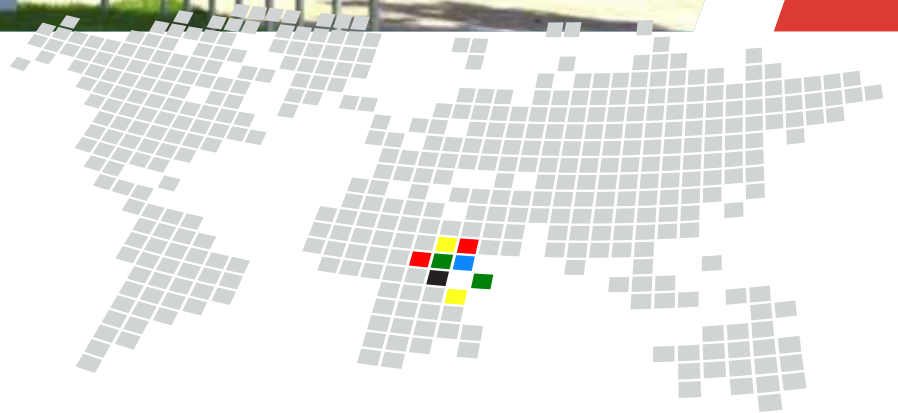




EAST AFRICAN COMMUNITY



Sixth EAC Development Strategy

2021/22 – 2025/26



EAST AFRICAN COMMUNITY

Sixth EAC Development Strategy 2021/22 – 2025/26

***Overall Goal:** “To Transform the East African Community into a Stable, Competitive and Sustainable Lower-middle Income Region by 2030”*

***Overarching Theme:** Building momentum towards post-COVID-19 recovery and accelerating regional adaptation to the dynamic socio-economic environment*

Foreword

The 6th EAC Development Strategy (2021/22–2025/26) outlines the broad strategic development objectives and priority areas that the East African Community will pursue during the next five years in line with the Treaty for the Establishment of the East African Community and the EAC Vision 2050.

Formulation of the Strategy has taken into account the progress made in the implementation of the 5th EAC Development Strategy (2015/16–2020/21) and the prevailing socio-economic and business environment regionally and internationally in the last five years. Further, the need for the Community to deliver on her obligations within the development frameworks at intra and inter-regional, continental and global levels (EAC Partner States, COMESA, SADC, AU Agenda 2063 and the Post-2015 UN Development Agenda) has also guided the process. The overall goal of the 6th EAC Development Strategy (2021/22 – 2025/26) is to transform the East African Community into a stable, competitive and sustainable lower-middle income region by 2030.

The 6th EAC Development Strategy has been formulated at a time when the world is experiencing devastating effects of the global COVID-19 pandemic. The East African region will therefore focus on building the momentum towards post-COVID-19 recovery and accelerating regional adaptation to the dynamic socio-economic environment.

During the next five years, the Community's strategic direction will be guided by the following seven (7) strategic development objectives: - i) attainment of a fully-fledged Customs Union through full implementation of the Single Customs Territory (SCT) and enhanced ICT systems for customs adminis-

trations and other key players; ii) enhancement of domestication and implementation of regional commitments in line with the EAC Common Market Protocol and other related regional, continental, and international frameworks; iii) attainment of the EAC single currency through the realisation of macro-economic convergence criteria and the harmonisation of fiscal, monetary and exchange rate policies; iv) strengthening of regional governance, political commitment, accountability, and inclusivity to improve peace and security in the build-up to an EAC Political Confederation; v) development of quality multi-dimensional strategic infrastructure and related services including clean energy to support and accelerate sustainable regional integration and global competitiveness; vi) development and strengthening of the capacity of all EAC Organs and Institutions to effectively execute their mandates; and vii) increased visibility of EAC, stakeholder knowledge and awareness, and participation of EAC citizens in the integration process.

We, the Heads of State of the Republic of Burundi, the Republic of Kenya, the Republic of Rwanda, the Republic of South Sudan, the Republic of Uganda, and The United Republic of Tanzania, appreciate and applaud the good work that has been undertaken by the Organs and Institutions of the Community, and Partner States in formulating this strategy. With strong commitment of all stakeholders and assured support from the top political level in the implementation of the 6th EAC Development Strategy, we see a better future for the region as we together strive to deliver on the promise that we have made to the great people of East Africa. Our respective governments are fully committed to the implementation of this strategy.

**H.E UHURU
KENYATTA**

PRESIDENT OF
THE REPUBLIC
OF KENYA

**H.E EVARISTE
NDAYISHIMIYE**

PRESIDENT OF
THE REPUBLIC
OF BURUNDI

**H.E PAUL
KAGAME**

PRESIDENT OF
THE REPUBLIC
OF RWANDA

**H.E SALVA KIIR
MAYARDIT**

PRESIDENT OF
THE REPUBLIC
OF SOUTH
SUDAN

**H.E YOWERI
KAGUTA MUSEVENI**

PRESIDENT OF
THE REPUBLIC OF
UGANDA

**H.E SAMIA
SULUHU HASSAN**

PRESIDENT OF
THE UNITED
REPUBLIC OF
TANZANIA

Acknowledgement

The formulation of the 6th EAC Development Strategy (2021/22–2025/26) has been a highly participatory and intensive process involving consultative meetings with leaders and subject matter specialists at the EAC Organs and Institutions, and in the Ministries, Departments and Agencies in the six EAC Partner States. The involvement of the stakeholders, their full participation and valuable contribution to the process has resourcefully guided the discussion and greatly assisted in reaching consensus on the most critical strategic objectives and priorities that the Community will focus on over the next five years.

In this regard, I thank the EAC leadership, for their commitment and dedication to the process of formulating the 6th EAC Development Strategy, in terms of providing the crucial initial strategic direction and continuous support and guidance to the entire process of formulating this strategy.

The process of preparing this particular strategy faced a serious challenge due to the outbreak of Covid-19 and the resulting strict containment measures announced by Partner States. The coordinating and technical teams involved in the process therefore had to quickly adopt an innovative approach to conducting the consultative meetings to ensure that the strategy is finalized within the agreed timelines. I wish to sincerely thank the members of the Steering Committee comprising experts from the Partner

States, EAC Staff in various capacities and the Consultants from Cardno Emerging Markets (East Africa) Ltd. for a job well done. I also wish to extend our most sincere appreciation to the USAID/RIGO Systems Strengthening Project and GIZ for the valuable financial and technical support to the process.

May I, on behalf of the EAC fraternity, extend our gratitude to the EAC Partner States' coordinating Ministries and the Council of Ministers for their timely support to the Community's planning processes, especially in considering and approving the 6th EAC Development Strategy (2021/22–2025/26). The Strategy will provide the framework for the EAC's annual planning and budgeting, as well as regular monitoring and evaluation of our performance towards delivering the desired results.

I look forward to a successful implementation of the 6th EAC Development Strategy so that East Africans can realise greater benefits from the EAC integration.

Hon. (Dr) Peter Mathuki
Secretary General
East African Community

List of Acronyms

AfCFTA	The African Continental Free Trade Area
AGOA	The African Growth and Opportunity Act
CASSOA	EAC Civil Aviation Safety and Security Oversight Agency
CEBE	Regional Centre of Excellence for Biomedical Engineering and e-Health
CET	Common External Tariff
CM	Common Market
CMP	Common Market Protocol
CoE	EAC Regional Centres of Excellence
COMESA	Common Market for Eastern and Southern Africa
COVID-19	Coronavirus Disease
CPMR	Conflict Prevention, Management and Resolution
CU	Customs Union
DS	Development Strategy
EAC DDR	East African Community Demobilization and Reintegration Strategy
EAC	East African Community
EACA	East African Community Competition Authority
EACDF	EAC Development Fund
EACHRC	East African Health and Research Commission
EACoG	East African Community Games
EADB	East African Development Bank
EAHRC	East African Community Health Research Commission
EAHRJ	East African Health Research Journal
EAKC	East African Kiswahili Commission
EALA	East African Legislative Assembly
EAMU	East African Monetary Union
EAPI	East African Parliamentary Institute
EASTECO	East African Science and Technology Commission
EPA	Economic Partnership Agreements
FDI	Foreign Direct Investment
GDP	Gross Domestic Product
HIV	Human Immunodeficiency Virus
ICGLR	International Conference on the Great Lakes Region
ICT	Information Communication Technology

IGAD	Intergovernmental Authority on Development
ILO	International Labour Organisation
IUCEA	Inter-University Council of East Africa
JAMAFEST	Jumuiya ya Africa Mashariki Utamaduni Festival
LVBC	Lake Victoria Basin Commission
LVFO	Lake Victoria Fisheries Organisation
MCBRTA	Multilateral Cross Border Road Transport Agreement
MEACAs	Ministry of East African Community Affairs
MIS	Management Information System
MTPs	Medium-Term Plans
MU	Monetary Union
NCPR	Nyerere Centre for Peace Research
NTBs	Non-Tariff Barriers
OSBPs	One-Stop Border Posts
PF	Political Federation
REC	Regional Economic Community
RSS	Republic of South Sudan
RMO	Resource Mobilization Office
SGD	Sustainable Development Goals 2030
SGR	Standard Gauge Railway
SME	Small and Medium Enterprises
SOAs	Stays of Application
STEM	Science, Technology, Engineering and Mathematics
STI	Science, Technology, and Innovation
SWOT	Strengths, Weaknesses, Opportunities and Threats
TCM	EAC Sectoral Council on Transport, Communication and Meteorology
TFR	The Tripartite Free Trade Area
TTTFP	Tripartite Transport and Transit Facilitation Programme
TVET	Technical, Vocational Education and Training
VLMA	Vehicle Load Management Agreement
WCO	World Customs Organization
WTO	World Trade Organization

Executive Summary

The 5th EAC Development Strategy was the first of the series implementing EAC Vision 2050. According to Vision 2050, the period 2015-2030 is to focus on consolidation and transformation of the regional economy by providing the environment and incentives to make EAC a production-oriented region; addressing constraints that are known to create disincentives for integrated joint development for transformation in the region. Consequently, the programming focus for the 6th EAC Development Strategy (2021/22-2025/26) remains infrastructure development, human capital for long term skills development, consolidation of the EAC Common Market, funding of regional initiatives, strengthening the financing and banking systems, expanding savings and investment, Research & Development (R&D) and security and governance. Innovation and diversification will be undertaken under all the EAC Vision 2050 phases with the last period entailing high end innovations and advanced value chains. The Strategy will also consider the region's Medium Term strategic responses to contain the devastating effects of COVID-19. Further, to maximise on the synergies across the region, Partner States Medium Term Plans (MTPs) will also integrate regional priority interventions. Additionally, the Strategy will consider the critical priorities in AU 2063 Agenda, SDG 2030, and the trade agreements EAC has entered into as a region.

Situation Analysis

According to the EAC Vision 2050, the broad objective is to transform the economic paradigm through diversification and value addition. This will be based on the EAC Vision to be "a globally competitive upper-middle income region with a high quality of life for its population based on the principles of inclusiveness and accountability". Against this background, several milestones have been achieved towards deepening cooperation in East Africa through the pillars of integration. Progress continues to be recorded in the EAC's core pillars of integration: Customs Union, Common Market, Monetary Union, and Political Federation achievements.

Agriculture remains the bedrock of the Partner State economies, accounting for more than 25% of GDP, 65% of the volume of intra-regional trade, and over 70% of employment opportunities. More than 70% of the industries in the EAC are agro-based. However, the service sector remains resilient and continues to contribute substantially to the region's economic activities. There is more trade taking place among the Partner States, though the levels remain

low with intra-regional trade on average accounting for 10% of total trade. This is an indication of low supply capacities, with external imports accounting for around 90% of the region's demand (EAC Trade & Investment Report, 2018). Despite the heavy investment in infrastructure, the potentials in the productive sectors have not been fully realized. Natural resource exploitation remains underutilized. There is high unemployment largely concentrated among the youth in the region.

However, positive achievements are recorded in education and health. Universal access is closing in basic education with over 80% enrolment across all the Partner States. South Sudan is the only country with a score of less than 80% enrolment. There has been general decline in infant mortality ranging from 41 deaths/1000 births in 2015 to 35.2 deaths/1000 births in 2018. South Sudan, which has been in war situation, is an exception. The country sustained high child mortality rates of 98.8 deaths per 1000 births between 2015 and 2018. Nevertheless, life expectancy in all the Partner States is on the increase, between 60.1 years in 2015 and 69.3 years in 2018. There is potential to leverage the CMP provisions in improving the welfare of the citizens in the region.

Assessment of Performance of the 5th EAC Development Strategy

The 5th EAC Development Strategy prioritised accelerating and consolidating sustainable production, productivity, value addition, trade and marketing in key regional growth and productive sectors, with emphasis on rural development, agriculture, fisheries, livestock, food and nutrition, security, and high value industrialization. In support of the EAC regional integration pillars (CU, CM, MU & PF), priority interventions included expansion of infrastructure, sustainable utilisation and conservation of natural resources, leveraging technology in information sharing and service delivery, with a view to improving competitiveness. The net effect is to strengthen the socio-economic dimensions of the regional integration process to deliver quality, effective and efficient services with emphasis on enhancing human capital development, gainful employment and decent work, health status, as well as overall welfare of the people of East Africa.

The 5th EAC Development Strategy has been in operation for close to five years, with positive indicator performance across the pillars, sectors, and institutions. Overall performance stands at 61% of the indicators achieved. The Organs, support

programmes and Institutions performed well, registering a performance of more than 60% while that of the social sector was equally supportive. The positive performance in the achievements of productive sectors interventions is not reflected in the level of trade within the region or in the external export performance.

Clearance of goods, with support of technology, at the first port of entry into the region and the establishment of the OSBPs heightened achievements towards an operational Single Customs Territory. Further, continued implementation of the rights and freedoms conferred by the Common Market have set into motion the diversification of the EAC economic activities through trade in services. Due in part to delayed implementation of value addition in the agricultural and mineral sectors, the industrial sector accounts for less than 10% of the GDP. The performance of the productive sectors was generally low compared to the other sectors. The export of agriculture and mineral products in low value commodity forms dominated international exports from the region. Unfortunately, this contributes to lost job opportunities.

The challenges are mainly reflected in weak national and regional institutions or their failure to implement regional commitments. Staffing and budgetary resources at both national and regional levels are inadequate to effectively implement the diverse commitments aimed at deepening the EAC regional integration agenda. Delays in the domestication of the regional frameworks have led to divergent policy and regulatory frameworks at national levels thus complicating stakeholder uptake of the promises of wider markets. This has reduced private sector interest in increased investment to take advantage of the regional markets. Further, unilateral national actions for priority regional projects have undermined joint resource mobilization and timely implementation of cross border projects. This is exacerbated by delayed disbursement of budgetary resources at national levels. In the case of Monetary Union, the institutions are yet to be established. Differences in the economic fundamentals across the Partner States may continue to undermine early achievements of the single currency. Low levels of awareness among stakeholders, including implementers, have led to the introduction of many NTBs under the guise of national interest. Loss of sovereignty vis-a-vis pooling of sovereignty is a deep-seated challenge.

Other challenges include weak supply capabilities; inadequate entrepreneurship; low capacity utilization; fragmented and underdeveloped regional capital markets, weak industrial synergies limiting exploitation of economies of scale in production; lack of coordination between private and public sector initiatives; weak information and institutional support frameworks; energy and infrastructural bottlenecks; slow pace of technological absorption due to weak research and technological capabilities; incoherent policies on value addition; inadequate skills for specific industries, particularly at technical and technician levels; unfavourable business environment including counterfeiting; and lack of financial schemes to support investment into the industrial sector. In addition, there is narrow scope in responding to the impact of globalization and international politics; low savings; limited private sector participation and/or investments and FDI inflows; low industrial productivity; lack of resources for implementation of the Industrialization Action Plan and inadequate occupational health and safety measures. These challenges collectively inform the core interventions in the 6th EAC Development Strategy.

Development context for 6th EAC Development Strategy

Building on the deeper operational regional integration frameworks of the CU, CM and MU (free movement of goods, services, persons and currency convertibility), complemented with abundant natural resource endowments, a diversified economic base, relative political stability, functional institutions, technological advancements and supportive regional, continental and global initiatives; the aspiration of EAC regional integration is to create a fully integrated, internationally competitive and unified region in which goods, services, capital and persons move freely. This is consistent with Vision 2050 aspirations which focus on initiatives that will create gainful employment to the economically active population. Consequently, the 6th Development Strategy prioritises interventions in addressing productive capacities, investment diversification, and trade & investment facilitation to remove business constraints and enhance competitiveness. In this regard, the interventions integral to long-term transformation target enablers in infrastructure, including transport networks, energy & ICT, structural transformation of the industrial and manufacturing sector through high value addition and product diversification based on comparative and competitive advantages of the

region, institutional strengthening and capacity building, and skills development. These growth prospects are enhanced by encouraging continental integration initiatives and steps being undertaken to promote inter-regional trade within a supportive business environment while removing NTBs and related unfair trade practices. Further, the strategy shall integrate the relevant targets and interventions from AU 2063 including AfCFTA, TFTA, SDG 2030 and regional commitments under EAC Vision 2050 during programming, implementation, and monitoring. The transformation for socio-economic development calls for a managed change process that respects ownership; ensures sustained political commitment; honours good governance for accountability; and promotes social cohesion.

The Treaty for the establishment of the East African Community and EAC Vision 2050 remain the anchor document for programming EAC strategic interventions aimed at sustainable growth and development. However, such interventions contextualize pertinent developments in the business environment. In the current circumstances, regional and global strategies including SDG 2030 and AU 2063 have been adopted. At the continental level, Agenda 2063, and the ratification of the AfCFTA and TFTA have been endorsed. EAC Vision 2050 focuses on expansion and diversification of economic activities leading to creation of jobs for the youthful population. These create stability and related socioeconomic aspirations with potential to enhance global linkages through the SDGs. With a stable macro-economic environment, the region stands to achieve its aspirations.

The EAC economy is steadily growing, with a 5.9% GDP growth in 2019, which makes it one of the fastest growing regions in Sub-Saharan Africa. Several factors are responsible for this trend, including expanding EAC export packages to the rest of the world for which there was a growth of 3.16% between 2017 and 2018. This has benefited from EAC's agenda of steadily creating a friendly business environment, deepening integration, widening cooperation, and a stable economic and political environment which makes it a potential attraction for foreign investment and a manufacturing destination. The adoption of the convergence criteria in each Partner State is at varying speeds depending on level structure of the economies.

Despite expanded market access, both in the EAC, COMESA, SADC and AfCFTA, intra-regional export trade, currently stands at less than 20%, and has been on the decline at both national and regional levels. The key challenges are embedded in limitations of supply capacities, weak institutions reflected

in delays in decision making and ratifications of regional instruments. Additionally, skill gaps and staff shortages, budgetary constraints, NTBs and unfair trade practices arising from disparities in national laws and regulations as well as information asymmetry. This arises in part from poor statistics and limitations on forums for wide stakeholder engagement and frequent cross border political tensions impacting on trade flows within the EAC region.

The 6th EAC Development Strategy has been formulated against the backdrop of a devastating coronavirus pandemic (COVID-19) which has resulted in national, regional, and global lock downs in air space, sea, and land access for trade. The pandemic may also inhibit investment in the immediate future. In this regard, the 6th EAC Development Strategy explores alternative new approaches in doing business at the regional and global levels including building local manufacturing capacities where potential exists to reduce on logistics challenges, occasioned in part by COVID-19. The approach to be adopted at regional level includes reorienting the economies back to their long-term growth path by adopting measures:

- a) To mitigate the short-term and medium-term (2-3 years) negative impacts of the pandemic on vital economic and social sectors of the EAC region.
- b) Support strengthening of the fundamentals for robust recovery and sustainable further growth of trade and investment flows; and
- c) Facilitate harmonized implementation of priority activities aimed at promoting economic recovery and ensuring the future prosperity of the EAC region.

The key drivers at regional level include: improving the investment climate; strengthening the manufacturing capacity and value chains in the region; consolidating and strengthening regional integration initiatives; capacity rebuilding of trade and investment facilitation institutions; enhancing trade facilitation; promotion of EAC exports to external markets; re-engineering the transport sector; prioritising key services sectors for trade development and investment; supporting agriculture and food security and sustainability; building regional capacity for digital transformations (i.e. e-commerce and e-government' and re-igniting tourism and re-orienting the tourism value chains.

These regional initiatives will be complemented with additional national rescue interventions

in building and strengthening the health sector capacities, including recruitment of additional personnel in the public health, to manage and contain the spread of the pandemic; sustaining citizen sensitisation to adhere to the measures instituted by governments; improving the business environment to attract and retain local and foreign investors; innovate the logistics and transport sectors to cope with COVID-19 pandemic and ensure supply chains remain operational; provision of liquidity measures to support SMEs and the business community; enhancing trade and trade facilitation mechanisms; consolidating and strengthening regional integration initiatives; promotion of EAC exports to external markets and building capacity for digital transformation.

Besides anchoring the 6th EAC Development Strategy on the Treaty, Agenda 2063, SDG 2030, and Vision 2050 underpin the targets set in the Strategy. In this regard, expansion of intra/inter/extra regional trade complemented with promotion of industrialization through manufacturing value addition are critical. This will require integral participation of the SMEs leading to diversification and economic development fostering innovation with eco-friendly technology, to increase trade through targeted investment in the formal and informal sectors.

The 6th EAC Development Strategy will build on the achievements of the outgoing strategy, to take advantage of the bigger regional and continental markets; while prioritizing interventions promising shared benefits of regional integration including efficient use of the natural resources to improve the wellbeing of East Africans.

The Strategic Development Objectives underpinning the 6th EAC Development Strategy focus on building a regional economy to take advantage of the large continental and global markets, re-engineer production and logistics arrangements in line with digitalised frameworks in the face of the disruptive effects of the COVID-19 pandemic. This will include strengthening emergence response mechanisms for timely mitigation of disasters.

Strategic Development Objectives

1. Attainment of a fully-fledged Customs Union through full implementation of the Single Customs Territory (SCT) and enhanced ICT systems for customs administrations and other key players.
2. Enhancing domestication and implementation of regional commitments in line with the EAC Common Market Protocol,

and other related regional, continental, and international frameworks.

3. Attainment of the EAC single currency through the realisation of macro-economic convergence criteria and the harmonisation of fiscal, monetary and exchange rate policies.
4. Strengthening regional governance, political commitment, accountability, and inclusivity to improve peace and security, in the build-up to an EAC Political Confederation.
5. Development of quality, multi-dimensional, strategic infrastructure and related services including clean energy to support and accelerate sustainable regional integration and global competitiveness.
6. Developing and strengthening the capacity of all EAC Organs and Institutions to effectively execute their mandates.
7. Increasing visibility of EAC stakeholder knowledge and awareness, and participation of EAC citizens in the integration process.

These will build on the principles of:

- a) Attainment of sustainable growth and development of the Partner States.
- b) Strengthening and consolidation of cooperation in agreed fields.
- c) Building community resilience, promotion of ecosystem sustainability and efficient and sustainable utilization of the natural resources in the region; and promotion of nature-based solutions to climate change and disaster risk management.
- d) Strengthening and consolidation of the long-standing political, economic, social, cultural, and traditional ties.
- e) Promotion of people-centred mutual development.
- f) Promotion of peace, security, and stability.
- g) Enhancement and strengthening of partnerships with the private sector and civil society and mainstreaming of gender in all its endeavours, among others.

The key priority areas for the next five years:

1. Strengthening of regional peace, security, political processes, emergency response mechanisms and good governance to create a stable business environment.

- Strengthening regional peace, security, and related political processes;
- Addressing emergency response mechanisms and good governance to create a stable business environment;
- Improving political commitments in the Partner States aimed at domesticating, regional, continental and international obligations;
- Strengthening joint action in pursuit of common foreign policy interests;
- Promoting regional peace and security;
- Collaborating with relevant international institutions to contain terrorism and piracy, in order to stabilise the business environment;
- Strengthening democratisation processes within Partner States so as to focus on good governance, with emphasis on ensuring sustainable peace, stability, peaceful electoral processes, and meaningful political commitments;
- Adopting a regional approach in response to emergencies;
- Building on the regional political stability while participating in regional and AU continental political and economic integration initiatives;
- Expanding investment in emergency response mechanisms that rope together all Partner States concurrently;
- Building on the regional political stability to attract business and,
- Strengthening forecasting services to stave off conflicts.

2. Provision of Customs Services that facilitate legitimate trade and investment in the region.

- Continuing to pursue harmonization of policies, laws and regulations;
- Promoting cooperation with other regional blocs so as to spearhead beneficial changes in global matters that affect the region;
- Promoting ICT facilitated customs management as well as trade facilitation services;
- Strengthening public and private sector partnerships with a view to streamlining and strengthening trade and investment;
- Upgrading skills within Partner States;

- Expanding the OSBPs in support of cross border trade;
- Streamlining intermodal transport systems so as to achieve flawless trade;
- Concluding the on-going AfCFTA and TFTA negotiations to expand market access in the continent;
- Taking a joint regional approach when negotiating with 3rd parties so as to minimise disruption in the EAC regional integration agenda;
- Eliminating nationalistic tendencies and practices that generate NTBs that limit access to the regional market;
- Implementing regional commitments and obligations to ensure smooth trading and,
- Aligning regional integration commitments to WTO as well as other best practices for select sectors at the global level.

3. Strengthening the productive and social sectors to improve production and productivity, increase value addition, and domesticate regional commitments to improve the welfare of East Africans. These include:

- Expanding production and productivity to create adequate supply potentials so as to meet the regional demand and strengthening the regional value chains to increase value of export commodities;
- Enhancing free movement of all factors of production, as well as other areas of cooperation across the Partner States as envisaged under the Common Market Protocol;
- Furthering regional trade liberalisation in the goods and service sectors;
- Prioritizing intervention programmes for shared benefits of regional integration, including efficient use of the natural resources to improve the wellbeing of the people of East Africa;
- Promoting free movement of factors of production as well as the right of establishment and residence;
- Diversifying the industrial and service sectors so as to create improved earnings and employment opportunities for the youth of East Africa;
- Improving agricultural productivity and resilience, value addition, and facilitation of movement of agricultural goods with a view to enhancing food security in the region;
- Tapping into the blue economy to create wealth, employment and food security;

- Enhancing regional industrial development through investment in key priority sectors, skills development, technological advancement, and innovation so as to stimulate economic development by prioritizing intervention programmes for shared benefits of regional integration, including efficient use of the natural resources;
 - Designing and implementing strategies that minimize the impacts of global warming and environmental degradation;
 - Developing and strengthening the regional competitive and sustainable productive sectors to support the regional and global integration process;
 - Enhancing regional mechanisms and strategies for ensuring sustainable natural resource utilisation and conservation, environmental sustainability, and climate change management;
 - Reducing preventable deaths by strengthening health systems towards achievement of universal health care;
 - Framing policies that focus on universal primary and secondary education, with a minimum 40% of females transiting to secondary education;
 - Diversifying the tourism sector in light of the challenges brought about by the COVID-19 pandemic;
 - Expanding of FDI and cross border investment;
 - Diversifying into green energy;
 - Employing sustainable utilisation of natural resources; and
 - Maintaining containment measures against the COVID-19 pandemic.
- 4. Full implementation of the East African Monetary Union Protocol.**
- Harmonising fiscal and monetary policies so as to achieve the convergence criteria;
 - Widening stakeholder sensitisation to eliminate fears associated with lost identity and nationhood;
 - Establish requisite institutions to manage and coordinate MU;
 - Upgrading skills in the management of national central banks; and
 - Making adequate advance mechanisms for issuance of the common currency.
- 5. Re-engineering of Production and logistics arrangements in line with digitalised frameworks to enhance e-business opportunities and streamlining interconnectivity of transport logistics.**
- Leveraging newer technologies to enhance production and productivity;
 - Digitalising production systems;
 - Enhancing e-business opportunities; and
 - Streamlining interconnectivity of transport logistics.
- 6. Development of Regional Infrastructure to Support the Integration Process.**
- Expanding infrastructure development (multi-modal and multi-sectorial) to improve connectivity in the region's transport (roads, rail, maritime and civil aviation) and ICT, so as to facilitate timely services;
 - Maximizing exploitation of the energy sector: power generation, transmission and supply; oil product pipeline development; and renewable energy.
 - Diversifying into green energy;
 - Promoting safety and security across the different forms of transport and communication sectors;
 - Liberalising the transport and communication sectors to align with the EAC pillars of integration;
 - Opening up additional corridors with linkages to continental and global corridors, to create opportunities for trade and investment;
 - Taking advantage of the fibre optic connectivity along the lengthy seashore of the Partner States;
 - Liberalising the air and communication sectors;
 - Institutionalizing long-term urban planning; and
 - Strengthening meteorological forecasting services so as to mitigate emergency issues.
- 7. Institutional transformation at the regional level, including skills development:**
- Institutionalising transformation at the regional level, including skills development;
 - Adopting a systematic mind-set change on the approach to development in the region;

- Consolidating political commitment and stability by promoting participation in the integration process of the citizenry and the private sector;
- Strengthening the mandates and capacities of the regional institutions and organs, as well as the national coordination within Partner States, so as to effectively manage the pace of regional integration;
- Taking more appropriate interventions to ensure full and efficient utilization of the human resource base in the region in the integration process, especially while implementing the common market;
- Deepening stakeholder involvement and participation, including grass root representation, in all matters related to the integration process;
- Promoting research and technology, as well as technical skills development;
- Strengthening meteorological forecasting services so as to effectively mitigate emergency issues; and
- Strengthening the monitoring capabilities of the health sector, so as to detect pandemics and make adequate preparations at regional level.

8. Promotion of awareness creation and dissemination of information on the Community.

- Enhancing and strengthening of partnerships and engagements with the private sector and civil society;
- Disseminating information on the different aspects of regional integration and development agenda;
- Holding regular road shows to showcase and promote EAC regional integration initiatives;
- Expanding coverage of the competition areas to engage different stakeholders from all Partner States;
- Providing awards for select sectors with strong regional integration achievements on an annual basis;
- Initiating comprehensive sensitisation programmes with target stakeholders aimed at promoting mutual trust, and building confidence, identity and solidarity among EAC citizens; and
- Strengthening capacity for generation, storage, management and dissemination of information products.

In line with Vision 2050, the period 2015-2030, shall focus on consolidation and transformation of the regional economy. The 6th Development Strategy (2021/22-2025/26) falls in this period. Thus, there will be need to strengthen joint planning efforts for all Partner States to move in the same direction.

The strategic approach in the operationalization of the 6th Development Strategy shall continue to leverage deeper stakeholder participation, the private sector; technology applications, research, enhanced competitiveness, facilitating investment, and harmonizing policy and regulatory frameworks within and across the RECs. There will also be the need to ensure the appropriate mainstreaming of the key cross-cutting issues of gender, HIV/AIDS, environment, climate change and human rights – into the implementation, monitoring and evaluation of the various regional and Partner State level programmes and projects under this Strategy.

The governance and political development context of the region has implications for socio-economic transformation. A democratic, peaceful, secure, and stable EAC region will advance the course of sustainable socio-economic development of the Partner States, in line with AU aspirations. Therein, among other benefits and enablers, a peaceful and stable EAC will be able to attract foreign investments, as well as to facilitate the success of local investments. The 6th Development Strategy, therefore, has largely been informed by the above ideals and aspirations of the East African people as emphasized by the EAC Vision 2050, ultimately relating them with the continental and global agendas.

In addition to tracking the regional, continental, and global indicators, the M&E framework for the 6th Development Strategy will also track implementation of strategic interventions. Special focus shall be dedicated to monitoring the effectiveness of the partnerships with private sector and civil society in the actualization of the regional programmes and commitments. There will be need to monitor the level of Partner State capacity development initiatives and the level of success in the regional integration programmes. An implementation Plan shall be presented separately from the Strategy.

Information sharing and use is vital as part of assessing the progress and status of Strategy implementation. Towards this end, the existing mechanisms for information sharing with diverse stakeholders will be leveraged. Thus, Partner States

remain the focal points of information gathering. There will be need to design additional Web-based Management Information System (MIS) for the results-based monitoring and evaluation system through the MEACAs in the Partner States. This will go a long way in improving information flow and sharing.

Strengthening the institutional framework for usage of the M&E information is crucial. There will be need for capacity building within the media to empower them to disseminate regional integration information to different stakeholders.

Given the funding challenges experienced both at national and regional levels in the implementation of the prioritised regional programmes, it is prudent to explore more reliable and sustainable sources of funding. The current funding mechanisms dependant on government contributions and donor funding are inadequate. These funding sources have been constrained by the intermittent and ad hoc nature of inflows, particularly in respect to development

partner contributions, which are mostly, influenced by, among other factors, the global financial crisis affecting their economies. Furthermore, Partner States contributions are normally in arrears due to financial constraints. There is need to explore additional funding options.

The EAC Resource Mobilisation Strategy clearly defines policies, procedures and mechanisms for fund raising. More specifically, the establishment of an EAC Development Fund with provisions on implementing a regional integration levy on external imports. Some of the Institutions can raise resources from partnering with corresponding national institutions and share the fees on the services they provide. These include levying a dedicated regional tax on imports from third parties, mobilisation of private sector, as well as leveraging the continental and global initiatives that come with mobilised resources. It is necessary to prepare proposals aligned to the Strategy that target the specific resources. The AUDA-NEPAD implementation mechanisms could form a starting point.



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Introduction

1.1 Background Information

The East African Community (EAC) is a regional organization mandated by the governments of Burundi, Kenya, Rwanda, Tanzania, South Sudan, and Uganda to spearhead the East African economic, social, and political integration agenda. The scope of cooperation among the six Partner States is clearly indicated in the East African Community Treaty, which was signed in November 1999 and entered into force in July 2000. The regional cooperation and integration envisaged in the EAC is broad. Article 5 (1) of the Treaty states that "The objectives of the Community shall be to develop policies and programmes aimed at widening and deepening cooperation among the Partner States in political, economic, social and cultural fields; research and technology, defence, security and legal and judicial affairs for their mutual benefit." To this end, the key pillars of integration include the ongoing implementation of the different stages of the Customs Union (CU), Common Market (CM), Monetary Union (MU), and Political Federation (PF). To complement the key pillars of integration are the cross-cutting enabling and facilitating interventions in legal and judicial affairs, infrastructure, energy, social development, and institutional developments. The enablers are aimed at enhancing accelerated harmonious, balanced development and sustained expansion of economic activities across the region.

The EAC Vision 2050 focuses on initiatives that will create gainful employment to the expanded economically active population in the region. In this regard, the Vision commits to harmonizing and consolidating the visions of Partner States as well as the EAC institutions. More importantly it brings into focus the interests of the combined population of the Community and alignment of the regional priorities with the African Union (AU) Agenda 2063 as well as the 2030 Sustainable Development Goals (SDGs). Thus, the priorities should address citizen empowerment critical in welfare enhancement in the context of food security and social services.

In a globalized business environment, the targeted investments in agriculture, industry, and manufacturing should focus on high value addition and product diversification based on comparative and competitive advantages of the region. Consequently, complementary expanded investments in the key enablers of infrastructure (Transport, ICT), energy, and information technology for enhanced competitiveness, should be undertaken within a regional framework.

The transformation for socio-economic development calls for a managed change process that respects ownership; ensures sustained political commitment; honours good governance for accountability; and promotes social cohesion.

The five-year development strategies operationalise the implementation of the Treaty, Vision 2050, continental (AU 2063) and global (SDG 2030) commitments in a systematic manner. The 6th EAC Development Strategy 2021/22 – 2025/26 builds on the 5th EAC Development Strategy which expires in 2021. In this regard therefore, the 6th Strategy should in principle update and refocus the priorities set out in the 5th Development Strategy. The focus of the 6th Development Strategy is bringing into operation the MU while deepening the implementation of the CU and CM. Peace and security are critical in the consolidation of the basis for political federation, they form the basis for economic development. However, such strategic interventions, should be realigned with sequenced priorities with immediate impact on the welfare of the general population.

1.2 Vision, Mission and Core Values of the EAC

The Vision of the Community is: "to be a Prosperous, Competitive, Secure, Stable and Politically United East Africa" while the Mission of the Community is: "to widen and deepen economic, political, social and cultural integration, in order to improve the quality of life of the people of East Africa through increased competitiveness, value added production, trade and investments".

The Core Values of the EAC are: Professionalism; Accountability; Transparency; Teamwork; Unity in diversity; and Allegiance to the EAC ideals.

1.3 Objective of the EAC

The objective of the Community, as stipulated in Article 5 of the Treaty, is to develop policies and programs aimed at widening and deepening co-operation among the Partner States in political, economic, social and cultural fields; research and technology; defence; as well as security, legal and judicial affairs for their mutual benefit.

1.4 EAC Legal, Institutional and Policy Frameworks

EAC's legal and institutional frameworks are mainly based on the Treaty for the Establishment of the East African Community, and its Protocols; as well as the Community laws. Its institutional framework consists of, inter alia, the Executive, Legislative and Judicial arms. The executive arm is comprised of: the Summit of Heads of State; the Council of Ministers; the Co-ordination Committee; the Sectoral Committees; and the Secretariat, as well as EAC Institutions. The East African Legislative Assembly (EALA) and the East African Court of Justice (EACJ) are the legislative and judicial arms of the Community, respectively. The Summit gives overarching direction and provides impetus to the development and achievement of the objectives of the Community. The Council of Ministers is the policy Organ of the Community responsible for the general implementation of the Community's programs, projects, and activities. Details of the mandates and functions of the Organs and Institutions of the Community are duly spelt out in the EAC Treaty, Protocols, and Rules of Procedure. Several Institutions are operational for specific sectors, namely, East African Science and Technology Commission (EASTECO), Lake Victoria Fisheries Organisation (LVFO), Lake Victoria Basin Commission (LVBC), Civil Aviation Safety and Security Oversight Agency (CASSOA), Inter-university Council for East Africa (IUCEA), East African Kiswahili Commission (EAKC), East African Development Bank (EADB), East African Health and Research Commission (EAHRC) and East African Community Competition Authority (EACCA).

1.5 Development Frameworks of EAC Partner States

The National Visions are aligned to EAC Treaty and Vision 2050, anchored on "A globally competitive upper-middle income region with a high quality of life for its population based on the principles of inclusiveness and accountability". Thus, sustainable development and socio-economic transformation of the regional economies of the Partner States can be exploited within the regional frameworks that harness symbiotic synergies across the region. With adequate preparation, it should be possible to harmonise policies, strategies, plans, laws, regulations; Institutions at national and regional level; enabling infrastructure; Human Resource, staffing, capacity building and visibility.

The goal of transforming the East African Community into a Stable, Competitive and Sustainable Lower Middle-Income Region while "Accelerating a People-centred and Market-driven Integration" remains relevant for the 6th Development Strategy. The key interventions of production, productivity & competitiveness; trade & investment facilitation and supportive policy and regulatory frameworks; welfare improvement; market connectivity; Liberalisation in free movement of factors of production; and sustainability of cross boundary resources, climate change effects in synergy with leveraging innovation, information access remain relevant in the medium term. These interventions aligned to Vision 2050 are consistent with key priorities on the Partner State Visions (Table 1-1).

Table 1- 1 Summary Overview of EAC Partner States' Development Frameworks

Partner States	Timeframe	Development Vision	Priority Areas
Burundi	Vision 2025	Sustainable peace and stability and achievement of global development commitments in line with SDGs.	Poverty reduction, reconstruction, and institutional development.
Rwanda	Vision 2050	Ensuring high standards of living for all Rwandans.	Human development, competitiveness and integration, Agriculture for wealth creation, urbanization and agglomeration, accountable and capable state and capable state.
Tanzania	Vision 2025	High quality of life anchored on peace, stability, unity, and good governance, rule of law, resilient economy and competitiveness. Becoming a middle-income country with high level of human development.	High quality livelihood, peace, stability and unity, good governance, a well-educated and learning society, and a competitive economy capable of producing sustainable growth and shared benefits.

Partner States	Timeframe	Development Vision	Priority Areas
Kenya	Vision 2030	A globally competitive and prosperous nation with a high quality of life.	Transform Kenya into an industrialised middle-income country providing high quality life to all its citizens in a clean and secure environment.
Uganda	Vision 2040	Transform Uganda from a peasant society to a modern, prosperous country.	Strengthening of the economic fundamentals to harness abundant opportunities; prominence being given to a knowledge based economy.
South Sudan	Vision 2040	Towards freedom, equality, justice, peace, and prosperity for all.	Quality education, innovation, security, democracy, accountability, and poverty reduction, as well as equitable sharing of the national wealth.
EAC	EAC Vision 2050	Attain a prosperous, competitive, secure, and politically united East Africa.	Widen and deepen economic, political, social and cultural integration at regional and global levels.

