | <b>6,860,138,898</b>      | <b>6,638,864,237</b>     | <b>96.8%</b>   |

Figure 1 depicts the utilization rates of both Recurrent and Development budgets by the two State Departments.

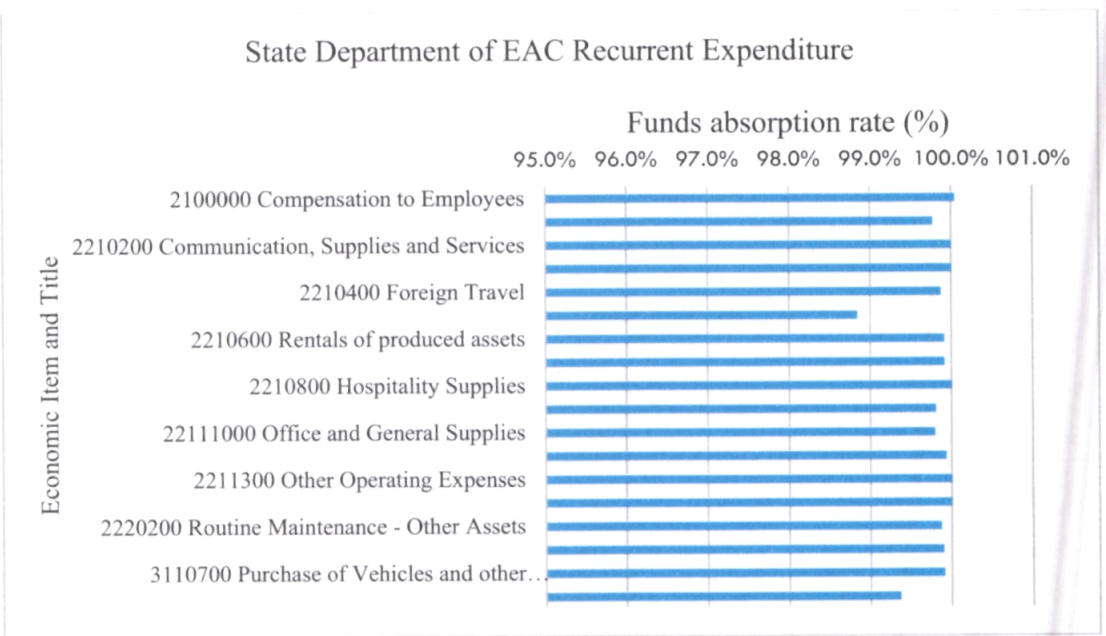
**Figure 1: Budget utilization rates by the two State Departments**



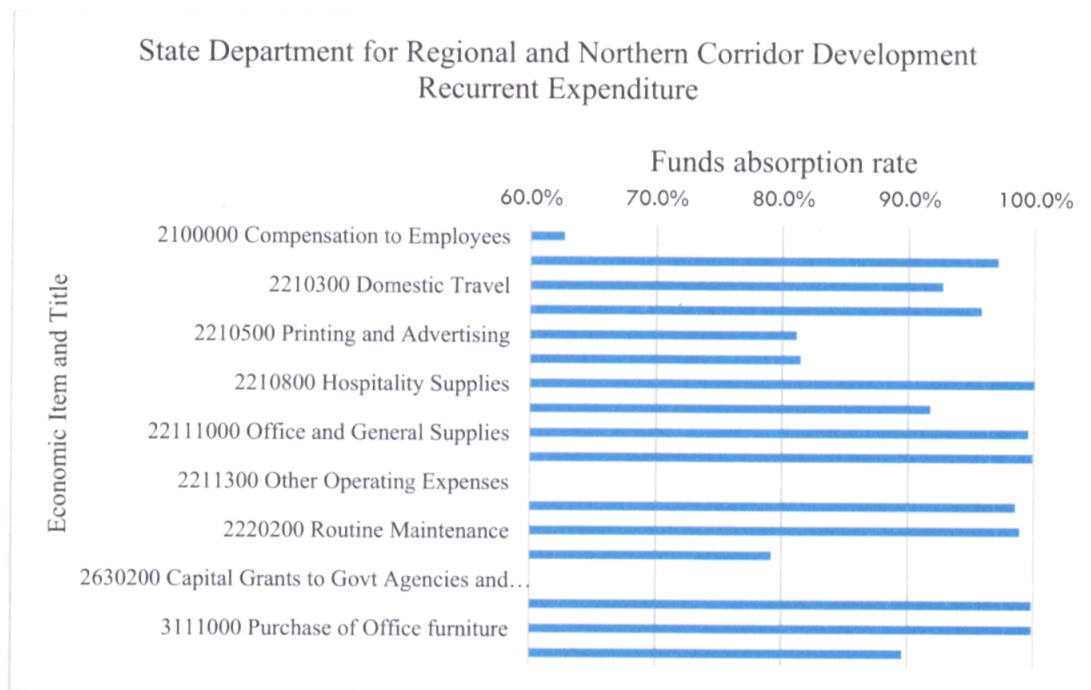
The low utilization rate for the development budget under the State Department of EAC was due to delays in approving work plan by the development partner TradeMark East Africa.

The itemized expenditure for the two State Departments are as shown in Figures 2 and 3.

**Figure 2: Itemized utilization of funds in the State Department of EAC**



**Figure 3: Itemized utilization of funds in the State Department for Regional and Northern Corridor Development**



## 2.2 Expenditure on Projects

The Ministry's main projects were allocated a total of **Kshs 13,282,942,863** with Appropriation in Aid of **Kshs 9,104,000,000**. The capital projects which are implemented by various Development Authorities are as tabulated in Table 2.

**Table 2: Expenditure On 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 Ng'iro North Catchment and Riparian Conservation Project | 180,000,000       | -                    | 180,000,000     |
| Kieni Integrated Project                                       | 133,900,000       | -                    | 133,900,000     |
| Tana Delta Rice Irrigation Project                             | 80,300,000        | -                    | 80,300,000      |
| Murang'a Integrated Programme                                  | 100,000,000       | -                    | 100,000,000     |
| Ewaso Ng'iro Leather Factory                                   | 231,000,000       | -                    | 231,000,000     |

| <b>Project</b>   | <b>Gross expenditure</b> | <b>Appropriation in Aid</b> | <b>Net expenditure</b> |
|--|--------------------------|-----------------------------|------------------------|
| Integrated Bamboo commercialization and Value Addition       | 85,000,000               | -                           | 85,000,000             |
| Aror Multi-Purpose Dam Project                               | 9,185,000,000            | 8,685,000,000               | 500,000,000            |
| Wei Wei Phase 3 Irrigation Project                           | 460,000,000              | 419,000,000                 | 41,000,000             |
| Mango Value Chain Programme                                  | 15,000,000               | -                           | 15,000,000             |
| Integrated Fruit and Honey Processing                        | 123,000,000              | -                           | 123,000,000            |
| Upscaling of the Rice Mill                                   | 230,000,000              | -                           | 230,000,000            |
| Regional Demonstration and Technology Development Centres    | 31,000,000               | -                           | 31,000,000             |
| High Grand Falls – Pending Bill                              | 90,000,000               | -                           | 0                      |
| Aror Dam – Pending Bill                                      | 70,000,000               | -                           | 0                      |
| Mwache Dam – Pending Bill                                    | 50,000,000               | -                           | 0                      |
| Lower Ewaso Ng'iro South Dam- Pending Bill                   | 187,000,000              | -                           | 0                      |
| Kimira Oluch Smallholder Farm improvement                    | 687,000,000              | -                           | 687,000,000            |
| Lake Basin Development Authority Mall (Kisumu)- Pending Bill | 645,992,863              | -                           | 645,992,863            |
| Oloyiangalani Dam Development Project                        | 225,000,000              | -                           | 225,000,000            |
| Napuu, Lomuy and Lower Turkwel Irrigation Project            | 96,000,000               | -                           | 96,000,000             |
| KVDA Plaza Lift Replacement                                  | 30,000,000               | -                           | 30,000,000             |
| Lichota, Muhoroni and Alupe Solar Irrigation Project         | 71,000,000               | -                           | 71,000,000             |
| Boji Farmers Irrigation Project                              | 128,750,000              | -                           | 128,750,000            |
| Wananchi Cottages in Kilifi County                           | 13,000,000               | -                           | 13,000,000             |
| Construction of Nyakoe Market                                | 50,000,000               | -                           | 12,500,000             |
| <b>Total</b>   | <b>13,282,942,863</b>    | <b>9,104,000,000</b>        | <b>3,744,442,863</b>   |