Source: EAC Vision 2050 document and Partner States Ministries Responsible for Economic Planning websites



1.6 Broad Priority Areas

The unique broad priority area enshrined in the EAC Vision 2050, which propels the region to realize “A globally competitive upper-middle income region with a high quality of life for its population based on the principles of inclusiveness and accountability”, highlights three overarching themes of Transformation, Value Addition, and Growth.

EAC as a platform for inclusive development and cooperation on shared goals for collective regional interest is to live in a borderless single region, providing a single space for operations within the framework of EAC Partner States that is socially coherent with harmonized economic development trajectory of long-term transformation, value addition, and growth needed for a momentous sustainable growth over the long term. The pillars are infrastructure development; industrialization; agriculture, food security, and rural economy; natural resource and environment management; and tourism, trade, and services development.

The goal is to have a developed, stable, and competitive regional bloc that will ensure:

- Enhanced inclusiveness in development and socio-economic transformation.
- Access to modern, fast, and affordable infrastructure that is essential for economic development and wellbeing of the population.
- Achievement of high per capita income to give the population adequate purchasing powers and improved quality of life.
- Economic empowerment of the citizens to spur growth and fast track poverty reduction.
- Building competitiveness.
- Zero tolerance to corrupt practices and misuse of development resources.
- Articulation of pro-active policies aimed at linking employment targets to skills development initiatives.
- Job creation initiatives to provide for current and future needs of the bulging youth population.
- Increased partnership between the public and private sectors for economic transformation.
- A better environment for inter and intra- regional trade and investment.
- An inclusive and participatory approach to addressing the needs of special interest groups.
- Building sound economic institutions, legal and policy frameworks needed for the long-term socio-economic transformation.
- Free movement of people, labour, goods, services, and capital.
- Rights of establishment and rights of residence.

1.7 Structure of the Development Strategy

This 6th EAC Development Strategy is structured around seven chapters. Chapter one presents the background, the vision and mission of the Community, institutional arrangements, and broad priority areas over the next five years. Chapter two outlines the Situation Analysis, focusing on the fundamental socio-economic factors pertinent for the formulation of EAC’s strategic objectives and priorities. Performance evaluation of the 5th EAC Development Strategy is presented in Chapter three. Chapters four and five respectively set the broad development context underpinning the 6th EAC Development Strategy and priority interventions that will guide annual planning and implementation of projects and programmes. Chapter six on the institutional framework sets out the mechanisms for wider stakeholder engagement at regional and national levels as well as synergizing within the continental and global levels. Chapter seven on M&E highlights critical targets that the East African Community will strive to achieve in the medium term.

2



Situation Analysis

The situation analysis evaluated the political and socio-economic performances in the EAC region and Partner States while contextualising the changes in the global environment. The targets (Annex 2) of interest against which the situation analysis is evaluated have been derived from Vision 2050, SDG 2030, AU 2063, and other global commitments to which the region and the Partner States are party to.

2.1 Political Developments in the EAC Region

All East African Community Partner States have demonstrated progressive recognition of, and commitment to good democratic principles, where Burundi, Kenya, Rwanda, Uganda and Tanzania held scheduled elections for electable offices over the last five years and are preparing for next rounds of political electoral cycles, for which United Republic of Tanzania is slated for (2020), Uganda (2021), Kenya (2022), Rwanda (2023). South Sudan has transitioned to forming a government of national unity and is in the process of implementing wide range security sector and governance reforms. These successive periodic multi-party-based elections are indicative of a progression to democratic practices across the region.

In line with the provisions of Article 123 of the Treaty, the Community has made substantial progress towards the attainment of the goal of Political Confederation. The Summit of Heads of State accepted the initial implementation of a Confederation as a first step towards Political Federation. Constitutional Experts are currently collecting views at national level that will inform the Constitution of the Political Federation.

The EAC Partner States have made significant efforts to improve peace and security in the region by concluding a number of key instruments in the area of Peace and Security that include a Protocol on Peace and Security, further embracing a number of regional and global cross border initiatives such as African Union Agenda 2063 "which priorities 'Silencing the Guns by 2020: Pre-requisite for realizing a conflict-free Africa by the year 2020'. The EAC Vision 2050 recognizes, inter alia; peace and security as a sine qua non for the envisaged socioeconomic transformation of the region.

These efforts have been enhanced by the other three regional organisations that also have peace and security mandate namely - The Common Market for Eastern and Southern Africa (COMESA), the Intergovernmental Authority on Development (IGAD), Southern Africa Development Community (SADC) and the Indian Ocean Commission (IOC) with which the EAC shares membership.

Most of the focus is on conflict prevention, management and resolution, trans-national and cross border crimes, maritime security, counter terrorism, and the promotion of good governance. These efforts are however being hindered, by weak institutional structures within the EAC Secretariat, including the lack of a dedicated Directorate for Peace and Security and hence inadequate implementation and monitoring of regional strategies and standards within the Partner States.

It should be noted however, that the principle underpinning the success of EAC political integration, the EAC Treaty's ultimate goal, premises the harmonization and coordination of regional policy frameworks with regard to good governance, democracy, peace, security, defence, human rights and social justice, as well as international relations.

Good governance practices are linked to the rule of law and enforcement; ethics and anti-corruption; freedom of expression; participation and inclusiveness; as well as social cohesion and protection. The development of regional values and governance ethics to promote social cohesiveness so that the East African people can move into the future as "one people" is an imperative.

A number of milestones have been achieved towards deepening integration in East Africa in the areas of leadership, peace and security, as well as legal and judicial affairs, including, among others: the institutionalization of regional mechanisms and programs for early warning and disaster preparedness; Conflict Prevention, Management and Resolution (CPMR); refugee management; and combating illicit small arms and light weapons. Several Protocols developed during the previous development strategies such as that on Peace and Security (2013) and Co-operation in Defence Affairs (2012) and Foreign Policy Coordination (2010) are undergoing ratification.

With regard to legal and judicial matters, one of the pre-eminent objectives of the EAC is to develop policies and programs aimed at widening and deepening cooperation among the Partner States in legal and judicial affairs for their mutual benefit, as established by the Treaty. Cooperation in this area includes, as stated in Article 126, shall inter alia, harmonization of their legal training and certification, and shall encourage the standardisation of the judgements of courts within the Community.

To promote Good Governance, several interventions are being implemented as mandated by Article 123 of the Treaty, to enhance EAC Political Confederation. One of the significant outputs of EAC's Good Governance focus has been the creation of a common platform for national institutions of governance to exchange information, share experiences and dialogue on policies, strategies, laws, and programs, with a view to developing regional standards.

For the smooth facilitation of the Secretariat's work, the EAC Council of Ministers established a Forum of National Human Rights Institutions to put a lens onto Human Rights and Social Justice in the region. This resulted into several achievements which include an evaluation of the national constitutions and other international instruments, with the aim of standardizing and adopting best practices.

The Council established the EAC Forum of Electoral Commissions, as a regional platform for National Electoral Commissions to share experiences, challenges, and best practices in organizing and conducting democratic, credible elections, as well as enhancing harmonization of democratization processes. The above was concretized by EAC's adaption of Principles on Election Observation and Evaluation that are used to guide election observation in the region. The EAC Forum of Chief Justices was established to contribute to policy formulation in upholding the rule of law, enhancing access to justice, and building jurisprudence for the EAC.

Other major initiatives and developments include initiation of development of the Protocol on Preventing and Combating Corruption the EAC Annual Conferences on Good Governance; as well as the initiation of university student debates under the Nyerere Centre for Peace Research (NCPR) aimed at promoting continuous dialogue among EAC youth on EAC Political Integration. There has also been substantial cross regional cooperation, coordination and complementarity at AU and UN level that has promoted joint programming.

2.2 Continental Integration

Integration of Africa, a vast continent of over 1.2 billion people, has considerable potential not only for promoting robust and equitable economic growth through markets, but also for reducing conflict and enhancing trade liberalisation. In 2018, 44 African countries committed to the launch of a common market for Africa - the African Continental Free Trade Area (AfCFTA). This followed the launch of an African Common Passport in July 2016. The African Continental Free Trade Agreement (AfCFTA) seeks to bring Africa into the global trade environment as one continent rather than as individual countries. The AfCFTA agreement brings together the largest number of countries within a free trade area in the world. Forty-four (44) countries signed the pact in March 2018. The number has since risen to 54 and 30 of them have ratified it. It proposes to create a single market for goods and services, with free movement of people and investments across 55 countries. This will redefine trade relations among African states. It also promises to promote trade liberalisation and improve interactions within the existing regional economic communities. A dispute settlement mechanism, like that set up by the World Trade Organization is embedded in the agreement. Recent research by the African Development Bank shows that intra-African trade is the lowest of all global regions at approximately 15%, compared to 54% in the North American Free Trade Area, 70% within the European Union and 60% in Asia.

With AfCFTA operational, a market of 1.2 billion people and a combined gross domestic product of \$2.5 trillion will be brought together, making it the world's largest free trade area since the formation of the World Trade Organization seven decades ago. By 2030 the market size is projected to expand to 1.7 billion people with over \$6.7 trillion of cumulative consumer and business spending. The AfCFTA will enhance intra-African trade by 52.3% annually, according to the United Nations Economic Commission for Africa (UNECA). This is a clear manifestation of the role of politics and policy, open, responsive, and accountable governance in driving countries and the continent forward.

Creating a single continental market for goods and services, with free movement of business persons and investments will trigger a virtuous cycle of more intra African trade, which in turn will drive the structural transformation of economies – the transition from low productivity and labour-intensive activities to higher productivity and skills intensive industrial and service activities—which in turn will produce better paid jobs and make an impact on poverty.

The continental momentum toward an integrated Africa necessitated an initiation of a series of reforms to transform and unify the institution and its member states. For instance, a unified air transport market across the continent has been created within the framework agreement for the African Continental Free Trade Agreement (AfCFTA). Effectiveness of the trade pact is now assured and has been successfully ratified by the required 22 member states. The continental political aspirations are reflected in the African Peace Architecture (APSA) to take on board the preservation of democratic values, practices, universal principles of human rights, justice and the rule of law, and stability of peace and security.

2.3 Macro-Economic framework

2.3.1 Convergence

The East Africa Community Partner States have made significant progress towards macroeconomic convergence in areas of Debt to GDP ratio, fiscal, and reserves criteria. All countries except Kenya and South Sudan have debt GDP ratio of 50 or less, while that of Kenya ranges between 50% to 60%, and that of South Sudan is above 85% (Table 2-1). Burundi and Rwanda have not met the foreign reserves criteria, while Kenya, Tanzania and Uganda are the only countries that have met the reserves criteria. However, Tanzania and Uganda have outperformed their peers in their gross national saving is more than 20%. All the Partner States did not achieve the single digit interest rates.

Table 2- 1 Trend on Selected Macroeconomic Convergence Indicators 2015 – 2020

Indicator	Year	Burundi	Kenya	Rwanda	South Sudan	Tanzania	Uganda	Benchmark
Current account balance (% of GDP)	2015	-11.8	-6.7	-12.6	-7.2	-8.3	-6.6	Sustainable level
	2016	-13.4	-5.2	-15.2	-0.1	-5.4	-3.0	
	2017	-12.9	-7.2	-9.3	-3.0	-3.4	-5.0	
	2018	-10.3	-5.8	-10.2	-4.5	-3.3	-6.1	
	2019	-10.0	-5.8	-12.4	-6.4	-3.4	-6.3	
	*2020	-9.6	-4.6	...	-1.8	-4.0	...	
GDP per capita, (current US\$)	2015	290	1,478.7	762	674	992	814	USD 3,000.00
	2016	282	1,562.3	757	282	1,006	844	
	2017	302	1,742.6	784	296	1,044	873	
	2018	310.3	1,893.4	796	656	1,083	940	
	2019	257.2	2,007.8	837	332.8	1,126	1,040	
	*2020	247.7	1,966.9	...	299.7	...	...
Gross international reserves in months of imports	2015	1.65	5.11	3.6	0.76	3.93	5.3	4.5- months
	2016	1.46	5.65	3.9	0.39	4.90	5.2	
	2017	1.47	4.62	4.2	0.11	7.23	5.1	
	2018	0.94	4.86	4.5	...	5.99	4.1	
	2019	...	...	5.8	...	...	4.4
	*2020	...	...	...	...	...	...

Indicator	Year	Burundi	Kenya	Rwanda	South Sudan	Tanzania	Uganda	Benchmark
Gross national savings (% of GDP)	2015	-6.7	10.9	15.2	...	25.7	19.9	>20%
	2016	-4.1	9.9	17.7	...	29.9	21.5	
	2017	-5.7	10.7	13.2	...	30.2	20.3	
	2018	-8.0	12.0	10.5	...	31.7	20.4	
	2019	-8.8	13.1	10.7	...	32.7	20.5	
	*2020	-8.8	13.9	...	...	...	20.9
Annual Headline Inflation, consumer prices (%)	2015	5.5	6.6	2.5	61.2	5.6	5.4	<8%
	2016	5.6	6.3	5.7	187.0	5.2	5.5	
	2017	16	8.0	4.8	361.9	5.3	5.7	
	2018	-2.6	4.7	1.4	88.5	3.5	2.6	
	2019	-0.7	5.2	2.4	51.2	3.4	2.9	
	*2020	8	5.1	...	8.1	...	3.9	
Real GDP growth (annual %)	2015	-3.9	5.7	8.9	-0.2	6.2	6.5	>7%
	2016	-0.6	5.8	6	-16.7	6.9	0.5	
	2017	0.5	4.8	4	-5.5	6.8	7.3	
	2018	1.6	6.3	8.6	-1.1	7.0	6	
	2019	1.8	5.4	9.4	11.3	7.0	7.5	
	*2020	3.7	6.0	...	7.4	5.5	...	
Central Government Debt (Percent of GDP)	2015	45.3	41.4	25.9	60.3	42.7	34.3	50% of GDP
	2016	48.4	45.6	30.1	85.7	36.9	37.1	
	2017	51.7	48.6	33.5	63.2	36.6	39.7	
	2018	58.4	51.0	37.2	42.2	37.6	41.4	
	2019	...	54.4	41.1	...	...	...
	*2020	...	...	...	...	...	...
Lending Rates (Long term)	2015	14.8	18.0	16.5	...	15.3	...	Single Digit
	2016	14.8	13.6	16.0	...	15.6	...	
	2017	14.8	13.5	16.3	10.1	17.9	21.3	
	2018	14.8	12.5	15.3	16.2	17.4	19.9	
	2019	14.5	12.38	16.5	15.65	17.23	19.22	
	*2020	...	...	...	...	...	...
Tax revenue to GDP (%)	2015	12.6	20.4	14.9	0.8	11.7	7.1	25%
	2016	12.9	20.9	15.3	0.5	12.3	6.7	
	2017	13.6	19.0	15.3	0.5	12.4	7.1	
	2018	14.3	19.6	15.6	0.7	12.0	7.5	
	2019	...	19.9	16.3	...	...	7.1
	*2020	...	...	16.2	...	...	...

Indicator	Year	Burundi	Kenya	Rwanda	South Sudan	Tanzania	Uganda	Benchmark
Fiscal deficit incl. grants (% of GDP)	2014/15	-5.4	-8.1	-5.2	...	-3.3	-5.4	< 3%
	2015/16	-4.3	-6.7	-3.2	...	-2.4	...	
	2016/17	-3	-4.7	-4.5	...	-1.7	...	
	2017/18	-1.5	-4.1	-4.6	...	-2.6	...	
	2018/19	...	...	-6.3	...	...	...
	*2019/20	...	...	-9.1	...	...	...
Fiscal deficit exc. Grants (% of GDP)	2014/15	-11.3	-8.6	-12.3	...	-5.5	-8	< 6%
	2015/16	-9.9	-7.1	-8.9	...	-2.8	...	
	2016/17	-9.6	-5.1	-9.1	...	-2	...	
	2017/18	-8	-4.7	-9.1	...	-2.8	...	
	2018/19	...	...	-10.8	...	...	...
	*2019/20	...	...	-13.6	...	...	...

Source: EAC Partner States. EAC Facts and Figures Reports

Notes:

- Supplementary data from EAC Facts and Figures Reports, IMF and AfDB

- *2020 figures provisional

- "..." data not available

2.3.2 Economic Growth

The EAC has maintained a steady and impressive economic growth of more than 5% in the last decade (Figure 2-1), which makes it one of the fastest growing regions in Sub-Saharan Africa. However, the regional economies continue to be dominated by services and agriculture sectors (Table 2-2). Several factors responsible for this trend include improvements in the agricultural and manufacturing sectors, expanding EAC export baskets into the region and to the rest of the world (Table 2-1). Other positive contributions arise from improvements in the services sector, ICTs, financial services, and construction. EAC's agenda to steadily create a friendly business environment, deepening regional integration, widening cooperation, and a stable economic and political environment makes it a potential attraction for foreign investment and manufacturing destination.^{1,2}

Forecasts paint a bright picture for most EAC economies especially if the Partner States individually work on comparative key sectors and collectively work on the following:

- **Infrastructure:** The Roads, Railways, Aviation, Communications, and Inland waterways are key enablers of successful integration and facilitating activities such as trade, agriculture, tourism, and the movement of labour and other resources across the region. The EAC Treaty provides for it as it compels Partner States to provide basic infrastructure as one of the Operational baselines
- **Industrialization and SME Development:** The role of industries in transformation of economies cannot be over emphasized as it currently contributes 8.9% – 10.1% to the various EAC economies, however the EAC target is to have 25% contribution by 2032. The industrial sector can significantly contribute to the economy by creating jobs and can stimulate the development of other sectors like agriculture and services, increasing foreign exchange earnings, and modernizing the lives of people.
- **Agriculture and Food Security:** Even when small holder farmers are the majority participants in the region's agricultural sector, they must be guided and must balance between cash economy and food economy. Food security is critical for a persistently growing economy.
- Others are the livestock sub-sector which consists of cattle, sheep, goats, and camels, mainly for meat and milk production; pigs and poultry for white meat and eggs respectively; hides and skins for export and industrial processing.

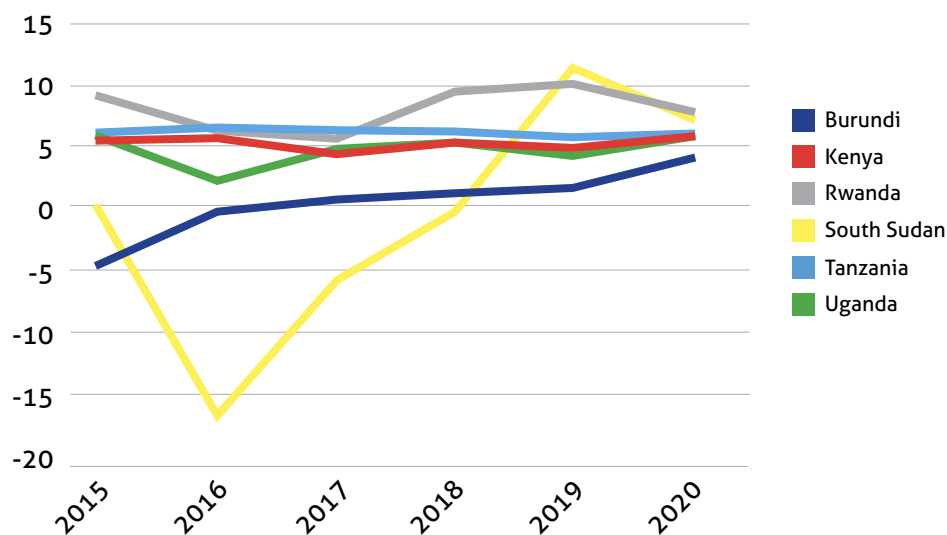
¹ www.eatradehub.org/new_on_our_knowledge_center_new_on_our_knowledge_center_africa_economic_outlook_2019

² KPMG Kenya Budget Brief 2019

- Fisheries products include both freshwater fish from rivers, dams and lakes and marine fish from the Indian Ocean. Forestry products include fruits, honey, herbal medicine, timber, and wood for fuel.

EAC therefore through its various and relevant structures must design or improve strategic interventions, map regional investment opportunities in the EAC Agriculture sector, tackle the constraints and challenges of the agriculture sector, livestock, and fisheries.

Figure 2- 1 GDP Growth Rates in EAC 2015-2020 (%)



Source: EAC Facts and Figures Report 2019, IMF, and AfDB Statistics

Table 2- 2 EAC Partner State GDP Shares (%), 2015-2020

Agriculture, value added (% of GDP)						
Year	Burundi	Kenya	Rwanda	South Sudan	Tanzania	Uganda
2015	40.5	30.2	24	4.1	26.7	21.1
2016	40.7	31.1	25	3.8	27.4	24.2
2017	42.0	34.8	26	3.2	28.8	23.1
2018	41.0	34.1	25	1.8	27.9	22.9
2019	40.7	34.1	24	...	26.6	23.9
2020*	41.0	34.6	...	...	...	...
Industry, value added (% of GDP)						
Year	Burundi	Kenya	Rwanda	S. Sudan	Tanzania	Uganda
2015	11.9	17.3	18.3	0.2	7.9	18.0
2016	11.8	17.8	17.6	0.3	7.8	15.3
2017	11.1	16.8	16.9	0.3	7.7	15.6
2018	11.8	16.5	17.9	0.3	8.1	15.8
2019	11.8	16.2	17.8	...	8.5	15.6
2020*	11.7	...	...	...	...	...

Services, value added (% of GDP)						
Year	Burundi	Kenya	Rwanda	S. Sudan	Tanzania	Uganda
2015	43.1	48.7	50	50.85	40.4	43.9
2016	43.2	48.1	49	50.31	39.4	44.0
2017	42.7	44.6	48	47.08	38.0	43.8
2018	42.6	45.0	50	42.74	37.2	43.2
2019	43.1	45.0	49	...	36.8	43.0
2020*	42.9	43.8	...	...	...	...

Source: EAC Partner States

Notes:

- Supplementary data from EAC Facts and Figures Reports

- Data for S. Sudan Data from FAOSTAT and UNCTAD

- *2020 figures provisional

- "... " Data not available

As illustrated in Table 2-3, the drivers of economic growth in all the EAC Partner States were mainly crop production, manufacturing, construction, and service sectors.

Table 2- 3 Breakdown of Sector Share GDP Contribution 2017-2021 (%)

	2017	2018	2019	2020*
BURUNDI				
Agriculture	42.04	40.98	40.65	40.98
Crops	...	...	...	...
Livestock	...	...	...	...
Fisheries	...	...	...	...
Other agriculture	...	...	...	...
Manufacturing and Extracting Industry	11.13	11.79	11.76	11.67
Mining	0.37	0.38	0.36	0.36
Manufacturing	-	-	-	-
Electricity, water, and gas	-	-	-	-
Construction	3.5	3.7	3.6	3.6
Other manufacturing	-	-	-	-
Services	42.67	42.55	43.05	42.92
Trade, restaurants, and tourism	16.99	17.83	17.81	17.62
Credit, insurance, and banks	-	-	-	-
Transportation, storage	4.67	4.28	4.50	4.53
Government services	7.36	7.32	7.42	7.37
Other services	3.35	2.82	2.99	3.06
KENYA				
Agriculture	34.8	34.1	34.1	32.4
Crops	28.5	27.7	27.8	25.6
Livestock	4.2	4.1	4.5	4.4
Fisheries	0.4	0.5	0.6	0.52
Other agriculture	1.7	1.8	1.8	...

	2017	2018	2019	2020*
Manufacturing and Extracting Industry	16.8	16.5	16.2	17.02
Mining	0.7	0.8	0.8	0.82
Manufacturing	8.1	7.8	7.5	8.6
Electricity, water, and gas	2.4	2.5	2.3	2.4
Construction	5.6	5.5	5.6	5.2
Other manufacturing	-	-	-	-
Services	44.6	45.0	45.0	43.8
Trade, restaurants, and tourism	8.1	8.3	8.3	7.4
Credit, insurance, and banks	9.1	8.3	8	7.3
Transportation, storage	7.4	8.1	8.5	7.1
Government services	3.4	3.4	3.6	5.4
Other services	16.6	16.9	16.6	16.6
RWANDA				
Agriculture	26	25	24	-
Crops	17	14	14	-
Livestock	2	3	3	...
Fisheries	0.4	0.4	0.4	...
Other agriculture	6.6	7.6	6.6	...
SOUTH SUDAN				-
Agriculture	22.38	20.9	28.41	-
Crops	-	-	-	-
Livestock	-	-	...	-
Fisheries	...	...	...	...
Manufacturing and Extracting Industry	17.52	28.25	30.77	-
Mining	...	...	...	...
Manufacturing	2.5	1.7	...	...
Electricity, water and gas	...	...	...	...
Construction	5.6	4.1	...	...
Services	51.19	43.29	32.34	...
Trade, restaurants, and tourism	7.9	7.6	-	-
Credit, insurance and banks	-	-	-	-
Transportation, storage	10.3	10.3	-	-
Government services	-	-	-	-
Other services	28.2	24.2	-	-

	2017	2018	2019	2020*
TANZANIA				
Agriculture	28.8	28.2	27.4	24.7
Crops	16.6	16.2	14.8	13.1
Livestock	7.5	7.6	7.4	7.0
Fisheries	1.9	1.7	1.8	1.8
Manufacturing and Extracting Industry	25	26.8	28.6	29.3
Mining	4.4	5.1	5.2	4.6
Manufacturing	7.7	8.1	8.5	8.3
Electricity, water and gas	0.7	0.7	0.7	1.2
Construction	12.2	13	14.3	15.2
Services	38	37	36.8	39.0
Trade, restaurants, and tourism	10.4	10.4	10.5	10.1
Credit, insurance and banks	4	3.7	3.5	3.4
Transportation, storage	6.7	6.5	6.9	6.9
Government services	6.7	6.6	3.8	7.8
Other services	9.7	9.8	5.1	10.0
UGANDA				
Agriculture	23.5	22.8	21.9	22.8
Crops	14.7	14.2	12.5	13.7
Livestock	3	3.2	3.5	3.3
Fisheries	2	1.6	2.1	2
Manufacturing and Extracting Industry	26	26.5	27,1	26.5
Mining	1.2	1.2	1.4	1.2
Manufacturing	15,5	15.8	15.5	16.2
Electricity, water and gas	3.7	3.7	3.7	3.6
Construction	5.5	5.9	6.5	5.7
Services	43.5	43.4	43.3	43.6
Trade, restaurants, and tourism	12.2	12.3	11.8	12,1
Credit, insurance and banks	2.6	2.5	2.6	2.6
Transportation, storage	3.3	3.4	3.6	3.4
Government services	3.9	3.9	3.9	4.1
Other services	21	23.8	23.7	22.6

Source: EAC Partner States.

Notes:

- Supplementary data from EAC partner states statistical publications & UNCTAD

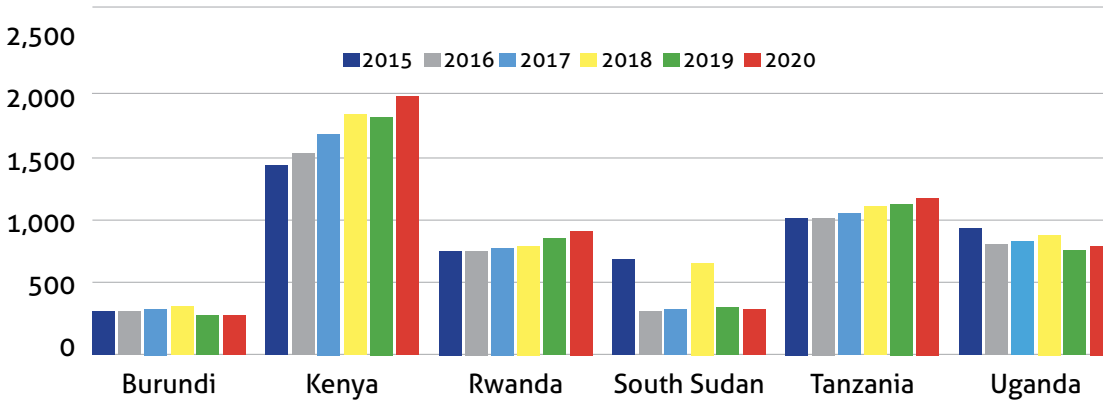
- *2020 figures provisional

- "... " data not available

2.3.3 Per Capita Incomes

While the overall EAC GDP stood at around US\$ 177 billion in 2019, the citizens’ purchasing power still differs and remains comparably weak between countries, for instance; Kenya dominates with the highest per capita incomes while Uganda, Tanzania and Rwanda have comparable per capita income bands. Burundi and South Sudan per capita income are generally low. (Table 2-1, Figure 2-2). Whereas the per capita incomes have maintained an upward trend across all the Partner States, the levels are still below the \$ 3000 targeted for middle income status.

Figure 2- 2 EAC Partner States GDP Per Capita 2015 - 2020 (Current US\$)

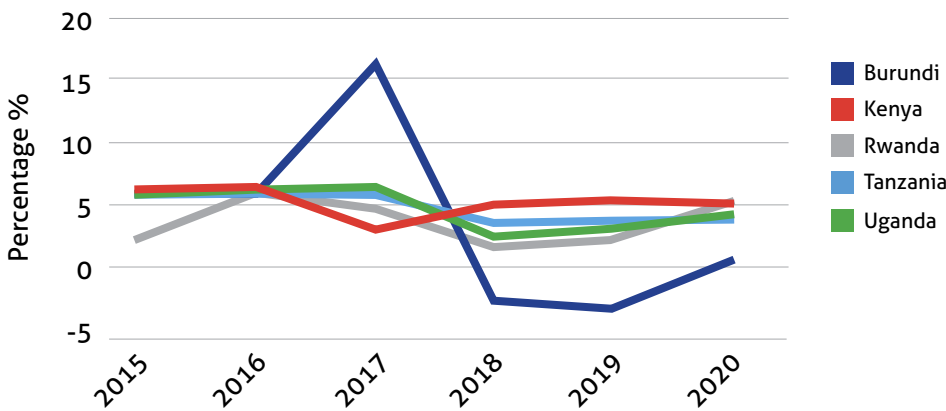


Source: EAC Facts and Figures Report 2019, AfDB Statistics

2.3.4 Inflation Development

Analysis of the inflationary tendencies across EAC Partner States indicate a promising trend and progress towards the attainment of the convergence criterion of Monetary Union, in which headline inflation is tagged at 8% (Table 2.1, Figure 2-3). A general decline in Annual Headline Inflation 2019 across East African Community Partner States was observed; for instance, Kenya reduced its inflation from 6.27% in July to 5.0%, Tanzania’s decreased from 3.7% to 3.6% in August 2019. In contrast, Rwanda's annual inflation rose to 2.8% in August from 1.6% in July, its highest level since October 2017.³ Consequently, South Sudan inflation rates continue to remain well above the target levels of 8%.

Figure 2- 3 Headline inflation for EAC partner states, consumer prices 2015-2020 (annual %)



Source: EAC Facts and Figures Report 2019, IMF, and AfDB Statistics

³ Macroeconomic Policy Department Ministry of Finance, Planning and Economic Development, Uganda

Overall exchange rates in the Partner States remained stable and inflation low (Tables 2.3, 2.4). This was generally attributed to the monetary and fiscal policies that aim for price stability and high economic growth. South Sudan's high inflation rate is attributed to combination of several factors that include high fiscal deficit. GDP contraction due to disruption in oil production, and a general lack of peace, leading to rapid currency depreciation and high cost of imports of consumables and capital goods. In Kenya, the central bank continued to pursue price and exchange rate stability and stimulating growth. To stimulate the economy the central bank loosened its monetary policy stance by reducing the interest rate to 9.5% in March 2018 and to 9% in July 2018. It also introduced various monetary policy instruments to manage system liquidity, including foreign exchange sales to reduce pressure on the shilling and minimize exchange rate pass through to inflation. Thus, despite the interest rate decline in 2018, inflation remained low, and the shilling's exchange rate with major currencies. Similarly, Rwanda and Tanzania applied policy stance to ensure stable exchange rates. In South Sudan, the 30% increase in the monetary base in 2018, driven by monetization of the fiscal deficit, and the high inflation that followed, led to a substantial depreciation of the South Sudanese pound, from 117 per US dollar in June 2017 to 140 in June 2018 in the official market; though at 316 in May 2018 in the parallel market.

Table 2- 4 State Currency to US dollar exchange rates (End of year 31st December)

Country	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Burundi	1,231	1,233	1,362	1,450	1,542	1,553	1,614	1,686	1,765	1,805
Kenya	75.8	78.0	88.8	84.5	86.1	87.9	98.1	101.5	103.4	101.2
Rwanda	568	583	600	614	647	683	720	787	832	861
South Sudan	2	2	3	3	3	3	11	79	127	153
Tanzania	1,327	1,454	1,567	1,572	1,579	1,723	2,149	2,173	2,230	2,281
Uganda	1,899.7	2,308.3	2,491.0	2,685.9	2,528.0	2,773.1	3,377.0	3,610.5	3,635.1	3,713.4

Source: EAC Partner States

2.3.5 Unemployment

Unemployment in the EAC Partner States is relatively high mainly due to structural rigidities. Partner State Visions aim at correcting the structural rigidities inhibiting economic growth. In Kenya Vision 2030, policy framework aims at addressing the slow progress in poverty reduction due to lack of structural change. In Rwanda, the National Strategy for Transformation launched in 2017 aims at bringing about structural transformation through the "Made in Rwanda" campaign. Similar initiatives are replicated in the other Partner States.

Table 2- 5 EAC Partner States Unemployment Rates, 2014-2019

Country	2014	2015	2016	2017	2018	2019
Burundi	2	...	4.7	4.7	4.7	...
Kenya	12.7	...	7.4	7.4	7.4	7.9
Rwanda	...	...	18.8	17.3	15.1	...
South Sudan	...	...	...	...	...	...
Tanzania	10.3	10.1	10.0	9.9	9.7	9.6
Uganda	9.4	9.4	9.4	9.4	9.4	9.2
EAC Average	6.2	3.6	8.4	8.1	7.7	...

Source: EAC Facts and Figures Reports

Note:

"..." Data not available

2.4 Fiscal Sector Development

To optimize the benefits of a common currency, EAC Partner States adapted the East African Monetary Union (EAMU) protocol to prepare for a monetary union through EAC Partner States converging their currencies into a single currency. Convergence criteria is a critical process for attaining the Monetary Union, the EAC, aside of asymmetries in the size and strength of Partner states, adopted a performance convergence criteria of headline inflation ceiling of 8 percent; fiscal deficit ceiling of 3% of GDP; gross public debt ceiling of 50% of GDP in net present value terms; and reserve cover of 4.5 months of imports⁴.

2.4.1 Fiscal Deficit

Convergence progress to Monetary Union should be indicated by fiscal deficit including grants ceiling of 3%. Generally, the region's fiscal deficit remained low, at an estimated 4.1% of GDP in 2018 on average and this was expected to drop to 3.5% in 2020. EAC Partner States are progressing on this, and indicators show progressive narrowing of the deficit (Table 2.6). Kenya is narrowing its deficit to 4.7%, Uganda to 3.9%, Tanzania to 2%, Rwanda to 8.8%, and Burundi to 8%. The fiscal deficits are highest in Burundi and Rwanda reflecting weaker economic activities. Due to high dependence on primary commodities for exports by all East Africa countries, falling global commodity prices and the drive for rapid economic growth achieved through high investment, which is above domestic savings have negatively affected their terms of trade, consequently resulting in persistent current account deficits.

Table 2- 6 Central Government's Budget (overall) deficit/ surplus excl. grants to GDP (2015-2018)

Year	Burundi	Kenya	Rwanda	South Sudan	Tanzania	Uganda
2015	-11.3	-8.6	-10.4	...	-4.1	-8
2016	-9.9	-7.1	-10	...	-3.2	-5.1
2017	-9.6	-5.1	-10.5	...	-2.5	-3.9
2018	-8	-4.7	-13.5	...	-3.3	-5

Source: EAC Facts and Figures Reports

Note:

"..." Data not available

2.4.2 Public Debt

Progressive convergence criteria for public debt is indicated at 50% of GDP. Available information shows plausible progress towards this milestone as most Partner States are becoming resilient to financing their budgets from reduced borrowing. Whereas EAC Partner States are trying to keep within the public debt requirement of convergence criteria, they are also careful to minimize the crowding out effects of deficit financing in areas of domestic investments and savings by balancing between domestic and external borrowing. For instance, Kenya current external debt stands at 60%, Tanzania at 38%, Uganda at 41.4%, and Rwanda at 40% in 2019 (Table 2.7). Equally, the debt service to exports is highest in Kenya with a service ratio of 74.7%.

Table 2- 7 External debt stock and debt indicators in East Africa, by country, 2019

Country	Total debt stock (US\$ Millions)	Debt-to-GDP ratio (%)	Debt service-to-exports ratio (%)
Burundi	505	58.4	21.6
Kenya	29,642	54.4	30.2
Rwanda	5,288.4	58.1	6.6
S. Sudan	1,196	42.2	17.4
Tanzania	20,787	38.0	10.8
Uganda	8,715.8	25.4	8.2

Source: EAC Partner States

⁴ The East African Monetary Union: Ready or Not? United Nations Economic Commission for Africa

2.4.2.1 External Debt

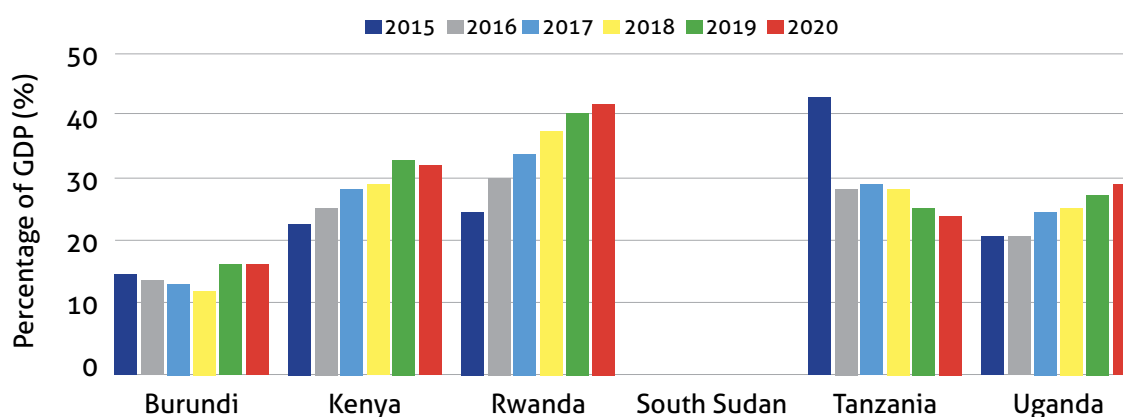
Theoretically, both the stock of external debt and its service (the payment of interest and repayment of principal) affect economic growth as it discourages private investment or alters the composition of public spending. Higher external interest payments can increase a country's budget deficit, thereby reducing public savings if private savings do not increase to offset the difference. This, in turn, may either drive up interest rates or crowd out the credit available for private investment, depressing economic growth. Debt service may discourage growth by squeezing the public resources available for investment in infrastructure and human capital.⁵

A huge percentage of EAC's public external debt is concessional in nature, although the commercial component is increasingly becoming a reality. Much of this debt portfolio is owed to multilateral creditors, like the World Bank's IDA, the African Development Bank followed by bilateral creditors which are essentially other countries, for example Japan, Italy, Germany, and then commercial creditors.

As a convergence criteria requirement for monetary union, the external debt should be kept within the range of up to 50% of the GDP, and from Fig 2-4 below, we observe that most EAC Partner States have struggled to keep their external debt in balance up to 2018, where Kenya, Uganda, and Rwanda had their external debts closer to 50% of their respective GDPs.

Whereas we appreciate external debt contribution towards deficit financing in the budget cycle, accumulating too much of it may become unsustainable for EAC Partner States. In this case, revenue will be spent on repayment of the interest and the principal amount at the expense of encouraging investment and promoting economic growth. More so, too much of it results in crowding out effect as it deters local and foreign investors from investing in the real sectors, hence weakening the economy.

Figure 2- 4 External Debt Accumulation in East Africa, 2015–18 (% of GDP)



Source: EAC Facts and Figures Report 2019⁶

2.4.3 Gross Foreign Reserves

Partner State foreign reserves confirm stability during the period 2014-2018 as presented in Table 2.8. and Figure 2.5. These reserves in the case of Kenya, Tanzania and Uganda are adequate to meet the minimum import requirements of 4.5 months cover (Table 2.1).