## 2.3 Pending Bills

As at 30<sup>th</sup> June, 2019, the Ministry had a pending bill of **Kshs. 5.86 billion** as tabulated in Table 3 below.

**Table 3: List of pending bills**

| Unit                                      | Development             | Recurrent             | Total                   |
|---|-------------------------|-----------------------|-------------------------|
| Headquarters                              | 1,498,500,144.00        | 7,014,000.00          | 1,509,126,159.00        |
| Kimira Oluch Project                      | 1,000,647,176.00        | -                     | 1,000,647,176.00        |
| Coast Development Authority               | 89,695,186.00           | 42,138,703.00         | 131,833,889.00          |
| Kerio Valley Development Authority        | 13,623,158.00           | 26,957,819.00         | 40,580,977.00           |
| Lake Basin Development Authority          | 2,537,380,845.05        | 76,419,985.50         | 2,613,800,830.55        |
| Ewaso Ng'iro North Development Authority  | -                       | 423,281.00            | 423,281.00              |
| Tana and Athi River Development Authority | 247,201,104.00          | 248,499,068.00        | 495,700,172.00          |
| Ewaso Ng'iro South Development Authority  | 59,547,988.00           | 12,259,910.00         | 71,807,898.00           |
| <b>Total</b>                              | <b>5,446,604,601.05</b> | <b>401,452,856.50</b> | <b>5,863,920,382.55</b> |

## 2.4 Challenges in the Implementation of the Budget

The Ministry faced the following major challenges in the implementation of the 2018/19 budget.

- i. Inadequate budgetary allocation against 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 2018/2019**

---

The following is a summary of the activities that the Ministry planned to implement in FY 2018/2019.

#### **3.1 State Department for East African Community**

- Enhance market access and competitiveness of Kenya's goods and services in the EAC;
- Sustain regulatory and policy reforms to deepen EAC integration;
- Negotiate the removal of non-tariff barriers to trade in the EAC;
- Conclude regional negotiations on the EAC Common External Tariff;
- Establish the EAC Jumuiya Market in Busia;
- Finalize the restructuring of the State Department and operationalization of a fifth Directorate responsible for publicity, research, documentation and monitoring and evaluation as approved by the Public Service Commission;
- Progress construction of the Headquarters of the Lake Victoria Basin Commission (LVBC) in Kisumu;
- Implement the roadmap for the launch of the other EAC/ LVBC funded projects in Kisumu, Homa Bay, Bomet and Kericho Counties;
- Increase stakeholder awareness and capacity to participate in EAC activities;
- Coordinate ratification of the EAC Protocols on Information Communication Technology Networking and Meteorology;
- Develop the Ministry's Strategic Plan 2018-2022; and
- Operationalize and launch the Taveta and Isebania OSBP at the Presidential level.

## 3.2 State Department for Regional and Northern Corridor Development

### 3.2.1 Northern Corridor Integration Projects

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

### 3.2.2 Regional Development Agencies

#### **Ewaso Ng'iro South Development Authority (ENSDA)**

- Complete Phase I and commence operations of the Tannery and Leather Factory. This entails construction of water supply and solar power back up system, construction of office block and access road, and community capacity building;
- Implement the Integrated Bamboo commercialization and value addition project by raising 200,000 bamboo seedlings in Narok, Nakuru and Nyandarua;
- Establish one hundred acres of bamboo plantation through Community capacity building in Nakuru, Nyandarua and Narok;
- Establish two million fruit/tree seedlings across the region and conserve and restore 10 km<sup>2</sup> of wetland areas in Mau forest;
- Construct Kimuka Olosho-oibor water supply pipeline to provide 500,000m<sup>3</sup> under the Oloyiangalani Dam Development programme;

- 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;
- Rehabilitate, drill and equip 40 boreholes under the Drought Mitigation Programmes;
- 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)**

- Finalize preliminary activities for Arror multi-purpose project and Kimwarer multi-purpose project that include development of irrigation infrastructure on 325 Ha; undertaking topographic survey, designing and preparing bill of quantities for Korellach; conserving Korellach catchment; and rehabilitating 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 Wei Wei Phase 3 Integrated Project;
- Plant fifty acres of land as follows: thirty acres sorghum, five acres maize, ten acres green grams, and five acres cowpeas, under the Napuu Irrigation project;
- Supply, install and test the mango processing plant, raise 172,000 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 6,000,000 fingerlings, finalize payment of Kshs 645,992,863 of LBDA Mall, drill 4 boreholes at Lichota, Muhoroni and Alupe Solar Irrigation Project and reach 50% completion of construction of Nyakoe Market in Kisii County.

## **Tana and Athi Rivers Development Authority (TARDA)**

Complete a feasibility study and design of lower Murang'a Integrated Irrigation Project, complete 11 irrigation projects in Nyeri and Laikipia County, desilt 15km of Kitere Mnazini water supply canal (Tana Delta Irrigation Project) and rehabilitate flood protection dyke sections at Tana Delta Irrigation Project.

## **Coast Development Authority**

Operationalize automated fruit processing plant, process 12,000 tonnes/yr of mangoes, construct storage, utility and workshop building, purchase a staff bus, purchase 5,000 farmer's fruits for value addition, lay 2km conveyance water pipeline, construct irrigation infrastructure, prepare report on soil testing, construct a pump house, and complete construction of a conference facility at wananchi cottages.

## **3.2 SUMMARY OF ACHIEVEMENTS DURING THE FINANCIAL YEAR 2018/2019**

During the period 1<sup>st</sup> July 2018 to 30<sup>th</sup> June 2019, the Ministry achieved the following:

### **3.2.1 The State Department for East African Community**

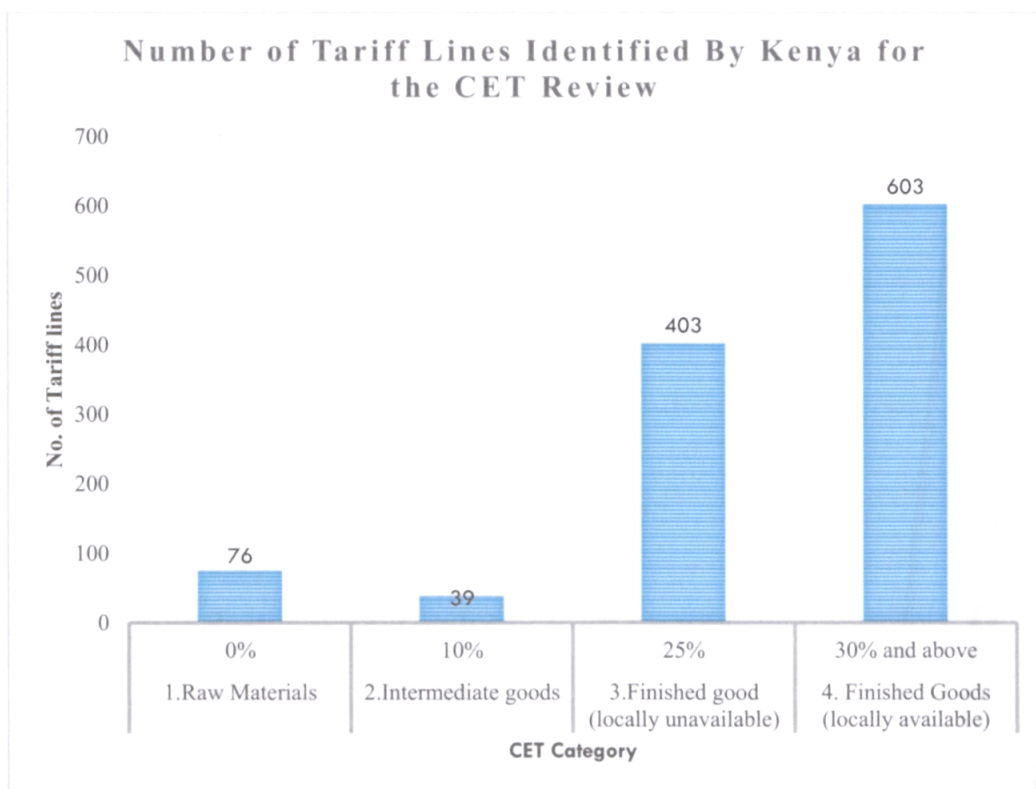
#### **3.2.1.1 EAC Customs Union and Common Market**

- i. *Comprehensive Review of the EAC Common External Tariff (CET)*. 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 26<sup>th</sup> 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, consolidated submissions from stakeholders on

CET Review and submitted Kenya Country Position Paper to the EAC Secretariat. Kenya’s proposal on CET included establishment of a 4-band classification of raw materials, intermediate goods, finished goods (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 4 below.

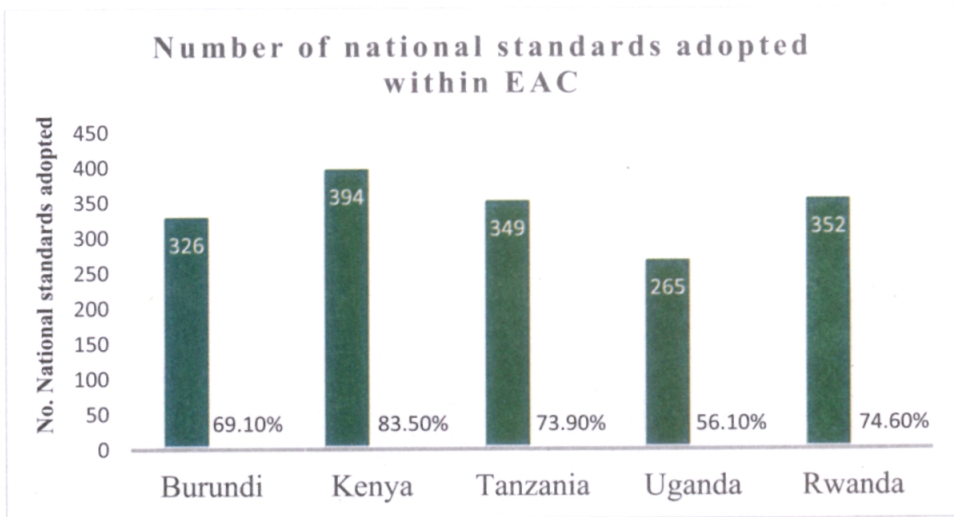
**Figure 4: The four bands classification and number of tariff lines identified by Kenya for the CET Review**



- ii. *Harmonization of Standards.* As at June, 2019, 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 standards. The harmonization of standards reduces

occurrence of standard related NTBs. Partner States adopted the Harmonized EAC Standards as shown in Figure 5.

**Figure 5: Number of national standards adopted within EAC**



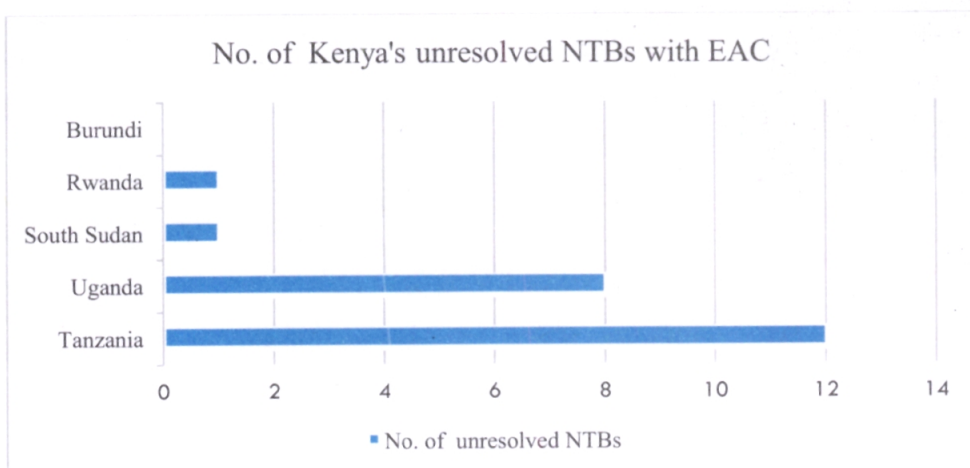
*EAS-East African Standards*

*(NB: Data not available for South Sudan)*

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

- iii. *Resolution of non- tariff barriers.* As at 30<sup>th</sup> June 2019, 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 6.

**Figure 6: Number of Kenya's unresolved NTBs with EAC**



- iv. *One Stop Border Posts (OSBP)*. The OSBP along the Namanga border was commissioned at Head of State level on 1<sup>st</sup> December, 2018. Figure 7 below captures the commissioning ceremony by Tanzanian President H.E. John Pombe Magufuli and his Kenyan counterpart H.E. Uhuru Kenyatta.

**Figure 7: Commissioning ceremony of the Namanga One-Stop-Border-Posts (OSBP)**



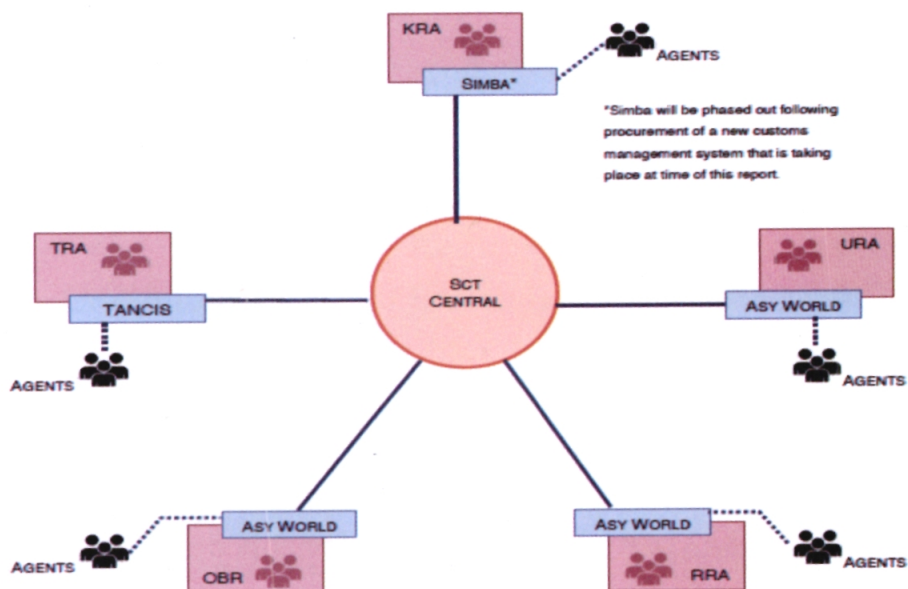


Figure 9: Busia Cross Border Market Prototype



viii. *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 10 outlines the SCT central architecture.