⁵ External debt and economic growth in the East African Community

⁶ South Sudan data not available

Table 2- 8 EAC Countries Total Reserves 2014 - 2019 (includes gold, current US\$M)

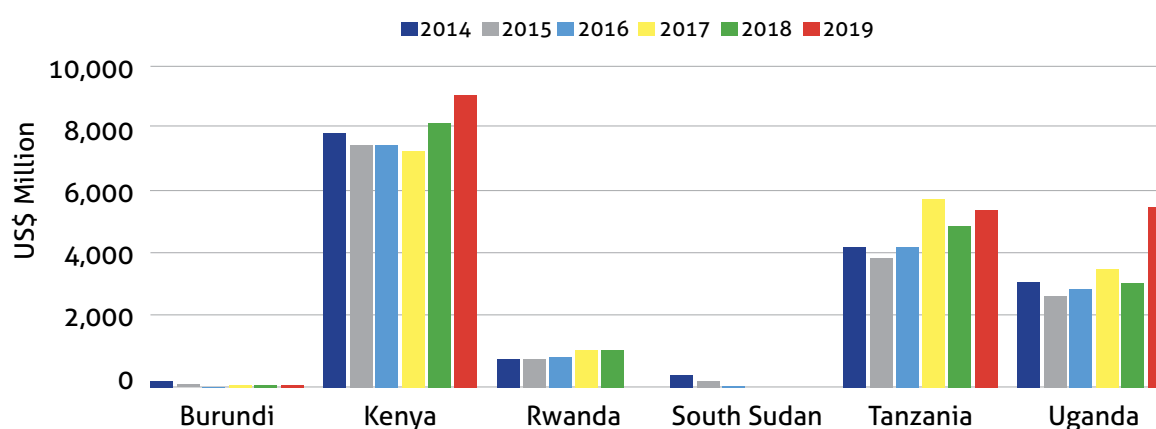
Country	2014	2015	2016	2017	2018	2019
Burundi	317	136	95	97	68	111.3
Kenya	6,003.4	7,529.6	7,199.8	7,110.2	8,443.2	9,053.1
Rwanda	945	917	1,013	1,179	1,238	1,46.8
South Sudan	417	230	68	...	...	...
Tanzania	4,377	4,094	4,326	5,900	5,045	5,568
Uganda	3,246.0	2,843.1	3,034.4	3,654.4	3,221.1	3,241.0

Source: EAC Partner States

Note:

"..." Data not available

Figure 2- 5 EAC Countries Total Foreign Reserves 2014 – 2019 (includes gold, current US\$M)



Source: EAC Partner States

2.5 The External Sector

The analysis of the external sector of EAC focused on trade performance, the foreign direct investments performance and trends, and the political economy outlook with other regional groupings. This choice is guided by the fact that all treaties and protocols agreed on so far are intended to facilitate a smooth implementation of the regional integration agenda on expanded market for all factors of production.

2.5.1 External Trade

There has been a significant diversification of EAC export mix to other parts of the world, ranging from primary to value added products (Table 2-10). Partner State exports are dominated by primary agricultural products, minerals with exception of South Sudan which exports petroleum (Table 2-10). The imports are dominated by petroleum, high value added capital goods and manufactured products such as electronics, motor vehicles, medicaments, palm military. EAC trade has remained at 11% while exports performed at 20% during 2015-2018 period (Table 2.9). However, 2019 experienced much lower intra-trade flows at 15.4%. This requires further research to take up corrective action. Several EAC Partner States export mineral gems, petroleum products, and other non-organic products whose value would be significantly higher if value were added to them. Efforts and a programmed agenda need to be embarked on for value addition in the identified sectors of regional interest. In 2016, for example, the share of intermediate exports, an indicator of industrial improvement, is significant in Uganda, Rwanda, and Tanzania (Table 2-11.). The establishment of the SCT in 2018 has facilitated trade among the Partner States.

Intra-EAC trade improved in 2018 to US\$ 3.1 billion dollars from US\$ 2.9 billion in 2017. EAC intra-regional imports grew by 13.9% to USD 2.8 billion in 2018 from US\$ 2.5 billion in 2017, whereas the intra-regional exports grew by 5.6% to USD3.2 billion in 2018 from US\$ 2.9 billion in 2017. The composition of intra-EAC trade continued to be dominated by agricultural commodities, namely coffee, tobacco, cotton, rice, maize, and wheat flour. However, manufactured goods such as cement, petroleum, textiles, sugar, confectionery, beer, salt, fats and oils, steel and steel products, paper, plastics, and pharmaceuticals were also traded across the region.

The region continued to register a trade deficit with the rest of the world in 2018, partly due to an increase in imports into the region. The deficit for the EAC increased by 39.4 % to USD 24.3 billion in 2018 from US\$17.4 billion registered in 2017.

Table 2- 9 EAC Global and Intra Regional Trade: Exports and Imports, 2015-2018 (USD Million)

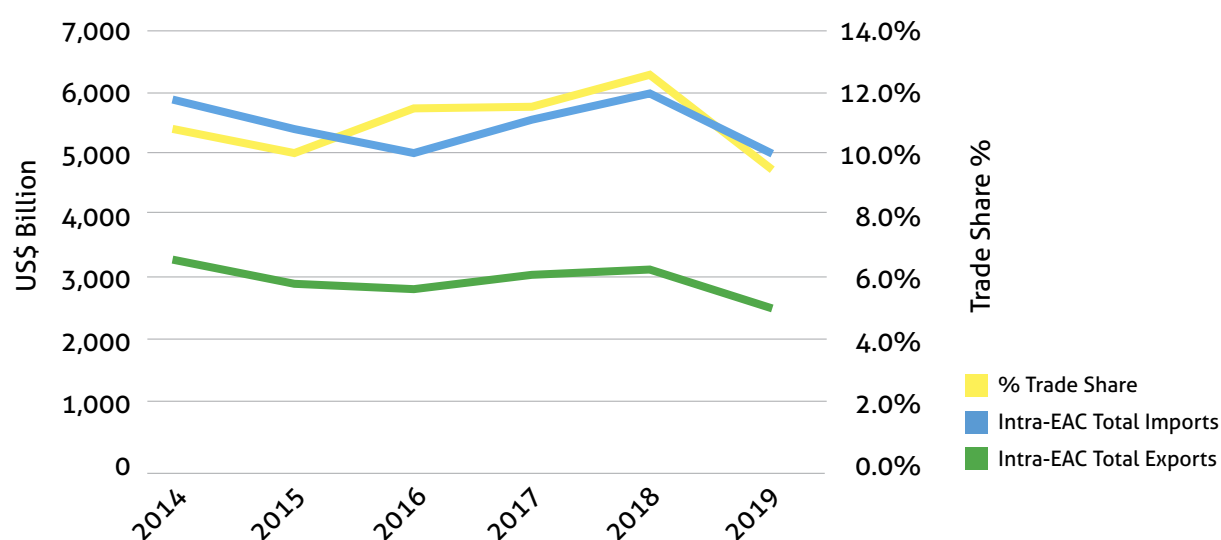
	2014	2015	2016	2017	2018	2019
Exports						
Total EAC Exports	19,373.40	16,819.60	16,234.50	14,727.30	14,027.90	16,352.33
Intra-EAC Total Exports	3,290.10	2,823.00	2,681.40	2,977.40	3,145.10	2,521.15
Intra-EAC % share to Total Exports	16.79	20.26	16.83	20.22	22.42	15.42
Imports						
Total EAC Imports	35,325.10	36,632.80	26,926.90	32,165.50	38,329.40	37,233.99
Intra-EAC Total Imports	2,535.30	2,524.40	2,181.00	2,490.60	2,835.90	2,523.96
Intra-EAC% share to Total imports	7.1	6.6	8.1	7.70	7.40	6.78
Total Trade						
Total Intra EAC Trade	5,825.40	5,347.40	4,862.40	5,468.00	5,981.00	5,045.11
Total Trade	54,698.50	53,452.40	43,161.40	46,892.80	52,357.30	53,586.33
% Share	10.7%	10.0%	11.3%	11.7%	11.4%	9.4%

Source: EAC Trade and Investment Reports

Notes:

- *Trade data for 2019 obtained from ITC TradeMap

Figure 2- 6 Total Intra EAC Trade and Trade Share 2014 - 2018 (US\$ Million, %)



Source: EAC Trade and Investment Reports

Table 2- 10 Exports and imports in East Africa, by country 2018-2019

		Exports				Imports					
Top 5 exports (HS4)		Exports (US\$ M)		% of Total Exports		Top 5 imports (HS4)		Imports (US\$ M)		% of Total Imports	
		2018	2019	2018	2019	2018	2019	2018	2019	2018	2019
Burundi											
	Gold, unwrought semi-manufactured	56.2	66.8	31	36.98			Petroleum products (excl. crude)	153.8	160.6	18.11
	Coffee	40.8	37.8	23	20.94			Cement incl clinkers	19.7	44.2	4.99
	Tea	26.1	22.0	14	12.19			Medicaments	41.5	44.1	4.97
	Mineral ores and Concentrates	11.9	11.8	7	5.59			Motor vehicles for transport of persons	27.2	36.1	4.07
	Wheat or meslin flour	9.0	10.1	5	5.7			Wheat and meslin	20.5	30.9	3.49
Kenya		2018	2019	2018	2019	2018	2019		2018	2019	2019
	Tea	1,370.7	1,113.4	22.6	19.08			Petroleum products (excl. crude)	3,088.7	3,014.7	17.7
	Cut flowers for ornamental	575.1	584.1	9.5	10.01			Motor vehicles for transport of persons	553.5	553.5	3.19
	Coffee	231.8	204.8	3.83	3.51			Palm oil and its fractions	505.4	521.1	2.91
	Titanium ores	151.7	135.8	2.51	2.33			Wheat and meslin	423.4	501.9	2.44
	Dates, figs, pineapples, etc., fresh or dried	139.0	125.8	2.3	2.16			Medicaments	461.9	468.3	2.66
Rwanda		2018	2019	2018	2019	2018	2019		2018	2019	2019
	Tea	92.4	86.4	9.09	7.44			Petroleum products (excl. crude)	505.6	484.1	15.15
	Coffee	80.5	74.6	8.04	6.42			Telephone sets, incl. telephones	131.8	95.9	3
	Mineral ores and Concentrates	71.6	45.3	7.04	3.91			Medicaments	66.4	81.8	2.24
	Tin ores and concentrates	49.8	36.6	4.9	3.15			Cane or beet sugar, chemically pure sucrose	61.5	75.4	2.36
	Wheat or meslin flour	23.2	28.0	2.82	2.41			Palm oil and its fractions	54.9	63.3	1.85

Exports				Imports					
Top 5 exports (HS4)	Exports (US\$ M)		% of Total Exports		Top 5 imports (HS4)	Imports (US\$ M)		% of Total Imports	
	2018	2019	2018	2019		2018	2019	2018	2019
South Sudan									
Petroleum products (incl. crude)	1,588.4	1,548.6	95.5	94.3	Motor vehicles for transport of persons	46.9	83.8	10.01	13.89
Gold, unwrought or semi-manufactured	12.4	47.6	0.75	2.9	Motor vehicles for the transport of goods	39.6	45.9	8.46	7.61
Dried leguminous vegetables	32.1	28.8	1.93	1.75	Food Preparations	11.1	25.0	2.39	4.15
Gums and resins	0.6	1,381.0	0.04	0.08	Beer made from malt	17.2	11.5	3.68	1.92
Melons, and papaws), fresh	0.3	0.4	0.02	0.02	Medicaments	14.6	10.6	3.12	1.76
Tanzania									
Gold, unwrought semi-manufactured	1,524.0	2,215.1	37.7	44.2	Petroleum products (excl. crude)	1,626.0	1,801.1	19.1	20.1
Unmanufactured tobacco	270.0	146.5	6.7	2.9	Palm oil and its fractions	218.8	304.7	2.57	2.67
Coconuts, brazil nuts and cashew nuts	109.6	353.1	2.7	7.0	Medicaments	205.1	271.6	2.41	2.38
Other oil seeds and oleaginous fruits	80.8	190.6	2.1	4.3	Motor vehicles for the transport of goods	177.6	230.6	2.09	2.02
Dried leguminous vegetables	100.5	178.3	2.65	4.03	Wheat and meslin	245.5	243.1	2.8	2.6
Uganda									
Gold, unwrought semi-manufactured	515.6	1,256.8	16.70	35.26	Medicaments	237.3	237.3	3.5	3.1
Coffee	436.1	438.5	14.12	12.31	Motor vehicles for the transport of goods	135.7	132.1	2.0	1.7
Milk and cream	48.9	4.8	1.58	1.26	Motor vehicles for transport of persons	168.4	182.5	2.5	2.4
Fish fillets and other fish meat	101.1	100.1	3.28	2.81	Wheat and meslin	154.1	171.9	2.3	2.2
Unmanufactured tobacco	74.1	57.8	2.40	1.62	Telephone sets, incl. telephones	110.8	122.4	1.6	1.6

Source: EAC Partner States Trade and Investment Reports

Notes:

- *:Trade data for 2019 obtained from ITC TradeMap

Table 2- 11 Export shares of EAC Partner states based on stage of processing all industries (2016)

Country	Exports in value	Share of high-tech products (%)	Share of primary (%)	Share of intermediate (%)	Share of capital (equipment) (%)	Share of consumer goods (%)
Burundi	125,244	0.6	52.9	35.1	2.4	9.6
Kenya	4,805,450	1.1	46.5	20.5	3.5	28.4
Rwanda	621,561	1.4	40.7	51.4	4	3.9
Tanzania	4,399,210	0.3	43	49.8	1.6	5.6
Uganda	2,481,813	0.9	38.6	53.4	3.4	4.6

Source: ITC Trade Map country and product competitiveness Database

2.5.2 Foreign Direct Investments Performance

2.5.2.1 Global FDIs

Global Foreign Direct Investment (FDI) flows reduced during most of 2018 and the first half of 2019 by 13% to US\$1.3 trillion from a revised US\$1.5 trillion in 2017 (Table 2.12). This fall in FDIs is the third consecutive fall, and it is believed to have been caused by the United States Multi-National Enterprises (MNEs)' large repatriations of their accumulated foreign earnings, which was engineered by the tax reforms that were introduced by the current Republican Government in 2017.⁷ In 2019, the EAC received 25% of the FDIs into Africa (Fig 2-7).

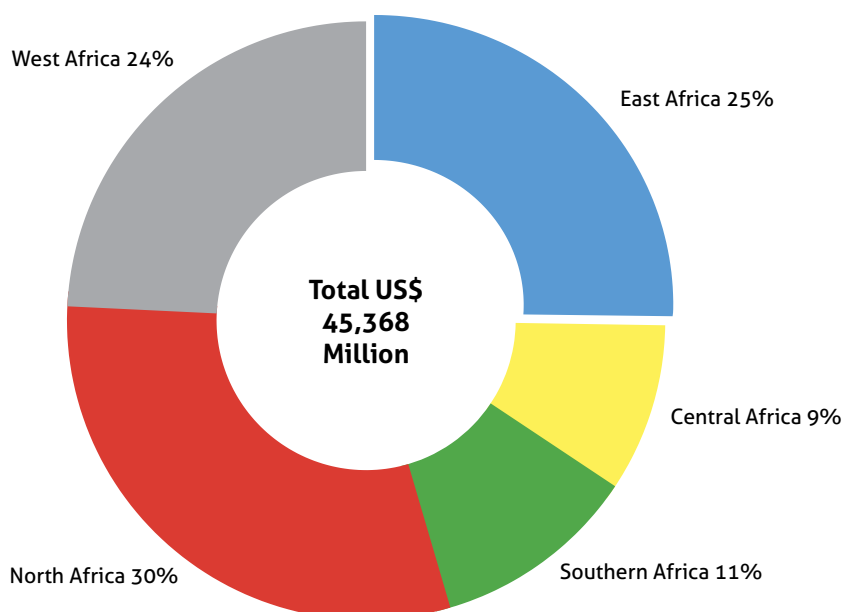
Table 2- 12 Global FDIs Inflows (2016-2018)

	FDI Inflows (USD Billion)		
	2017	2018	2019
World	1,700	1,495	1,540
Development Economies	950	761	800
Europe	570	364	429
North America	304	297	297
Development Economies	701	699	685
Africa	42	51	45
Asia	502	499	474
Latin America & Caribbean	156	149	164
Percentage Share in Global Flows (%)			
Development Economies	56%	51%	52%
Europe	34%	24%	28%
North America	18%	20%	19%
Development Economies	41%	47%	44%
Africa	2%	3%	3%
Asia	30%	33%	31%
Latin America & Caribbean	9%	10%	11%

Source: UNCTAD World Investment Report, 2020

⁷ UNCTAD's World Investment Report 2019

Figure 2- 7 FDI Inflows to Africa 2019



It should be noted that despite the above-mentioned fall in 2017 FDIs, there was 18 per cent rise in cross-border merger and acquisitions (M&As) globally, from US\$694 billion in 2017 to US\$816 billion in 2018, and a 41% rise in greenfield investment values (from US\$698 billion to US\$981 billion). Even when flows abated as described above, developing countries registered a minimal rise of 2%, which approximated their share of global FDI flow of 54%, from 46% in the previous year.

FDI flows to Africa expanded by 11% to US\$46 billion in 2018, although this was still below the annual average of the last 10 years (at about US\$50 billion). The rise in FDI flows was mainly due to the continuation of resource seeking investments, slowly expanding diversified investments in a few economies, and a more than doubling of FDI flows to South Africa (from US\$2 billion to US\$5.3 billion). FDI held steady at US\$5.7 billion in East Africa Community, the fastest-growing region of the continent, attracting 30% of the continent's total of 197 FDI projects. Flows to Kenya swelled by 27% to US\$1.6 billion, due to investment in diverse sectors, including manufacturing, hospitality, chemicals and oil and gas. In Uganda, inflows reached a historic high, increasing by 67% to US\$1.3 billion, while Tanzania inflows grew by 18% to US\$1.1 billion.

UNCTAD revised its FDIs estimates of the global impact of COVID-19 from 5%-15% to 30%-40% during 2020 and 2021 due to demand shocks and supply chain disruptions. With the moderate effect of COVID-19 in Africa so far, the continent's overall FDI inflows are estimated to shrink by 15%. Many African governments have adopted emergency policy measures to protect public health and stop the spread of COVID-19. Some of these measures are intended to support investors and investments during the pandemic (e.g. finance assistance programmes). Some policy measures (e.g. company closures, export control measures, lockdown regulations etc.) have negative impacts on investments. To that end, Africa is likely to experience foreign capital outflows due to COVID-19 because of the uncertainties on what the future holds if the cure for COVID-19 is not found soon. Investments to be affected most are those in energy and primary industries because of the oil price drop, as well as the airline and tourism industries due to travel cancellations and bans.

2.5.2.2 FDIs into EAC Region

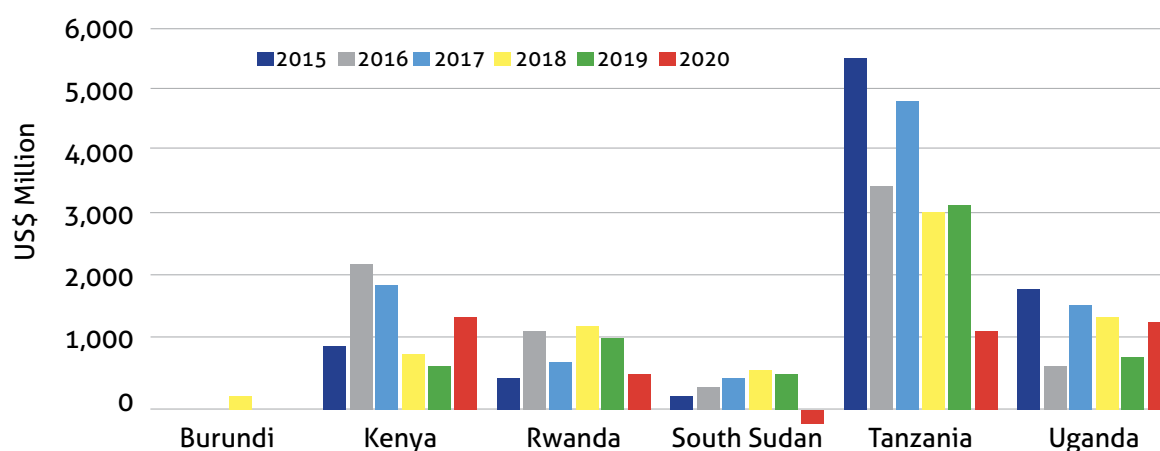
Over the recent years there has been an enabling environment for investment, coupled with increase in economic growth in their GDPs, with Kenya, Rwanda, and Tanzania having registered the biggest growth in GDP and increase in household consumption investment has been increasing. Initiatives such as buy Uganda Build Uganda (BUBU), Buy Kenya Build Kenya (BKBK), the "Made in Rwanda" campaigns; provisions like industrial parks, offering numerous concessions like tax holidays, and pursuing spatial targeting—strategically directing and prioritizing investments and interventions to leverage the advantages of spatial areas such as urban centres for industrial development have equally attracted both domestic and foreign investment. Table 2.13 and Fig 2.8 demonstrate the effects of the improved investment environment.

Table 2- 13 FDI Inflows into EAC Region, 2014-2019 (US\$ million)

Country	2014	2015	2016	2017	2018	2019
Burundi	3.2	1.8	14.6	65.1	15.1	1.04
Kenya	874.1	2,187.4	1,820.2	717.7	485.5	1,332.4
Rwanda	359.2	1,065.3	600.1	1,147.7	1,015.3	420.16
South Sudan	44.0	213.2	315.1	462.5	408.6	(231.84)
Tanzania	5,502.9	3,449.7	4,822.3	3,051.4	3,122.4	2,624.4
Uganda	1,058.6	737.7	625.7	802.7	1,055.4	1,259.8
Total EAC	3.2	1.8	14.6	65.1	15.1	1.04

Source: EAC Trade and Investment Reports

Figure 2- 8 FDI Flows into EAC region 2014 - 2019 (US\$ million)



Source: EAC Trade and Investment Reports

The cumulative inward stock of FDIs by the end of financial year 2018/2019 was over 91 billion dollars, while investments originating from EAC into other economies, either by green, brown, or mergers and acquisitions stood at 3.1 billion dollars. Green field investments with EAC as a source stood at above 1.2 billion dollars.

There are several areas for potential investment that EAC as a region can galvanize and exploit, for example, beverages, textiles and apparel, electronics, vehicles parts and assembly, electrical equipment, plastics, chemicals, pharmaceuticals, and packaging. Investment opportunities thus exist in cotton ginning, production of yarn and finished textiles, marketing and trading in cotton and textiles as well as in cut, make and trim units. In fact, Rwanda currently offers opportunities in development of sericulture and the silk textile industry.

2.6 Industrialization

To rapidly transform the EAC to a modern and industrialized region, the Community adapted an industrialization policy 2012-2032, which expects to leverage on the potential market created by the Common Market Protocol as a source or stimulus for demand, while benchmarking the opportunities created by the fast growing global and emerging markets for manufactured value-added products (MVAs). In anticipation of a fully functioning Common Market and deepening regional integration through a monetary union, the industrial sector's potential to job creation, stimulation of development of other sectors through forward and backward linkages could provide the much-needed impetus for industrialization in the region. To this effect, developing a diversified manufacturing sector to produce competitive products would enable the EAC regional industries to serve the increasingly expanding intra-regional market to participate in inter-regional and global export markets, which would stimulate competitiveness, improve productivity and attractiveness of the region's MVAs, as well as the region's shock absorptive capacity, while ushering in a more rapid development.

2.6.1 Industrial Competitiveness

The 2017 EAC Industrial Competitiveness report indicates that, the EAC industrial performance, as measured by Manufacturing Value Added (MVA) and manufacturing trade growth rates, remains well above the global average, in relative terms but falls short of some of the targets set in its Industrialisation Policy (2012-2032). The industrial manufacturing value added index among the EAC Partner States shows minimum change over 2015 to 2018. However, against the background of low industrial activity, URT has revamped its industrial sector, with the share contribution of manufactured exports having increased from 23% in 2015 to 42% in 2018. Kenya recorded a higher total manufacturing value added, but on per capita basis, Burundi scored a higher rate (Table 2-14).

Table 2- 14 Competitive Industrial Performance Index Measures

Manufacturing value added per capita (Constant US \$)	2015	2016	2017	2018
Burundi	23.6	25.5	24.3	23.3
Kenya	114	114.9	116	117.8
Rwanda	43	44.7	46	47.8
South Sudan	...	...	...	...
Tanzania	53.7	56.1	58.1	60.1
Uganda	56.1	54.2	55.1	56.8
Manufacturing value added share in total GDP	2015	2016	2017	2018
Burundi	11%	11%	11%	11%
Kenya	9%	9%	9%	8%
Rwanda	6%	6%	6%	6%
South Sudan	...	...	...	...
Tanzania	5%	5%	5%	5%
Uganda	9%	9%	8%	8%
Manufactured exports share in total exports	2015	2016	2017	2018
Burundi	37%	35%	30%	29%
Kenya	49%	42%	42%	42%
Rwanda	50%	38%	38%	38%
South Sudan	...	...	...	...
Tanzania	43%	27%	25%	84%
Uganda	34.1	32.5	25.0	27.9

Source: EAC Partner States

Notes:

- Supplementary data from UNIDO CPI Reports

- "..." Data not available

2.6.2 Manufactured Value-Added Exports

At the regional level, manufactured exports are dominated by agricultural value-added food and beverage products, refined consumer products, metals and metal products, tobacco and machinery and transport equipment (Table 2-15).

Table 2- 15 EAC Manufactured Exports Shares by Sector 2015 - 2018 (Percentage)

Sector	2015	2016	2017	2018
Food and beverages	20%	19%	23%	21%
Coke refined, petroleum, & rubber	17%	15%	18%	16%
Metal & metal products	7%	8%	5%	6%
Tobacco	4%	4%	4%	6%
Machinery and transport equipment	5%	3%	3%	5%
Chemicals & Plastics	5%	5%	5%	5%
Textile, Apparel & Leather	5%	5%	5%	4%
Animal and vegetable oils, fats, and waxes	2%	1%	1%	1%
Paper and paper manufactures	1%	1%	1%	1%

Source: UNCTADStat

2.6.3 Constraints and challenges to Industrial competitiveness

To achieve a decisive level of industrial competitiveness that can support intra-regional sectoral forward and backward linkages and be able to comprehensively serve both the EAC and other regional markets, the Community must address a number of structural constraints, some of which are specific to particular Partner States. It should be appreciated that in almost all Partner States, observable efforts have been expended to develop and improve the competitiveness of their respective industrial sectors, for instance, schemes and policies like privatization, incentive schemes for private businesses, special programs for priority sectors, and horizontal initiatives. Some of the most outstanding constraints include:

Transport and logistics: Efforts should focus on increasing speed and reducing distances along the northern and central corridors anchored by ports of Mombasa and Dar es Salaam, respectively. Inefficient rail system pushes goods onto roads, which compounds the problems associated with roads like creating congestion and raising the unit cost of transport over longer distances. Port inefficiency results in container underutilization. East African ports generally underperform when compared with global competitors across a range of indicators. Mombasa and Dar es Salaam, the two main ports in the region have limited capacity although Mombasa's performance may improve following the commissioning of a new berth facility that aims at expanding handling capacity by 200,000 TEU (twenty-foot equivalent units). Surface transport compounds port problems. Transport to ports suffers from holdups at national borders and checkpoints along road networks, and this is currently exacerbated by the COVID-19 pandemic with which truck drivers must be tested before crossing into Partner States' territories.

Poor energy supply: This causes blackouts and demands expensive supplementary generators. For energy intensive production, inconsistent power supply is a major competitive disadvantage. In addition, developing the power grids, managing, and trading new energy presents challenges. However, the region has untapped thermo, solar, hydro, wind, and fossil fuel resources that could increase energy supply.

Telecommunications: East Africa has experienced a technological revolution, but it has not reduced costs. The region has the lowest penetration rates in Africa for fixed telephone lines, mobile phones, and especially internet services, though rates vary widely across Partner States (see Table 2.67 below). However, the situation has improved markedly. Tanzania's economic reforms have remarkably improved telephone service quantity and quality, although access to the internet remains a challenge.

Table 2- 16 EAC's Access to Telecommunications Services, 2015-2019

Indicator	Country	2015	2016	2017	2018	2019
Mobile cellular subscriptions (per 100 people)	Burundi	49.19	51.09	54.68	56.53	...
	Kenya	85.41	85.93	91.89	103.45	114.70
	Rwanda	77.05	76.46	73.61	78.85	78.1
	South Sudan	27.05	24.92	25.56	33.46	...
	Tanzania	77.05	75.48	73.09	77.24	...
	Uganda	57.37	62.33	65.93	64.95	63.00
Individuals using the Internet (% of population)	Burundi	4.9	5.2	2.66	...	...
	Kenya	16.6	16.6	17.83	...	22.5
	Rwanda	18.0	20.0	21.77	...	...
	South Sudan	5.5	6.7	7.98	...	...
	Tanzania	20.0	13.5	25.00	...	...
	Uganda	17.8	21.9	23.71	28.8	...
Fixed broadband subscriptions (Number)	Burundi	2,771	3,245	3,914	3,935	...
	Kenya	135,107	132,702	288,303	371,498	429,382
	Rwanda	21,125	21,721	21,780	7,501	8,885
	South Sudan	150	150	200	200	...
	Tanzania	106,000	318,474	763,466	861,234	...
	Uganda	130,200	148,000	167,700	166,191	...

Source: EAC Partner States

Notes:

- Supplementary data from World Bank WDI

- "..." Data not available

Policy and institutional support: Although the soft infrastructure is in place, and the regulatory and business environment has made progress in some East African countries, their inadequacy continues to constrain manufacturing. Rwanda has so far performed excellently and ranks the best in ease of registering property, and its overall ranking is 41 worldwide. Kenya has also made some progress, notably in ease of obtaining credit, investor protection, and getting electricity, its overall ranking is 80 worldwide. Thus, for EAC's manufacturing to achieve competitiveness a multifaceted approach will need to be adapted, including multiple policy combination, identifying subtle constraints on industrialization based on a country-by-country, and sector-by-sector.

2.6.4 Potential Areas of Intervention on Industrial Development

In addition to the above identified constraints to EAC's journey to industrial competitiveness, a combined policy prescription proposal could also look at improving other salient factors constituting UNIDO's Competitive Industrial Performance (CIP) index. This would enhance EAC Partner States capability to produce and export manufactured goods competitively. Thus, policy prescriptions should look at indices like; protecting investors, getting credit, enforcing contracts, paying taxes, construction permits, registering property, resolving insolvency, getting electricity, and trading across borders. The policy should also look at ways of driving EAC economies to adapt high-tech sectors from resource-based and low-tech sectors. Manufacturing entities should be encouraged to form beneficial strategic alliances within their value chains to ensure sustainable forward and backward linkages. Partner States should also develop and avail key industrial drivers to increase investment and boost industrial production and exports.

2.7 Productive and Social sectors

The identity of production, consumption and income is a basic equation that determines the country's economic growth; thus, economies must examine, nurture, and prioritize their productive sectors as the basis for enhancing the livelihood of their people. A healthy vibrant EAC economy will need to focus on and prioritize its people's health, get them work and optimize their productivity while paying special attention to food security. EAC's most productive sectors with the potential to optimize employment include tourism and wildlife management, industrial development and energy, agriculture, environment, and natural resources.

2.7.1 Agriculture & Livestock

In most EAC economies, agriculture is still posited as a major employer, with over 70% of the rural population dependency, but there is a lot of disguised employment and annoyingly low productivity as many of EAC's agro-communities depend on rain-fed agriculture. Statistics available suggest that agriculture's contribution to GDP is approximately 25.7% as Partner States do export several agro-products as observed in Table 2-3. The livestock and fisheries contributions to the region's economic activities are substantial as presented in Table 2-17.

Table 2- 17 Select Livestock and Crop Production 2013 - 2018 (figures in 000s)

Description	Country	2013	2014	2015	2016	2017	2018	2019
Cattle (Head)	Burundi	646	826	797	623	1,045	796	...
	Kenya	17,500	17,500	17,500	17,500	17,500	17,500	...
	Rwanda	1,138	1,165	1,349	1,214	1,166	1,293	...
	South Sudan	11,765	11,817	11,824	11,831	11,838	11,844	...
	Tanzania	22,800	24,100	25,800	28,436	30,497	32,187	...
	Uganda	13,020	13,623	14,031	14,368	14,189	14,572	...
	EAC	66,875	67,866	69,952	72,758	76,925	76,899	...
Maize (Tonnes)	Burundi	162	128	161	244	228	290	...
	Kenya	3,593	3,513	3,825	3,339	3,688	4,014	3,897
	Rwanda	282	357	370	374	358	424	421
	South Sudan	171	268	140	107	92	90	...
	Uganda	2,748	2,647	2,813	2,483	2,827	3,442	...
	Tanzania	5,288	6,737	5,903	6,149	6,681	6,273	5,652
	EAC	12,698	13,992	13,046	12,597	13,277	13,755	...
Fish (Tonne)	Burundi	17	16	20	22	20	21	...
	Kenya	163	183	164	148	135	148	134
	Rwanda	22	24	25	26	28	31	33
	South Sudan	...	...	...	...	...	...	...
	Uganda	419	462	455	468	367	346	...
	Tanzania	375	369	366	367	399	392	...
	EAC	1,030	1,005	1,005	921	907	1,030	...

Source: EAC Partner States

Notes:

- Supplementary data from EAC Facts and Figures Reports, FAO and UNCTAD

- "..." Data not available

The role of the agricultural sector in economic development and welfare improvement in EAC Partner States cannot be over emphasized as it accounts for about 65% of the total EAC intra-regional trade by volume. This implies that improving agricultural activities in the region is likely to contribute significantly to economic growth and development in the region. Additionally, given that 75 per cent of world women live in rural areas dominated by agricultural sector, improving agricultural trade will also contribute to women economic empowerment.

Like many sectors, the EAC agricultural sector has a number of challenges although they differ as per the country, for instance, low productivity; poor post-harvest handling leading to losses; poor off-farm gate prices, limited value addition, and poor natural resource management which exposes the sector to climate change-related risks. Others include deforestation, inappropriate agricultural policies and practices, civil wars, and physical insecurity all of which may lead to food insecurity in the region and beyond. Yet the region does not have a reliable early warning system to foresee climate related disasters and risks in the region before they occur.

EAC Partner States therefore need to refocus and expedite the implementation of various proposed interventions like actions embedded in the Malabo Declaration (2014), the Maputo Declaration (2003), and regional integration protocols aiming at deepening intra-regional trade. Others include Comprehensive Africa Agriculture Development Program (CAADP), National Agricultural Investment Plans (NAIPs), as well as increasing investments for institutional capacity strengthening and achievement of national food and nutrition security.

2.7.2 Environment and Natural Resources

The EAC region is naturally and richly endowed with a variety of natural resources that provide a source of livelihood for several of its people. These resources include fresh water and marine, coastal water ecosystems; forests and wildlife, wetlands, rangelands, arable land and mountains; minerals and energy resources, and rich biodiversity. These natural resources are potential drivers of national and regional economic development as their efficient utilisation would result into sustainable development. Therefore, development activities in various productive and social sectors (including agriculture and livestock, energy, industry, infrastructure, etc.) must be managed well to avoid negative impacts which would cause environmental degradation.

Countries such as Kenya and Tanzania have a rich diversity of flora and fauna, including fish, coral reefs and mangrove forests and rangelands. Burundi has 172,000 ha (or 6.7%) of forests, which harbours 2,500 higher plant species, 145 bird species, 107 mammal species, 79 reptile species, 18 amphibian species and 5 fish species. Rwanda is considered one of Africa’s most biologically diverse regions with 40% of the continent’s mammal species (402 species), a huge diversity of birds (1,061 species), reptiles and amphibians (293 species), and higher plants (5,793 species). Uganda owns a variety of natural resources which include water and wetlands, biodiversity, fisheries, forestry, land resources, wildlife, and minerals, among others. It has more than 5,000 plant species along with 345 mammals, 1,015 birds, 165 reptiles and 43 amphibians. The five Partner States of the EAC share many terrestrial and aquatic ecosystems which are primary assets and a store of wealth - wildlife, flora, and fauna, that if managed well, could contribute to poverty alleviation. The rainfall patterns have become more erratic in the recent times, and trending toward longer dry spells, resulting in shortened growing periods for staple foods which portend food insecurity.

Table 2- 18 Forests and Tree Resources, (square Kilometres)

Indicator (sq. km)	States/Years	2013	2014	2015	2016	2017	2018	2019
Plantation forest cover	Burundi	1,876	1,876	1,876	1,548	1,548	1,295	...
	Kenya	1,323	1,323	1,323	1,908	1,894	1,913	...
	Rwanda	3,905.07	4,040.47	4,132.74	4,215.00	4,266.00	4,266.00	3,874.2
	South Sudan	...	...	...	...	...	...	...
	Tanzania	1,349	1,349	1,349	2,011	2,061	...	...
	Uganda	647	647	1,077	1,077	1,077	1,077	...
	EAST AFRICA	11,113.07	11,249.47	11,772.74	12,775	12,863	1,077	...

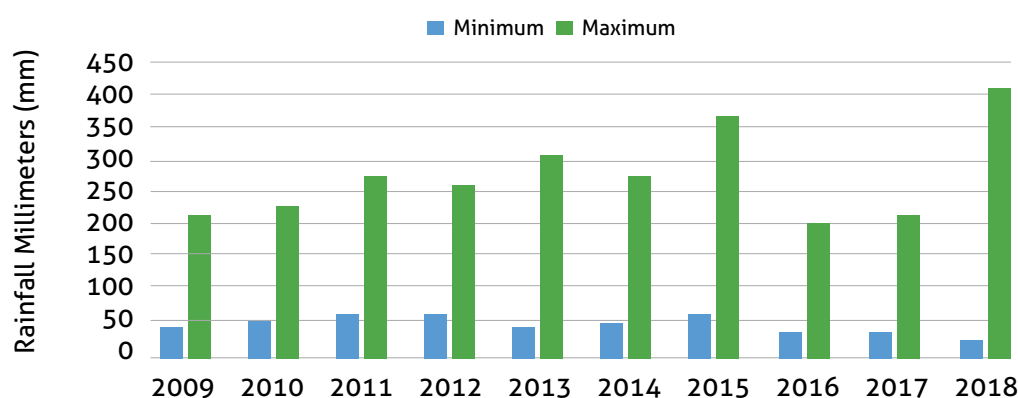
Indicator (sq. km)	States/Years	2013	2014	2015	2016	2017	2018	2019
Natural forest cover	Burundi	1,016	1,016	1,016	1,136	1,136	1,136	...
	Kenya	16,850	16,850	16,850	39,944	40,330	40,330	...
	Rwanda	2,831.28	2,831.28	2,831.28	1,232.23	1,232.23	1,232.23	1,308.5
	South Sudan	4,053	4,053	4,053	4,053	4,053	4,053	...
	Tanzania	352,570	352,570	352,570	288,029	287,979	...	....
	Uganda	6,857	6,857	6,312	6,310	6,310	6,310	...
	EAST AFRICA	386,190.28	386,191.28	385,647.28	342,720.23	343,057.23	55,079.23	...
Other forest vegetation cover	Burundi	1,798	1,798	1,798	1,798	1,798	1,798	...
	Kenya	1,240	1,240	1,240	1,240	1,240	1,240	...
	Rwanda	...	...	...	2,631.66	2,631.66	2,631.66	2,064.19
	South Sudan	9,664	9,664	9,664	9,664	9,664	9,664	...
	Tanzania	...	190,960	190,960	190,960	190,960	...	...
	Uganda	14,489	14,489	12,130	12,130	12,130	12,130	...
	EAST AFRICA	1,876	1,876	1,876	1,548	1,548	1,295	...

Source: EAC Partner States

Notes:

- "... " Data not available

Figure 2- 9 EAC Average maximum and minimum rainfall, millimetres (2009 - 2018)



Source: EAC Facts and Figures Report 2019

However, EAC's environment and natural resources face a number of challenges including: climate change, ozone layer depletion due to the rising population pressure, expansion in human activities; over-exploitation, unsustainable agricultural practices, over-fishing, bio piracy, poaching, air and water pollution including both point and non-point sources, rampant conversion and destruction of wetlands in ecosystems such as Lake Victoria, recurrent hazards such as droughts, floods, landslides, pests and diseases; and conflicts.

To conserve EAC's natural environment and resources, the Community shall have to adapt a Collaborative Conservation and Management of Trans-boundary Natural Resources in which it would strengthen its evidence-based decision-making, regulation, technical coordination of strategic approaches and capacity building in conservation and joint exploration and exploitation of mineral resources. To increase regional public awareness on the value of natural resources; reduce bio piracy, and trans-boundary wildlife poaching and trafficking EAC will need to strengthen the harmonization of regional policies, strategies, plans and legal frameworks that support effective and efficient protection of environment, conservation, and management of trans-boundary ecosystems in the entire region.