**Figure 10: The EAC SCT Centralized Design**



Source: East African Trade and Investment Hub

- ix. During the review period, the Ministry developed nine (9) policy documents in the Industrial, Financial services and Taxation sectors as outlined in Table 4.

**Table 4: List of policy documents developed in 2018-2019**

| 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 <sup>th</sup> Council of Ministers)   |
| <b>Total</b>              | <b>9</b>                  |   |

### 3.2.1.2 Monetary Union

During the review period;

- i. The East African Monetary Institute Bill 2018 was discussed and passed by EALA. Five Partner States apart from the Republic of Burundi, have already assented to it. 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. It is to be shared with Partner States for their in-country stakeholder consultations before consideration by Heads of State for assent,
- iii. A Medium-Term Convergence Program (MTCP) and Public Finance Management (PFM) Action Plan were developed as part of the fiscal policy surveillance to guide the attainment of the Macroeconomic Convergence targets by 2021, which is a prerequisite for the establishment of the EAMU,
- iv. The Policy for the Establishment of the East African Financial Services Commission was developed and adopted by the 38<sup>th</sup> Council in May 2019 while the draft Bills for the establishment of the East African Financial Services Commission and the East African Surveillance, Compliance and Enforcement Commission are under discussions at the technical level and before the Sectoral Council for Legal and Judicial Affairs, respectively,
- v. Harmonization of various statistics such as government finance, national accounts, financial and monetary and debt statics is on-going,
- vi. EAC Financial Education Strategy (2019-2022) was developed and adopted by the 38<sup>th</sup> Council in May 2019 with an indicative implementation budget amounting to USD 8,275,000,
- vii. EAC Insurance Certification Program Implementation Strategy (2019-2024) was developed and approved by the 38<sup>th</sup> Council in May with an indicative implementation budget amounting to USD 7,000,000, and
- viii. The EAC Domestic Tax Harmonization Policy was adopted by the 38<sup>th</sup> Council of Ministers in May 2019 for implementation by the EAC Partner States.

### 3.2.1.3 Political Federation

- i. During the period, experts drafting the Constitution for the EAC Political Confederation held four regional meetings in Arusha, Dar es Salaam, Entebbe and Mombasa. The team of experts has developed tools (TORs, budget and roadmap and comprehensive work plan) for Stakeholder consultations scheduled to begin in the 2019/2020 financial year.
- ii. In order to harmonize practice and mechanisms in refugee management, a Draft EAC Refugee Management Policy was developed and validated with support from the UNHCR.
- iii. A Draft Regional Framework on Transboundary Security with an Active Role of Border Communities was developed to address transboundary security issues. The Draft awaits consideration and adoption by the Joint Sectoral Councils on Cooperation in Defence Affairs, Interstate Security and Foreign Policy Coordination.
- iv. With the support of EU, the Ministry coordinated an advanced training on Criminal Investigations for DCI Officers in line with provisions of Result Area 2 of the ESA-IO Maritime Security Strategy.
- v. A Mediation training and simulation exercise was conducted for government Senior Officials to equip them with advanced understanding and skills required for the design and conduct of mediation interventions.
- vi. A draft EAC Peace and Security Mechanism was developed. The draft awaits adoption by the Joint Sectoral Councils on Defence Affairs, Interstate Security and Foreign Policy Coordination.
- vii. The Ministry convened a forum for Peace and Security sector stakeholders to evaluate the sector's engagement in EAC integration which was held in April 2019.
- viii. A draft EAC Mutual Defence Pact and Draft Mechanisms for the Operationalization of the Pact was developed during the review period. The 38<sup>th</sup> Extra Ordinary Meeting of the Council held on 30<sup>th</sup> January on Arusha stayed adoption of the draft EAC Mutual Defence Pact pending finalization of internal processes in the United Republic of Tanzania and the Republic of Kenya. This process is ongoing.
- ix. The Ministry coordinated the ratification and depositing of instruments of ratification on the Protocol on Immunities and Privileges.

### 3.2.1.4 EAC Cross cutting issues

- i. Up to the end of 30<sup>th</sup> June, 2019, the EAC enacted a total of 17 Protocols and 37 Acts. The conclusion of these instruments was coordinated by the Ministry which ensured that Public Participation was carried out.

The list of the Protocols and Acts are appended as **Appendix I and II**.

In the financial year 2018/2019, the Sectoral Council on Legal and Judicial Affairs considered and approved the underlisted Bills.

1. The EAC Financial Rules and Regulations (Amendment) 2012.
  2. The EAC Oaths Bill 2018.
  3. The EAC Monetary Institute Bill, 2018.
  4. The EAC Competition (Amendment) Bill 2019.
- ii. Kenya secured USD 881 Million from the EAC for the construction of the LVBC Headquarters in Kisumu. The State Department for Urban Development is reviewing the plan of the Headquarters. The ground breaking is scheduled for September 2019.
  - iii. The Ministry developed its 2018 – 2022 Strategic Plan that incorporates the following priority areas for the plan period with an estimated budget of Kshs. 13.811 Billions: Finance and Human Resource Management and Development; National Consultations and engagement of stakeholders on EAC, Regional and Northern Corridor Development (RNCD) activities; Coordination and participation in the formulation and implementation of EAC and RNCD policies, decisions and directives; Implementation of the EAC Pillars of Integration; Institutionalizing Knowledge Management; Upgrading ICT Infrastructure within the Ministry; National publicity and advocacy on EAC integration and Regional and Northern Corridor Development and their benefits; Emerging issues on EAC Integration; Gender, Youth and Disability Mainstreaming; Deepening and Widening the market access for goods and services within the context of Northern Corridor Integration Projects; coordination of Regional Development Authorities; Sustainability of the Regional Development Authorities; and Business Climate Reforms and transformation.

- iv. To increase visibility of the Ministry, implementation of the Media Plan continued. The plan entailed 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. Eighteen regional policy documents were adopted under the health sectors as shown in Table 5.