2.7.2.1 Climate Change Management

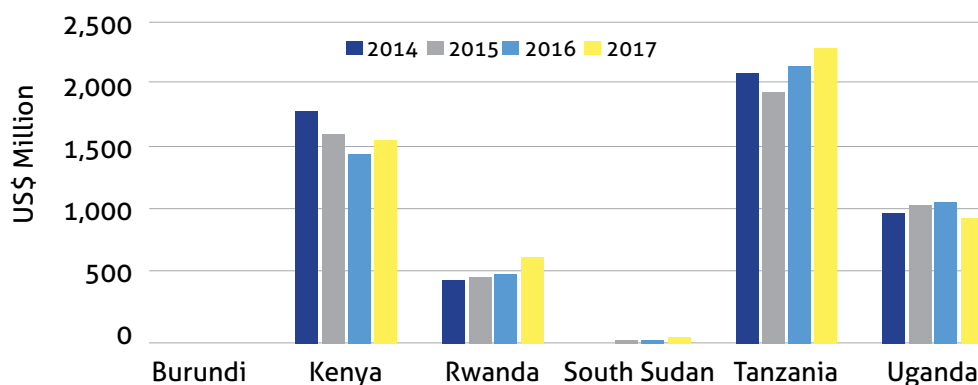
The impact of climate change in the EAC region is real and becoming adverse, EAC is continuing to build resilience and reduce vulnerability of its local communities. Societal vulnerability to the risks associated with climate change may exacerbate the current social and economic challenges, particularly for those dependent on resources that are sensitive to changes in climate.

EAC has so far developed a Climate Change Policy and Strategies to address these observable adverse impacts and to guide Partner States and other stakeholders on the preparation and implementation of collective measures to address climate change in the region while assuring sustainable social and economic development.

2.7.2.2 Tourism and Wildlife Management

The EAC Region is naturally endowed with a variety of natural wonders that attract tourists, for instance the scenic views, wildlife species, mysterious ecosystems, landscapes, water bodies, beaches, rich African cuisine and culinary culture, and various social-cultures outfits that are worth observing and enjoying. This attraction, if turned into an economic model, in which value chains and actors along these chains identified and developed, the potential support services get developed and integrated into the model, then the demand side gets fully mapped and their needs addressed, plus respective governments developing and rolling out policy frameworks to regulate, support, and boost the sector, it can turn into a significant contributor to the region's overall GDP. Because tourism has significant backward linkages to the domestic economies and therefore contributes to growth and employment in other sectors, EAC Countries must prioritize the sector and develop a regional-collective and coordinated approach, which can encourage the optimization of income and the number of visitors including EAC citizens. The highest tourism receipts are recorded in Tanzania (Fig 2-10).

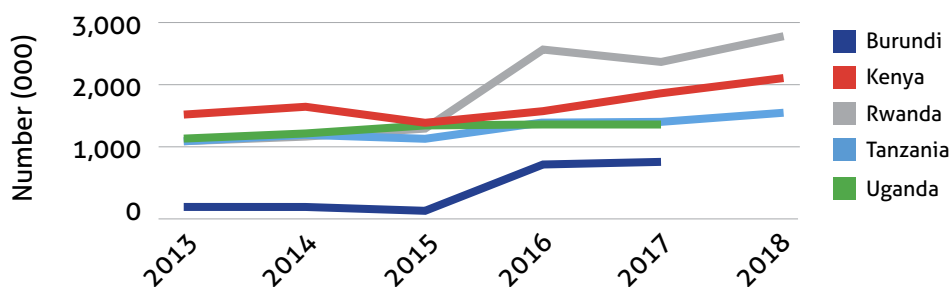
Figure 2- 10 International Tourism Receipts (Current US\$ M)



Source: World Travel and Tourism Council Database (2019)

The EAC tourism arrivals have increased from 3.5 million persons in 2006 to 6.95 million persons in 2019, representing 8.6% of the Africa market share and 0.3% of the global market share. Tourism contributed to the Gross Domestic Product of the EAC Partner States by an average of 8.1% in 2019 (Fig 2.11). The percentage contribution was higher than the average in Tanzania (10.3%), Rwanda (10.0%) and Kenya (9.7%). Tourism contributes an average of 17.2% to EAC total exports, although the percentage contribution was higher, in Tanzania (26%), Rwanda (21%) and (18.1%). The sector performance has been seriously affected by the COVID-19 pandemic through travel restrictions, closure of tourism businesses and other containment measures that were instituted by Governments.

Figure 2- 11 Foreign visitors/tourists' arrivals in EAC Partner States ('000') 2013 - 2018



EAC Facts and Figures Report 2019

EAC countries are realizing the potential of this sector to their economies, and each has developed respective marketing campaigns like; "Gifted by Nature" for Uganda, the protected areas of Akagera and Nyungwe National Parks of Rwanda, the protected massive wildlife migration at Boma and Badigilo National Parks of South Sudan, the 126 tourist sites including cultural heritage of Burundi, the "Magical Kenya" of Kenya and the "Tanzania Unforgettable".

However, the sector suffers a number of collective challenges like; a narrow range of tourism products; inadequate and inefficient infrastructure; insecurity; negative advisories from some source markets that are issued from time to time; stiff competition from relatively less costly travel destinations; inadequate financial and human resource; absence of harmonized policies and strategies; inadequate joint tourism promotion in international and regional markets; lack of common approach to implementation of international and regional treaties or agreements; inadequate research and development; and an under developed framework for e-tourism and online transactions.

2.7.3 Human Development Index Performance

To transform the economy of EAC, Partner States will need to prioritize their human capital resources as they work on all the other resources that are considered key to economic transformation and development. By 2019 EAC's population stood at 177 million and it is projected to reach 440 million by 2030. Additional HDR related data is presented in Table 2-19.

Table 2- 19 HDR Indicators (2018)

	Human development index (HDI) (index value)	Change in HDI rank	Life expectancy at birth (years)	Average annual HDI growth %	HDI rank
Country	2018	2013-2018	2018	2010-2018	2018
Burundi	0.423	-3	61.2	0.65	185
Kenya	0.579	0	66.3	1.04	147
Rwanda	0.536	2	68.7	1.19	157
South Sudan	0.413	-10	57.6	-0.35	186
Tanzania	0.528	2	65.0	1.03	159
Uganda	0.528	2	63.0	0.97	159

Source: UNDP HDR Report 2019

Further analysis in Table 2-20 indicates a demographic trend, where the population structure of the EAC is one of the youngest in the world. The region's population under 35 years of age ranges between 75% and 84%. With this youthful population the EAC must have a robust plan to not only exploit it as a potential domestic market but as a pool for entrepreneurs, innovators, and employees that can transform EAC economies. On the other hand, such a structure indicates a high dependency burden, which if not turned into productive human capital would create more economic development issues. Thus, EAC need to focus on skilling the youth and encourage absorption into the labour market to avoid a state of high unemployment and under-employment in the region.

Table 2- 20 EAC Partner State Proportion of Population below Age 35 years in 2019, (thousands)

Country	Burundi	Kenya	Rwanda	South Sudan	Tanzania	Uganda
Age Group						
0-4	2,019	7,009	1,849	1,698	9,528	7,686
5-9	1,767	6,966	1,654	1,535	8,462	6,897
10-14	1,450	6,630	1,518	1,366	7,441	6,003
15-19	1,174	5,864	1,319	1,189	6,195	5,065
20-24	1,029	5,067	1,153	1,049	5,107	4,161
25-29	976	4,269	1,016	884	4,468	3,404
30-34	844	3,950	963	726	3,785	2,727
Total Under 35 yrs	9,259	39,755	9,472	8,447	44,986	35,943
Total Population	11 531	47 564	12 627	11 062	58 005	44 270
% share of under 35 yrs	80%	84%	75%	76%	78%	81%

Source: EAC Partner States

Notes:

- Supplementary data from UNDESA

2.7.3.1 Education, Science, Technology, and Innovation

As of now, most EAC Partner State governments have or are adopting universal basic education policies and subsidisation of higher education which demonstrated the prioritization of education for the EAC citizens. For instance, Uganda, Rwanda, and Kenya have already rolled-out Universal Primary Education, Rwanda is pursuing the universal twelve-year basic education (12YBE), Uganda has upgraded to Universal Secondary Education, while Kenya is already subsidizing higher education. High school enrolments are recorded across all the Partner States (Table 2.22). URT have carried out major reforms in the education sector by providing Universal Primary Education; free Primary and Secondary Education and subsidizing Higher Level Education. To complement these efforts, EAC region has developed and adopted Science, Technology, and Innovation Policy to strengthen the region's development agenda. Partner States domesticated the same policy by developing individual country implementation strategies. Expenditure on education as a percentage of GDP ranged between 1 and 4% (Table 2.23).

Table 2- 21 Select Education Indicators 2012 -2019

Indicator	Country	2012	2013	2014	2015	2016	2017	2018	2019
Primary enrolment rates, percent Gross	Burundi	133.5	136.9	135.2	135.2	120.2	120.8	122	118.9
	Kenya	106.4	105	103.5	103.6	104.1	104	92.6	...
	Rwanda	123.2	138.5	134.3	135.3	139.6	139.1	137.5	131.3
	South Sudan	118	116	113	112	111	111	111	...
	Tanzania	98.4	96.2	105.1	105.1	93.2	96.9	105.5	98.7
	Uganda	115	113	117	109	112	111	111	...
Secondary enrolment rates, percent Gross	Burundi	31.9	34	41.1	41.1	36.1	47	19.7	45
	Kenya	50.5	54.3	58.2	62.9	66.7	68.5	70.3	...
	Rwanda	38	41.5	40.7	38	37.2	38.2	39.6	44
	South Sudan	...	...	...	10.8	9.9	9.9	9.9	...
	Tanzania	36.9	32.1	37.1	32.9	30.6	30.1	31	32
	Uganda	28	29	26	25	27	25	25	...

Indicator	Country	2012	2013	2014	2015	2016	2017	2018	2019
Literacy rates, percent	Burundi	65	65	66	66	67	62	62	68.3
	Kenya	62	62	62	62	85	85	85	85
	Rwanda	83	83	86	86	86	87	87	...
	South Sudan	...	...	...	...	...	...	...	...
	Tanzania	78	78	78	78	78	78	78	...
	Uganda	71	71	71	72	...	...	...	...

Source: EAC Facts and Figures Reports

Notes:

"..." Data not available

Table 2- 22 EAC Partner States Human Capital Development by Gender

Country	Estimated adult literacy rate, 2010–17 (% ages 15+)			Gross enrolment ratio, primary, 2010–17 (%)		
	Total	Male	Female	Total	Male	Female
Burundi	61.6	69.7	54.7	126.2	126.1	126.2
Kenya	78.7	83.8	105.3	74.0	105.1	105.5
Rwanda	70.8	76.1	66.1	133.4	134.1	132.8
South Sudan	...	...	...	66.6	77.8	55.1
Tanzania	77.9	83.2	73.1	85.3	84.3	86.2
Uganda	70.2	79.1	62.0	99.0	97.7	100.3

Source: UNESCO Statistics

Notes:

- "..." Data not available

Table 2- 23 EAC Partner States Government expenditure on education, total (% of GDP) 2015- 2018

Country	2015	2016	2017	2018	Benchmark
Burundi	7.0	4.6	4.3	4.3	Approximately 4-6%
Kenya	4.69	4.49	5.06	4.93	
Rwanda	3.6	3.4	3.1	3.1	
South Sudan	1.5	1.5	...	...
Tanzania	...	4.5	3.90	3.2	
Uganda	2.42	2.2	2.3	2.1	

Source: EAC Partner States

Notes:

- Supplementary data from World Bank WDI tables

- "..." Data not available

2.7.4 Health

The frequency and ease of movement of EAC peoples across the region, caused by the guaranteed free movement of the people, increasing intra-EAC trade, and free movement of labour, pose a danger of spreading contagious diseases across borders. These freedoms come at the wake of regional and global health threats and outbreaks like the Ebola virus in the Democratic Republic of Congo, the floods in Mozambique and Zimbabwe which have killed over 300 people, leaving many with no water, shelter, food or health care, and the most recent Corona virus.

These challenges require that EAC builds and strengthens its disaster preparedness capabilities and response mechanisms to be able to detect and respond to disasters in a timely manner. This will necessitate the region to develop and sustain stronger partnerships that leverage the unique skills and resources of governments, civil society, and the private sector to improve the delivery of health services in the region. EAC therefore, is adapting a number of approaches to ready itself for the potential challenges that may unfold as caused by these disease outbreaks, including operationalization of the EAC Regional Network of Public Health Reference Laboratories for Communicable Diseases and the implementation of the EAC/GIZ "Support to Pandemic Preparedness in the EAC Region" Project among others.

Others include the operationalization of the six Multi-National EAC Regional Centres of Excellence (CoE) for Skills and Tertiary Education in Higher Medical and Health Sciences Education, Services and Research Program; operationalization of the East African Community Regional Centre of Excellence for Biomedical Engineering and e-Health (CEBE). The operationalization of East African Health Research Journal (EAHRJ), which is intended to present evidence through research that can inform the development of health policy and practice in the EAC. Additionally, to facilitate the application of knowledge from research to strengthening national and regional health policy and practice; development of human-resource capacities and skills; exchange and dissemination of health-research information; and advocacy of evidence generated from health research.

There are positive developments in the health sector. The child (under five) mortality rates have maintained declines in all the Partner States. South Sudan, which has been in war situation, is an exception. The country sustains high child mortality rates of 98.8 deaths per 1000 births (Table 2.24). Nevertheless, life expectancy in all the Partner States is on the increase. Health sector expenditure remains low, in the range of 4-6%.

Table 2- 24 EAC Select Health Indicators 2016-2020⁸

Indicator	Country	2016	2017	2018	2019	2020
Mortality rate, infant (per 1,000 live births)	Burundi	44.2	42.6	41.2	39.9	...
	Kenya	34.5	33.9	32.8	31.9	...
	Rwanda	29.6	28.4	27.3	26.3	...
	South Sudan	62.4	62.4	62.4	62.4	...
	Tanzania	40.6	38.8	37.6	37.6	37.6
	Uganda	37.6	36.0	34.6	33.4	...
Life expectancy at birth, total (years)	Burundi	60.5	60.9	61.2	61.6	61.9
	Kenya	65.4	65.9	66.3	66.7	67.0
	Rwanda	67.9	66.4	68.7	69.0	67.5
	South Sudan	57.1	57.4	57.6	57.8	58.1
	Tanzania	63.9	64.4	65.0	65.5	66.0
	Uganda	62.0	62.5	63.0	63.4	63.7

⁸ Data for Rwanda based on DHS (2014/15). Rwanda Demographic and Health Survey (DHS) 2019/20 to be released with updated statistics.

Indicator	Country	2016	2017	2018	2019	2020
Mortality rate, under-5 (per 1,000 live births)	Burundi	64.1	61.3	58.8	56.5	...
	Kenya	47.8	46.4	44.6	43.2	...
	Rwanda	39.2	37.5	35.9	34.3	...
	South Sudan	96.2	96.2	96.2	96.2	...
	Tanzania	57.0	54.5	53.0	53.0	53.0
	Uganda	52.8	50.2	48.0	45.8	...
Death rate, crude (per 1,000 people)	Burundi	8.3	8.1	7.9	...	...
	Kenya	5.7	5.6	5.5	...	...
	Rwanda	5.4	6.5	5.2	...	6.0
	South Sudan	10.7	10.6	10.5	...	...
	Tanzania	7.6	7.2	6.8	6.5	6.1
	Uganda	7.0	6.8	6.6	...	...

Source: EAC Partner States

Notes:

- Supplementary Data from World Bank WDI Database

- "... " Data not available

2.7.5 Sports, Culture and Gender

Culture and Sports play a critical role in promoting social cohesion, solidarity, stability, identity, promoting unity and economic development, which in themselves are key aspects to ensure sustainable development, maintenance of peace, security, and healthy societies. EAC recognized this stance and was provided for it in Article 119 (c) of the Treaty, in which Partner States are tasked to promote close cooperation amongst themselves in culture and sports, an understanding that premised the initiation of the Jumuiya ya Africa Mashariki Utamaduni Festival (JAMAFEST).

JAMAFEST platform, which is organized on rotational basis, show cases East Africa's cultural diversity with an intention to promote and drive regional socio-cultural integration through arts and culture. During JAMAFEST, EAC communities exchange information, ideas, interaction between cultural practitioners, and public policy makers and private sector actors, strengthen common identity and celebrate the rich heritage of the people of East Africa. JAMAFEST also offers a free platform to promote Kiswahili as EAC lingua franca, and popularize the EAC identity tools like the anthem.

Sports, on the other hand, is seen as an enabler and driver of a people-centred integration occurrence, and a number of editions of the East African Community Games (EACoG) have been hosted in partnership with the private sector, civil society, voluntary organizations, individuals, and Development Partners. Ultimately, these initiatives can bring the citizens of East Africa together to nurture and own the integration process as enshrined in the Treaty.

The role of women in the economic, social, and lately political development of EAC region can no longer be ignored because of their importance in playing vital roles as producers and consumers of goods and services, keepers of family health, first teachers of the children and guardians of morals and culture. Historically African societies were premised on patriarchy, reflecting the community as male dominated and led, keeping the women playing seemingly contemptuous roles of backyard keepers. Of course, this nurtured a notion of gender-based violence which is mostly associated with inflicting physical, emotional, verbal, psychological, and economic abuses to women. Patriarchist led to marginalization of women especially in the decision-making processes, access to education, finance, information, and communication technologies.

To address the above, EAC Partner States have taken several measures including the enacting and implementing of different policies and legal frameworks, starting with the treaty itself, which cover issues of gender mainstreaming into all EAC endeavours. Various EAC policy frameworks have operationalized the Treaty provisions by recognizing the vital role of women in driving EAC's regional integration process.

Article 3, 5(e), 121, and 122 of the EAC Treaty details the need for good governance and adherence to social justice, equal opportunities, and gender equality, among other things. Thus, EAC has been objectively mainstreaming gender issues including planning implementable activities in successive development strategies and pursuing some level of affirmative actions. These include girls' in preferential entry into higher institutions in Tanzania and Uganda; the re-entry of girls who drop out of school due to pregnancy and early/forced marriages in Kenya; reviewed policy in Tanzania that guarantees equal access to education and training opportunities by girls and boys; plus re-joining school by girls who get pregnant after delivery; the one laptop per child in Rwanda; Girls Education Movement (GEM) in Uganda; the waiver of tax on sanitary towels in Kenya; the Daughter-Mother club in Rwanda; and introduction of textbooks that are aimed at combating stereotypes in Burundi.

Partner States therefore need to step up public awareness campaigns against all acts and practices of gender-based violence and to take up measures including strengthening legislation to curb the same. Many projects being implemented, including those that are focusing on improvement of production and productivity, actively address gender issues, for instance, mainstreaming gender into value addition and market access for livelihood improvement.

2.7.6 Social Protection

Whereas social protection has a plethora of perspectives, for instance, social insurance, contributory schemes that protect against shocks to health or employment; labour market interventions such as job training; and social assistance programs (or social safety nets), targeted non-contributory interventions such as cash and in-kind transfers, labour intensive public works, and humanitarian assistance, etc. In this section we focused on reducing poverty and vulnerability, promoting efficient labour markets, diminishing people's exposure to risks, and enhancing their capacity to protect themselves against hazards and the interruption or loss of income, which could exacerbate food insecurity, escalated hunger, and failure in asset build-up. It is empirically believed that poverty and persistent hunger in some communities of EAC is directly caused by peoples' failure to exploit economic opportunities as they unfold leading to their vulnerability to shocks of various kinds.

Thus, developmental roles of social protection should prioritize protecting the basic levels of consumption among those in poverty or in danger of falling into poverty; facilitate investment in human and other productive assets which can provide a way out of persistent and intergenerational poverty; and strengthen the urgency of those in poverty to overcome their predicaments. Therefore EAC governments should adapt social development strategies that enhance welfare of their populations towards more equitable societies, with an intent to diminishing their peoples' exposure to risks and vulnerabilities, and this supported by provisions in Article 120(c) of the Treaty where Partner States committed to cooperate in the field of social welfare with respect to among others, the development and adoption of a common approach towards the disadvantaged and marginalized groups, including children, the youth, the elderly and persons with disabilities.

It should be noted that Partner States have made significant progress towards the above milestones, for instance, a compendium of major international and regional instruments on children, women, youth, and persons with disabilities, older persons and indigenous people's rights has been developed. Additionally, the adoption of the Persons with Disabilities Policy (2012), a legally binding instrument in form of a Bill, has been drafted and tabled to the East African Legislative Assembly.

2.7.7 Social Security

Social Security refers to a formal system or arrangement concerned with protection of citizens against socially recognized conditions, including poverty, old age, disability, unemployment, sickness, orphanage, and others. Although International Labour Organisation (ILO) Convention No. 102, provides for minimum standards to include the above and health care, sickness benefits, employment-related injury benefits (workers' compensation), family and child support, disability benefits, and maternity benefits (prenatal, childbirth, post-natal care and hospital care).

In the EAC, the CMP provides for the citizens to have the right to seek and take-up employment in any EAC Partner State in accordance with national laws. A major concern here is for EAC to fast-track the initiatives and mechanisms that facilitate the portability or the transferability of social security benefits across EAC states so that a worker employed in another EAC State does not need to withdraw their savings before they leave the country. In addition, social security laws must be reviewed and harmonized across the region to provide

social security for self-employed persons who are citizens of other Partner States. These are reflected in the national labour laws. For example, in the United Republic of Tanzania the Public Service Social Security Fund Act, 2018 (Act No.2 of 2018) has been enacted, where among others, it has amended the National Social Security Fund Act, Cap.50 in order to set the management mechanism for Social Security Fund for foreigners and citizens of the EAC Partner States who will be recruited in the United Republic of Tanzania. EALA is processing a Bill to address persons with disabilities.

2.7.8 Transport Infrastructure Development

The role of infrastructure in economic transformation and development cannot be over emphasized as it enables trade, movement of goods, services, and people across the region. In order to have a well-functioning infrastructure base, however, countries ought to have a robust plan that not only involves building, planning, mapping, but also financing such developments. In a regional setting, such plans ought to be synchronized and coordinated with collaborating countries to aim and achieve regional infrastructure objectives. The East African region still faces several infrastructure challenges, including limited infrastructure networks; poor infrastructure; high transport and energy costs; and under-developed logistical services, a host of which limits the competitiveness and slows the integration of both the land-locked and transit countries into regional and global markets.

During their 4th Retreat on Infrastructure Development and Financing held in February 2018, the EAC Heads of State prioritized a list of 286 regional projects in diverse sectors including railways, ports, roads, energy, and airports for development over a 10-year period from 2018 – 2028 to bridge the infrastructure deficit in the region. Out of these, seventeen (17) projects were identified as high priority (Flagship) and their development was proposed to be fast-tracked due to their importance in regional integration. These include the Standard Gauge Railways (SGR), the crude oil pipelines, power interconnectors and roads capacity enhancements. Several of the projects have seen some progress and to date, the SGR project is underway with the Mombasa – Naivasha line (600 km) completed and the Dar es Salaam – Morogoro section (300 km) nearing completion. The section from Morogoro to Makutupora (722km) is in progress. Several sections of the Northern Corridor road are undergoing upgrading to dual-carriageway standards while Tanzania has prioritized the Chalinze – Morogoro Expressway on the Central Corridor. Other achievements include the development of Lake Nyasa Ports of Itungi, Kiwira and Ndumbi; construction of the 454-km, 20-inch diameter Mombasa – Nairobi refined petroleum oil products pipeline; Taxiway's rehabilitation and construction of new semi full parallel taxiway, apron rehabilitation and expansion, refurbishment of Passenger Terminal Building at Kilimanjaro International Airport, Tanzania. Completion of construction of Terminal Three at Julius Nyerere International Airport and Bugesera International Airport construction works are in progress. Thirteen One Stop Border Posts (OSBPs) were completed and are operational, resulting in substantial reduction of trading costs as the clearance periods at the borders have greatly reduced.

In October 2019, the Tripartite (COMESA-EAC-SADC) Ministers responsible for Transport adopted the Tripartite Vehicle Load Management Agreement (VLMA) and Multilateral Cross Border Road Transport Agreement (MCBRTA), which will be key instruments in the harmonization of transport sector laws, policies and standards, including vehicle loading, vehicle registration, vehicle inspection, driver training and licensing, among others.

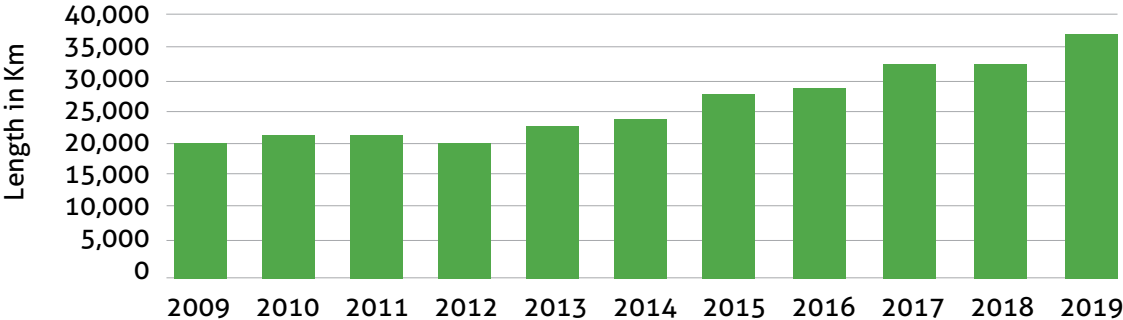
2.7.8.1 Road Network

The EAC has completed a number of inter-state road projects including Arusha - Namanga - Athi River Road Project (between Kenya and Tanzania), a 240 km long highway to boost regional trade and tourism, and reduce transportation costs; the Arusha - Holili - Taveta - Voi Road Project (between Kenya and Tanzania), including a construction of a One-Stop Border Post at Holili/Taveta is complete. Construction will soon commence on some sections of the Malindi – Lunga Lunga and Tanga - Bagamoyo Road (between Kenya and Tanzania) and on the Nyakanazi – Kasulu – Manyovu/Rumonge – Bujumbura road including detailed architectural and engineering design and construction of the Mugina/Manyovu One Stop Border Post (OSBP) (between Burundi and Tanzania) and on the Lusahunga – Rusumo/Kayonza – Kigali (between Rwanda and Tanzania) road on the Central Corridor.

Furthermore, EAC is supervising the feasibility studies and detailed engineering design of the Uganda/Tanzania Multinational: Masaka – Mutukula/Mutukula – Kyaka and Bugene – Kasulo – Kumnazi. The studies are expected to be completed by August 2020.

There are about 94 road links over ten transit corridors covering 15,000 km that are under various stages of development. EAC Secretariat plays a co-ordination role in fund mobilization, project preparation and monitoring and evaluation of the implementation of regional projects.

Figure 2- 12 Length of Paved Roads (Km) in the EAC 2009 - 2019



Source: EAC Facts and Figures 2019, EAC Partner States Statistical Abstracts 2019⁹

2.7.8.2 Railway Network

In 2010, the EAC adopted the EAC Railway Master Plan which guides the development of railway projects in the region. The Master Plan is intended to rejuvenate existing railways serving Tanzania, Kenya, Uganda and extending them initially to Rwanda and Burundi and eventually to South Sudan, Ethiopia and beyond, and to guide the development of the railways transport sub-sector in the region over the next 25 years.

The major highlights of the Railway Master Plan include:

- i. Rehabilitation of the existing narrow-gauge network could meet projected railway demand for up to 2030,
- ii. A wider track gauge e.g. Standard Gauge Railway (SGR),
- iii. Conversion to electric traction was un- economical for the foreseeable future,
- iv. Development of legal and institutional frameworks to promote the development and operation of the railways in the EAC; and
- v. Expansion of the rail network to meet the needs of the growing East African economy.

The Community is implementing construction of a Standard Gauge Railway line on the Northern Corridor from Mombasa to Malaba with a spur to Juba and to Kigali and ultimately to Bujumbura. Construction of the Nairobi - Mombasa SGR (Phase 1) was completed in May 2017 and operations commenced in June 2019 for passenger and freight services. Phase 2A Nairobi – Naivasha SGR (120 km) was completed in September 2019 with a dry port at Naivasha. Resource mobilization for the Uganda - South Sudan and Uganda - Rwanda - Burundi section is on-going. Likewise, substantive progress has been achieved in the construction of Phases I and II of the Central Corridor Standard Gauge Railway from Dar es Salaam - Makutupora a length of 722 km. The three Lots in Phase 1 include construction of SGR line from Makutupora to Tabora (376.5km); Tabora - Isaka (165.5km) and Isaka - Mwanza (311.25km) inclusive of sidings/crossing loops. Tanzania has a total of 3,682 km of existing metre gauge and cape gauge railway lines, while Kenya has a network of 2,778km.

2.7.8.3 Maritime Transport

The EAC Heads of State, during their 3rd retreat on Infrastructure Development and Financing held in November 2014, endorsed for implementation the EAC/World Bank Study on Integrated Corridor Development in EAC Countries (Intermodal Transport Strategy). The Heads of State directed the Secretariat and Partner States to collaborate in expediting its implementation in consultation with the World Bank and other development partners. Implementation was packaged into different programs comprising of (i) Lake Victoria Transport Program, (ii) Lake Tanganyika Transport Program (iii) Strengthening the institutional and policy framework for transport and (iv) Improving the physical infrastructure for ports and surface transport system. The Lake Victoria and Lake Tanganyika transport programs are now at different stages of implementation.

⁹ 2019 Burundi and South Sudan figures not available.

The facilities in Mombasa port have been expanded to improve the operational efficiency and capacity of the Port. These included infrastructure (improvement of gates and yards, expansion of port access roads, berth upgrading), financial assistance in securing works, legal and regulatory revision, productivity improvements, equipment upgrades, port reform dialogue initiative through the Mombasa Port Community Charter.

2.7.8.4 Air Transport & Civil Aviation

After its establishment in 2009, the Civil Aviation Safety and Security Oversight Agency (CASSOA) was mandated to ensure civil aviation safety and security oversight, and the harmonization of rules and regulations. Since its establishment, CASSOA has registered remarkable achievements including; harmonising the Civil Aviation Regulations and Procedures in the Partner States to ensure compliance with ICAO standards and recommended practices (SARPS); conducted a number of capacity building to match skills with ever-increasing demands in the aviation sector; initiated the liberalisation of civil aviation activities; and development of a multilateral agreement option for handling the Regional Aircraft Accidents and Incidents Investigations. The quality of air transport infrastructure in the regional infrastructure has improved substantially leading to improved airport connectivity. These are based on WEF assessments as they contribute to the Global Competitiveness Index. The average for 2019 based on 141 countries was 4.55 points. The highest value was in Singapore: 6.7 points. In this regard the region is doing very well, registering annual improvements.

Table 2- 25 Global Competitiveness of EAC Air Transport Infrastructure 2015 - 2019¹⁰

Year	Burundi	Kenya	Rwanda	South Sudan	Tanzania	Uganda
2015	2.6	4.8	4.3	...	2.8	3.2
2016	2.6	4.8	4.5	...	3.0	3.0
2017	2.6	4.8	4.6	...	3.2	3.2
2018	3.0	4.9	4.7	...	3.4	3.1
2019	3.8	5.0	5.0	...	4.1	3.6

Source: World Economic Forum Global Competitiveness Reports

Notes:

- "... " Data not available

Airport Connectivity: This represents the IATA airport connectivity indicator, which measures the degree of integration of a country within the global air transport network.

Table 2- 26 Integration of EAC Airports in the Global Air transport network (Score = 100)

Year	2017	2019
Burundi	4.60	6.2
Kenya	46.96	44.1
Rwanda	22.85	19.8
South Sudan	...	...
Tanzania	33.78	34.5
Uganda	29.76	30.1

Despite the good work performed by CASSOA, the institution is faced with challenges that include lack of sufficient financing for feasibility and detailed designs for priority aviation projects while the intra-East African aviation market remained largely closed due to restrictive bilateral agreements. This has constrained the growth and development of air services in the region.

¹⁰ The Quality of air transport infrastructure indicator is one of the components of the Global Competitiveness Index published annually by the World Economic Forum (WEF). It represents an assessment of the quality of airports in a given country based on data from the WEF Executive Opinion Survey. Passenger air transport is rated on a scale from 1 (underdeveloped) to 7 (extensive and efficient by international standards). The individual responses are aggregated to produce a country score.

2.7.9 Energy Generation, Supply, and Sustainability

Population growth, rapid urbanization, ambitious development and transformation agendas and the rapidly metamorphosing modernity are exerting immense pressure on energy needs in the EAC region. This is manifested in alarming levels of deforestation, rising wood and charcoal prices, devoting large share of Partner States' budgets to the importation of oil and gas, increasing calls for electricity affordability and reliability. Yet disruptions in the supply of imported energy, particularly hydrocarbons coupled with their price instabilities are potential causes of macroeconomic impacts that could undermine the momentum of economic development taking place in East Africa. This signals an urgent need for a rapid expansion of the energy generation and supply capacity that is affordable and reliable as well as an energy security framework and policy to ensure sustainability. Total electricity generation by Partner States is presented in Table 2.27, indicating positive efforts registered in producing clean energy.

Table 2- 27 EAC Partner States Energy Production (GWh) 2015-2019

Production GWh	Year	Burundi	Kenya	Rwanda	South Sudan	Tanzania	Uganda
Production of electricity from fossil fuels (GWh)	2015	4	1,412	219	576	4,244	635
	2016	4	1,471	288	437	4,586	659
	2017	74	2,534	356	539	4,685	242
	2018	79	1,546	360	548	4,792	251
	2019	85	1,313	412	556	4,902	261
Production of hydro-electricity (GWh)	2015	181	3,463	280	...	2,108	2,433
	2016	184	3,960	269	...	2,326	2,475
	2017	185	2,777	303	...	2,378	3,441
	2018	188	3,986	350	...	2,432	3,505
	2019	191	3,205	374	...	2,487	3,570
Geothermal	2015	...	4,521	...	...	...	...
	2016	...	4,484	...	...	...	...
	2017	...	4,756	...	...	...	...
	2018	...	5,128	...	...	...	...
	2019	...	5,235	...	...	...	...
Production of electricity from solar, wind, tide, wave, and other sources (GWh)	2015	1	60	13	2	21	27
	2016	1	56	14	2	25	29
	2017	1	63	14	3	26	23
	2018	1	392	18	3	28	25
	2019	1	1,655	18	3	30	28
Total Electricity Generation (GWh)	2015	186	9,515	512	578	6,394	3,283
	2016	189	10,058	571	439	6,960	3,365
	2017	260	10,360	673	542	7,114	3,856
	2018	268	11,182	728	551	7,277	3,944
	2019	276	11,621	813	559	7,444	4,036

Source: EAC Partner States

Notes:

- Supplementary data from World Bank WDI tables

- "..." Data not available

Table 2- 28 EAC Partner States Energy Accessibility Indicators 2015 - 2019 (%)

Indicator	Year	Burundi	Kenya	Rwanda	South Sudan	Tanzania	Uganda
Access to electricity (% of population) connections	2015	8.6	41.6	19	26.5	18.5	18.4
	2016	9.6	65.4	25.8	32.8	67.5	21.9
	2017	9.3	63.6	34.5	32.7	67.5	25.1
	2018	11.0	75.0	46.7	35.6	67.5	28.2
	2019	...	...	51	...	78.4	...
Access to electricity, rural (% of rural population) connections	2015	1.9	29.0	10	15.4	11.8	9.0
	2016	2.7	61.1	18	18.4	49.3	17.7
	2017	1.7	57.3	25	21.1	49.3	24.4
	2018	3.4	71.7	27	23.7	49.3	38.0
	2019	...	...	31	...	69.8	...
Access to electricity, urban (% of urban population) connections	2015	57.4	78.1	72	31.1	58.5	51.9
	2016	59.0	77.6	73	36.5	97.3	57.5
	2017	61.8	81.0	76	41.7	97.3	56.4
	2018	61.7	84.0	78	46.8	97.3	57.5
	2019	...	...	81	...	99.6	...

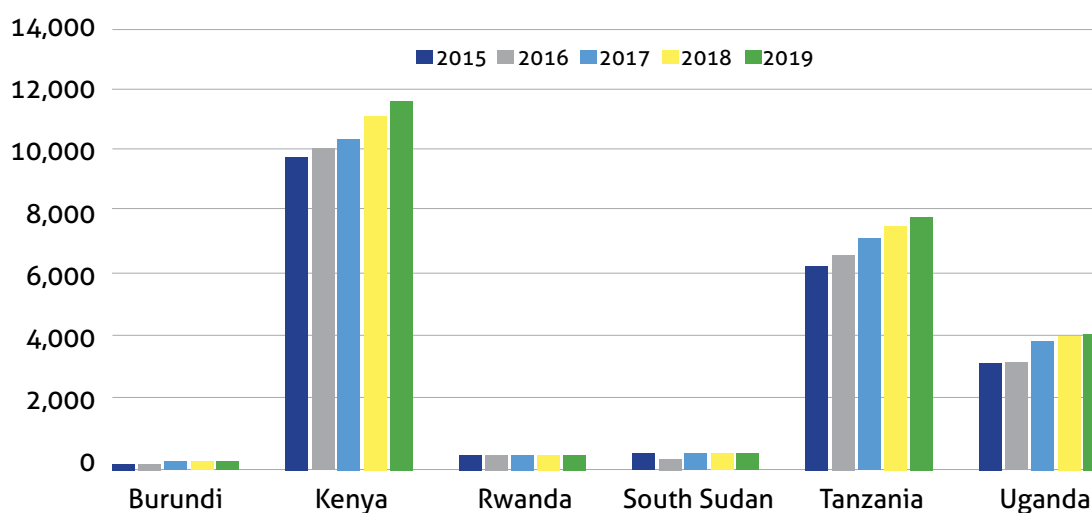
Source: EAC Partner States

Notes:

- Supplementary data from World Bank WDI tables

- "..." Data not available

Figure 2- 13 EAC Partner States Total Electricity Generation 2015-2019



Source: EAC Partner States Statistical Abstracts, World Bank WDI Database

Power Interconnectivity

Several interconnections are underway in the EAPP such as the 400 kV Kenya – Tanzania interconnection (to be completed in 2021), the 220 kV Tanzania-Rwanda-Burundi interconnection via Rusumo Falls Hydropower (to be completed in 2020), the 500 kV HVDC Ethiopia-Kenya interconnection set to be completed by 2020, the interconnection of five Nile Equatorial Lake countries (Kenya, Uganda, Rwanda, DRC and Burundi), and regional power generation plants such as Ruzizi III hydropower plant and Rusumo Falls hydropower plants (AfDB, 2019)¹¹

¹¹ AfDB Capacity Building for The Operationalization of the EAPP Regional Power Market Trade Project

Table 2- 29 State of Power Interconnections in the EAPP Region

Interconnector	Voltage (kV)	Year Initiated
Existing		
Kenya-Uganda		2018
Planned		
Kenya-Tanzania	400	2021
Tanzania-Rwanda-Burundi interconnection via Rusumo Falls Hydropower	220	2020
Ethiopia-Kenya	500	2020
Interconnection of five Nile Equatorial Lake countries (Kenya, Uganda, Rwanda, DRC, and Burundi)	....	...
DRC-Uganda*	400	
DRC-Burundi*	220	
DRC-Rwanda*	220	2021
Rwanda Burundi	220	2021
Ethiopia-Somali*	230	2021
Sudan-Ethiopia	500	2020
Tanzania-Uganda*	220	2022
Uganda-South Sudan*	400	2024

Source: AfDB EAPP Report 2019

Notes:

- "..." Data not available

- * Not started

2.7.10 Immigration and Refugee Management

The EAC Region has put in place several legal instruments which make provisions on common mechanisms for the management of refugees. Under Article 5(3) (f), of the Treaty for the Establishment of the East African Community, the Partner States agreed to promote peace, security and stability within, and good neighbourliness among themselves. In Article 124(4), Partner States undertook to establish common mechanisms for the management of refugees. This is a general provision which enjoins Partner States to cooperate on all aspects of refugee management and protection. Article 125(5) of the Treaty also calls for the development of common mechanisms on refugee management but for a limited purpose of maintaining and promoting security in their territories.

Articles 3(g) and 10(1) of the EAC Protocol on Peace and Security, 2013 also commit Partner States to cooperate on management of refugees and to establish common mechanisms for the management. The content and scope of the mechanisms to be developed under Article 124 of the Treaty for the purposes of maintenance of peace and security is outlined under Article 10(2) which imposes a mandatory duty on the Partner States to: Harmonize their policies, laws, strategies, and programmes on the management of refugees.

- a. Incorporate the provisions of the 1951 UN convention on refugees and 1969 OAU convention governing specific aspects of refugee problems in Africa in their national legislation.
- b. Establish and harmonise asylum procedures.
- c. Network and share information regarding asylum seekers and refugees.
- d. Institute mechanisms to facilitate family re-unions.
- e. Establish systems for agencies involved with refugees within the community to share views and exchange experiences; and
- f. Develop joint training modules for stakeholders in refugee management.

Article 7(8) of the Protocol on the Establishment of the East African Community Common Market provides that the movement of refugees within the community will be guided by the relevant international conventions. Partner States continue to host refugees from within and outside the region. It is estimated that Uganda, Tanzania, and Kenya are hosting about two million refugees from Somalia, South Sudan, DR Congo, Ethiopia, Burundi, and Eritrea. The bulk of this refugee and migrant population (approximately 1.19 million people) is in Uganda. As people flee civil war and famine, others look for work (Table 2.30).

Table 2- 30 International Migrant Stock 2019 - EAC Country Profiles

Description	Burundi	Kenya	Rwanda	S. Sudan	Tanzania	Uganda
International migrants (000s)	321.0	1,044.9	539.9	865.6	509.2	1,734.2
International migrants as a share of total population (%)	2.8	2.0	4.3	7.8	0.9	3.9
Refugees (thousands)	65.9	488.4	171.4	285.3	352.7	1,395.1
Refugees as a share of international migrants (%)	20.5	46.7	31.7	33.0	69.3	80.4
Females among international migrants (%)	50.7	50.0	50.0	49.0	50.6	51.8
Median age of international migrants (years)	31.1	31.2	25.4	29.4	34.4	15.8
International migrants by age group (%)						
0-19	30.0	31.2	35.7	31.8	22.7	57.6
20-64	64.9	64.0	62.7	64.0	69.6	40.6
65+	5.1	4.8	1.6	4.2	7.6	1.8

Source: UNDESA Population Division International Migration Statistics

This situation requires a comprehensive Refugee Response Plan (RRP) to focus on protection, education, health and availability of water for the refugees (Uganda has successfully provided for these in its planning mechanism; 2040 National Development Plan). Protection response will ensure that refugees and asylum-seekers have access to territorial asylum, fair and swift asylum procedures, and fully enjoy their rights as set forth in international and domestic refugees' laws, including documentation, freedom of movement, and right to work plus access to services.

In May 2019, the EAC in collaboration with UNHCR, conducted a situational analysis on refugee management in EAC and commenced the process of the development of the EAC Refugee Management Policy.

The key priority areas of the policy include: Border Management Systems and Access to Territory; Registration and Documentation of Asylum Seekers and Refugees; Refugee Status Determination; Individual Applications for Asylum; Family Application; Exclusion and Cessation from Refugee Status; Management of Failed Asylum Seekers; Refugee Protection Standards and Approaches; Elimination of Root Causes; Voluntary Repatriation; Support for Sustainable Return/Reintegration; Resettlement; Complementary Pathways; Local Integration; Refugee Impact on Host Communities; Cooperation and Burden –and Responsibility- Sharing; Building and Utilization of Local Capacity. The draft Policy was transmitted to Partner States for final scrutiny and subsequent finalization.

2.8 Cross Cutting Issues

In this section several cross-cutting issues were presented, which would need urgent attention to have a holistic development plan capable of moving all sectors in the same direction and at the same pace for an expedited integration process. Some of the most pressing issues include the youth and unemployment, the intra-state political wrangles, health issues, and environmental stress, among others.

2.9 Implications for Regional Development and Socioeconomic Transformation

Whereas the EAC is diligently planning and implementing several social-sector inclined programmes, they are yet to synch with contemporary international standards, a situation that requires transformative approaches to fast track improvements. The analyses have depicted some EAC Partner States as having made significant improvements while others are still struggling in several sectors, a situation that could be confronted by committing adequate collaboration and mechanisms for learning from global best practices. Guided by the EAC Vision 2050, and Africa's Agenda 2063, Partner States should target to attain 100% access to health services, access to education and literacy, complete adaptation to climate change and resilience, and progressive and expeditious attainment of industrial solution to EAC peoples' needs.

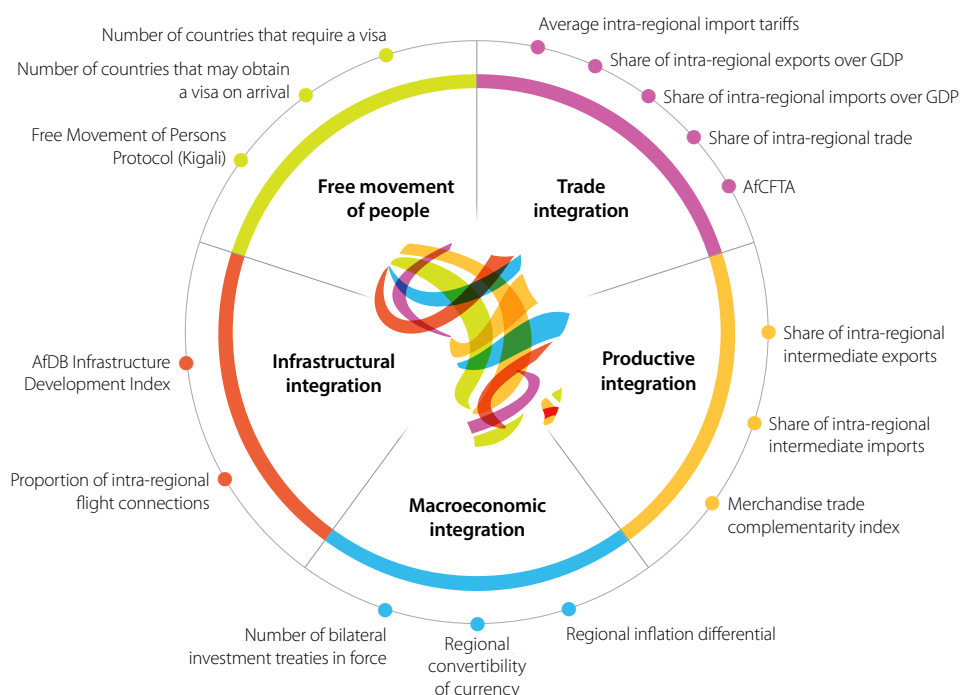
Targeted investment in skills development, especially of the youth, is necessary to produce a skilled human capital that is needed to address economic and social challenges of the peoples of EAC that will be relevantly absorbed in the labour market. Achieving the ambitious Vision 2050 targets will require a resilient and determined EAC Partner States to ensure successful implementation of the various EAC regional legal, policy and strategic instruments and plans towards increased investments in the social sectors, while at the same time creating efficiency gains, within existing resources.

It should be noted however, that EAC has achieved key efficiency gains in health, reduction in the magnitude of preventable diseases associated with poor sanitation, hygiene, environmental, and nutrition factors, which take a great toll on healthcare resources. Observable human resource gaps in health and education sectors will also need to be progressively narrowed to improve access to, and quality of service delivery.

2.9.1 African Regional Integration Index

The African Regional Integration frameworks build on critical dimensions in macroeconomic, trade, production, infrastructure integration and free movement of persons. According to UNECA 2019 Africa Regional Integration Index, EAC with an ARII of 0.537 is the best integrated REC in the continent. It performs most strongly on the free movement of people dimension, where its countries average 0.664, but at 0.660, macroeconomic integration. At country level, Rwanda is the best performer in the region regarding macroeconomic integration and free movement of persons while Kenya performs best in the productive, infrastructure and free movement of persons. Uganda is best performer in trade and productive integration, Tanzania scores better in macroeconomic and productive integration while Burundi performs well in macroeconomic integration and free movement of persons.

Figure 2- 14 The Dimensions and Indicators of Regional Integration



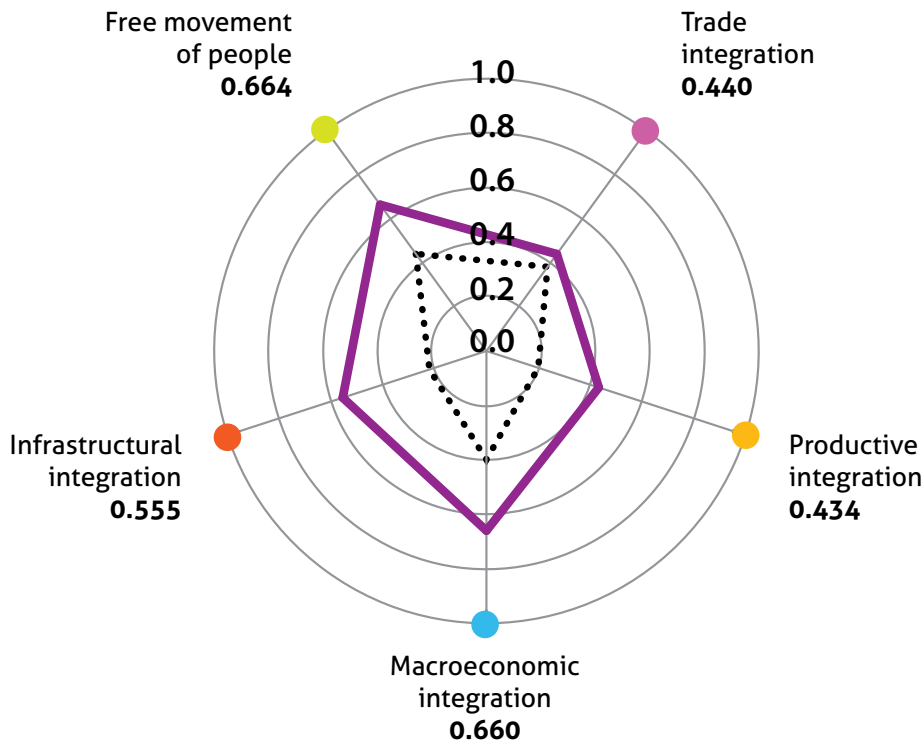
Source: Africa Regional Integration Index Report 2019

Figure 2- 15 EAC's Scores on the Five Dimensions of Regional Integration

Average score: 0.537

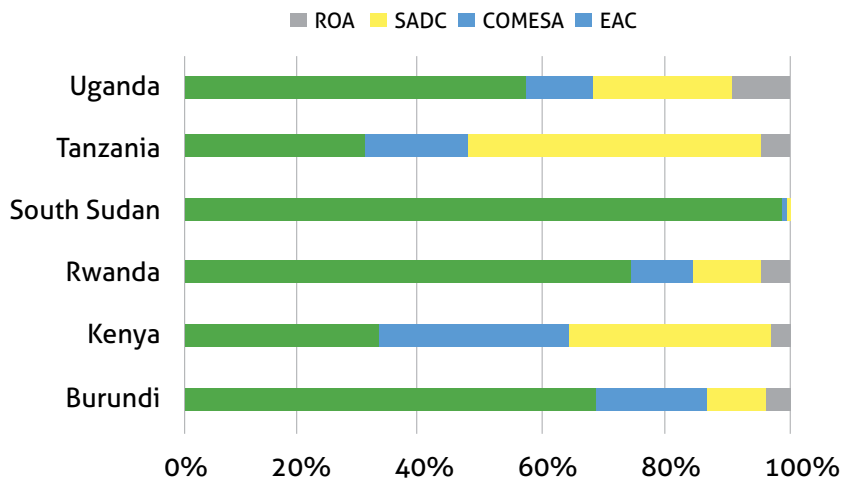
Strongest dimension: Free movement of people

Weakest dimension: Productive integration



Source: Africa Regional Integration Index Report 2019

Figure 2- 16 Percentage shares of African Imports by the EAC from different RECs



Source: Authors Calculations based on Trade Map Data, 2019.

2.9.2 Competitiveness

In establishing a Common Market, the EAC Partner States aimed at widening and deepening co-operation among the Partner States and other regional economic communities in, among others, political, economic, and social fields for their mutual benefit. In part, this called for the creation of a conducive environment for investment, coupled with effective institutional capacities to facilitate the region to expand its production capacity and widen its exports, both by composition and value. The region also expected to export to the international markets. The achievements on export and investment would largely depend on the region's level of competitiveness. Table 2.29 summarises overall ranking of the EAC Partners at global level. Rwanda, which was promising in 2015 and 2016, appears to have lost its competitive edge from 2017. Otherwise the other Partner States appear to be operating from the lower quintiles in competitiveness. Dedicated effort must take at both regional and national levels to make the business environment more attractive.

Table 2- 31 EAC Partner States Global Competitiveness Index Rankings (Rank out of 141)

GCI Rank	2015	2016	2017	2018	2019
Burundi	136	135	132	136	135
Kenya	99	96	93	93	95
Rwanda	58	52	107	108	100
South Sudan	...	...	...	...	...
Tanzania	120	116	114	116	117
Uganda	115	113	113	117	115

Source: World Economic Forum Global Competitiveness Reports

Notes:

- "... " Data not available

2.9.3 Establishment of an EAC Single Market

EAC cardinal objective is to establish an integrated regional single market; hence, its adoption of the pillars of integration of CU, CM, MU, and PF to incrementally implement a single market. A more integrated market can stimulate the productive capacity required to develop regional value-chains by enhancing output of value-added products and assisting diversification as well as creating the jobs needed by the population. Hence the motivation and desire of EAC as a platform for inclusive development and cooperation on shared goals for collective regional interest. These are to be achieved from:

- Policy measures and instruments required to facilitate the operations of a single market in the region.
- Liberalization of trade in goods and services, communications, tourism, financial sector, transport services within the framework of a single market.
- Enhancing regional infrastructure connectivity for improved market access.
- Enhancing transformation strategies for growth and development to move the community to a higher income cohort and subsequently achieve an upper middle-income status.
- Establishing institutions to spearhead regional integration initiatives.
- Deepening financial markets, wherein the Capital Markets and Stock Exchange- to mobilise development resources.

The transformation for socio-economic development calls for a managed change process that respects ownership; ensures sustained political commitment; honours good governance for accountability; and promotes social cohesion.

In the case of the MU, there are still lingering challenges and feasted impact of a single currency, among them; limited national and regional capacities; divergent socio-economic policies and structures; and disparities in political views and commitments; inadequate manpower, capacity and skills and inappropriate legislative and institutional frameworks for managing a robust financial sector. In addition, there is a high degree of vulnerability to adverse external effects given that Partner States' external debts are unsustainable. There is also the lack of safeguards for the country specific problems that are subsequently transferred to the entire region.

2.10 Impact of COVID-19

The emergence of coronavirus in China in December 2019, its rapid spread globally with worrying effects on human life, has had devastating effects across the globe. At the global level, output of services affected by the pandemic is projected to decline by 9.3%, tourism services by 8.8%, with a decline in agricultural and manufacturing output by about 3%. The COVID-19 disruptions have led to market closures with debilitating effects on global trade, tourism and the hospitality industry, reduced manufacturing and high unemployment. The worst hit sector is health since the pandemic affected health directly with a spill over to the economic sector. Disruptions in global supply chains and inputs have resulted in interruptions in domestic production due to containment measures and speculative increases in prices for basic consumables could exacerbate inflationary pressures. Further, reduced exports could also exacerbate country specific debt servicing capacities. Worse still is the closure of businesses from cash flow challenges, markets, leading to loss of livelihoods and employment. Both IMF and World Bank predicted depressed economic activities worse than those experienced during the Great Depression of 1929-1933.

The EAC region experienced several economic shocks in 2019 and 2020. These included the floods, locusts and lately COVID-19 with more devastating effects. Realizing that the spread of COVID-19 was mainly through human travel, airports and borders were closed, curfews imposed, social distancing necessitating the need to stay at home, reduction on movement of people, lockdowns and eventually closure of businesses. The COVID-19 pandemic has impacted EAC economies both directly and indirectly because of the measures taken to contain the spread of the disease.

Substantially reduced movement of international freight, and reduced capacity or in many cases closure of borders by EAC Partner States and their trade partners as a measure to contain the pandemic within a space of less than a month since March 2020 halted virtually all trade. These have led to a near-collapse of the air travel industry, SME, tourism and hospitality, agriculture, livestock and fisheries, industry and manufacturing, trade and distribution, cargo transport and logistics, as well as the banking and financial services sectors. The logistics disruption in the source and destination markets of EAC imports and exports supply chains caused shortages of raw materials, medicines, capital goods, intermediate goods, and final products which are critical for domestic production.

The trade disruptions and losses represent a major shock to the EAC economies since trade is the driving force behind their economic growth and development as evidenced by the high total trade-to-GDP ratios averaging 27.4% during 2018-2019 (computed from EAC Statistics, 2019 and UNCTADSTAT, 2020). Manufacturing in the EAC region like any open economies is heavily dependent on imported inputs, which means that the pandemic-induced trade shock coupled with suspension of most manufacturing activities as part of the measures to contain the spread of the pandemic is having far-reaching reverberations and adverse ramifications on the sector's overall and related value chains output, employment, domestic tax revenues and other important macroeconomic variables. The economic effects of COVID-19 pandemic have already been dramatic, particularly for commodities related to physical transportation notably oils and petroleum products, metals, and agricultural produce.

2.10.1 Challenges & Recommendations to EAC Regional Integration

The main challenges lie in productive and infrastructure integration, nationalistic tendencies impacting negatively on competition, budgetary limitations, low investment potentials, underutilization of available markets, and imposition of NTBs limiting cross border trade, divergent policy and regulatory frameworks, skills gaps, and limitations on cross border infrastructure connectivity. COVID-19 disruptions have exacerbated these challenges.

The key recommendation is to ensure sustained growth of the productive sectors, expand regional infrastructure, harmonise policy and regulatory frameworks through coordinated planning, innovative financing, and rigorous competition in procurement, technology upgrading, value addition to regional & global value chains to diversify product range, expanding infrastructure connectivity, elimination of NTBs to take advantage of the expanded market access opportunities within the AfCFTA framework. Further, with more frequent unplanned disasters, there is urgency in setting up emergency response mechanisms underpinned by research and market intelligence to upstage and mitigate negative effects of such disasters.

2.11 SWOT Analysis, Risk Analysis and Stakeholder Analysis

2.11.1 SWOT Analysis

The role and contribution of the Situation Analysis and functional audit in crafting a development strategy for instrumental organisations like the EAC cannot be overemphasized as it partly informs the formulation process. The Strengths, Weaknesses, Opportunities and Threats (SWOT) Analysis regarding EAC's capacity and environment to successfully implement the 6th EAC Development Strategy was carried out. Table 2.32 presents the SWOT Analysis – including recommended strategic actions to address the major implications of the identified Strengths, Weakness, Opportunities and Threats.

Table 2- 32 Summary of EAC SWOT

SWOTs	Strategic Implication	Strategic Initiatives
<p>STRENGTHS</p> <p>The major strengths identifiable with the EAC region include:</p> <ul style="list-style-type: none"> • Fastest growing region in Sub-Saharan Africa, with a high average GDP growth rate • It is one of the largest regional economic blocs in the African continent, with a total population of approx. 177 million and a total combined GDP of approx. US\$ 190 Billion by 2019 • Ample investment opportunities in various sectors, from agriculture to manufacturing, tourism, financial services, infrastructure, energy and ICT • Ample renewable energy resources (hydro, solar, geothermal, wind, etc.) • Growing middle class and demand for sophisticated products • Diversified economies offering a variety of business and investment opportunities • Stable economic environment • Harmonised tariff within the EAC offers a huge market access to EAC Partner States through the harmonized tariff regimes • Free movement of persons, goods, and services in the region • Plenty of arable land • Kiswahili as a business language • EAC is progressing into a business-friendly environment, and is considered among the world's fastest growing harmony and reforming regions • Growing political commitment and relative stable political situation in the region • Established and functional organs and institutions and national coordination ministries plus strengthened mandates and capacities of the regional institutions and organs and national coordination to effectively manage the pace of regional integration. • Rich endowment of natural resources and conducive climate, as well as a rich cultural heritage • Success lessons from the implementation of the Customs Union, as well as lessons and experiences of the defunct EAC • A relatively educated and trained human resource base and more investment in education, skills development, and jobs creation • Growing interest from the private sector and citizenry in regional matters • Positive international perceptions of the EAC region • Relatively large segment of operations on IT-platforms • Consolidated political commitment and stability by promoting participation of the citizenry and the private sector in the integration process. • Prioritized intervention programs for shared benefits of regional integration including efficient use of the natural resources to improve the well-being of East Africans. • Targeted philosophy of building a regional economy to take advantage of the large regional market. • Better and appropriate interventions that ensure full and efficient utilization of the human resource base in the region in the integration process, especially while implementing the common market. • Strengthened joint action in pursuit of common foreign policy interests. • Objective planning resulting into effective plans that are derived through consensus on the medium-term and long-term priorities. 	<p>With all these strengths, EAC should galvanize its efforts to improve on the identified weaknesses, take advantages of the opportunities highlighted, and counter the threats.</p> <p>In this DS therefore, the strengths shall form the basis of optimizing efficiency and mapping the next development phase of the region.</p>	<ul style="list-style-type: none"> • Consolidate political commitment and stability by promoting participation of the citizenry and the private sector in the integration process • Strengthen the mandates and capacities of the regional institutions and organs and national coordination to effectively manage the pace of regional integration • Prioritize intervention programs for shared benefits of regional integration including efficient use of the natural resources to improve the wellbeing of East Africans • Focus on building a regional economy to take advantage of the large regional market • Take better and appropriate interventions that ensure full and efficient utilization of the human resource base in the region in the integration process, especially while implementing the common market • Strengthen joint action in pursuit of common foreign policy interests • Consolidation of political commitment and stability by promoting participation of the citizenry and the private Sector in the integration process • Strengthening the mandates and capacities of the regional institutions, organs, and national coordination Ministries to effectively manage the pace of regional integration • Prioritizing intervention programs for shared benefits of regional integration, including efficient use of the natural resources, to improve the wellbeing of East Africans • A strategy should be developed and operationalized targeting to build a regional economy that takes advantage of the large regional market • Better and appropriate interventions are needed to ensure full and efficient utilization of the human resource base in the region in the integration process, especially while implementing the Common Market Protocol • Enhancing e-business opportunities • Strengthening joint action in pursuit of common foreign policy interests • All other necessary and possible actions that will consolidate and optimize the Strengths, as well as their benefits to the EAC • The EAC shall take full advantage of these Strengths in the pursuit of its Mandate, Vision and Mission in general, and pursuit of its prioritized Strategic Interventions under the 6th Development Strategy

SWOTs	Strategic Implication	Strategic Initiatives
<p>WEAKNESSES</p> <p>EAC's major weaknesses:</p> <ul style="list-style-type: none"> • Insufficient energy supply • Dilapidated railway network • Insufficient paved road infrastructure (only 15% of the net-work is paved) • Unbalanced distribution of economic and social infrastructure • Unplanned urban settings • High poverty rate • Low investment in research and development • Low ratios of specialized skills to the total population • Low resource mobilization capabilities • Shortage of industrial skills • Inadequate capacity for coordination, implementation, and M & E • Mechanisms across Partner states • Widespread unemployment, especially among the youth • Low levels of industrialization • Relatively young and fragile democracies • Limited options for raising resources to implement regional integration programs • Low level of alignment of national and regional policies and plans, laws, and regulations • Inadequate legal capacity and regulatory frameworks to manage new generation of cybercrimes • Inadequate involvement of key stakeholders, especially the grassroots stakeholders in the regional integration process • Slow convergence of macroeconomic frameworks • Limited range of export basket • Low technology uptake • Occasional nationalistic tendencies overriding regional priorities 	<p>These highlighted threats, some of which were tackled by the outgoing strategy (5th EAC DS), drove the thematic framework for the 6th strategy to counter, overcome, or decisively deal with.</p>	<ul style="list-style-type: none"> • Continue to use of global initiatives to design appropriate interventions, mobilize resources and expand markets for East African goods and services • Continue to prioritize country specific flagship programs to address differentials in the economies of the Partner States, to remove fears and concerns about the benefits of the Community • Sustaining the spirit of joint pursuit of common foreign policies, including negotiating as a bloc to strengthen the region's position and voice in the global competitive environment • Continuing to support regional initiatives in pursuit of peace and stability • Creating a common approach and understanding of development and democratization processes • Designing and implementing strategies to substantially minimize the impacts of global warming and environmental degradation • Tapping into the expertise of the Diaspora through appropriate interventions, to create more attractive economic, social, and political incentives to substantially allow for full participation of the diverse professionals for purposes of building the regional economies • The EAC should continue to collaborate with relevant international institutions to contain terrorism and piracy • Promoting the spirit of East African and nurture integrationist-oriented mind-sets • Implementation of the EAC Regional Contingency Plan for Epidemics due to Communicable Diseases, Conditions, and other Events of Public Health Concern (2015 – 2020) • Build and promote good relations with supportive multilateral and bi-lateral development partners to source financial resources and create an enabling environment for integrating EAC into other regional and global trade and financial institutions • Promote cooperation with other regional blocs to spearhead beneficial changes in global matters that affect the region • Take advantage of the expanded ICT capacity to promote back-office employment opportunities. • Promote a positive international perception of EAC region

SWOTs	Strategic Implication	Strategic Initiatives
<p>OPPORTUNITIES</p> <ul style="list-style-type: none"> • Enhanced e-business opportunities • Global optic fibre connectivity • The ratification of Agreement for the African Continental Free Trade Agreement (AfCFTA) • Accelerated continental efforts to enhance Research & Development, as well as value addition • Expansion of trade and market access for manufactured products • Accelerated continental efforts to enhance technology transfer and innovation • Consolidation of political commitment and stability in the continent • Supportive global initiatives, including SDGs, NEPAD, WTO, UNECA, etc. and continental initiatives • Interests of prospective Partner States • Supportive multi-lateral and bilateral development partners • Availability of several regional blocs e.g. COMESA, SADC, EU, AU etc. to collaborate and cooperate with • Preferential market access to the US, EU, and some other developed countries • Large external market and economies of scale • Access to more affordable modern technology 	<p>In this 6th EAC DS, we have identified several strategic initiatives that the Community should capitalize-on as a special vehicle to tap into and take advantage of these huge opportunities out there.</p>	<ul style="list-style-type: none"> • The EAC exploit the continental and global initiatives to design appropriate interventions, mobilize resources and expand markets for East African goods and services • EAC exploits the prospects of tripartite arrangement which widens the market of the Community • Build and promote good relations with supportive multilateral and bi-lateral development partners to source financial resources and create an enabling environment for integrating EAC into other regional and global trade and financial institutions • Promote cooperation with other regional blocs to spearhead beneficial changes in global matters that affect the region • Take advantage of the expanded ICT capacity to promote back-office employment opportunities. • Promote a positive international perception of EAC region • Take advantage of the global optic-fibre connectivity • Create, promote, and pursue democratization and governance processes • Continue to promote and operationalize the EAC Vision 2050, as the regionally shared long-term development vision • Pursue further harmonization of national and regional policies, laws, and regulations in support of the Common Market • Improving and pursuing equitable distribution of economic and social infrastructure • Building strong foundations for the implementation of the Monetary Union and Political Federation protocols • Accelerating pursuit of the various options for mobilizing diverse resource for effective implementation of regional programs • Deepen stakeholder involvement and participation, including grass root representation, in all matters related to the integration process • Build and strengthen national and regional institutional capacities for speedy implementation of regional programs • Continue to pursue the harmonization of policies, laws, and regulations • Enforcing the regional M&E framework, as well as enhanced strategic planning, coordination, and accountability mechanisms • Leverage newer technologies to enhance production and productivity • Promote research and technology, as well as technical skills development • Institutionalizing long-term urban planning

SWOTs	Strategic Implication	Strategic Initiatives
<p>THREATS</p> <p>The eminent threats confronting the EAC region include:</p> <ul style="list-style-type: none"> • Global warming and environmental degradation • Food insecurity in the wider region • Weak competitive global positioning • Acts of international crime and cyber insecurity (including terrorism and piracy) • Continued divergent economic structures of the Partner States • Inadequate authority and power ceded to the centre • Political instability and insecurity in the wider region • Impact of sovereign sensitivities on decision-making for the region • Diseases outbreaks • Social instability globally 	<p>These Threats will, constitute some of the targets which this Development Strategy will target to address.</p>	<ul style="list-style-type: none"> • Prioritise country specific flagship programs to address differences in the economies of the Partner States to remove fears and concerns about the benefits of the Community • Sustain the spirit of joint pursuit of common foreign policies including negotiating as a bloc to strengthen the regions position and voice in the global competitive environment • Continue to support regional initiatives in pursuit of peace and stability • Create a common approach and understanding of development and democratization processes • Design and implement strategies to minimize the impacts of global warming and environmental degradation • Tap into the expertise of the Diaspora through appropriate interventions to create more attractive economic, social, and political incentives to allow full participation of the diverse professionals for purposes of building the regional economies • The community should collaborate with relevant international institutions to contain terrorism and piracy • Promote the spirit of being East African and nurture integrationist-oriented mind-sets

2.11.2 Risk Analysis and Mitigation

The Risk Analysis including recommended strategies for the EAC to address the major implications of the identified risks are presented in Table 2.33 below.

Table 2- 33 Risk Analysis and Mitigation

Sn	Risk Factor	Level	Risk Management Strategies
1	Resistance to change largely due to the possible perceptual conflict between the desire for sovereignty on one hand, and the rationale, as well as benefits of integration, on the other hand	High	<ul style="list-style-type: none"> • Creating more awareness, • Amending the Treaty to give greater powers to the EAC, • Enforcing sanctions in accordance with treaty provisions, • Enhancing community's budgeting and resource management capacity so that there is sufficient prioritization and efficient utilization of resources. • Innovative identification of sustainable sources of resources
2	Consistent under-funding of the Community	High	<ul style="list-style-type: none"> • Enhancing EAC's budgeting and resource management capacity to ensure that limited funds are allocated to priority areas and are efficiently utilized • Innovatively securing more sustainable sources of resources
3	Lack of adequate awareness of Treaty obligations and functions of the Community by the East African public	Medium	<ul style="list-style-type: none"> • Creating awareness through seminars, workshops, and public hearings, as well as developing and operationalizing a robust communication strategy • Publishing and disseminating information on EAC's functions and activities
4	Fear that Treaty amendment and proposals of EAC Organs and Institutions will not be fully affected	Medium	<ul style="list-style-type: none"> • Continuously engaging the Council and the Summit to cede more powers to the Secretariat • Adopting time specific resolutions to complete the process of ceding powers
5	Inadequate Staff and Equipment	Medium	<ul style="list-style-type: none"> • Concluding and implementing the institutional review report, which provides better administrative structures for EAC organs and Institutions • Putting in place an effective recruitment and training policy to ensure faster recruitment of staff • Procurement of required equipment
6	Dependency on donor support for core functions in the prevailing situation characterized by global economic uncertainties	Medium	<ul style="list-style-type: none"> • Identifying alternative and more sustainable funding sources • Ensuring responsible and efficient resource utilization and management • Strengthening the monitoring and evaluation system to further facilitate effective and efficient use of resources
7	Fear by some elements in Partner States to cede powers and authority to Community Organs and Institutions	Medium	<ul style="list-style-type: none"> • Creating awareness on provisions of the Treaty • Seeking interpretation from the East African Court of Justice • Enhancing the involvement of EAC stakeholders in the consultative process
8	Political instability and conflict in the region and beyond	Medium	<ul style="list-style-type: none"> • Advocating for adherence to the principles of good governance; democracy; rule of law; and respect for human rights • Advocating for regional conflict prevention and resolution mechanisms • Participating in election monitoring and good will missions

Sn	Risk Factor	Level	Risk Management Strategies
9	Negative perception of the EAC by some Partner States' civil servants	Medium	<ul style="list-style-type: none"> Carrying out positive publicity of the EAC and its Organs and Institutions Carrying out targeted awareness and sensitization campaigns involving Partner States' Civil Servants, National Assemblies and Ministries for East African Affairs Deliberately and actively establishing positive partnerships with Partner States' civil servants
10	Disloyal EAC staff	Medium	<ul style="list-style-type: none"> Carrying out continuous training and sensitization. Applying provisions of the Treaty requiring staff not to take and implement illegitimate instructions from their respective Partner States, or other authorities
11	Unforeseen disasters and emergencies	Medium	<ul style="list-style-type: none"> Multidimensional multi-agency emergency management approaches to minimise the negative effects of disasters, to reduce our vulnerability to hazards; to diminish the impact of disasters; and to prepare for, respond to, and recover from those that occur <ul style="list-style-type: none"> Social protection for the vulnerable Implementation of stimulus packages Structural transformation policies including strengthening macroeconomic policy coordination.

2.11.3 Stakeholder Analysis

The EAC integration process is anchored on the "people-centred principle" and hence, all the Organs and Institutions of the Community work towards the fulfilment of the aspiration of "One People, One Destiny". Accordingly, in execution of its mandate, the EAC must work with, and for, a wide range of stakeholder categories. The table below presents the Stakeholder Analysis and Development Partner Mapping for the EAC, including the necessary major strategic actions for enhancing the symbiotic relationships between the Community and its various major categories of stakeholders.

Table 2- 34 Stakeholder Analysis

Sn	Stakeholder	Stakeholder Expectations from the EAC	Expectations of the EAC from its Stakeholders	EAC's Strategies for Meeting its Stakeholders' Expectations
1	Partner State Governments (including their MDAs)	<ul style="list-style-type: none"> • Effective implementation of the EAC Treaty and results- oriented execution of EAC's Mandate, Vision and Mission, in general • Promotion and practicing of good governance, human rights, and accountability. • Effective championing of deepening and widening of regional integration, as well as championing of all-inclusive and sustainable regional development and socioeconomic transformation • Responsible and efficient utilization of resources • An effective and accountable EAC 	<ul style="list-style-type: none"> • Adequate and sustainable support, including resource support, for the implementation of regional integration and development initiatives • Constructive and sustainable partnership • High level capacity development support for the EAC • Technical support and assistance • Capacity development • Advocacy support • Harmonized reporting frameworks by the Partner State governments • Good and productive inter-governmental relations 	<ul style="list-style-type: none"> • Good collaboration to achieve joint priorities • Good management of resources • Regularly updating them on the initiatives and interventions funded • Timely submitting of progress reports • Building adequate and effective capacity within the EAC, strengthening delivery, accountability, and reporting, as well as enhancing effective information sharing
2	Citizens of East Africa	<ul style="list-style-type: none"> • The Community plays its role of championing the deepening and widening of integration • Managing EAC programs and projects efficiently and in a results-oriented manner • Effective representation of national governments and citizens of Partner States • Promoting good governance • Carrying out high quality and informed legislation, as well as implementation of regional laws, policies, strategies, and plans • Responsible and efficient utilization of resources 	<ul style="list-style-type: none"> • Participation in the democratization process. • Effective feedback reporting mechanisms, especially at the level of national parliaments, private sector, civil society, the media, as well as grassroots levels 	<ul style="list-style-type: none"> • Building adequate and effective capacity within the EAC, strengthening delivery and accountability, as well as enhancing effective communication & information dissemination
3	Private sector, particularly the business community	<ul style="list-style-type: none"> • Creating a business-friendly environment in the region and putting in place supportive policies and related mechanisms for ensuring prosperous investment. • The Community plays its role of championing the deepening and widening of integration • Managing EAC programs and projects efficiently and in a results-oriented manner • Carrying out high quality and informed legislation, as well as implementation of regional laws, policies, strategies, and plans 	<ul style="list-style-type: none"> • Effective feedback reporting mechanisms, especially at the level of national parliaments, private sector, and the media. 	<ul style="list-style-type: none"> • Building adequate and effective capacity within the EAC, • strengthening delivery and accountability, as well as enhancing effective communication, information dissemination and networking

Sn	Stakeholder	Stakeholder Expectations from the EAC	Expectations of the EAC from its Stakeholders	EAC's Strategies for Meeting its Stakeholders' Expectations
4	Civil Society	<ul style="list-style-type: none"> The Community plays its role of championing the deepening and widening of integration Managing EAC programs and projects efficiently and in a results-oriented manner Effective representation of national governments and citizens of Partner States Promoting good governance. Carrying out high quality and informed legislation, as well as implementation of regional laws, policies, strategies, and plans Responsible and efficient utilization of resources 	<ul style="list-style-type: none"> Participation in the democratization process and in advocacy support for all good causes of the Community Effective feedback reporting mechanisms, especially at the level of national parliaments, civil society, the media, as well as grassroots levels 	<ul style="list-style-type: none"> Building adequate and effective capacity within the EAC, strengthening delivery and accountability, as well as enhancing effective communication, information dissemination and networking.
5	Development Partners	<ul style="list-style-type: none"> Effective and results-oriented execution of EAC's Mandate, Vision and Mission, in general Promotion and practicing of good governance, human rights, and accountability Responsible and efficient utilization of resources Existence of appropriate plans for EAC's work. 	<ul style="list-style-type: none"> Adequate and sustainable support, including resource support, for the implementation of regional integration and development initiatives Constructive and sustainable partnership. High level Capacity Development support for the EAC. Technical support and Assistance Capacity Development Advocacy support 	<ul style="list-style-type: none"> Good collaboration to achieve joint priorities Good management of their funds Regularly updating them on the initiatives and interventions funded Submitting reports on time. Building adequate and effective capacity within the EAC, strengthening delivery, accountability, and reporting, as well as enhancing effective information sharing
6	Staff of the Community	<ul style="list-style-type: none"> Adequate remuneration Good Staff welfare Continuous training and development Teamwork Security of tenure of office and respect from stakeholders A conducive working environment A clear career path, development, retention and exit plan A good and considerate employment policy. 	<ul style="list-style-type: none"> High quality performance and services to the Community Staff loyalty Timely implementation of EAC's programs Adherence to EAC's rules and regulations of resources 	<ul style="list-style-type: none"> Building adequate and effective capacity within the EAC, ensuring functional internal systems, as well as enhancing effective communication and information sharing

Sn	Stakeholder	Stakeholder Expectations from the EAC	Expectations of the EAC from its Stakeholders	EAC's Strategies for Meeting its Stakeholders' Expectations
7	Media	<ul style="list-style-type: none"> • Free access to information at the EAC. • A conducive working environment at the EAC. • Receiving regular briefs from the Community. • Receiving timely information on the work of the EAC. • Open door policy from EAC in engaging with the media • Availability of EAC Leadership/ Management and staff for constructive engagement. 	<ul style="list-style-type: none"> • Responsible journalism • Constructive and balanced reporting on EAC matters 	<ul style="list-style-type: none"> • Building adequate and effective capacity within the EAC, as well as strengthening the Corporate Communications and information dissemination function. • Capacity building and training for top EAC staff and Management on Media Engagement
8	Other Regional and Global Partners	<ul style="list-style-type: none"> • Active participation in regional and international engagements • Implementation of resolutions and domestication of relevant commitments • Sharing of information on all relevant matters • Benchmarking 	<ul style="list-style-type: none"> • Learning and adoption of best practices • Capacity building for the Leadership/ • Management and staff of the EAC in the effective implementation of global best practices • Productive, sustainable, and results-oriented collaboration and partnerships, for the benefit of the East African people • Contribution of ideas on global matters and issues 	<ul style="list-style-type: none"> • Building adequate and effective capacity within the EAC, as well as strengthening the Public Relation & information dissemination function.
9	Service Providers and Suppliers	<ul style="list-style-type: none"> • Provision of accurate information • Prompt payment for goods and services • Good cooperation from the client • Clear Terms of Reference. • A conducive working environment 	<ul style="list-style-type: none"> • Efficiency and integrity in goods supply and service provision • Competent and professional conduct • Reliability and transparency 	<ul style="list-style-type: none"> • Building adequate and effective capacity within the EAC, as well as strengthening the Public Relation & information dissemination function.

3



Performance Evaluation of the 5th Development Strategy – Achievements & Challenges

3.1 Introduction

In line with the EAC Treaty (art 5), developing policies and programmes aimed at widening and deepening co-operation among the Partner States for sustainable development is geared towards achieving high and shared growth that is targeted and capable of effectively reducing poverty and raising the living standards of most of the people of East Africa.

The EAC Treaty provides for the different roles that the Organs and Institutions are to perform to support deepening the regional integration agenda. The Supreme bodies, that is the Summit and the Council of Ministers, are to provide the general direction and policy guidance. These bodies are supported by the Co-ordination Committee, Sectoral Committees, EACJ, EALA and the EAC Secretariat and Institutions. The Summit is responsible for general direction and impetus as to the development and achievement of the objectives of the Community (Article 11 (1) of the Treaty); while the Council of Ministers, as the policy organ, is responsible for promoting, monitoring and keeping under constant review the implementation of the programmes of the Community (Article 14 (1) and (2) of the Treaty). Treaty implementation is carried out through 5-year successive development Strategies.