**Table 5. List of policies developed in the EAC Health Sector in 2018.**

| <b>TECHNICAL AREA</b>  | <b>POLICY DOCUMENTS</b>  |
|--|--|
| Regulation of Health Professionals and Health Services               | Regional Guidelines for Inspection and Recognition of Medical and Dental Schools and Teaching Hospitals in EAC Partner States. These give mutual recognition of the professional and academic qualifications of medical and dental doctors to practice in the EAC region |
|  | EAC Guidelines for Inspection and Mutual recognition of Medical Laboratory Training Institutions in EAC Partner States   |
|  | Checklist for Inspection and Accreditation of Medical and Dental Internship Training Centres   |
|  | Logbook and Guideline for Medical and Dental Internship training   |
|  | Draft Mutual Recognition Agreement for Medical and Dental Practitioners in the East African Community  |
|  | Mutual recognition Certificates for the University Medical and Dental Schools and Teaching Hospitals in the EAC Partner States to be issued to the respective Medical and Dental Schools and Teaching Hospitals  |
|  |  |
| Prevention and Control of Communicable and Non-Communicable Diseases | EAC Regional Contingency Plan for epidemics due to communicable Diseases   |
|  | HIV/AIDS Prevention and Management Act 2012  |
| Cross border Disease Surveillance                                    | East African Community Integrated Disease Surveillance (EAIDNET) Mobile Phone and Web based application System for reporting of Disease Surveillance and Laboratory Data   |
|  | EAC Regional Risk and Crisis Communication (RCC) Strategy and Standard Operating Procedures  |
| Medicines and Food Safety  | EAC Harmonised Compendium on Safety and Vigilance of Medical Products and Health Technologies  |
|  | Regional Guidelines for Medicines Evaluation and Registration  |

|   |   |
|---|---|
|   | Quality Management System (QMS) Manual and Procedures in line with ISO 9001:2015  |
|   | EAC Medicine Regulation Quality Policy  |
| HIV and AIDS, and Sexually Transmitted Infections (STIs)                              | Regional Policy and Strategy on HIV/AIDS Prevention<br>EAC Policy on Prevention, Management and Control of Alcohol, Drugs and Other Substance Use             |
| Reproductive, Maternal, Child, Adolescent Health, Immunization and Nutrition (RMNCAH) | EAC Regional Integrated RMNCAH and HIV AND AIDS Scorecard – 2018<br>EAC Regional State of Women's Children's and Adolescents' Health and HIV&AIDS Report 2018 |

- vi. 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 targeted various segments that included, the business community, small and micro enterprises, border communities, youth /women/ disadvantaged groups. The State Department, in partnership with the Law Society of Kenya, successfully conducted sensitization workshops for lawyers in the Counties of Nairobi, Mombasa, Kisumu, Kilifi, Uasin Gishu, Nakuru and Meru.
- vii. 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.



*The Launch of the social Media Campaign at Riara University*

- viii. The Ministry coordinated the Cabinet Approval for establishment of the National Kiswahili Council. A Draft Bill on the Establishment of the Council has been developed and will be subjected to stakeholder engagement in 2019/20.
- ix. 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 foster peer sensitization. This is part of the Ministry's programme to involve secondary schools in EAC integration agenda.



*Nyandarua County Director of Education, Mr. Nelson Sifuna (seated centre), Teachers and Students from Nyandarua high, Leshau boys, Gatimu Girls, Tumaini mixed, and Magumu boys, Secondary schools in Nyandarau County during the Launch of EAC Clubs in the County secondary schools at Nyandarua High School in June 2019.*



*Handing over an EAC Flag and EAC information materials to the Kirinyaga County Commissioner during the launch of EAC Clubs in secondary Schools in his county in June 2019.*

### **3.2.2 STATE DEPARTMENT FOR REGIONAL AND NORTHERN CORRIDOR DEVELOPMENT**

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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. Figure 13 outlines the development and benefits of the Kisumu Oil Jetty;

Figure 11: 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 1billion 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:**
  - ✓ 4No. 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 540m<sup>3</sup>/hr
  - ✓ MSP line is 8 inch with 4 pumps of total capacity 720m<sup>3</sup>/hr.
  - ✓ IK line is 8 inch with 2 pumps of total capacity of 360m<sup>3</sup>/hr
  - ✓ Jet A-1 line is 8 inch with 2 pumps of total capacity 180m<sup>3</sup>/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.

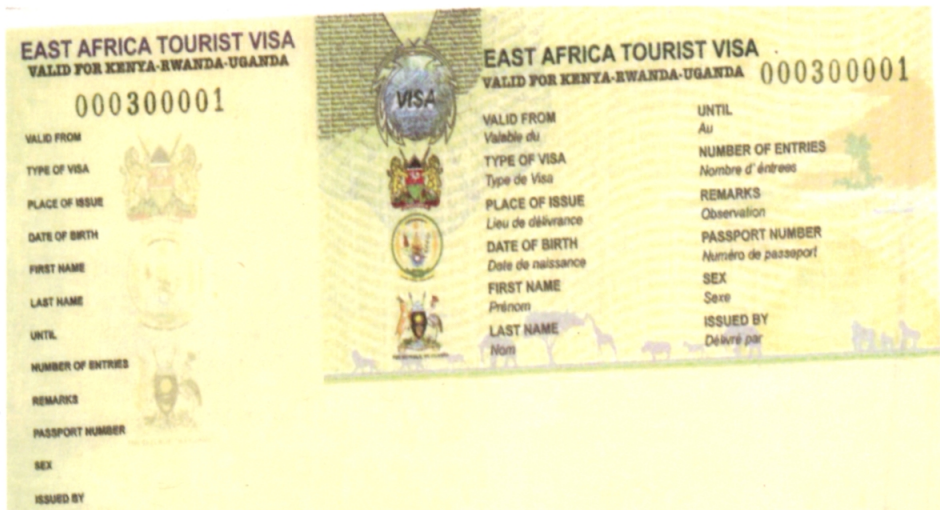
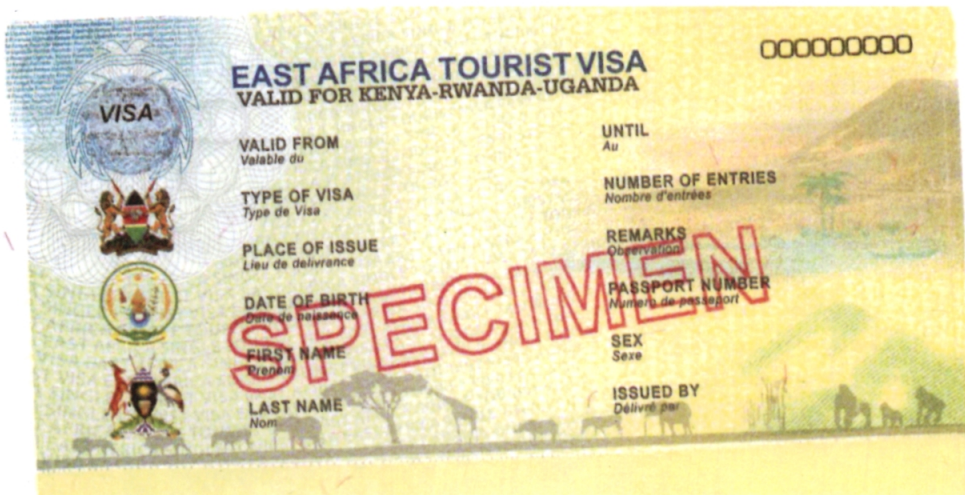


Kenya Pipeline Company Limited

iii. A verification exercise was undertaken on the status of the East African Tourism Visa (EATV) stickers sales at national, regional and international level which recommended that Partner States publicize the EATV at all border points and enhance record keeping and data management. The implementation of the EATV has led to an increase in the number of