3.1.1 Roles of the Organs and Institutions

The regional integration agenda is highly dependent on EAC's Organs and Institutions effectiveness to coordinate and implement regional programs aimed at widening and deepening economic, political, social and cultural integration in order to improve the quality of life of the people of East Africa through increased competitiveness, value added production, enhanced trade and investment.

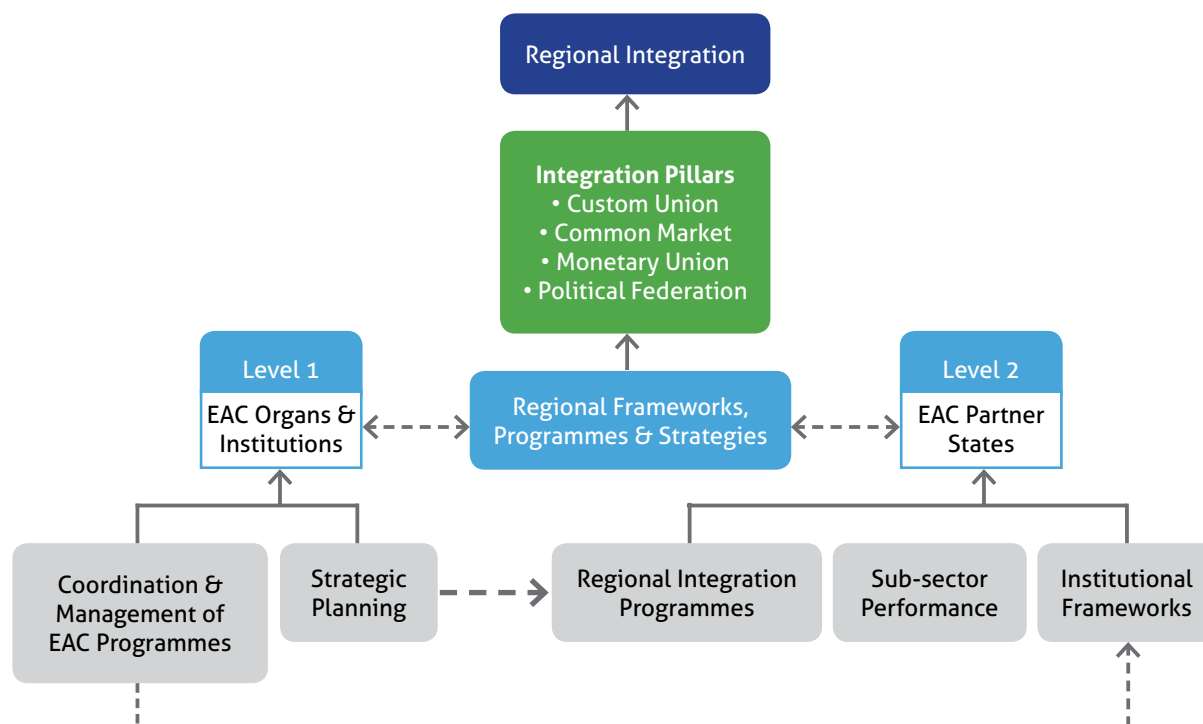
During the 5th Development Strategy implementation period, the EAC Organs and Institutions were instrumental in:

- Policy development and harmonisation, as well as programme coordination and management.
- Formulation and Implementation of the EAC Protocol Commitments.
- Building of networks to promote intra and inter-regional cooperation and linkages.
- Promoting alignment between the EAC Strategy and national, the sub-regional, continental, and global initiatives.
- Promotion and harmonisation of the policies and strategies of Partner States.
- Strategic planning, coordination, and management of EAC Community programmes and projects.
- Consolidating peace and security in the region through various approaches.
- Interfacing with the delegated mandate from policy Organs to identify critical areas of programme development for institutions and agencies who play a key role in implementing regional integration programs at Partner State level.

This performance evaluation seeks to bring out broad and generalized cause and effect linkages among the objectives of the strategy and the strategic interventions implemented by key players at regional and national levels. This cause-and-effect linkage describes how the two levels (Level 1 and 2,) interact by providing a comprehensive picture of the EAC integration and a summary assessment of achievements, the strengths, and weaknesses during the plan period. A more comprehensive scorecard of the 5th Development Strategy is presented in a separate report titled "EAC Performance Assessment Report on the Implementation of the 5th Development Strategy (2016/17-2020/21).

Given the inter-dependency of different actors in the implementation of the regional frameworks, the performance evaluation of the 5th Development Strategy is based on a 2-level Results Measurement Framework. Level 1 measures the contributions of the EAC Organs and Institutions themselves in their leadership role in coordinating development of regional frameworks, programmes, policies, and strategies achieving the development agenda and the impact in EAC Partner States (Chapter 2).

Figure 3- 1: Performance Review Framework



3.1.2 Objectives of the 5th Development Strategy

The overall goal of the 5th Development Strategy covering the period 2016/17 -2020/21, was to establish a firm foundation for transforming the East African Community into a stable, competitive, and sustainable lower-middle income region by 2021. This was to be done by prioritising, accelerating and consolidating sustainable production, productivity, value addition, trade and marketing in key regional growth and productive sectors, with emphasis on rural development, agriculture, fisheries, livestock, food and nutrition, security and high value industrialization. The key drivers of this process include investing in the enhancement of the stock and quality of multi-dimensional strategic infrastructure including energy, meteorological services, road and railway networks, civil aviation and related services; strengthening the social dimensions of the regional integration process to deliver quality, effective and efficient socioeconomic services; and increasing investment in Science, Technology, and Innovation (STI), for sustainable regional development and socio-economic transformation. The net effect is to strengthen the social dimensions of the regional integration process to deliver quality, effective and efficient socio-economic services with emphasis on enhancing human capital development, gainful employment and decent work, health status, as well as overall welfare of the people of East Africa.

In support of the EAC regional integration pillars (CU, CM, MU & PF), the priority interventions during this period centred on the areas of:

- a. **Agricultural transformation:** food and nutrition security.
- b. **Industrial development and integration:** through increased value addition, development of value chains, infrastructure, private sector development, and support of MSMEs.
- c. **Climate change and green growth:** green energy, resilience to disasters and calamities (e.g., droughts, locusts, floods).
- d. **Leveraging information technologies to improve competitiveness.**
- e. **Socio economic development:** education, health, skills development, and labour productivity.
- f. **Strengthened governance:** political & economic governance, resource mobilization, gender equality, peace & security.
- g. **Institutional Transformation:** systematic mind-set change on the way development must be approached in the region, that respect ownership; ensures sustained political commitment; honours good governance for accountability; and promotes social cohesion.

3.1.3 EAC Priorities 2017 - 2021

- Consolidation of the Single Customs Territory (SCT).
- Infrastructure development in the region.
- Enhancing free movement of all factors of production across the Partner States.
- Enhancement of regional industrial development.
- Improvement of agricultural productivity and value addition.
- Promotion of regional peace, security, and good governance.
- Institutional transformation at the regional and Partner State levels.

3.2 Performance Evaluation

The evaluation reviews the strides taken by Partner States and EAC Organs and Institutions, and their contribution towards the integration process. A detailed Institutional Assessment Report is presented separately as a standalone report.

3.2.1 Customs Union

The Customs Union integration pillar in the EAC registered significant progress during the period under the 5th Development Strategy. In anticipation of attaining a fully functional customs union, the priority interventions targeted legal and institutional strengthening, policy and regulatory reforms, elimination of trade barriers including promoting SME participation in intra-regional trade, market access expansion and operational MIS to facilitate trade and safeguard government revenues.

Crucial achievements during the period include:

Single Customs Territory

With the establishment of the SCT, and further harmonisation of customs procedures complemented with implementation of the Electronic Cargo Tracking System (ECTS) and One Stop Border Posts (OSBP), interoperable customs information systems, and other trade facilitation initiatives, efficiency in customs service has significantly improved and this has greatly contributed to reduction in time and cost of doing business. It now takes 7 days from Mombasa to Kigali up from the previous 25 days and 5 days from Dar to Kigali from the previous 21 days. Costs have equally reduced by 30% along the central corridor Dar es Salaam- Kigali, with a similar saving on transit costs along the Northern Corridor.

The initiatives taken to build the capacity of both the public and private sectors were equally enhanced to facilitate the smooth rollout of the SCT. Despite the availability of the regional market, the share of intra-regional trade remains constant at about 10% leaving 90% to external trade partners. Nevertheless, all Partner States are trading in agricultural and manufactured products which hitherto could not be exported to the developed world. The establishment of the East African Community Competition Authority (EACA) has added the impetus of promoting and protecting fair trade to ensure consumer welfare within the Community. Several targeted interventions to enhance the operations of the SCT include:

Removal of Non-Tariff Barriers (NTBs)

Through the establishment of a web-based NTBs monitoring and elimination mechanism and with consistent engagement of Partner States, 188 NTBs have cumulatively been resolved since 2007, according to the report of the SCTIFI meeting on 11th September 2020. The status as of 3rd September 2020, 17 NTBs remain outstanding; 10 Resolved NTBs (since November 2019); and 2 New NTBs reported. Various strategies for promotion of MSMEs aimed at enhancing intra-EAC trade in goods and services were put in place during the 5th Development Strategy. The Simplified Trade Regime (STR) for goods of low value (less than USD 2000) to cross EAC borders has created opportunities for individuals and informal business operators to participate in the cross-border trade. Other established regional initiatives encouraging free movement of goods and services in the region, included:

- a. National and regional committees to identify and monitor their elimination.
- b. EAC Elimination of NTBs Act, 201 assented to by all EAC Partner Heads of State in April 2017 and is currently in the process of being operationalized.
- c. Enactment of the EAC Competition Act, 2006, which has been operationalised in Kenya and Tanzania.

- d. Operationalisation of 12 OSBPs
- e. Time-bound removal of Non-tariff Barriers.
- f. A Draft Regional Trade Policy.

EAC-COMESA-SADC Tripartite & AfCFTA Agreements

The ratification of the Tripartite and AfCFTA agreements by EAC Partner States was another significant achievement for the expansion of markets. These agreements will accelerate economic integration of the continent therefore achieving sustainable development that will alleviate poverty and improve livelihoods. The AfCFTA contains Protocols on Trade in Goods, Trade in Services and Rules and Procedures on the Settlement of Disputes. It has been signed by 54 out of 55 AU Member States and entered into force on 30th May 2019 after ratification by 28 AU Member States. The objective of the AfCFTA agreement is to progressively reduce and eventually eliminate customs duties and non-tariff barriers on goods and allow for free provision of services in priority sectors. In the case of the TFTA, the Rules of Origin for 5,030 tariff lines have been developed, representing 93.7% of the total 5,387 tariff lines in the Harmonized System 2017 version. Rules of Origin for 357 tariff lines (6-digit level) remain outstanding, of which negotiations are on-going. Work is on-going on the development of regulations, guidelines, working procedures and operational manuals for the Tripartite Annexes on: Rules of Origin; Customs Cooperation, Documentation, Procedures and Transit; Technical Barriers to Trade, Sanitary and Phytosanitary Measures and Non-Tariff Barriers.

Other benefits include expanded investments and industrialization opportunities with the attendant benefits in employment creation, and additional export markets including sourcing of food products. However, the major challenges in realising the benefits from expanded market outlays lie in institutional capacity constraints including limited financial resources, skills gaps, staffing constraints and poor implementation of the regional and continental decisions agreed upon; disparities in policy, legal and regulatory environment characterized by recurrence of Non-Tariff Barriers (NTBs)

Expansion of Productive Sectors

Agriculture

Despite the high levels of NTBs, the agriculture sector performed above the other productive sectors. The region is generally food secure, complemented with intra-regional food trade from food surplus Partner States. It is also the one sector with the highest performance in intra and external trade. Once the harmonized sanitary and phytosanitary measures (SPS) measures are ratified, there is potential to expand this sector and other productive sector performance. During the strategy implementation period the region formulated various joint interventions targeting improved food security, such as:

- a. Operationalized the EAC Industrialization Policy and Strategy for value addition in agricultural products,
- b. Developed and operationalized the EAC Climate Change Policy and Strategy that provides for mitigating negative effects of climate change on agriculture and food security,
- c. Developed the EAC Food and Nutrition Policy,
- d. EAC Aflatoxin and Prevention Control Strategy,
- e. EAC Harmonized Guidelines for Testing and Registration of Pesticides, EAC Food and Nutrition Security Strategy & Action Plan,
- f. EAC CAADP Regional Agriculture Investment Plan (RAIP),
- g. Launching of a project on 'Competitive Africa Rice Initiative in East Africa' in collaboration with Kilimo Trust,
- h. Mutual Recognition Procedure (MRP) for registration of vaccines and pharmaceutical products for the management of animal diseases,
- i. Devised mechanisms geared towards increasing access to agricultural inputs and intermediates that have raised yields and enhanced food productivity in Partner States.

Tourism

Despite the impact of COVID-19 in 2020, the tourism sector inflows and earnings maintained upward increases, benefitting from the joint tourism promotion in London and Berlin and the regional strategy to combat poaching and Illegal Trade and Trafficking of Wildlife and Wildlife Products.

Industry

In addition to increased intra-regional trade in agro-based manufactured products, several policies and strategies have been developed in support of select value chains. These include EAC Region Leather Strategy; EAC Region Cotton Textiles and Apparels Strategy; EAC Automotive Development Action Plan; Micro Small & Medium Enterprises Charter, EAC Pharmaceutical Manufacturing Plan of Action; EAC Regional Good Manufacturing Practices. In addition to this, the region developed an EAC Micro Small and Medium Enterprise (MSMES) Development Charter and developed a Programme on Industrial Upgrading and Modernization of SMEs. Other achievements include the EAC Investment Policy that provides a framework for promoting the region as a single investment destination, updated EAC Investment Guide, and implementation of the Private Sector and Public Sector Dialogue Framework; enhanced collaboration between Investment Promotion Agencies (IPAs) on investment promotion; the Single Customs Territory program which promotes the EAC as a single investment destination by ease of procedures in goods clearance; an attempt to harmonize the Exemption and Duty Remission Schemes for industries; The Single Window portal and IT platforms for customs clearance of goods, etc. continue to enable business transactions across the region. In addition, a model for an EAC business registry was approved and awaits development of an EAC platform for an EAC e-business registry and automation of Partner States registries that have not automated.

Investment

Overall, FDI inflows to the EAC were concentrated in manufacturing, construction, and services sectors. FDI into manufacturing and construction amounted to US\$ 2.1 billion and US\$ 1 billion in 2018, respectively. China and India continued to be the major sources of FDI to EAC with inflows amounting to US\$ 1.1 billion, US\$ 281.02 million, respectively. Total intra-EAC investments decreased by 20.8% to USD152.7 million in 2018, from US\$ 192.9 million in 2017; whereas the number of jobs created as a result of FDI inflows into EAC decreased by 19.3% to 89,877 in 2018, from 111,316 in 2017.

During the implementation period, the productive sector faced a number of challenges which included: delayed domestication of regional frameworks across the Partner States, information gaps on regional initiatives, lack of awareness on the effects of signed polices at national levels, limited industrial development infrastructure, limited capacity in industrial policy knowledge and skills, research and development, understaffing at national and regional levels, disjointed policy and regulatory frameworks across Partner States, limited and declining budgetary allocations at both national and regional level, delays in ratification of adopted policy instruments, out-dated policies, environment and climate change, low levels of awareness, donor over dependence in implementing most of the programmes, among others. This has limited trade and investment potential in the sectors that could expand economic activities and upgrade living standards.

3.2.2 Common Market

The Common Market, anchored on free movement of goods, people, labour, services, and capital within the region as well as the rights of establishment and residence, continues to make strides in deepening the regional integration agenda. In accelerating the implementation of the CMP, vast opportunities were created in the agricultural, manufacturing and services sectors. The key drivers opening the common market that were implemented covered: health projects, education, food security, international e-passport, selected Mutual Recognition Agreements, joint marketing of tourism activities, promotion of cultural industries, and trade in services. About 52% of the planned activities were achieved. The regional institutions operate closer to the respective Partner State Institutions. For example, the EAHRC is a specialised institutional mechanism to advise the EAC and Partner States on all matters of health and health-related research and findings that are necessary for knowledge generation, technological development, policy formulation, and practice. The EASTECO continues to promote and coordinate the development, management and application of science and technology and innovation for regional integration and socio-economic development. At cultural level, the EAKC promotes Kiswahili as a language of communication in the region and international interaction for political, economic, social, educational, scientific, and technological development of Community.

- Trade in goods

Harmonization of Tax Policies and Standards

Several tax policies harmonized during the strategy period include:

- a. An EAC Tax Treaty Policy, setting out policy positions that should be adopted in future, and negotiation frameworks for negotiating tax treaties with 3rd parties were finalized and adopted by the Sectoral

Council on Finance and Economic Affairs.

- b. EAC Model Tax Treaty was developed, adopted and is under implementation. It will also guide negotiations of Tax treaties with the 3rd parties.
- c. A Council Directive (CD) on harmonized tax procedures was developed and adopted by the Council in September 2014.
- d. An EAC framework on harmonization of domestic taxes has been finalized and is currently being used as an input to the on-going processes of developing EAC Tax Policy on harmonization of domestic taxes.
- e. EAC has harmonized a total 1,822 Standards of which five hundred and ninety five (595) are indigenous, designated as East African Standards and one thousand two hundred and seventy seven nine hundred and twenty-one (1277) are international standards agreed upon and endorsed for adoption by the Partner States.
- f. Promotion of industries with high local content development and strong value chains.

Differences in EAC Partner State tax and standards regimes have negatively impacted the effective functioning of the Common Market. It is on this basis that EAC Partner States earmarked harmonization of tax policies, laws on domestic taxes, and standards as crucial for achieving macroeconomic convergence, a core requirement for a functioning Common Market. The two Policy frameworks for harmonization of domestic taxes were developed and were the basis for the preparation of the draft EAC policy on harmonization of domestic taxes. The two policy frameworks are: those impacting on Income Taxes, VAT and Exercise Taxes within the East African Community.

- Trade in services

So far, four Mutual Recognition Agreements (MRAs) have been signed for the Accountants; Engineers; Architects and Veterinarians. The MRAs for the Advocates and Land Surveyors have been negotiated and finalized but are yet to be signed by the respective Competent Authorities. Additional seven MRAs are at an advanced stage of implementation. These cover business, communication, distribution, education, finance, tourism, and transport services.

Education & Free movement of persons, capital, and labour

The social sector benefitted greatly from the Common Market, registering 67% of the targeted achievements. Key achievements realized included:

- a. Harmonization by Partner States of laws and regulations governing the application and issuance of work permits further accelerating and facilitating free movement of workers and persons,
- b. Liberalization of capital accounts in all EAC Partner States, fast-tracking facilitation of free movement of capital in the community,
- c. Notably during the plan period Partner States also undertook a process of harmonizing education curricula, structures and frameworks, certification and accreditation of education systems and training curricula.

In recognition of the centrality of education as a key enabler for the region to be able to meet new technical, development and business demands of the 21st century, the region has identified the harmonisation of the education curricula, fees in higher learning institutions, standards, assessment, and evaluation of education programmes as a priority issue to facilitate free movement of human resources. With a performance of 85% of targeted interventions, frameworks for the harmonisation of the EAC education systems and training curricula have been developed at (a) Pre-Primary Education (b) Primary Education (c) Secondary Education (d) Teacher Education (e) Non-Formal, Adult and Continuing Education (f) Special Needs Education and (g) Technical, Vocational Education and Training (TVET).

Partner States have not fully aligned their curriculum to the approved regional structures and frameworks. Nevertheless, Partner States continue to register high enrolment rates, making basic education achievable. IUCEA has been central in working with Partner States on all matters related to higher education. Four Mutual Recognition Agreements (MRAs) have been signed to facilitate mobility of professionals. The challenge has been in the implementation of the EAC E-Learning Strategy, which could have been critical for learning during the COVID-19 pandemic, has not been operationalized in the Partner States due to funding constraints.

Annual essay competitions among the youth make it possible for them to have strong awareness on the opportunities within a wider Community. More specifically and through competitive processes, 30 fellowships are provided annually for young African female scientists at postgraduate level, to study full time at any of the 24 ACEs in the priority disciplines of the ACE II Project, namely: (i) STEM (Science, Technology, Engineering and Mathematics) or Industry, (ii) Agriculture, (iii) Health, (iv) Education and (v) Applied Statistics. This encourages regional student mobility and identifies and cultivates future leaders in the region.

Health

Growing populations in the EAC region continue placing greater demands on health services to deliver care that is proactive rather than reactive, comprehensive, and continuous rather than episodic and disease specific. Such a proactive approach is essential for the community to be able to respond to regional health challenges and implementation of priority interventions. The Community has undertaken joint actions towards prevention and control of communicable and non-communicable diseases; control of pandemics and epidemics of communicable and vector-borne diseases; and integrating health services at national and regional levels directly contributing to better distribution of health outcomes, enhanced welfare, and quality of life of the residents of the community. To this end, positive developments have been reported in the health sector (Table 2.24). The child (under five) mortality rates have maintained declines in all the Partner States. South Sudan, which has been in war situation, is an exception. The country sustains high child mortality rates of 98.8 deaths per 1000 births (Table 2.24). Nevertheless, life expectancy in all the Partner States is on the increase.

Key interventions include: Draft Second EAC Health Sector Strategic Plan (2021-2026), EAC UHC and HIV Coverage Resource Mobilization Strategy 2018, EAC Regional Pharmaceutical Manufacturing Plan of Action (2018-2023), EAC Regional Strategy on the Identification, Processing, Production and Safe Use of Alternative Medicines (2018-2023), Regional Framework for Enforcing Rational Use Of Health Products and Technologies, established electronic EAC health sector scorecard for monitoring the status of implementation of policy organ decisions and directives, EAC regional Policy on prevention, management and control of alcohol, drugs and other substance use, and the EAC Advocacy and Communication Strategy for RMNCAH, and HIV and AIDS. Other frameworks approved include: the EAC Regional Food Safety and Quality Strategic Plan (2018-2023), harmonized regional treatment guidelines or protocols for cancers, cardiovascular and kidney diseases, and regional guidelines for training, recruitment of students, faculty with the centres of excellence and IUCEA. Others also include the operationalization of several regional health frameworks which include: the six Multi-National EAC Regional Centres of Excellence (CoE) for Skills and Tertiary Education in Higher Medical and Health Sciences Education, Services and Research Program; the East African Community Regional Centre of Excellence for Biomedical Engineering and e-Health (CEBE); the East African Health Research Journal (EAHRJ), which is intended to present evidence through research that can inform the development of health policy and practice in the EAC and to facilitate the application of knowledge from research to strengthen national and regional health policy and practice; development of human-resource capacities and skills; exchange and dissemination of health-research information; and advocacy of evidence generated from health research.

The successes in the health sector in the Partner States build on the strengths in disaster preparedness capabilities and response mechanisms to be able to detect and respond to disasters in a timely manner. This has leveraged the sustained partnerships and the unique skills and resources of governments, civil society, and the private sector to improve the delivery of health services in the region. EAC therefore, is adapting a number of approaches to ready itself for the potential challenges that may unfold as caused by these disease outbreaks, including operationalization of the EAC Regional Network of Public Health Reference Laboratories for Communicable Diseases and the implementation of the EAC/GIZ "Support to Pandemic Preparedness in the EAC Region" Project among others. There are positive developments in child (under five) mortality rates, which has maintained declines in all the Partner States.

Migration & free movement of labour

Building on the EAC Labour Migration Policy as a regional instrument to guide harmonization of labour laws; progressive Integrated Border Management Systems (IBMS) by Partner States have been implemented. Further, the development of the EAC Common Market Scorecard on Free Movement of Workers and the rights of establishment and Residence in 2018 have improved tracking achievements. The EAC e-Immigration policy awaiting approval by Partner States for inputs will go a long way in improving immigration service delivery. During the plan period a draft methodology for the review of the EAC Decent Work Program (DWP) was developed and is awaiting validation by the regional Technical Working Group on the EAC Decent Work program. In addition, a Draft EAC Policy on Refugee Management was developed in 2019 and passed on to Partner States for review.

The management of COVID-19 has been a major challenge in taking a regional approach to management of health, labour, and migration issues in line with provisions in the common market on free movement of people, workers, and services. Each country has adopted different containment measures, some of which have interfered with free movement of persons, service, and trade in goods.

Culture & Sports

Embracing culture and sports as both enablers and drivers of a people-centred integration agenda through the promotion and enhancement of diverse sports activities and the promotion and preservation of our culture is of paramount importance. The EAC Partner States recognise the role that culture and sports play in the existence and survival of our communities, particularly for social cohesion, solidarity, stability, identity, promoting unity and economic development and as tools for effective sustainable development, maintenance of peace, security and healthy societies. Consequently, annual JAMAFEST platform for fostering regional socio-cultural integration in East Africa and Parliamentary and CPX USHIRIKIANO IMARA games play key roles in promoting unity in diversity, sharing cross-cultural experiences, heritage, dialogues and cultural exchanges among the people of East Africa. In addition, Military Games also make it possible for regional security representations to serve in both the regional and international provision of security services.

The EAKC established to promote Kiswahili as a language of communication in the region and international interaction for political, economic, social, educational, scientific, and technological development of the Community doubles as a mechanism for cultural exchanges. These take the form of inter-state sports, bringing together armed forces, students, among others. Several Partner States continue to leverage regional and international organisations in furtherance of protection of their cultural diversity.

Gender

As the Community strives to enhance the socio-economic development of its citizens, greater attention continues to adopt common approaches towards disadvantaged and marginalised groups, including women, children, the youth, the elderly, and persons with disabilities. During the plan period, interventions in the Gender, Community Development & Civil Society Mobilization subsector were targeted towards addressing gender disparities, empowering of communities, and creating an enabling environment for key stakeholders to participate in regional integration and development of the community. Other plan period achievements included development of a roadmap on Mainstreaming Social Protection in Policies and Programmes at the regional and national levels; adoption of a regional policy on gender aimed at guiding implementation of the Gender Equity and Development Bill; enhanced awareness creation on the Simplified Guide for MSMEs in partner states; and the implementation of action plans for the EAC Child, Youth and Persons with Disabilities policies. There is remarkable women political representation in all the Partner States, with Rwanda performing above parity levels (Table 3-1). Burundi, Tanzania, and Uganda achieved the one third representation. Lower women political representations were recorded in Kenya and South Sudan.

Table 3- 1: Women Political Representation in EAC Partner States

Indicator	Year	Burundi	Kenya	Rwanda	South Sudan	Tanzania	Uganda
Proportion of seats held by women in national parliament (%)	2015	36.4	19.7	63.8	26.5	36	35
	2016	36.4	19.7	63.8	28.5	36.6	33.5
	2017	36.4	21.8	61.3	28.5	36.4	34.3
	2018	36.4	21.8	61.3	28.5	37.2	34.3
	2019	38.2	21.8	61.3	28.5	36.9	34.9
% of women at the ministerial level	2015	34.8	30	35.5	22.7	32.3	29.6
	2019	26.1	25	51.9	18.8	22.7	36.7

Source: UN Women Database, and Inter-Parliamentary Union

Partner States have increased public awareness campaigns against all acts and practices of Gender based violence and have taken up measures including strengthening legislation to curb the same. Various EAC policy frameworks have operationalized the Treaty provisions by recognizing the vital role of women in driving EAC's regional integration process. The EAC Partner States have taken several measures including enacting and implementing of different policies and legal frameworks, starting with the Treaty itself, which covers issues of gender mainstreaming into all EAC endeavours. More importantly is the participation of EAC in the 50 million African Women Platform Project which aims at contributing to the economic empowerment of women through the provision of networking platforms to access information on financial and non-financial services so that they can start, grow or scale up their businesses. Gender based violence was at similar levels in all Partner States (Table 3-2).

Table 3- 2: Gender Based Violence

	Country Name	Most Recent Year	Value (%)
Proportion of women subjected to physical and/ or sexual violence in the last 12 months (% of women age 15-49)	Burundi	(2017)	27.9
	Kenya	...	...
	Rwanda	(2015)	20.7
	South Sudan	...	...
	Tanzania	(2016)	29.6
	Uganda	(2016)	29.9

Source: World Bank Gender Data (2019)

Notes:

- "..." Data not available

Infrastructure

Quality infrastructure is vital for the EAC region and for Partner States to fully capitalize on the benefits of regional integration. The EAC prioritized and implemented two major transport corridors along (the Northern and Central corridors) connecting the seaports of Mombasa and Dar es Salaam thus increasing connectivity in the region and beyond. These joint regional infrastructure development projects in road, rail and inland waterways are cross-cutting within the EAC integration pillars. Other major infrastructural projects leveraging the EAC region as continental logistics hub include the Lamu Port, South Sudan, Ethiopia Transport (LAPSETT) Corridor Program and the AU's Programme for Infrastructure Development in Africa (PIDA). To complement the ground transport corridors and the major civil aviation networks improving regional, continental and global connectivity, each Partner State operates at least one international airport. The upgrading and modernization of the Entebbe and Julius Nyerere International airports, Kilimanjaro International Airport, and a new international airport in Dodoma underway are testimony to the region's commitment to improve infrastructure connectivity. Significant gains under CASSOA were made in policy and regulations with the adoption of the Multilateral Air Services Agreement, harmonized National SAR plans implemented by all Partner states, and the development of the EAC Search and Rescue Plan which incorporates aviation and maritime search and rescue.

Meteorological Services

Complementary developments in the meteorological services allow for monitoring of weather-related issues impacting on air transport as well as climate change effects. The EAC region is affected by a range of weather- and climate-related hazards that often translate into natural disasters - principally arising from drought, severe storms, tropical cyclones, and perennial floods. These and other weather- and climate-related disasters account for over 80% of the natural disasters affecting the region. In recent years, it has become important to strengthen linkages between National Meteorological Services and Disaster Management Departments, Early Warning Units and other key sectors impacted by climate variability as well as expanding weather-observing stations and strengthening monitoring and prediction of droughts and floods. Overall weather forecast reliability has improved while more users have subscribed to use climate services in all Partner States.

Energy

Energy is a key enabler to competitiveness. Its access is integral to the development agenda in the region. The strategic objective being, the supply of sufficient, reliable, affordable, and environmentally friendly energy to meet regional energy needs. Close to 43% of projects earmarked for implementation under the 5th Devel-

opment Strategy are underway, with power connectivity between Ethiopia/Kenya, Kenya/Uganda/, Kenya/Tanzania, Uganda/Rwanda, Rwanda/ Burundi/ Tanzania, and Tanzania/Zambia to connect Eastern Africa Power Pool (EAPP) with Southern Africa Power Pool (SAPP) operational. The installed energy capacity increased from 5209.7 MW in 2018 to 5857.9 MW by June 2019, adding 648.2 MW to the regional power network. EAC Secretariat secured 3 million Euro from the AfDB to fill the funding gap for the component of Burundi interconnector. Construction of 14 MW Kikagati/ Murongo hydro power project continued, and the project is expected to be completed July 2020. Trans-border transmission connectivity has opened avenues for regional trade in energy. These include joint power projects connectivity between Tanzania and Uganda.

With funding secured from World Bank, the review of the regional energy Power System Master Plan is in the pipeline. EAC Secretariat together with the East African Centre for Renewable Energy and Energy Efficiency (EACREEE) designed and secured funding to the tune of EUR 5,902,894 for a project on 'Energy Efficient Lighting and Appliances for Eastern and Southern Africa (EELA). The implementation phase commenced in June 2019.

Oil and Gas subsectors

The region jointly promotes investment in the oil and gas subsector by holding a biannual East Africa Petroleum Conference and Exhibition (EAPCE). The East African Petroleum Conference & Exhibition 2019 (EAPCE'19) was successfully held May 8-10, 2019 in Mombasa, Republic of Kenya. Challenges experienced during the implementation period include inadequate resources for investment, especially in the energy sector, lack of cross border regional investment fora and differences in legal status and autonomy of some of the institutions in particular the meteorological services; capacity gaps among the staff, inadequate funding and under staffing.

Science, Technology, and Innovation

Recognizing the importance of STI as key drivers of economic and social progress, Partner States have enacted laws or developed national policies to support the development of research capacity, human resources and talent, develop and sustain a network of scientists, support the growth in the use of ICT, develop institutional capacity and improve linkages with the private sector. At the regional level, EASTECO promotes and coordinates the development, management and application of science and technology and innovation for regional integration and socio-economic development. Key achievements have been made through increased utilization of ICT technologies in implementation of programmes, interventions, and virtual communication. EASTECO has successfully adopted and developed STI policies, namely EAC Science Technology and Innovation Policy; EA Intellectual Property Policy, and a Draft Regional Bio-economy Strategy.

Another achievement was the development of the East African Regional Research Agenda and Management framework. It is anticipated that further achievements in interventions covering application of STI in socio-economic development and strengthening of EASTECO's institutional framework shall be realized given that they are in on course for completion in 2021. These regional initiatives have been domesticated at national level through establishment of national policies and strategies, institutions, transfer of most government services to e-platforms, skills development, and establishment of ICT institutions.

Joint Exploitation of Regional Shared Resources

With the abundance of natural resources in the region, the EAC established programmes to harness them to provide a source of livelihood for its people. These natural resources are potential drivers of national and regional economic development as their efficient utilisation would result in sustainable development. Several initiatives were taken to harness natural resources management and sustainable utilisation for value addition and transformation of the economy to the benefit of the people of the EAC. These include the EAC Disaster Risk Reduction (DRR) Strategy, the Protocol on Environment and Natural Resources Management, EAC Forestry Policy and Strategy, Programme of Action (2018-2022) on Air Pollution, and the Concept Paper on Plastics and Plastics Waste Management. Partner States have domesticated most of the international and regional environment and climate change frameworks including discontinuing use of lead-based fuels. The LVBC and LVFO coordinate regional economic development and management of the fisheries in Lake Victoria. Several frameworks entrenching stakeholder involvement have been set up along Lake Victoria, involving sustainable land management, Water Hyacinth Surveillance, Joint Water Resources Management of the Trans-boundary Mara River Basin, among others.

The annual Mara Day celebrations increase the visibility of the rich **Mara ecosystem**, its wide range of wildlife and natural resources and the impact on the livelihoods and economies of the entire East African Community. The Nile Perch in Lake Victoria is an important economic activity at three levels namely, household, private sector and government levels in matters of food contribution, employment, income generation and export earnings.

3.2.3 Monetary Union

The Monetary Union is expected to entrench the Single regional Market through a single currency while improving economic structures of Partner States to increase trade-integration. To this end, two regional laws were established to support the creation of institutions to implement the Monetary Union by 2024 (East African Monetary Institute and East African Statistics Bureau).

In addition, Financial Sector Development and Regionalization, Payments and Settlements Systems Infrastructure in the Partner States are on-going. Adoption of clear measures to develop the interbank markets in all countries and harmonize monetary policy instruments were initiated. These include agreements to harmonize reserve requirement regimes in EAC countries by setting the reserve requirement ratio at 5%. The national central banks in the region also agreed to design and implement a Common exchange rate mechanism; continually assess exchange rate misalignments in the region; develop capacity in modelling and forecasting and adopt the Forecasting and Policy Analysis System (FPAS) as well as a common monetary policy communication strategy. In this regard, important achievements have been harmonized, including payment system and standards, integration of payment and settlement systems; promotion of interconnectivity of payment cards switches; regulatory and institutional frameworks as well as cross border mobile money initiatives. Regarding the financial system stability and development, focus was put on integration of financial systems and adoption of common principles and rules for the regulation and supervision of the financial system; development and harmonization of criteria of the Basel Core Principles (BCPs); review, consolidation and harmonization of the existing financial stability assessment frameworks and establishment of a working group on macro prudential analysis and stress testing (MAST). About 76% of the planned activities were achieved.

Lengthy approval processes, with some of the interventions falling under more than one Sectoral Council made it difficult to make final decisions. Further, understaffing and underfunding remain critical challenges. The slow progress in the financial markets developments, which is a prerequisite for adopting the forward-looking monetary policy framework, compromised target achievements. The process of developing the Economic and Monetary Union (EMU) legal instruments has taken more time than expected, partly due to lack of funds and lengthy approval processes.

3.2.4 Political Federation

The Political Federation pillar of regional integration continues to register tangible progress. In line with the provisions of Article 123 of the Treaty, the Community has made substantial progress towards attainment of some critical building blocks towards achievements of Political Federation, by way of establishing the key legislative and judicial Organs-EALA and EACJ. Further, the continuing deliberations in the harmonization and coordination of regional policy frameworks, several protocols regarding good governance, democracy, peace, and security, defence, human rights and social justice, and international relations set the grounds for political confederation are under negotiation or awaiting ratification. The key interventions in the 5th Development Strategy placed emphasis on ensuring sustained stability, institutional strengthening for the delivery of a common foreign policy which is still under negotiation, domestication of international obligations, political commitment, good governance, and accountability. Improvements have been made in the electoral processes in the region with a policy document for the establishment of the Forum of Electoral Commission currently under review. Similarly, electoral reforms are currently underway in Tanzania and Burundi under various national initiatives.

Other major achievements include centralized participation by the community in AU-RECs cooperation; increased support by the EAC for diplomatic missions in the implementation of the provisions of the Protocol on Foreign Policy Coordination; and enhanced promotion of EAC integration objectives amongst external stakeholders with respect to alignment of EAC Vision 2050 to AU Agenda 2063, and UN Agenda 2030 on SDGs. More specifically, the EAC Regional Centre on Counterterrorism and the Panel of Eminent Persons, who mitigated the escalation of the conflicts in the Republic of Burundi were established. Further, refugee, and e-migration and trans-boundary community security policies were also developed during the plan period.

Key achievements of the pillar during the strategy period were:

- a. EAC principles on election observation and evaluation have been developed to guide election observation and promote credibility of electoral processes and outcomes in the region.
- b. Establishing common communication facilities for border security.
- c. Developing a Regional Peace and Security strategy.
- d. Developing a Protocol on Peace and Security.
- e. Development of a Protocol on Combating Illicit Drug Trafficking in the E.A. Region.
- f. Military Training: The Partner States have been offering vacancies at each other's military training institutions. The function also involves the exchange of students and directing staff at their training colleges.
- g. EAC Military Industrial Facilities Awailed for Shared Utilization: The aim is to support joint Utilization on the Defence Technical Facilities offered for shared utilization among the EAC Armed Forces.
- h. EAC Chiefs/Directors of Military Intelligence/Police/Criminal Investigations: This facilitates the gathering and sharing of intelligence information within the EAC bloc.

3.1 Challenges and Opportunities

3.3.1 Strengths and Opportunities

With the fastest growing region in Sub-Saharan Africa, the EAC region, through a very stable political and economic environment and functional institutions, infrastructure connectivity within the region and international markets, has diversified its investment portfolios across different economic sectors. In galvanising its political commitment, the EAC stands to prosper from the prevailing stability and wide engagement of the citizenry and the private sector in the integration process. The regional market including additional opportunities under the TFTA and AfCFTA remain untapped. Further, key areas under national and regional value chains based on natural resources and with international market appeal have been identified.

In addition to trading in agricultural products in the region, intra-regional trade has also diversified to include agro-processed value-added products. Harmonisation of the interventions in the four pillars of integration across all the Partner States demonstrates the expanding socio-economic sectors. The concurrent human capital developments prepare the workers for the future. Furthermore, prioritisation of the key enablers of corridor based infrastructure with high connectivity across the region and global markets with provisions for linkages into the continental frameworks, strengthens the potentials of exploiting the AfCFTA and TFTA agreements. More importantly, the continuing investments in the energy sector prepare the region for expanded industrialisation.

Efficient frameworks for engagement at regional level and with third parties are also in place. These include frameworks for engagement under SDGs, WTO, EU, AGOA with adequate provisions for preferential trade and investment opportunities. These external connectivity engagement frameworks create opportunities for EAC to exploit the continental and global initiatives to design appropriate interventions, mobilize resources and expand markets for East African goods and services. Existing good relations with supportive multilateral and bi-lateral development partners create opportunities to source financial resources to facilitate implementation of critical activities for integrating EAC into other regional and global trade and financial institutions. Further, existence of global fibre connectivity created the advantage of the expanded ICT capacity to promote back-office employment opportunities and digitalisation of production and distribution services.

Vision 2050 provides the framework to guide Partner States in their development agenda ensuring that it is consistent with EAC regional integration expectations. The enhanced e-business opportunities from access to global optic fibre connectivity and access to more affordable technology, creates additional business opportunities especially during this COVID-19 era. The region should now leverage and implement the EAC Regional Contingency Plan for Epidemics due to communicable diseases, conditions, and other events of Public Health concern (2015 – 2020).