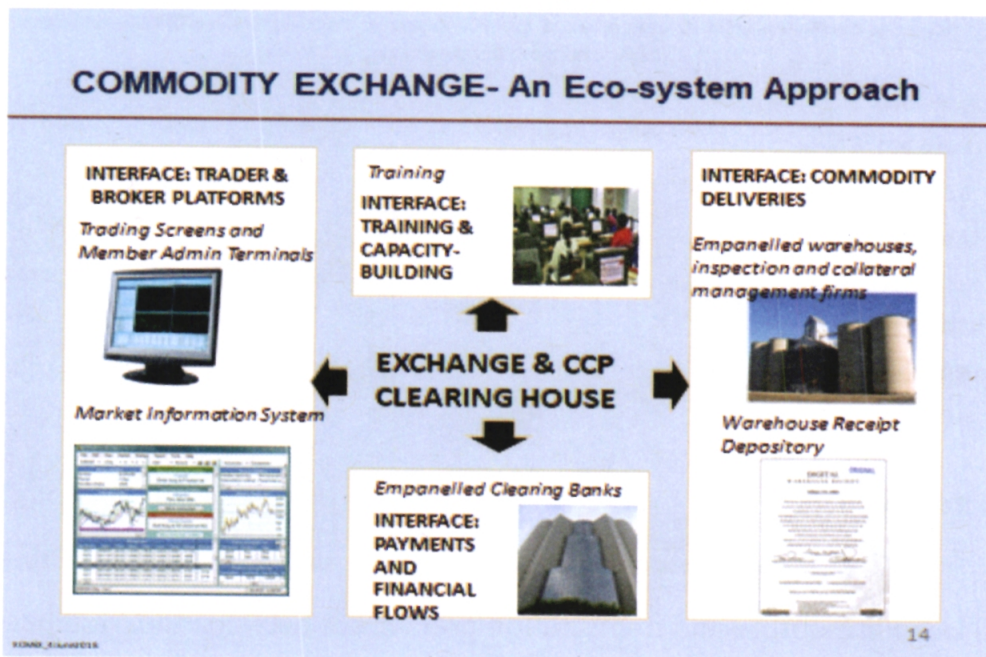
tourists visiting Kenya and has generated over 2.9 million US Dollars for Kenya;

**Figure 12: A specimen of the East African Tourist Visa**



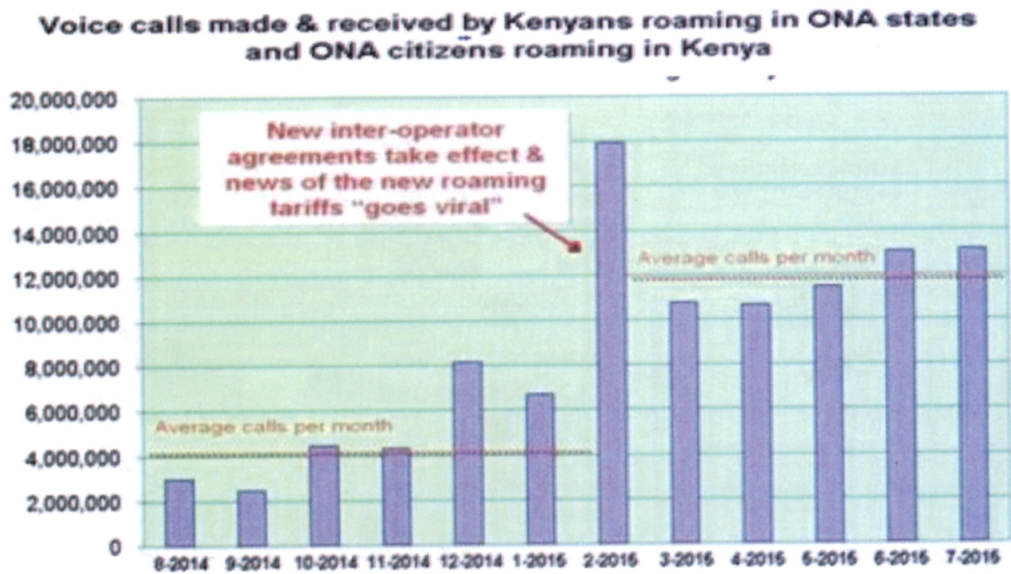
- iv. Kenya registered a Kenya Commodity Exchange (KOMEX) and is ready for trading upon receipt of license form the Capital Markets Authority (CMA);

Figure 13: 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 to 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. 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 16 shows the impact of the ONA immediately if took effect in 2015.

Figure 14: ONA tariff impact on voice roaming traffic



- vii. 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
- viii. MOUs and agreements in the Peace and Security Cluster have been signed 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**

| <b>NCIP achievements</b>  |   |   |
|---------------------------|---|---|
| CLUSTER                   | KEY ISSUES  | STATUS OF IMPLEMENTATION  |
| <b>Peace And Security</b> | 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

### 3.2.2.3 Regional Development Authorities' Projects

The Regional Development Authorities are tasked with the implementation of various categories of integrated projects as outlined in Table 7 and Figure 17.

**Table 7: Projects Category and Potential**

| Projects Category                                    | Potential   |
|--|---|
| Food Security Enhancement Programmes                 | 10,996 ha of land under irrigation  |
| Value Addition / Manufacturing Projects              | Production of 199,775 tons of various products from bamboo products, mango value addition, gum Arabic, tannery, etc.                            |
| Drought Mitigation Projects                          | there are 250 water pans, 250 boreholes and 75 small water storage in place   |
| Multipurpose Dams                                    | to irrigate or conserve a total of 223,700 Ha of land, 186000 Cubic meters of water per day and a total of 930 megawatts of hydroelectric power |
| Environmental conservation and river bank protection | to conserve 3600 Ha   |
| Climate Change Adaptation/Mitigation                 | 1640 MW of solar and wind power   |