3.3.2 Threats and Challenges

At the global level, the threats for EAC's continued exploitation of international opportunities arise from the protectionist tendencies which destabilize the proper functioning of regional markets. Others include global warming, acts of international crime and cyber insecurity.

At the regional level, various challenges were identified, namely delays in the decision-making process of the EAC statutory organs coupled with a lack of quorum that prolong achievement of targets and goals; inadequate financial and human resources for coordination and facilitation of key activities and operations; and the lack of an established sectoral council on cooperation on political and international relations. The continued high dependence of EAC on Partner State contributions and donor support reduces the region's potential to expand its economic frontier. This has been exacerbated by the high debt levels in the Partner States leaving limited resources for sharing across the many RECs and international institutions that they are party to. In any event, Partner States have not exploited potentials of joint mobilisation for regional projects. The limited industrialisation prospects, worsened by lack of competitiveness, are reflected in the commodity based and narrow value-added export baskets thus undermining creation of jobs for the many unemployed youth in the region.

Modern technology uptake remains a challenge and accounts for the low production and productivity. There are inadequate supplies for Partner States effective participation in intra-regional trade. Further, political instability and insecurity in the wider region limits investor appetite to take advantage of the EAC stable regional market opportunities. There is need to support national governments' specific flagship programs to address differences in the respective economies, to remove fears and concerns about the benefits of the Community. Going forward, there will be need to invest in emergency response mechanisms that rope in all Partner States to adopt a joint approach in addressing disasters such as climate change, the recent desert locust invasion and the COVID-19 pandemic. The regional level support mechanisms call for sustainable resource mobilisation to maintain the temple of regional integration.

At national level, continued divergent economic structures, differences in policy and regulatory frameworks of the Partner States make it difficult to exploit available opportunities for the benefit of the region in totality. Instead, nationalistic tendencies run counter to harmonisation of policy frameworks with potential to expand the socio-economic horizons for the benefit of all the citizens in the region. There are prevalent disparities in national policies, laws, and regulations culminating in NTBs that inhibit cross border trade and investment. There is need to continue to prioritize country specific flagship programs to address differentials in the economies of the Partner States, to remove fears and concerns of loss of sovereignty and demonstrate the potentials for sharing the benefits of the Community. In building a regional economy, it is critical to promote the spirit of being East African and nurture integrationist-oriented mind-sets. In any event the slow and delayed ratification of regional instruments by the Partner States makes it difficult to exploit the regional opportunities. Hence the low levels of intra-regional trade and investment.

3.4 Key Lessons Learnt

The key lessons learnt are:

- Consistent commitment, political will and demonstrable resource and operational support (including honouring of decisions made) by Partner State governments is critical for successful implementation of regional programs and projects, as well as other interventions under the Development Strategy.
- Effective partnerships and collaboration between EAC actors in all sectors and their respective counterparts in Partner State MDAs and other relevant institutions is a vital aspect for successful implementation of the Strategy.
- Efficient coordination amongst the different national and regional stakeholders is crucial for ensuring result-oriented regional Development Strategy implementation.
- Positive mind-sets and commitment among the leaders, implementers, and the general population is critical for ensuring successful and result-oriented Development Strategy implementation.
- Alignment of the global, continental, regional, and national priorities is necessary to ensure seamless integration into the different regional and international markets.

4



Broad Development Context for the 6th EAC Development Strategy

4.1 Introduction

The Treaty establishing the East African Community remains the anchor document for programming EAC strategic interventions. Under article 5(1), the Treaty makes provisions for the development of policies and programmes aimed at widening and deepening co-operation among the Partner States in political, economic, social and cultural fields, research and technology, defence, security and legal and judicial affairs, for their mutual benefit. Further, article 5(3) of the Treaty stipulates that the Community shall ensure the:

- i. Attainment of sustainable growth and development of the Partner States,
- ii. Strengthening and consolidation of cooperation in agreed fields,
- iii. Promotion of sustainable utilization of the natural resource base in the region,
- iv. Strengthening and consolidation of the long-standing political, economic, social, cultural, and traditional ties,
- v. Promotion of people-centred mutual development,
- vi. Promotion of peace, security, and stability,
- vii. Adopting forward looking levels of preparedness to manage change and avert disasters,
- viii. Enhancement and strengthening of partnerships with the private sector and civil society and mainstreaming of gender in all its endeavours, among others.

As acknowledged in Vision 2050, East Africans envisage a prosperous, competitive, secure, and politically united region, with no borders, providing a single space for operations. This calls for transformation for socio-economic development for a managed change process that respects ownership; ensures sustained political commitment; honours good governance for accountability; and promotes social cohesion. This will require a systematic mind-set change on the way development must be approached in the region, with special focus on harmonized implementation of regional commitments at national level.

Section 1.6 highlights the broad priority intervention areas, in accordance with Vision 2050, focusing on transformation, value addition and growth including creation of gainful employment. This calls for coherence of regional and national aspirations with entrenched wide stakeholder engagement across all the socio-economic sectors, increased investment in key enablers and facilitation interventions.

4.2 Relevant global and regional frameworks (SDG, AU, WTO, TFTA, CFTA, etc.)

The development context of the EAC 6th Development Strategy is in alignment with commitments as contained in the SDG 2030, AU2063, World Trade Organisation (WTO), Tripartite Free Trade Area (TFTA), African Continental Free Trade Area (AfCFTA), the Sendai Framework for Disaster Risk Reduction (SFDRR) (2015-2030) and the Paris Agreement among other regional and global obligations. The alignment of AU 2063, CAADP, AUDA/NEPAD frameworks, SDG 2030 and EAC Vision 2050 are presented in Annex 2.

4.2.1 SDG 2030 & Other UN Frameworks

SDG 2030 are global goals, adopted by all United Nations Member States in 2015 as a universal call to action to end poverty, protect the planet and ensure that all people enjoy peace and prosperity by 2030. The transformative vision in SDG 2030 is to create conditions for shared global prosperity, universal sustainable development in economic empowerment through decent work and reduced inequalities (SDG 8, 10), social sectors of health, education, housing (SDG 3, 4, 11), and environment dimensions. In this regard, eradicate poverty and hunger (SDG 1, 2, 12), build peaceful and just societies (SDG 16), protect human rights and promote gender equality and empowerment of women and youth (SDG 5); establish global partnerships (SDG 17); ensure protection of the environment and the natural resources (SDG 6, 7, 13, 14, 15); and infrastructure connectivity (SDG 9).

These global aspirations are consistent with the EAC Treaty provisions in Art 5 of developing policies and programmes aimed at widening and deepening co-operation among the Partner States in political, economic, social and cultural fields, research and technology, defence, security and legal and judicial affairs, for their mutual benefit. These are to be implemented through the CU, CM and MU and ultimately the political federation.

4.2.2 AU 2063 & CFTA

Agenda 2063 is a Pan African Vision of an integrated, prosperous, and peaceful Africa, driven by its own citizens, representing a dynamic force in the international arena. This is to be achieved through inclusive growth and sustainable development driven by structural transformation policy frameworks and prospects in improved local, regional and international trade and investment. It is expected to cut across the RECs party to AU-including CAADP, AUDA/NEPAD frameworks; political stability, peaceful and secure Africa underpinned by good governance, democracy, respect for human rights, justice and the rule of law; common heritage and shared values.

The AfCFTA (2018) aims to create a single continental market for goods and services, with free movement of businesspersons and investments. Consistent with EAC Vision 2050, the prioritised investments under AU 2063 are expected to address poverty, create decent jobs and economic opportunities for all, in part by:

- i. Modern agriculture for increased production, productivity and value addition contributes to farmer and national prosperity and Africa's collective food security.
- ii. Exploitation of Africa's unique natural endowments, its environment, and ecosystems, including its wildlife and wild lands are healthy, valued and protected, with climate resilient economies and communities.
- iii. People empowerment in engaging women and youth in economic activities social, political, and environmental activities.
- iv. Adoption of ICT facilitated development agenda for increased adoption of global initiatives.
- v. Expand intra African trade through better harmonization and coordination of trade liberalization and facilitation regimes and instruments across RECs and across Africa in general.
- vi. Resolve the challenges of multiple and overlapping memberships and expedite the regional and continental integration processes.
- vii. Enhance competitiveness at the industry and enterprise level through exploiting opportunities for scale production, continental market access and better reallocation of resources.

In the context of Malabo Declaration (2014) on Accelerated Agricultural Growth and Transformation for Shared Prosperity and Improved Livelihoods; resolve to ensure that the agricultural growth and transformation, the following are the major undertakings.

- a. Commitment to Enhancing Investment Finance in Agriculture, with allocation of at least 10% of public expenditure to agriculture.
- b. Commitment to Ending Hunger in Africa by 2025, by at least doubling current agricultural productivity levels, by the year 2025 and improve nutritional status, and in particular, the elimination of child under-nutrition in Africa with a view to bringing down stunting to 10% and underweight to 5% by 2025.
- c. Commitment to Halving Poverty by the year 2025, through Inclusive Agricultural Growth and Transformation while sustaining annual agricultural GDP growth of at least 6%.
- d. Commitment to Boosting Intra-African Trade in Agricultural commodities and services to triple, by the year 2025, intra-African trade in agricultural commodities and services.
- e. Commitment to Mutual Accountability to Actions and Results to foster alignment, harmonization and coordination among multi-sectorial efforts and multi-institutional platforms for peer review, mutual learning, and mutual accountability.

4.2.3 TFTA

The TFTA expands market access across 26 countries, and thus requiring intensified investment in supply capacities of the region to feed into these bigger markets. The strategy intends to promote regional and national priority value chains by introducing longer tariff structures to streamline supply/input value chains in sectors with strong backward and forward linkages that present a diversity of options of economic growth opportunities and employment and export potentials for the region. Besides, the value chains also act as sources of livelihood to most of the poorer segments of the populations in the region.

4.3 Vision 2050 targets, Sector strategies, National Visions and Strategies

Considering the regional youthful population and high unemployment rates and poverty, Vision 2050 focuses on initiatives that will create gainful employment to the economically active population. This is to be achieved through the pillars of Infrastructure development; Industrialization; Agriculture, food security and rural economy; Natural resource and environment management; and Tourism, trade, and services development. Consequently, the complementary enablers include shared political commitment, healthy population, skilled human capital, and effective institutions anchored on harmonized policies and regulatory frameworks to manage expanded and diversified regional potentials.

To this end, the Vision commits to providing conducive investment climate and establishment of institutions to enhance transformation for growth and development, trade and investment, value addition, production and productivity which aims to address various imbalances.¹² to restore equity and accountability and quality of life for the general population within a prosperous region. These regional aspirations are consistent with the national visions promising prosperity for the citizens.

- Enhanced inclusiveness in development and socio-economic transformation.
- Access to modern, fast, and affordable infrastructure that is essential for economic development and wellbeing of the population.
- Achievement of high per capita income to give the population adequate purchasing powers and improved quality of life.
- Economic empowerment of the citizens to spur growth and fast track poverty reduction.
- Building EAC's ICT capacities to encourage innovation and increase competitiveness.
- Zero tolerance to corrupt practices and misuse of development resources.
- Articulation of pro-active policies aimed at linking employment targets to skills development initiatives.
- Job creation initiatives to provide for current and future needs of the bulging youth population.
- Increased partnership between the public and private sectors for economic transformation.
- A better environment for inter and intra- regional trade and investment.
- That the needs of special groups are addressed in an inclusive and participatory manner.
- Building sound economic institutions, legal and policy frameworks needed for the long-term socio-economic transformation.
- Free movement of people, labour, goods, services, and capital.
- Rights of establishment and rights of residence.
- Exploit available resources sustainably.
- Promote strong intra/inter regional connectivity to global frameworks to access more markets.

4.4 Macro Frameworks

The EAC macro-frameworks are defined by the convergence criteria promising personal prosperity in cohesive societies, competitive economies, and strong inter-regional interaction. The macro-framework builds on the convergence framework anchored on sustained economic growth of more than 7% with per capita incomes more than USD 3000 aligned to middle income countries. Other benchmarks include budget deficits of less than 5%, 4-months import cover, maximum budget deficits of 3%, sustainable public debt of no more than 50% of GDP and single digit inflation rates as presented in Table 2.1 (in chapter 2). In order to sustain the coming into effect of the MU, the regional economies are expected to enhance and sustain tax mobilisation efforts in order to increase tax revenue/GDP ratios beyond the EAMU targets of 25%, so as to raise resources to finance the Vision 2050; they rationalise and prioritise government spending, while ensuring value for money in all aspects of government expenditures; and that the cumulative sum of domestic and external borrowing as a ratio of GDP does not exceed 50% of GDP, single digit interest rates and gross national savings above 20%.

Sustained achievements of the macro-convergence criteria will in part depend on how the region manages the devastating effects of COVID-19 and any other disasters that may arise thereof. It will be critical to monitor the effects of COVID-19 on the operations of national economies.

¹² Unbalanced distribution of economic and social infrastructure and incomes.

This will call for:

- i. Structural diversifications of economic activities, to move higher in the value production chain, to mitigate volatility of international commodity process reduced receipts to countries exporting commodities.
- ii. Exploring alternative financing options given the likely tightening of global financing conditions on the back of COVID-19 which could reduce financial flows to the region. A subdued global growth forecast, trade uncertainties and geopolitical tensions could potentially increase risk premiums in international financial markets and reverse capital inflows, diminishing East Africa's key source of public and private investment and finance for transformative infrastructure investments.
- iii. Explore alternative mechanisms of raising development resources, including promoting partnerships with private sector, to moderate debt by reducing public sector borrowing.

4.5 Recovery Plan from the negative effects of COVID-19

Considering the devastating effects of the pandemic on EAC economies, the region has developed a recovery plan to respond to and address the challenges posed by the COVID-19 pandemic and reorient the economies back on their long-term growth path. The objectives of the EAC COVID-19 Recovery Plan are:

- a. To mitigate the short-term and medium-term (2 – 3 years) negative impacts of the pandemic on vital economic and social sectors of the EAC region.
- b. Support strengthening of the fundamentals for robust recovery and sustainable further growth of trade and investment flows; and
- c. Facilitate harmonized implementation of priority activities aimed at promoting economic recovery and ensure the future prosperity of the EAC region.

To this end, a two-pronged approach is envisaged. Firstly, to institute measures and interventions to contain, as well as sustain an operating environment that supports the governments in the region to combat COVID-19, and secondly, to identify and implement strategic interventions that will lead to recovery and growth of the economies of the EAC countries.

The EAC COVID-19 Recovery Plan prioritises the short-term and medium support measures and actions to contain the pandemic as well as for recovery. The plan is based on the optimistic assumption that the pandemic will come to an end at a point where the damage inflicted on the global economy has been fixed gradually as to allow reasonable flow of resources and normalcy in key economic activities led by foreign trade. The key drivers of the recovery plan at regional level include:

1. Improving the investment Climate,
2. Strengthening the manufacturing capacity and value chains in the region,
3. Consolidating and strengthening regional integration initiatives,
4. Capacity rebuilding of trade and investment facilitation institutions,
5. Enhancing trade facilitation,
6. Promotion of EAC Exports to external markets,
7. Standards and SPS Regulations,
8. Re-engineering the Transport Sector,
9. Prioritise Key services sectors for trade development and investment,
10. Supporting agriculture and food security and sustainability,
11. Building regional capacity for digital transformations (i.e. e-commerce and e-government'),
12. Re-igniting tourism and re-orienting the tourism value Chains.

These initiatives will be complemented with additional national rescue interventions in:

- a. Building and strengthening the health sector capacities, including recruitment of additional personnel in the public health, to manage and contain the spread of the pandemic,
- b. Sustaining citizen sensitisation to adhere to the measures instituted by governments,
- c. Improving the business environment to attract and retain local and foreign investors,
- d. Innovate the logistics and transport sectors to cope with COVID-19 pandemic and ensure supply chains remain operational,
- e. Provision of liquidity measures to support SMEs and the business community,
- f. Enhancing trade and trade facilitation mechanisms,
- g. Consolidating and strengthening regional integration initiatives,
- h. Promotion of EAC exports to external markets,
- i. Building capacity for digital transformation.

4.6 Strategic Development Objectives

Taking cognisance of the SWOT analysis and the strategic development objectives underpinning the 5th Development Strategy, the 6th Development Strategy shall be moderated to focus on building a regional economy to take advantage of the large continental and global markets, re-engineer Production and logistics arrangements in line with digitalised frameworks in the face of the disruptive effects COVID-19 pandemic including strengthening emergence response mechanisms for timely mitigation of disasters.

These include:

1. Attainment of a fully-fledged Customs Union through full implementation of the Single Customs Territory (SCT) and enhanced ICT systems for customs administrations and other key players.
2. Enhancing domestication and implementation of regional commitments in line with the EAC Common Market Protocol, and other related regional, continental, and international frameworks.
3. Attainment of the EAC single currency through the realisation of macro-economic convergence criteria and the harmonisation of fiscal, monetary and exchange rate policies.
4. Strengthening regional governance, political commitment, accountability, and inclusivity to improve peace and security, in the build-up to an EAC Political Confederation.
5. Development of quality multi-dimensional strategic infrastructure and related services including clean energy, to support and accelerate sustainable regional integration and global competitiveness.
6. Developing and strengthening the capacity of all EAC Organs and Institutions to effectively execute their mandates.
7. Increasing visibility of EAC, stakeholder knowledge and awareness, and participation of EAC citizens in the integration process.

4.7 Strategic Options, Priorities, and Interventions

According to Vision 2050, the period 2015-2030 will focus on consolidation and transformation of the regional economy by providing the environment and incentives to make EAC a production-oriented region; addressing constraints that are known to create disincentives for integrated joint development for transformation in the region. In addition, this period will focus on infrastructure development, human capital for long term skills needs, consolidation of the common market, funding of regional initiatives, strengthening the financing and banking systems, expanding savings and investment, Research & Development (R&D) and security and governance. Innovation and diversification will be undertaken under all the phases with the last period entailing high end innovations and advanced value chains. Further, to maximise on the synergies across the region, Partner States Medium Term Plans (MTPs) will also integrate regional priority interventions. An additional strategy during the COVID-19 era is to re-engineer and move most business and service delivery processes to online platforms, to remain relevant in the changed global market.

Despite the expanded market access, both in the EAC, COMESA, SADC and CFTA, intra-regional export trade, currently standing at less than 20%, has been on the decline at both national and regional levels. The key challenges are embedded in limitations of supply capacities, weak institutions reflected in delays in decision making and ratifications of regional instruments, skill gaps and staff shortages, budgetary constraints, NTBs and unfair trade practices arising from disparities in national laws and regulations, information asymmetry in part from poor statistics and limitations on forums for wide stakeholder engagement, and frequent cross border political tensions impacting on trade flows within the EAC region.

The EAC expects to see a region with empowered citizens, who can spur growth and accelerate poverty reduction. Since over 80% of the population still resides in the rural areas, emphasis on agriculture and rural development remains central to the development of the region. Empowerment of citizens requires the development of capacities of local communities, along with establishing appropriate mechanisms, systems and policies that promote participatory planning, budgeting and demand for accountability from local administrations. This will require widening and deepening economic, political, social, and cultural integration to improve the quality of life of the people through increased competitiveness, value added production, trade, and investment. In the case of effective natural resource utilization and management, anchored on transformative value addition, growth, and development, it is envisaged that East African will be prosperous, competitive, secure, and a politically united region. Further, human capital development will be tailored for both present and anticipated future market needs and demands. In the process, gender empowerment remains central to all regional integration initiatives.

Good governance practices will promote both the mobilization of local and external resources and their prudent utilization for pro-poor growth and development. The possible targets being linked to (a) Rule of law and law enforcement, (b) anti-corruption, (c) freedom of expression, (d) participation and inclusiveness, (e) social cohesion and protection.

Restrictive global environment, with the more developed countries adopting an inward protection tendency, there is urgency in operationalising the AfCTA and TFTA agreements to create stable African regional markets while pursuing the reforms within the WTO frameworks to entrench the positive aspects of globalisation.

In line with the EAC Vision 2050, the 6th Development Strategy aims to achieve a sound, stable and sustainable macro-economic environment supporting the prosperity of EAC Partner States, fully integrated within the East African Community. In this regard, and consistent with the Treaty on the EAC integration agenda, the priority interventions are aligned to the EAC Customs Union, Common Market, and the East African Monetary Union (EAMU) Protocols. This will ensure achievement of EAC Vision 2050 overall objective of enhancing coherence and harmonization of the policy, legal, and implementation frameworks.

The 6th Development Strategy is being formulated against the backdrop of a devastating corona virus pandemic (COVID-19) which has resulted into national, regional, and global lock downs in air space, sea, and land access for trade. This may affect investment in the immediate future. The strategy shall consider the limitations in the business environment and moderate ambitions accordingly. At the same time, the strategy shall also explore alternative new approaches in doing business at the regional and global levels including building local manufacturing capacities where potential exists to reduce on logistics challenges, occasioned in part by COVID-19, exploiting ICT and virtual platforms in transacting business and offering services in public and private sectors. There is need for the region to strengthen its capacity and preparedness to address such unforeseen impacts in future.

In this regard, priority interventions in the 6th Development Strategy shall build on the achievements of the 5th EAC Development Strategy, prioritise to overcome challenges, mitigate the threats but take advantage of the opportunities. It will be crucial to maintain stability in political and economic spheres; adopt a regional approach in all development strategies; expand supply capacities with focus on value chains in the critical growth sectors; strengthen institutional capabilities and skill competences; digitalise economic activities and keep the EAC citizens informed of happenings at the regional level.

In the case of the financial sector critical in the implementation of the MU, priority frameworks shall entail deepening a regionally integrated financial sector.

- a. Develop a safe and sound national and regional clearing and payments system for the financial sector, to reduce incidences of electronic fraud, and other operating costs of financial institutions.
- b. Develop the necessary social and economic infrastructure (roads, railways, water, ICT, telephone) to reduce the costs of doing business, and thereby reduce overall financial intermediation costs.
- c. Liberalise the financial sector and undertake further reforms so as to allow entry into the sector of more banks and other financial institutions from other EAC Partner States and abroad to increase competition, reduce mediation costs, and enhance access to, and usage of financial services by a wider spectrum of the population and SMEs.
- d. Review and harmonisation of the existing legal and regulatory environment to establish an appropriate harmonised and integrated legal and regulatory framework for the financial sector in the EAC Partner States.
- e. Harmonise the legal, licensing, supervision, and regulatory framework to make it easy for financial institutions operating in other EAC Partner States to locate in a Partner State.



Priority Interventions in the 6th Development Strategy

5.1 Overview

In realization of the fact that regional and continental market access potentials have not been exploited, the Strategic Direction for the 6th EAC Development Strategy shall in principle address the productive capacities, persistent business constraints, supportive investment & trade facilitation initiatives, enhanced competitiveness, institutional strengthening including wide stakeholder engagement and skills upgrading, sustained political commitments and information access. Thus, maintaining the *Core Strategic Planning Framework* by all EAC Sectors, Organs, and Institutions. It focuses on, among others: key relevant intra-regional, continental and global perspective development frameworks and agendas which are expected to partly inform and guide the 6th Development Strategy; available strategic regional development opportunities – and workable strategies for exploiting them; as well as continental and global development obligations of the EAC.

Building on the deeper operational regional integration frameworks of the CU, CM and MU (free movement of goods, services, persons and currency convertibility), complemented with abundant resource endowments, diversified economic base, relative political stability, functional institutions, technological advancements and supportive regional, continental and global initiatives; the 6th Development Strategy shall augment the EAC aspirations of deeper regional integration to create a fully integrated, internationally competitive and unified region in which goods, services, capital and persons move freely. This is consistent with Vision 2050 aspirations which focus on initiatives that will create gainful employment to the economically active population. Consequently, this Strategy prioritises interventions in addressing productive capacities, investment diversification, and trade & investment facilitation to remove business constraints, and enhance competitiveness. In this regard, the interventions integral to long-term transformation target enablers in infrastructure, and transport networks, energy & ICT, structural transformation of the industrial and manufacturing sector through high value addition and product diversification based on comparative and competitive advantages of the region and institutional strengthening and capacity building and skills development.

These growth prospects are favoured by encouraging continental integration initiatives and steps being undertaken to promote inter-regional trade within a supportive business environment while removing NTBs and related unfair trade practices. Further, the strategy shall integrate the relevant targets and interventions from AU 2063 including AfCFTA, SDG 2030 and regional commitments under EAC Vision 2050 during programming, implementation, and monitoring. The transformation for socio-economic development calls for a managed change process that respects ownership; ensures sustained political commitment; honours good governance for accountability; and promotes social cohesion. However, with the global ravages of COVID-19, which continue to impact on the EAC economy, the strategic focus of the 6th EAC Development Strategy will in addition to prioritizing the socio-economic recovery from COVID-19, continue to deepen development strategies as enunciated in the Treaty and Vision 2050.

In this regard, the strategic Focus of the 6th Development Strategy includes:

1. **Implementation of COVID-19 recovery plan.**¹³
2. **Agricultural transformation:** food and nutrition security.
3. **Industrial integration:** through increased value addition, developed value chains, infrastructure, private sector development, support of MSMEs.
4. **Climate change management and green growth:** green energy, resilience to disasters and calamities (droughts, locusts, floods).
5. **Leveraging information technologies to improve competitiveness and production.**
6. **Socio economic development:** education, skills development and labour productivity.
7. **Strengthened governance:** political & economic governance, resource mobilization, gender equality, peace & security.
8. **Institutional Transformation.**

¹³ The COVID-19 Regional Recovery Plan developed in partnership with the East African Business Council, prioritizes interventions to ameliorate the high-risk impacts of Covid-19 at the regional level regarding the recovery of tourism, SMEs, and manufacturing business sectors.

5.2 Development Theme & Goal

Overall Goal: "To Transform the East African Community into a Stable, Competitive and Sustainable Low-mid-income Region by 2030".

Overarching Theme: Building momentum towards post-COVID-19 recovery and accelerating regional adaptation to the dynamic socio-economic environment.

5.3 Principles of the Development Strategy

The guiding principles in the implementation of the Strategy include:

1. Attainment of sustainable growth and development of the Partner States.
2. Strengthening and consolidation of cooperation in agreed fields.
3. Promotion of sustainable utilization of the natural resource and nature-based solutions to climate change and disaster risk reduction in the region.
4. Strengthening and consolidation of the long standing political, economic, social, cultural, and traditional ties.
5. Promotion of people-centred mutual development.
6. Promotion of peace, security, and stability.
7. Enhancement and strengthening of partnerships with the private sector and civil society and mainstreaming of gender in all its endeavours, among others.

5.4 Strategic Approach

To achieve the objectives and results articulated under this Development Strategy, several strategies will be pursued – with the main ones outlined below:

- i. Migrating production and service delivery to digital platforms to align with global business environment.
- ii. Prioritising – at both the regional and Partner State levels – enhanced investment in infrastructure development (with emphasis on energy, ICT and transport infrastructure to lower the cost of doing business in order to increase the competitiveness of the private sector), among others – without losing sight of the regional imperative of maintaining macro-economic stability and a conducive environment necessary for optimising the region's competitiveness.
- iii. Accelerating implementation of EAC Industrialisation Policy and Strategy (2012-2032), with primary focus on development of national and regional value chains while integrating to global value chains.
- iv. Enhancing investment in and undertaking the necessary reforms in the strategic area of human capital development – with emphasis on skills development – whereby Partner State governments shall ensure results-oriented partnership with the private sector and other non-state actors – to ensure bridging the existing skills gaps in the key priority sectors – including, inter alia, in agro-processing; minerals, oil and gas; energy and transport infrastructure areas.
- v. Accelerating the implementation of the EAC Common Market and Monetary Union Protocols with a view to optimising increased investment in the region, as well as expanding the regional single market with free movement of all factors of production.
- vi. Increasing and diversifying production capacities to leverage trade and investment opportunities arising from expansion of markets under TFTA and AfCFTA.
- vii. Increasing efficiency of the public sector and competitiveness of the private sector in all Partner States – through, inter alia, increasing private sector participation in the key growth areas – including through Partner State governments, strengthening strategic partnerships with the private sector through Public-Private Partnerships (PPPs) for investment in infrastructure, human capital and in key productive sectors.

- viii. Putting in place and strengthening the necessary policies – at the regional and Partner State levels – aimed at enhancing planned and controlled urbanisation and optimising the strategic link between urbanisation and modernisation of agriculture.
- ix. Enhancement of the institutions and legal frameworks for good governance in all the EAC Partner States – with a view to ensuring the indispensably necessary conditions for not only guaranteeing peace and stability, but also the critical legal and socio-political environment necessary for ensuring accelerated and sustainable economic growth and socioeconomic transformation.
- x. Ensuring the appropriate mainstreaming of the key cross-cutting issues – of gender, HIV/AIDS, disaster prevention and response, pandemic response and prevention like COVID-19, climate change and human rights – into the implementation, monitoring and evaluation of the various regional and Partner State’s level programmes and projects under this Strategy.
- xi. Enhancing the gender balanced, business engineered, and climate smart social-economic growth in East Africa.

5.5 Key Priority Areas of the EAC over the Plan Period 2021/22 - 2025/26

The key priority Areas for the next five years:

1. Strengthening of regional peace, security, political processes, emergency response mechanisms and good governance to create a stable business environment.

- Strengthening regional peace, security, and related political processes;
- Addressing emergency response mechanisms and good governance so as to create a stable business environment;
- Improving political commitments in the Partner States aimed at domesticating, continental and international obligations, as well as regional commitments;
- Strengthening joint action in pursuit of common foreign policy interests;
- Promoting regional peace and security;
- Collaborating with relevant international institutions to contain terrorism and piracy, so as to stabilise the business environment;
- Strengthening democratisation processes within Partner States so as to focus on good governance, with emphasis on ensuring sustainable peace, stability, peaceful electoral processes, and meaningful political commitments;
- Adopting a regional approach in response to emergencies;
- Building on the regional political stability while participating in regional and AU continental political and economic integration initiatives;
- Expanding investment in emergency response mechanisms that rope together all Partner States concurrently;
- Building on the regional political stability to attract business; and
- Strengthening forecasting services to stave off conflicts.

2. Provision of Customs Services that facilitate legitimate trade and investment in the region.

- Continuing to pursue harmonization of policies, laws and regulations;
- Promoting cooperation with other regional blocs so as to spearhead beneficial changes in global matters that affect the region;
- Promoting ICT facilitated customs management as well as trade facilitation services;
- Strengthening public and private sector partnerships with a view to streamlining and strengthening trade and investment;
- Upgrading skills within Partner States;
- Expanding the OSBPs in support of cross border trade;
- Streamlining intermodal transport systems so as to achieve flawless trade;
- Concluding the on-going AfCFTA and TFTA negotiations to expand market access in the continent;
- Taking a joint regional approach when negotiating with 3rd parties so as to minimise disruption in the EAC regional integration agenda;
- Eliminating nationalistic tendencies and practices that generate NTBs that limit access to the regional market;
- Implementing regional commitments and obligations to ensure smooth trading; and
- Aligning regional integration commitments to WTO as well as other best practices, for select sectors at the global level.

3. Strengthening the productive and social sectors to improve production and productivity, increase value addition, and domesticate regional commitments to improve the welfare of East Africans. These include:

- Expanding production and productivity to create adequate supply potentials so as to meet the regional demand and strengthening the regional value chains to increase value of export commodities;
- Enhancing free movement of all factors of production, as well as other areas of cooperation across the Partner States as envisaged under the Common Market Protocol;
- Furthering regional trade liberalisation in the goods and service sectors;
- Prioritizing intervention programmes for shared benefits of regional integration, including efficient use of the natural resources to improve the wellbeing of the people of East Africa;
- Promoting free movement of factors of production as well as the right of establishment and residence;
- Diversifying the industrial and service sectors so as to create improved earnings and employment opportunities for the youth of East Africa;
- Improving agricultural productivity and resilience, value addition, and facilitation of movement of agricultural goods with a view to enhancing food security in the region;
- Tapping into the blue economy to create wealth, employment and food security;
- Enhancing regional industrial development through investment in key priority sectors, skills development, technological advancement, and innovation so as to stimulate economic development by prioritizing intervention programmes for shared benefits of regional integration, including efficient use of the natural resources;
- Designing and implementing strategies that minimize the impacts of global warming and environmental degradation;
- Developing and strengthening the regional competitive and sustainable productive sectors to support the regional and global integration process;
- Enhancing regional mechanisms and strategies for ensuring sustainable natural resource utilisation and conservation, environmental sustainability, and climate change management;
- Reducing preventable deaths by strengthening health systems towards achievement of universal health care;
- Framing policies that focus on universal primary and secondary education, with a minimum 40% of females transiting to secondary education;
- Diversifying the tourism sector, in light of the challenges brought about by the COVID-19 pandemic;
- Expanding of FDI and cross border investment;
- Diversifying into green energy;
- Employing sustainable utilisation of natural resources; and
- Maintaining containment measures against the COVID-19 pandemic.

4. Full implementation of the East African Monetary Union Protocol.

- Harmonising fiscal and monetary policies so as to achieve the convergence criteria;
- Widening stakeholder sensitisation to eliminate fears associated with lost identity and nationhood;
- Establish requisite institutions to manage and coordinate MU;
- Upgrading skills in the management of national central banks and,
- Making adequate advance mechanisms for issuance of the common currency.

5. Re-engineering of Production and logistics arrangements in line with digitalised frameworks to enhance e-business opportunities and streamlining interconnectivity of transport logistics.

- Leveraging newer technologies to enhance production and productivity;
- Digitalising production systems;
- Enhancing e-business opportunities and,
- Streamlining interconnectivity of transport logistics.

6. Development of Regional Infrastructure to Support the Integration Process.

- Expanding infrastructure development (multi-modal and multi-sectorial) to improve connectivity in the region's transport (roads, rail, maritime and civil aviation) and ICT, so as to facilitate timely services;
- Maximizing exploitation of the energy sector: power generation, transmission and supply; oil product pipeline development; and, renewable energy;
- Diversifying into green energy;

- Promoting safety and security across the different forms of transport and communication sectors;
- Liberalising the transport and communication sectors to align with the EAC pillars of integration;
- Opening up additional corridors with linkages to continental and global corridors, so as to create opportunities for trade and investment;
- Taking advantage of the fibre optic connectivity along the lengthy seashore of the Partner States;
- Liberalising the air and communication sectors;
- Institutionalizing long-term urban planning; and,
- Strengthening meteorological forecasting services so as to mitigate emergency issues.

7. Institutional transformation at the regional level, including skills development.

- Adopting a systematic mind-set change on the way development ought to be approached in the region;
- Consolidating political commitment and stability by promoting participation in the integration process of the citizenry and the private sector;
- Strengthening the mandates and capacities of the regional institutions and organs, as well as the national coordination within Partner States, so as to effectively manage the pace of regional integration;
- Taking better and appropriate interventions to ensure full and efficient utilization of the human resource base in the region in the integration process, especially while implementing the common market;
- Deepening stakeholder involvement and participation, including grass root representation, in all matters related to the integration process;
- Promoting research and technology, as well as technical skills development;
- Strengthening meteorological forecasting services so as to effectively mitigate emergency issues and,
- Strengthening the monitoring capabilities of the health sector, so as to detect pandemics and make adequate preparations at regional level.

8. Promotion of awareness creation and dissemination of information on the Community.

- Enhancing and strengthening of partnerships and engagements with the private sector and civil society;
- Disseminating information on the different aspects of regional integration and development agenda;
- Holding regular road shows to showcase and promote EAC regional integration initiatives;
- Expanding coverage of the competition areas to engage different stakeholders from all Partner States;
- Providing awards for select sectors with strong regional integration achievements on an annual basis;
- Initiating comprehensive sensitisation programmes with target stakeholders aimed at promoting mutual trust, and building confidence, identity and solidarity among EAC citizens; and
- Strengthening capacity for generation, storage, management and dissemination of information products.

5.6 Strategic Interventions under the EAC Pillars of Integration

The EAC Treaty anticipates development of policies and programmes aimed at widening and deepening co-operation among the Partner States in political, economic, social, and cultural fields, research and technology, defence, security, and legal and judicial affairs, for their mutual benefit. Consequently the 6th Development Strategy focus is on deepening Regional Integration. This will entail enhancing free movement of all factors of production including re-alignment of value-chains at national, regional and global levels and intensifying economic integration at the Continental level and other areas of cooperation across the Partner States as envisaged under the Common Market and Monetary Union Protocols.

Target: Triple intra-regional trade by 2025.

5.6.1 Customs Union

In line with the provision of Customs Services that facilitate and promote legitimate trade and investment in the EAC, using modern technology, professional staff, and application of international best practices. In anticipation of attaining a fully functional customs union, the priority interventions targeted legal and institutional strengthening, policy and regulatory reforms, elimination of trade barriers including promoting SME participation in intra-regional trade, market access expansion and operational MIS to facilitate trade and safeguard government revenues.

Building on the domestication of the WTO trade facilitation agreement, the on-going CET review will integrate AfCFTA and TFTA commitments into the trade framework, while strengthening the customs organizational capacities, and improving customer service and tax compliance. Particular attention shall focus on Increase intra-Africa and inter-regional trade by removing bottlenecks, strengthening backward and forward linkages and widening industrialization while taking advantage of the markets provided through implementation of the CFTA and COMEASA-EAC-SADC Tripartite Agreements.

Strategic Development Objective: Attainment of a fully-fledged Customs Union through full implementation of the Single Customs Territory (SCT) and enhanced ICT systems for customs administrations and other key players.

Key Priority Area: Provision of Customs Services that facilitate legitimate trade and investment in the region.

Consequently, customs operations and trade facilitation remain critical for a fully-fledged CU.

Expected High Level Outcome: AfCFTA and TFTA operationalized, and the EAC Customs Union becomes fully functional, leading to increase in access to export markets.

Customs Union Operations

The major challenges in customs operations include institutional capacity constraints, delays and inadequacies in the realignment of policy, skill gaps among the staff, enforcing customs operations; disparities in policy, legal and regulatory environment characterized by recurrence of Non-Tariff Barriers (NTBs) arising from lack of harmonized domestic tax laws, and frequent SOAs requests.

Sector Priority Areas 1: Provision of Customs Services that facilitate and promote Legitimate Trade and Investment in the EAC using Modern Technology, Professional Staff and Application of International Best Practices.

Strategic Interventions

1. Leveraging on new technologies to maximize efficiency in Customs operations,
2. Enhance trade facilitation through adoption and implementation of regional, continental, and international agreements,
3. Strengthen Customs institutional capacity and human capital,
4. Strengthen public-private sector partnerships,
5. Conclude trade negotiations and develop strategies for implementation of AfCTFA and TFTA agreements and other key identified partners while aligning with the outcome of implications of EAC negotiating Agreements with third Parties.

Targets:

The following key targets will be pursued under this priority area:

1. Increase adoption of technologies to maximize efficiency in Customs operations from 50% to 100%.
2. Increase adoption and implementation of regional, continental, and international agreements from 60% to 100%.
3. At least 1000 Customs Officers from Partner States receive capacity building to improve their performance.
4. Enhance institutional capacity from 60% to 100%.
5. 100% of existing and new public-private partnerships strengthened.
6. Negotiations concluded and strategies for implementation of AfCTFA and TFTA agreements developed.

Trade Facilitation

The main objective of trade facilitation is to reduce the complexities and costs associated with movement of cargo particularly cross-border procedures and controls while maintaining efficient and effective compliance. In addition, capacity development of appropriate enabling trade environment for the EAC suppliers to scale-up involvement in services value chains will be enhanced.

Sector Priority Area 2: Streamlining, simplifying, and harmonizing Trade Administrative procedures and regulations

Strategic Interventions

In enhancing trade facilitation, and implementation of regional, continental, and international agreements strengthen Customs institutional capacity and human capital as well as and public-private sector partnerships through:

1. Elimination of NTBs to ensure smooth flow of EAC internally produced goods to freely access all EAC markets.
2. Publication of EAC Trade Statistics.
3. Promote Micro, Small and Medium Enterprises (MSMEs) to enhance intra-EAC trade in goods.
4. Development of EAC standards for the most traded EAC products, locally produced products as well as imports.
5. Develop and harmonize standards targeting essential commodities during COVID-19 (medical devices and food), innovations, address gaps in the supply chains towards import substitution.
6. Strengthen and build regional infrastructure and capacity in industrial and scientific metrology to promote traceability and accuracy in measurements towards industrial development and human safety.
7. Strengthen and build institutional and human capital capacity in standards, conformity assessment, and accreditation.
8. Strengthen regional and international partnership in standards and conformity assessment.