**Figure 15: Distribution of projects within the various categories**

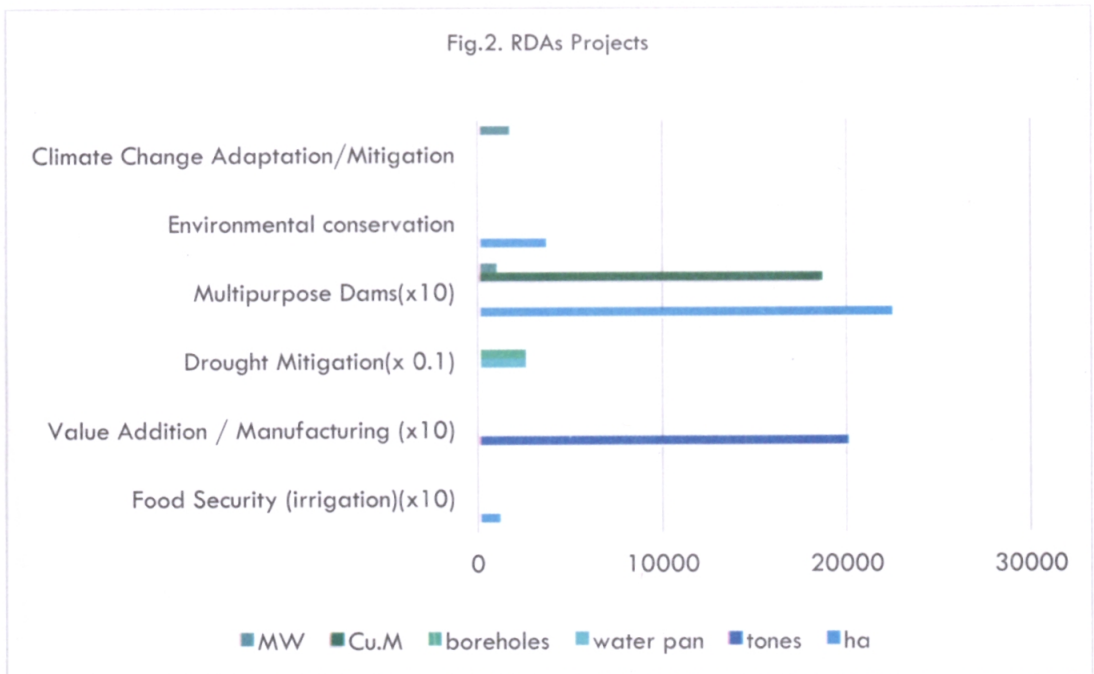
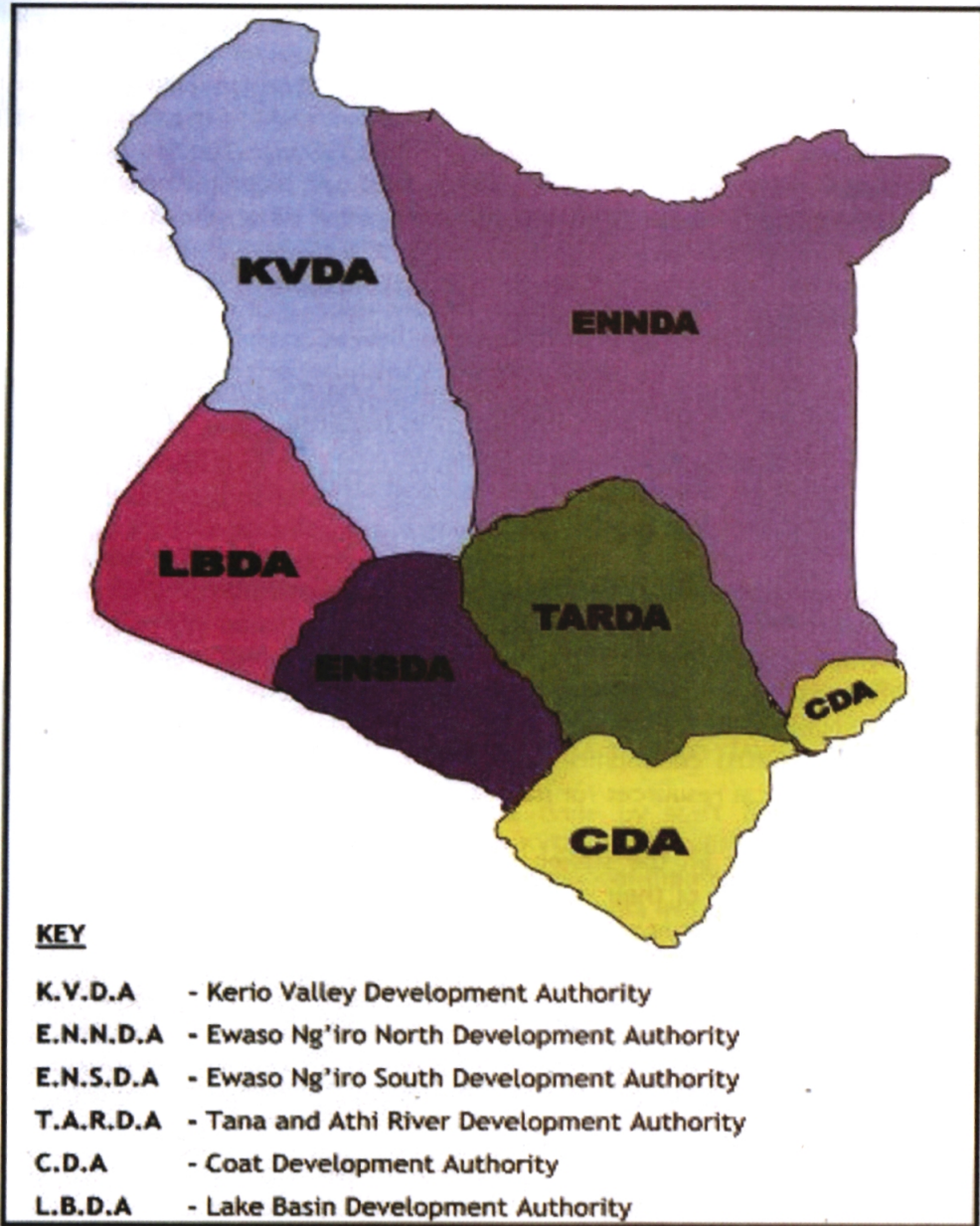


Figure 16: Map showing RDAs coverage



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

RDAs coverage

| RDA   | Coverage                | Watershed/catchment  | Counties  |
|-------|-------------------------|--|---|
| KVDA  | 96,285 Km <sup>2</sup>  | Kerio, Turkwell, Arror, Perkeria, 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 <sup>2</sup>  | Ewaso Ng'iro South River Basin   | Narok, Kajiado, Nakuru and parts of Nyandarua   |
| ENNDA | 209,576 Km <sup>2</sup> | Ewaso Ng'iro North River Basin   | Isiolo, Wajir, Marsabit, Mandera, Laikipia, Nyandarua, Samburu, Meru, parts of Nyeri and Garissa,   |
| CDA   | 83,681 Km <sup>2</sup>  | 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 County   |
| LBDA  | 39,000 Km <sup>2</sup>  | Lake Victoria catchments in Western, Rift Valley and Nyanza  | Bomet, Bungoma, Busia, Homa Bay, Kakamega, Kericho, Kisii, Kisumu, Migori, Nandi, Nyamira, Siaya, Trans Nzoia, Vihiga, Uasin Gishu, Parts of West Pokot, Elgeyo Marakwet and Nakuru.      |
| TARDA | 138,000 Km <sup>2</sup> | Tana and Athi Rivers catchments  | Kiambu, Nairobi, Machakos, Makueni, Kitui, Embu, Tharaka Nithi, Tana River, Kirinyaga, Kilifi, Murang'a, Nyeri, Meru, parts of Kajiado, Nyandarua, Isiolo, Garissa, Lamu and Taita Taveta |

## Achievements Under the Regional Development Authorities

### Conservation

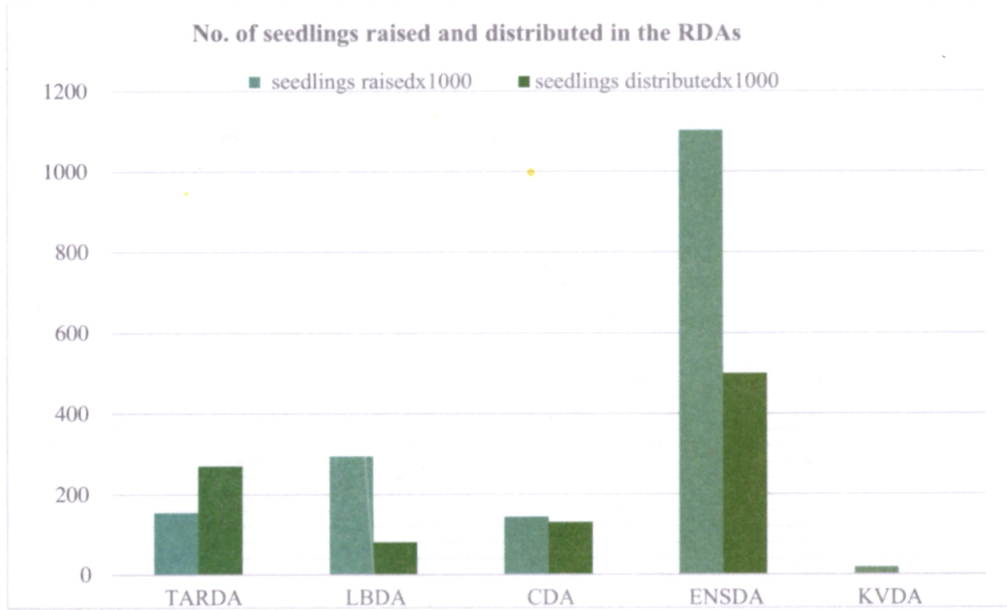
The Regional Development Authorities intensified tree planting activities during the 2018/2019 Financial Year after presidential directive for MDAs to achieve 10% tree cover through tree planting.

Tree planting sites in the Lake Victoria basin were distributed over seven locations. During the short rains period in 2018, there were 295,673 seedlings raised by the LBDA in the nurseries while 81,582 seedlings were distributed to the stakeholders and other partners for planting.

The TARDA raised 155,533 assorted tree seedlings and distributed 291,708 seedlings to farmers, 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 19).



Figure 17: No. of seedlings raised and distributed in the RDAs



*C.S Environment and CDA Managing Director planting mangrove seedlings at Jimbo*



TARDA engages stakeholders in tree planting during 2018 short rains season in Ruiru



Clean-up in Ahero Township. LBDA distributed 2000

At the Headquarters, the Directorate of Regional Development:

- i. Continued with the reform process of aligning the RDAs with the constitution and strengthening governance;
- ii. Contributed to the big four agenda through establishment of the integrated irrigation projects, value addition factories and manufacturing plants;
- iii. Coordinated a tree planting campaign in the RDAs and oversaw 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;
- v. Oversaw the RDAs by undertaking monitoring and evaluation of the RDAs projects and Programmes; and
- vi. Developed a Draft Miscellaneous Amendment Bill for the RDAs Act.

Achievements by the specific regional authorities are summarized below.

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

- i. Completed Phase I and commenced operations of the Ewaso Ng'iro Tannery and Leather Factory. This included construction and installation of machinery, water supply and solar power back up system, construction of office block and access road, and community capacity building;



Completed tannery and leather factory building (3,200 m<sup>2</sup>)



Installed machineries and equipment in ENSDA's leather factory



- ii. Implemented the Integrated Bamboo commercialization and value addition project by raising 200,000 bamboo seedlings in Narok, Nakuru and Nyandarua, and establishing 100 acres bamboo plantation through Community capacity building in Nakuru, Nyandarua and Narok;
- iii. Established two million fruit/tree seedlings across the region and conserved and restored 10 km<sup>2</sup> of wetland areas in Mau forest;
- iv. Operationalised the milk cooling plant;
- v. Constructed Kimuka Olosho-oibor pipeline supplying over 1,000,000 M3 of water annually under the Oloyiangalani Dam Development programme;
- vi. Raised 10M 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;
- vii. Rehabilitated, drilled and equipped 40 boreholes under the Drought Mitigation Programmes. The project is 75% complete; and
- viii. Conducted full feasibility study and design of the Agro processing (Tomato) and Value Addition plant and acquired land for factory.

The challenges that ENSDA faced included:

- i. Delay in release of funds and financial constraints which affected implementation of some projects;
- ii. Delay in constitution of the Board; and
- iii. Prolonged drought in the region.



## **Kerio Valley Development Authority (KVDA)**

- i. Finalized preliminary activities for Arror multi-purpose project awaiting actual implementation;
- ii. Finalized preliminary activities for Kimwarer multi-purpose project and is awaiting actual implementation;
- iii. Developed the irrigation infrastructure on 325 Ha, and undertook a topographic survey under the Wei Wei Phase 3 Integrated Project;
- iv. Surveyed, designed and prepared bill of quantities for Korellach;
- v. Conserved Korellach catchment;
- vi. Rehabilitated nine (9) kilometers of road;
- vii. Constructed and murramed 33km of access road;
- viii. Renovated seven (7) houses and constructed a Guest house;
- ix. Finalized training center and laboratory;
- x. Purchased project vehicles and delivered to the project for use;
- xi. Planted crops on fifty acres of land under the Napuu Irrigation project as follows: thirty acres sorghum, five acres maize, ten acres green grams, and five acres cowpeas;
- xii. Supplied, installed and tested the mango processing plant under the Mango value chain Integrated Project. The plant will be commissioned in September 2019 during the mango season. Mango production is on-going, and a total of 172,000 mango seedlings have been raised and capacity building on-going.

## **Tana and Athi Rivers Development Authority (TARDA)**

- i. Finalized feasibility study and design of lower Murang'a Integrated Irrigation Project;
- ii. Rehabilitated water delivery system and repaired flood protection dykes under the Tana Delta Irrigation Project (TDIP); and
- iii. Completed (8) small holders irrigation projects in Nyeri and Laikipia Counties and awarded contract for five (5), under the Nyeri/Laikipia/Murang'a Smallholder irrigation projects.

### **Coast Development Authority (CDA)**

- i. Constructed storage facility and a utility building;
- ii. Purchased 5000 farmers fruits for value addition;
- iii. Purchased a staff bus under the Integrated Fruit and Honey Processing plant automation and operationalization;
- iv. Completed 2km conveyance water pipeline installation;
- v. Constructed 54 ha field irrigation infrastructure;
- vi. Undertook a study on soil testing and river bank protection; and
- vii. Completed and equipped one (1) pump house installation under the Boji Farmers Irrigation development Project.

### **Lake Basin Development Authority (LBDA)**

- i. Upscaled the LBDA Rice Mill leading to the purchase and processing of 345 tonnes of paddy rice; and
- ii. Produced 94,023 fingerlings under the Regional Demonstration and Technology Development Centres.

### **Ewaso Ng'iro North Development Authority (ENNDA)**

- i. Surveyed and beaconed the land for the Gums and Resins Integrated Development Programme, constructed perimeter fence, drilled and equipped borehole, developed water pans, undertook public sensitization, and equipped the factory;
- ii. Drilled two (2) boreholes and equipped them with solar power system;
- iii. Protected water springs and developed water intakes and piping of water for domestic, irrigation conservation and livestock;
- iv. Completed consultancy on feasibility study and design of large storage reservoirs;
- v. Purchased and planted 114,000 tree seedlings and established one nursery.



Launch of tree planting in ENNDA during 2019 long Rains season





## 4.0 CHALLENGES FACING THE MINISTRY


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### 4.1 State Department for East African Community

- i. Delay in ratification of Protocols by some Partner States hinders implementation of key interventions;
- ii. Inadequate funds for stakeholder sensitization have resulted in low levels of awareness of the prospects that the EAC offers and subsequent low uptake of the opportunity;
- iii. The consensus approach to decision making at the regional level slows down the pace of deepening the integration process;

### 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. Regional geopolitics has adversely affected the implementation of the Petroleum Oil Pipelines and other NCIP infrastructure projects;
- v. 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;
- vi. 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;
- vii. Delay in enacting of the proposed amendment of land laws in Kenya to fast track land acquisition for NCIP;

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- viii. 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;
  - ix. Incompatible Partner States National Laws that hinders the finalization of several agreements and MOUs in the Peace and Security Cluster.
    - x. The NCIP office faces challenge of inadequate funding for project monitoring and evaluation; and
    - xi. Lack of a policy framework to guide the funding and operationalization of the NCIP Regional Centres of Excellence.



## **APPENDICES**

### **APPENDIX I**

#### **THE LIST OF THE PROTOCOLS ENACTED IN THE EAC UP-TO 30<sup>TH</sup> JUNE, 2019**


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)





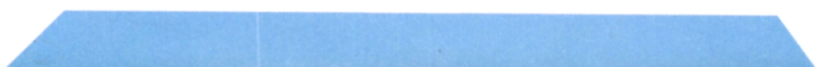
## APPENDIX II

### THE LIST OF THE ACTS ENACTED IN THE EAC UP-TO 30<sup>TH</sup> JUNE, 2019

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
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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, 2015
33. The East African Community Civic Education for Integration Act, 2015
34. The East African Community Customs Management (Amendment) Act 2016
35. The East African Community One Stop Border Posts Act, 2016
36. The East African Community Oaths Act, 2018
37. The East African Community Monetary Institute Act, 201





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