Targets:

The following key targets will be pursued under this priority area:

1. NTBs Act 2017 and Regulations amended
2. At least 50 % of reported NTBs resolved
3. At least seven (7) enquiry points for Trade Facilitation established and operationalized
4. One regional and six National TFA committees receive capacity building interventions
5. EAC Trade statistics published annually
6. At least 800 Micro, Small and Medium Enterprises (MSMEs) facilitated to access EAC market annually
7. At least 200 Exhibitors trained on market access opportunities annually
8. Standards developed for at least 20 most traded locally produced EAC products
9. Standards developed for at least 100 most traded imports into the EAC
10. At least 10 standards harmonized in each category
11. At least three (3) Metrology Institutes in the region upgraded to International recognition
12. At least five (5) Traceability Guidelines (Mass, Volume, Pressure, Temperature, and Time & Frequency) developed
13. At least three (3) regional programs for accuracy measurements (axle load, safe drugs, and industrial development) developed
14. At least 30 stakeholders from the public and private sector in each Partner States receive capacity building to improve their performance.
15. At least three (3) additional partnerships on standardization, conformity assessment, accreditation and measurement established
16. Attain membership to International Standardization bodies (ISO, IEC, CODEX, ARSO, OIML; IAL and ILAC).

Sector Priority Area 3: Expand Market Access for EAC Exports and Trading with the third parties

The EAC has negotiated and signed on to the AfCFTA, TFTA among other collaborations outside the REC. However, there are no frameworks to anchor future trade and investment cooperation with third parties.

Strategic Interventions

To take full advantage of expanding market access uniformly across the EAC region, it will be critical to:

1. Establish a consolidated and harmonized EAC Trade Policy
2. Promote exports to external markets
3. Enhance Cross-Border E-Commerce in the EAC Region
4. Conclude trade negotiations with 3rd Parties
5. EAC interests in international and multilateral organizations articulated.

Targets:

The following key targets will be pursued under this priority area:

1. EAC to adopt and implement a harmonized EAC Regional Trade Policy,
2. EAC Export Promotion Strategy (2020 – 2025) implemented,
3. EAC-EU Market Access Upgrade Programme implemented,
4. EAC Regional Special Economic Zones Policy and Regulations adopted by 2025,
5. Finalize and implement the EAC Regional E-Commerce Strategy,
6. TFTA and AfCFTA strategies developed for implementation,
7. EAC positions developed for the Phase II negotiations of the AfCFTA Agreement,
8. TFTA and AfCFTA Agreements implemented,
9. Negotiations of 3 other Trade Agreements between EAC and selected 3rd Parties undertaken,
10. EAC positions on trade matters discussed in international fora (i.e. WTO) developed.

5.6.2 Common Market

Full implementation of the Common Market Protocol will include protection of fair competition, Partner State effective and efficient social dimensions of development and socioeconomic services, as well as conducive business environment to stimulate private sector investment to generate supply capacities, job opportunities and build sustainable government revenue streams. Factors critical in the implementation of the Common Market include free movement of goods, persons, factors of production (capital, labour), right of establishment and residence. More detailed operational coverages are under the productive, social and infrastructure sectors.

Strategic Development Objective: Enhancing domestication and implementation of regional commitments in line with the EAC Common Market Protocol, and other related regional, continental, and international frameworks.

Key Priority Areas: Strengthening the productive and social sectors to improve production and productivity, increase value addition, and domesticate regional commitments to improve the welfare of East Africans.

Expected High Level Outcome: Fast tracked implementation of the Common Market Protocol, leading to increase in intra-EAC trade, and free movement of factors of production, right of establishment and residence within EAC.

To this end, it will be critical to fast-track implementation of the CMP while promoting liberalisation of the service sectors. The major challenges observed during the implementation of the CM are Partner States' varying levels of developments across sectors and institutional frameworks, leading to delayed process of harmonization of systems and procedures towards a flawless single market. The capacity limitations of the National Implementing institutions have resulted in slow pace of alignment of national laws, regulations, and systems to the EAC Common Market Protocol.

Sector Priority Area 1: Accelerating the full implementation of the Common Market Protocol, including Protection of Fair Competition.

Strategic Interventions

The Strategic Interventions to be executed under the EAC Common Market Pillar during the Plan period, with the view of accelerating the full implementation of the Common Market Protocol, including protection of fair competition are as outlined below:

1. Accelerate adoption of measures to address imbalances that may arise from the implementation of the CMP.
2. Full implementation of the EAC Common Market Protocol- through identification and development of regional laws on the various aspects of the Common Market Protocol to facilitate the effective implementation of the Protocol.
3. Review implementation of the EAC Common Market Protocol and make recommendations to address issues hampering its effective implementation.
4. Strengthening the capacity of the EAC Secretariat and Partner States to facilitate the harmonization of regional and national policies, strategies, and systems to conform to the CMP and coordinate the implementation of the CMP commitments across the region.

Targets:

The following key targets will be pursued under this priority area:

1. All Partner States adopt measures to address imbalances that may arise from the implementation of the CMP by 2026,
2. Regional laws on the various aspects of the Common Market Protocol identified and developed to facilitate the effective implementation of the Protocol,
3. At least two additional instruments recommended from the review of EAC Common Market Protocol developed and operationalised,
4. National Implementation Committee (NIC) Meetings held bi-annually,
5. Meetings of the Regional Monitoring Group on the Implementation of the EAC Common Market Protocol held bi-annually,
6. At least one Common Market Scorecard Report developed and published after every two years,
7. Improved capacity. At least 40 staff of the EAC Secretariat and Partner States receive capacity building to facilitate the harmonization of regional and national policies, strategies, and systems to conform to the CMP and coordinate the implementation of the CMP commitments across the region.

Free movement of services

In accordance with WTO rules, countries are free to select service sectors that they can liberalise. In the case of EAC, MRAs is the route taken to liberalise the service sectors. So far only four MRAs have been concluded. Thus, trade in service sectors is limited.

Sector Priority Area 2: Promote the free movement of services in the region.

Strategic Interventions

The critical elements in the liberalisation of the service sectors in the region are:

1. Promotion of free movement of services in the region through adoption and implementation of regional, continental, and multilateral agreements;
2. Fully operationalize the Mechanism for the Removal of Restrictions on Trade in Services;
3. Conclude Trade in Services negotiations at the regional, continental, and multilateral levels and develop strategies for implementation of AfCFTA and TFTA Protocols on Trade in Services;
4. Finalize development of the EAC Trade in Services Strategy and ensure its implementation;
5. Development of an EAC Trade in Services Statistical Reporting Mechanism;
6. Strengthen public-private sector partnerships and promote exports on Trade in Services.

Targets

The following key targets will be pursued under this priority area:

1. At least 3 implementation plans, or proposals developed for facilitation and alignment of regional, continental, and multilateral agreements on Trade in Services.
2. Legal and policy environment that is supportive of free movement of services in the region harmonised.
3. At least two (2) regulatory audits of laws and regulations affecting trade in services subsectors undertaken.
4. 20% of identified non-conforming measures and barriers to trade in services removed.
5. An online system of the Mechanism for the Removal of Restrictions on Trade in Services developed.
6. One Regional Trade in Services Committee (RTSC) and six National Trade in Services Committees (NTSC) receive capacity building from the Secretariat.
7. At least 100 members of NTSC receive capacity building from the Secretariat.
8. Negotiations on Trade in Services concluded at the regional level under the CMP.
9. Negotiations on Trade in Services concluded under the TFTA, including the schedules of commitment and regulatory frameworks.
10. Strategies developed for implementation of AfCFTA and TFTA Protocols on Trade in Services, including the schedules of commitment and regulatory frameworks.
11. EAC Trade in Services Strategy finalized.
12. Roadmap for the implementation of the EAC Trade in Services Strategy developed.
13. Operationalization of the EAC Trade in Services Strategy through the EAC Roadmap for the implementation of the EAC Trade in Services Strategy.
14. EAC Trade in Services Statistical Reporting Mechanism developed.

15. At least 100 beneficiaries receive capacity building on the use of the EAC Trade in Services Statistical Reporting Mechanism.
16. Mechanisms for participation of stakeholders in Trade in Services policy formulation.
17. Implementation plans for promotion of exports on Trade in Services developed.

5.6.3 Monetary Union

In addition to adoption of a single currency, the realisation of the MU requires the establishment of an independent East African Central Bank to oversee the achievement of the macroeconomic convergence criteria, harmonization of the financial sector policy and regulatory frameworks, and to achieve harmonization of fiscal, monetary and exchange rate policies.

Strategic Development Objective: Attainment of the EAC single currency through the realisation of macro-economic convergence criteria and the harmonisation of fiscal, monetary and exchange rate policies.

Key Priority Area: Full implementation of the East African Monetary Union Protocol.

Expected Outcome: Milestones for the establishment of EAC Monetary Union accomplished and the Monetary Union enforced.

The MU shall be achieved through full implementation of the MU and harmonisation of the fiscal and monetary policies in the region. The MU shall be achieved through full implementation of the MU and harmonisation of the fiscal and monetary policies in the region.

Monetary Union

The disparities in the harmonization and standardization of the fiscal and monetary policies to accelerate surveillance mechanisms for macro-economic convergence and compatibility of economic policies and performances have delayed the full implementation of the MU. Further, there are still fears among citizens on the implications of the MU with regard to lost identity and nationality. In this regard civic education on implications of a single currency is paramount.

Sector Priority Areas 1: Full implementation of the East African Monetary Union Protocol.

Strategic Interventions

The Strategic Interventions to be executed under the EAC Monetary Union pillar during the Plan period with the view of accelerating the establishment of the Monetary Union are as outlined below:

1. Accelerate convergence of the EAC economies to prepare grounds for the adoption of single currency.
2. Strengthen civic education on implications of single currency.

Targets:

The following key targets will be pursued under this priority area:

1. Convergence targets met.
2. All EAC citizens sensitised on the implications of single currency.

Fiscal and Monetary Affairs

The slow progress in the financial markets developments, which is a prerequisite for adopting the forward-looking monetary policy framework, compromised achievements of the targets in the MU Protocol. The process of developing the Economic and Monetary Union (EMU) legal instruments has taken more time than expected, there is need to revise the roadmap to reflect more realistic timelines that Partner States can cope with.

1. **Sector Priority Area 2:** Harmonisation of the regional fiscal & Monetary Exchange rate policies.

Strategic Interventions

1. Completing the harmonization of the Monetary and Exchange rate policies.
2. Accelerate the finalization of legal instruments and establishment of the four EAMU Institutions.
3. Accelerate the harmonization of relevant economic policies and regulatory frameworks to create solid grounds for implementing common policies and regulations in the context of the envisaged monetary union.
4. Accelerating implementation of the EAC Monetary Union roadmap to fully achieve the prerequisite for establishment of the Monetary Union by 2024 as per protocol.
5. Develop and implement a roadmap for the design and issuance of the EAC single currency.

Targets:

The following key targets will be pursued under this priority area:

1. Monetary and Exchange rate policies fully harmonized.
2. All legal instruments finalized and four EAMU Institutions established.
3. Economic policies and regulatory frameworks harmonized to create solid grounds for implementing common policies and regulations in the context of the envisaged Monetary Union.
4. Full implementation of the Monetary Union roadmap.
5. A roadmap for the design and issuance of the EAC single currency developed and implemented.

5.6.4 Political Federation

Article 5(2) of the Treaty for the Establishment of the East African Community identifies the establishment of a Political Federation as the ultimate goal of the Community. Article 123(1) anchors this on the establishment of Common Foreign and Security policies, good governance with emphasis on ensuring sustainable peace, stability, and political commitment. Substantial progress has been made in this area with a Team of Experts currently undertaking national consultations on the constitution of the proposed EAC Political Confederation as a step towards the Federation.

Strategic Development Objective: Strengthening regional governance, political commitment, accountability, and inclusivity to improve peace and security, in the build-up to an EAC Political Confederation.

Key Target Area: Strengthening of regional peace, security, political processes, emergency response mechanisms and good governance to create a stable business environment.

Expected High Level Outcome: Improvement in governance, political commitment, and accountability in the region, as a result of demonstrable progress in the implementation of the EAC Political Federation.

Political Affairs

The Political Affairs shall be underpinned by the EAC Constitution with related governance structures. Building on the achievements made during the implementation of the 5th Development Strategy, in the form of sustained stability, institutional strengthening for the delivery of a common foreign policy, domestication of international obligations, political commitment, good governance, and accountability as well as improvements in the electoral processes in the region. The outstanding intervention relates to the Community Constitution.

Sector Priority Area 1: To lay the foundation for Political Federation through development of the constitutional framework for EAC political confederation, establishment of regional structures and building institutional capacity through development of regional policies.

Strategic Interventions:

The applicable key interventions include:

1. Develop and adopt constitutional framework for EAC Confederation.
2. Establish framework for promotion of Good Governance (Elections and Democratic practices, Rule of Law and Access to Justice, Ethics, and Integrity; Human Rights and accountability) at regional level.
3. Strengthen participation of youth in EAC integration agenda.
4. Enhance cooperation and joint planning with the other RECs, AU and UN in line with the various cooperation frameworks.

Targets:

The following key targets will be pursued under this priority area:

1. Constitutional framework for EAC Political Confederation Constitution developed and adopted.
2. Regional framework for promotion of Good Governance established.
3. Establish five (5) new platforms for increasing youth participation in the EAC integration processes.
4. At least ten (10) activities implemented jointly with the other RECs, AU and UN in line with the various cooperation frameworks.
5. Implementation of the cooperation arrangements (election and democracy, governance, rule of law and access to justice, anti-corruption) with African Union Commission (AUC) through the African Governance Architecture (AGA) programme.

International Relations

International relations are key for the community to effectively work with countries outside the EAC. Lack of regulatory guidance emphasized by the absence of the Protocol on Foreign Policy, and limited coordination, have been identified as key challenges affecting the performance of the sector. This is compounded by staff shortages and skill gaps, including lack of awareness on the importance of the department and its functions and budgetary constraints. In the absence of the critical foreign policy framework, the Summit and Council continue to provide directives and guidance to sustain the region's international relations.

Sector Priority Area 2: Strengthening common approach to promotion of collective regional interests in the regional, continental, and international arena.

Strategic Interventions

To ensure adequate preparation towards political confederation, including establishment of a regional policy externalising partnerships across RECs and globally. Key interventions include:

1. Projection of Regional Interests in the international fora through collaboration in multilateral diplomacy, building international partnerships and promotion of respect for international law.
2. Coordination and Harmonization of Partner States Foreign Policies.
3. Adopt a framework for Partner States' provision of visa and consular services on behalf of each other.
4. Enhance engagement of the EAC Diaspora in key diplomatic multilateral stations in regional integration.
5. Enhance cooperation and collaboration with AUC, RECs, UN and other International Organisations.
6. Operationalize the Framework on Effective Division of Labour in collaboration with the AUC and RECs.

Targets

The following key targets will be pursued under this priority area:

1. At least five (5) collaborations/ partnerships established and maintained to project regional interests in international fora.
2. Partner States Foreign Policies harmonized.
3. A framework for Partner States' provision of consular services on behalf of each other developed and adopted.
4. At least one (1) EAC Diaspora event in key diplomatic multilateral stations held annually.
5. EAC integration objectives promoted amongst external stakeholders by ensuring alignment of the EAC Vision 2050 with other international development frameworks.
6. At least one (1) new cooperation agreement concluded annually.
7. AU- RECs Division of Labour identified and implemented.

Peace and Security

Based on the provisions of Article 16 of the EAC Peace and Security Protocol, Article 16 of the AU Protocol on the establishment of the continental Peace and Security Council, there was an MoU between the Africa Union and the RECs in the Area of Peace and Security for the RECs to integrate peace and security matters into the regional mechanisms for conflict prevention, management and prevention. Further, cognisant of the mandate of the UN Security Council with respect to maintenance of Global Peace and Security, the EAC is expected to foster and maintain an atmosphere, through international and regional cooperation and consultations within intermediating responsible institutions, on issues pertaining to the peace and security of the Partner States with a view to addressing Peace and Security challenges as they arise and evolve.

Sector Priority Areas 3: Operationalize Regional Strategy on Peace and Security for stronger institutional frameworks, Conflict Prevention, Management and Resolution (CPMR) Mechanism, coordination of security sector interventions and timely policy formulation.

Strategic Interventions

In promoting regional peace and security, priority measures include:

1. To establish a regional mechanism for the effective implementation of decisions made in areas of peace and security, and to consolidate further ties of friendship and fraternalism amongst the Partner States.
2. Operationalisation of the Conflict Prevention, Management and Resolution (CPMR) Mechanism and domestication of other African Peace and Security Architecture (APSA) pillars.
3. Implement regional measures aimed at addressing challenges posed by asymmetric security threats that include terrorism, transnational organized crime, SALW Proliferation, Maritime insecurity cross-border crimes, genocide, and genocide ideology, among others.
4. Promote inter agency partnership and cooperation through harmonization of practice among services/forces involved in domestic security.
5. Enhance partnership and complementarity with other organizations with Peace and Security mandate in the region including other RECs, AU, and the UN.
6. Implementation of thematic interventions in Disaster Risk Reduction and Management, Refugee Management, Immigration, and Intelligence.

Targets:

The following key targets will be pursued under this priority area:

1. At least 60% of decisions made in areas of peace and security implemented.
2. EAC Early Warning Mechanism implementation enhanced and linkage between National structures and the Regional Early Warning Centre strengthened.
3. A Dynamic and Structural Data Analytical Module for data collection, analysis and reporting developed and integrated into the EACWARN Systems and Tools.
4. Collaboration and cooperation with AU-CEWS, sister RECs/RMs and engagement with other stakeholders' (civil society, youth, women, faith based-organizations) in Conflict Prevention, management, and resolution initiatives in EAC region enhanced.
5. African Union Post Conflict Reconstruction and Development (PCRD) Policy Framework domesticated.
6. EAC Mediation and preventive diplomacy capacities enhanced.
7. Regional measures to combat asymmetric security threats, such as terrorism, transnational organized crime, SALW Proliferation, Maritime insecurity cross-border crimes, genocide and genocide ideology among others promoted.
8. Interagency partnerships and cooperation increased and strengthened through harmonization of all practice areas among services/forces involved in domestic security.
9. Partnerships with regional and international organizations including the AU, RECs and UN on Peace and Security mandate matters strengthened.
10. At least two thematic interventions implemented per annum.

5.7 Priority Interventions for EAC Organs & Institutions

5.7.1 Development of Regional Infrastructure

For the anticipated growth to occur and be sustained; the EAC region should have good and regionally integrated infrastructure providing services at globally competitive costs; integrating the various infrastructure networks to facilitate transaction within the region and beyond while facilitating industrial development.

Strategic Development Objective: Development of quality multi-dimensional strategic infrastructure and related services including clean energy, to support and accelerate sustainable regional integration and global competitiveness.

Key Priority Area: Development of Regional Infrastructure to Support the Integration Process.

5.7.1.1 Road Transport

The continued improvement of the road infrastructure within EA Region is to improve connectivity strategically while researching/observing the social economic trends in trade facilitation so that the scarce resource can be used in such areas. In addition, work on rehabilitation of some of the old networks (roads) along the corridors and improvements on ports where corridors start. Further, transport costs and NTBs in the transport sector will be addressed as far as trade facilitation and harmonization under the TTTFP are concerned. This will be addressed by updating the EATTFP to be aligned with the respective Development Strategy in support of other sectors such as agriculture, trade, transport, and logistics which determines the pattern of business across the EA.

Expected High Level Outcome: Road transport infrastructure improved, and efficiency in transport related services enhanced.

While the state of the East African road corridors is reasonably good, there remain gaps in links and transit corridors critical in enhancing trade and transportation. A robust road transport network is required for efficient cross border road transport and transit networks, transport and logistics services, systems, and procedures in the EAC. The major challenges faced in implementation of interventions in the roads sub-sector are insufficient staff and budgetary constraints.

Sector Priority Area 1: Improvement of road connectivity and operations across the Region.

Strategic interventions

To contribute to the road connectivity, measures to be taken at regional level include:

1. Update and Implement the revised EAC Transport Strategy and Regional Road Development Programme.
2. Harmonize guidelines and standards in the roads sub-sector across the RECs within the TFTA and CFTA frameworks.
3. Construction of interstate road networks.
4. Mobilise funding for feasibility studies/research to inform priority road selection and required policy reforms.

Targets:

The following key targets will be pursued under this priority area:

1. Updated EAC Transport Strategy and Regional Road Development Programme implemented.
2. All guidelines and standards in the roads sub-sector across the RECs within the TFTA and CFTA frameworks harmonized.
3. Construction of priority multinational road networks completed.
4. All required resources for feasibility studies mobilized and feasibility studies undertaken.
5. Priority roads selected and required policy reforms identified.

5.7.1.2 Railway Transport

To complement other transport infrastructure, the railway system will provide the most economical and effective bulk haulage capacity for the region's exports and imports which will reduce the cost of doing business in the region.

Expected Outcome: Railway transport infrastructure improved, and efficiency in rail transport related services enhanced.

The EAC Railway Master Plan in 2010 which guides the development of railway projects in the region envisaged rejuvenate existing railways serving Tanzania, Kenya, Uganda. When Rwanda and Burundi joined the Community, potentials for extending the Master Plan were adopted, with coming into force of the AfCFTA, and South Sudan joining the Community, wider extensions of the rail lines are under consideration. The LAPPSET from Lamu is extending to Ethiopia and beyond. The critical challenge is the lack of investment resources and competent technical skills for designing appropriate financing and management options at national levels; disparities in related policy and regulatory frameworks for coming up with similar infrastructure to facilitate direct cross border connectivity.

Sector Priority Area 2: Development of an efficient railway system.

Strategic Interventions:

Coming up with more efficient railway system requires targeted activities which include:

1. Conduct studies on new railway corridors.
2. Initiate the establishment of an EAC Railways Regulatory Agency.
3. Finalize the EAC Railway (Safety, Interoperability, Access Charging & Management) Regional Bill and harmonize regional railway laws.
4. Develop centres of excellence for railway capacity building (Human Resource), ICT and technology development (e.g. spare part manufacture).

Targets:

The following key targets will be pursued under this priority area:

1. At least two studies concluded, and study report presented on new railway corridors.
2. EAC Railways Regulatory Agency established.
3. EAC Regional Railway Bill on Safety, Interoperability, Access Charging & Management finalized, and regional railway laws harmonized.
4. At least three centres of excellence developed for railway capacity building (Human Resource), ICT and technology development (e.g. spare part manufacture).

5.7.1.3 Civil Aviation & Airports

Aviation provides worldwide transportation network, which makes it essential for global business and tourism. It plays a vital role in facilitating economic growth, particularly in developing countries. Additional developments will focus on dry docks and inland water ports.

Expected Outcome: Expanded air transport system that is safe, secure, and efficient.

A vibrant aviation sector has a huge influence on increasing tourism, and manufacturing as well as facilitating international trade and business. The impact of an effective regulatory and oversight system, improved airport facilities, air navigation systems and affordable air transport through liberalisation of the industry is vital in enabling sustainable markets for farmers' and local fishermen's fresh produce both within and outside of the region. The major challenges observed were, budgetary constraints, and more focus by Partner States and development partners in other sectors.

Sector Priority Area 3: Implementation of Single African Air Transport Market by 2025.

Strategic Interventions:

Implementation of the liberalisation of the air space requires integrated targeted activities in air transport sector. Key among them are the following:

1. Liberalization of air transport in the EAC in line with YD.
2. Implementation of Single African Air Transport Market.
3. Establishment of Seamless EAC Upper Flight Information Region.
4. Expand and modernise regional airports.
5. Reduce airplane incidents and accidents.
6. Expand regional tourist airport connections.
7. Harmonisation of Civil Aviation and Airport Policies.
8. Establishment of centres of excellence in aviation.

Targets:

The following key targets will be pursued under this priority area:

1. Liberalization of air transport in the EAC by 2025.
2. Achieve full implementation of Single African Air Transport Market by 2025.
3. EAC Upper Flight Information Region established by 2024.
4. Three regional airports expanded and/ or modernised to cope with increased traffic.
5. Reduce number of airplane incidents and accidents by 30%.
6. Three regional tourist airport connections expanded by 30%.
7. Civil Aviation and Airport Policies harmonised.
8. Three centres of excellence developed for civil aviation.

5.7.1.4 Maritime Transport

Maritime transport is a crucial mode of transport for moving freight between the EAC countries and the global market. Cheap, efficient, adequate, safe, and environmentally friendly maritime transport services provide effective support to agricultural and industrial production, inter- and intra-country trade, regional integration, tourism, and to social and administrative services that are key to national and regional development. To foster increased wealth creation from East Africa's oceans and inland waters by developing a sustainable thriving blue economy in a secure and environmentally sustainable manner.

Expected High Level Outcome: Expanded maritime transport system that is safe, secure, and efficient.

The challenges facing the maritime sector include lack of capacity building for staff, the need to review LVBC Maritime Transport Act to cover inland waters, and inadequate financial resource allocation leading to ineffective implementation. If properly developed, maritime transport and inland waterways could play a vital role in unlocking the economic potential and increasing competitiveness and integration of EAC countries.

Sector Priority Area 4: Supporting the Development of efficient, safe, and secure maritime transport systems.

Strategic Interventions

Expansion of the blue economy with regard to maritime activities include:

1. Development of sustainable blue economy policies.
2. Review policies and regulations governing Maritime Transport and Ports in line with international best practices.
3. Enhance safety and security of both inland waterways and the Indian Ocean.
4. Implement the Lake Victoria and Lake Tanganyika Transport Programs under the Integrated Corridor Development Initiative (Intermodal Strategy).
5. Construct additional ports, modernize ports, and construct additional container terminals at the ports and inland container terminals.
6. Development of policies to domesticate Implementation of Africa's Integrated Maritime Strategy 2050 (AIM).

Targets

The following key targets will be pursued under this priority area:

1. Sustainable blue economy policies in place by 2026.
2. Policies and regulations governing Maritime Transport and Ports aligned with international best practices.
3. Twenty percent reduction in number of security incidents in both inland waterways and the Indian Ocean.
4. Implementations of three projects in the Lake Victoria and Lake Tanganyika Transport Programs under the Integrated Corridor Development Initiative (Intermodal Strategy).
5. Three additional ports constructed and at least another two modernized.
6. At least two additional container terminals at the ports and inland container terminals.
7. At least three policies in place to support domestication of Africa's Integrated Maritime Strategy 2050 (AIM).

5.7.2 Communications

Access and use of ICTs is essential for the development of the Community. The main objective is the harmonisation of ICT policies, laws, and regulations among the EAC Partner States; promote the establishment of communications infrastructure and services; standardisation of technologies and services to support the accelerated integration and growth in technical transformation; regional and global trade and development and promote the full exploitation of the market and investment opportunities created by the Community.

Expected High Level Outcome: Improved ICT infrastructure

During the plan period, several achievements were made in the development and implementation of the EAC Postal Development Strategy, the EAC Program on ICT Conformity Assessment and Interoperability. Additional achievements were made in the adoption of the E-Government Strategy, the formulation of EAC Task Force for ICT Standards and Conformity Assessment, and the adoptions of the EAC Framework for Cyberlaws.

However, limited staffing at both the regional and national levels delayed in transposing regional instruments into national instruments, and insufficient budget allocations.

Sector Priority Area 5: Supporting integration of Communications into regional development initiatives.

Strategic Interventions:

Leveraging ICT for expansion of socio-economic opportunities will require:

1. Implementation of EAC Postal Development Strategy.
2. Implementation of Cyber Security Framework.
3. Harmonization of Spectrum policies.
4. Accelerate EAC cross-border interconnection regulations.
5. Development of EAC Mobile Roaming Framework Regulations.
6. Develop and implement EAC regulatory instruments for broadband infrastructure and services.

Targets:

The following key targets will be pursued under this priority area:

1. EAC Postal Development Strategy implemented.
2. Cyber Security Framework developed and under active implementation.
3. Harmonized spectrum policies in Partner States.
4. EAC cross-border interconnection regulations developed by 2026.
5. EAC Mobile Roaming Framework Regulations finalized.
6. EAC regulatory instruments for broadband infrastructure and services developed.

5.7.3 Meteorological Services

The EAC region is affected by a range of weather- and climate-related hazards that often translate into natural disasters - principally arising from drought, severe storms, tropical cyclones, and perennial floods. These and other weather- and climate-related disasters account for over 80% of the natural disasters affecting the region. The Protocol on Meteorological Services allows Partner States to cooperate in the planning, designing and development of weather and climate observation networks and meteorological telecommunication systems; the processing and analysis of data and sharing of meteorological information and the development of early warning systems.

Expected High Level Outcome: Strengthened meteorological capacity, leading to improvement in detection and aversion of climate related disasters.

In recent years it has become important to strengthen linkages between National Meteorological Services and Disaster Management Departments, Early Warning Units and other key sectors impacted by climate variability as well as expand weather observing stations and strengthening monitoring and prediction of droughts and floods. Major challenges observed are meteorological services not having similar legal status and autonomy, and continuous budget cuts.

Sector Priority Area 6: Improvement of meteorological services in the region to support the regional integration process.

Strategic Interventions

Achievements in weather and climate monitoring call for implementation of:

1. Provision of weather services for Disaster Risk Reduction.
2. Enhance capacity in short, medium, and long-range weather forecasting and climate change prediction and monitoring.
3. Implementation of the Quality Management System (QMS) for Aeronautical Meteorological Services
4. Upgrade and modernize National Meteorological Infrastructure (including: Observation Network; Telecommunication Network; computing facilities; and meteorological information dissemination facilities).
5. Harmonisation of Meteorological Policies.
6. Expand access to Meteorological Services for the marine, aviation, agriculture and food security, environment, water resources, energy, other social economic sectors.
7. Ratification and Implementation of the Protocol on Cooperation in Meteorological Services.

Targets

The following key targets will be pursued under this priority area:

1. Increase access of Weather Services for Disaster Risk Reduction by 30%.
2. Accuracy of short, medium, and long-range weather forecasting and climate change prediction and monitoring improved by 20%.
3. Quality Management System (QMS) for Aeronautical Meteorological Services implemented by 2025.
4. All six Partner States upgrade or modernize National Meteorological Infrastructure to meet the set minimum standards by 2026.
5. Meteorological Policies harmonized.
6. At least 20% increase in the number of outlets for Meteorological Services for the marine, aviation, agriculture and food security, environment, water resources and energy.
7. Ratification and implementation of the Protocol on Cooperation in Meteorological Services.

5.8 Productive Sectors

The productive sectors are the basis for the livelihood of the people of the East African region as they directly address the problem of low productivity, unemployment, and food security. The sectors which comprise of agriculture, environment and natural resources, tourism and wildlife management, industrial development, and energy, employ most of the East African people.

Strategic Development Objective: Enhancing domestication and implementation of regional commitments in line with the EAC Common Market Protocol, and other related regional, continental and international frameworks.

Key Priority Areas: Strengthening the productive and social sectors to improve production and productivity, increase value addition, and domesticate regional commitments to improve the welfare of East Africans.

5.8.1 Agriculture & Food Security

Agriculture forms the backbone of the EAC economies. Hence, the emphasis on agriculture and rural development will be based on improved agricultural practices including mechanization, irrigation, increased use of improved inputs including seeds, fertilizers and pesticides among others, to ensure enhanced productivity for food security as well as economic prosperity (poverty reduction) for the citizenry. Effort will also be made to encourage the private sector investments in the agricultural, livestock and fisheries sectors. This is to end hunger, achieve food security and improved nutrition and promote sustainable agriculture. Further, there is national commitment to put more land under sustainable agriculture and increase production resulting in reduced poverty and malnutrition.

Expected Outcome: Sustainable increase in agricultural production, productivity, and value addition.

The challenges in the agricultural, livestock and fisheries sectors were staff and funding inadequacies at both regional and national level; delays in approvals of policies and strategies at regional level, disparities in the domestication of regional policies, laws and regulations on account of limited capacities. Post-harvest management practices remain a challenge across most of the Partner States. These challenges have resulted in limited production and supply potentials to take advantage of the regional market.

Sector Priority Area: Promoting sustainable natural resource use and management for agricultural productivity and value addition to sustain food security and leverage international and cross-border trade.

Strategic Interventions

The following interventions are critical in enhancing competitiveness, promotion of productivity and value addition for increased international and cross-border trade and supply capacities in agriculture and sustainable food security:

1. To enhance agricultural production and productivity, food and nutrition security and safety in the EAC.
2. Promote value addition and agro-processing and strengthen capacities for post-harvest losses reduction in strategic value chains prioritized in the EAC agro-industry and agro-enterprise program.

3. Develop and operationalize an integrated comprehensive early warning system to cover information on food surplus/deficit status, staple foods market information and information on trans-boundary crop and livestock pests and diseases.
4. To strengthen coordination and implementation of harmonized regional policies, strategies, guidelines, and legislation to increase sustainable and inclusive agricultural production, productivity, and intra-regional trade.
5. To promote livestock and fisheries value chains for sustainable economic growth and livelihoods.
6. To enhance regional collaboration and response to improve integrated management of trans-boundary crop and animal pests and diseases.
7. To support and coordinate implementation of projects to improve intra-regional trade and delivery systems for agricultural inputs and technologies (including seeds, fertilizers, pesticides, veterinary immunological, vaccines and irrigation technologies) in the region.

Targets:

The following key targets will be pursued under this priority area:

Allocate a minimum of 10% annual public expenditure to agriculture and grow the sector by at least 6% per annum.

1. At least 50% increase in agricultural production and productivity.
2. At least 50% reduction in number of people in need of food aid.
3. All Partner States domesticate all the regional food safety measures.
4. At least 50% reduction in post-harvest losses in prioritized strategic value chains in the EAC Agro-industry and agro-enterprise program.
5. An integrated comprehensive early warning system that covers information on food surplus/deficit status, staple foods market information and information on trans-boundary crop and livestock pests and diseases.
6. Increase by 50%, the domestication by Partner States, of harmonized regional policies, strategies, guidelines, and legislation to increase sustainable and inclusive agricultural production, productivity, and intra-regional trade.
7. At least five regional projects designed and implemented to improve livestock and fisheries value chains for sustainable economic growth and livelihoods.
8. All Partner States demonstrate improvement in regional collaboration and response to integrated management of trans-boundary crop and animal pests and diseases.
9. Increase by 50%, intra-regional trade and delivery systems for agricultural inputs and technologies (including seeds, fertilizers, pesticides, veterinary immunological, vaccines and irrigation technologies) in the region.

5.8.2 Tourism & Wildlife

East Africa is one of the leading tourist destinations in Sub-Saharan Africa boasting one of the strongest growth rates in tourist arrivals. Tourism contributed to the Gross Domestic Product of the EAC Partner States by an average of 8.1% in 2019, contributing an average of 17.2% to EAC total exports in the same period. This highlights the sector's potential to deliver sustainable and inclusive economic growth in the region. As part of the Diversification of Tourism and Promotion of Sustainable use of Wildlife Resources, the focus is on the implementation Articles 115 and 116 of the EAC Treaty through a common regional approach and strengthening the capacity of the key implementers. Tourism is one of the sectors with a high potential to contribute to inclusive growth, structural transformation, and achievement of SDGs. Tourism sector has strong forward and backward linkages.

Expected Outcome: Increased contribution of the tourism sector to regional economic growth.

In addition to staff shortages at regional level, disjointed policy and regulatory frameworks across the Partner states create unhealthy competition and lost opportunities to synergize on the diverse regional tourism products. This has been compounded by inadequate participation of the national experts in key regional meetings. Besides, Partner States tourism budgets have continued to decline (2017/18 - USD 120,000; 2018/19- USD 107,000; USD 2019/20- USD 104,000; and 2020/21 - USD 55,000) despite the sector's contribution to regional economies. Development Partners' participation in this sector is also limited.

Sector Priority Area: Diversification of Tourism and Promotion of sustainable use of wildlife resources.

Strategic Interventions

Tourism diversification anchored on sustainable use of wildlife resources; priority activities are to:

1. Enhance the quality of tourism services in the region by finalizing review and implementing the classification criteria for tourist accommodation establishments and restaurants.
2. Develop and implement minimum standards and guidelines for tour operators, travel agents and tour guides.
3. Identification of Centres of Excellence for Tourism and Wildlife Training.
4. Finalization of Protocol on Tourism and Wildlife Management.
5. Development of a training programme for assessors for classification of hotels.
6. Development and Implementation of EAC Tourism Marketing Strategy and Tourism Recovery Plan.
7. Implementation of the Regional Strategy to Combat Poaching and Illegal Trade and Trafficking of Wildlife and Wildlife Products and development of a regional policy on wildlife conservation and management.

Targets:

The following key targets will be pursued under this priority area:

1. Classification criteria for tourist accommodation establishments and restaurants reviewed, finalized, and adopted by all Partner States.
2. All Partner States adopt and implement the minimum standards and guidelines for tour operators, travel agents and tour guides.
3. A least two Centres of Excellence for Tourism and Wildlife training identified and accredited.
4. Protocol on Tourism and Wildlife Management finalized and approved.
5. Training programme for assessors for classification of hotels finalized and approved.
6. EAC Tourism Marketing Strategy and Tourism Recovery Plan finalized and adopted.
7. Reduce the incidences of poaching by 70% by 2023. Increase by 50%, the number of institutions and law enforcement officials sharing information on poaching, illegal trade and trafficking of wildlife and wildlife products by 2023.
8. Regional policy on wildlife conservation and management developed and adopted by 2022.

5.8.3 Industrial Development & SMEs

The industrial sector in the region is predominately SME based. In order to enhance local production and consumption, potential MSMEs in the region that can produce goods should be identified and facilitated through relevant policy incentive mechanisms consistent with WTO requirements e.g. public procurement regulations that promote procurement and use of locally produced goods. Also strengthen MSME associations through capacity building and membership enrolment drives. These sentiments were echoed by the High Level Trade Conference held in Nairobi in September 2019 which recommended, among others, the need for the Region to focus on industrial development, promotion of combined value chains to allow complementarity of local industries and the need to be cautious of long-term dependence on unilateral trade preferences such as AGOA. These initiatives underscore the need for joint efforts for building capacity of the private sector, especially in the field of market research, technological development, mineral value addition, among others. The Conference also recommended implementation of Article 24 of the Customs Union Protocol on Trade Remedies, promotion of women and youth opportunities and the need for a clear policy framework that links the Common External Tariff (CET) with industrialization strategies.

The digitalization of manufacturing will transform the way goods are made and change the politics of jobs too. In this regard, the AU commits to link the regional industrialization hubs to the global value chains; commodity exchanges will be in place by 2023 to take advantage of technology developments.

Expected High Level Outcome: Inclusive expansion in industrial development and SMEs across value chains in the productive sector.

The industrial sector in the region has the potential to be developed into one of the main components of national and regional economic structures. The contribution of manufacturing to Gross Domestic Product (GDP) in East Africa is estimated at 8.9%. While considerably below the average target of about 25% set by Partner States to achieve by 2032, the sector has immense potential to contribute significantly to the regional economy through job creation, development of related industries, increased foreign exchange earnings and improved livelihoods. Capacity constraints remain the key challenge at both regional and national levels.

This entailed institutional gaps and financial challenges. This has in part translated into lower investments leading to inadequate supply capacities for intra/extra regional trade. There is inadequate public sector involvement in the industrial sectors and limited industrial development infrastructure. Another challenge was widespread capacity lacking on industrial policy knowledge, skills, research, and development.

Sector Priority Area: Development and strengthening of the regional competitive and sustainable Productive Sectors to support the regional and global integration process including supporting regional industrial development and technological innovation.

Strategic Interventions

Expansion of industrial activities to benefit from the following strategic interventions:

1. Establish an effective institutional, policy and legal framework for Industrialization to promote the development and competitiveness of strategic regional value chains and regional industries.
2. Strengthen the national and regional value chains integrated in the regional supply chains.
3. Develop and implement a framework for enhancing the competitiveness position and productive capacity of Small and Medium Enterprises (SMEs) in the region.
4. Strengthen regional industrial R&D, technology, and innovation systems.
5. Respond to COVID-19 challenges.
6. Awareness, development of the necessary implementation tools and capacity building for the related TBT Annexes to enhance market entry by EAC.

Target:

The following key targets will be pursued under this priority area:

1. An Industrial Development Bill developed.
2. Action Plan for the implementation of the EAC Industrialization Policy and Strategy (2021-2026) developed and adopted.
3. Establish an inter-ministerial coordination forum at regional and national level for effective management and monitoring of industrial policy implementation and performance.
4. Establish a functional regional electronic platform for benchmarking and monitoring industrial performance
5. Three hundred (300) industrial incubators/entrepreneurs' skills and know-how enhanced through targeted capacity building through information sharing on an established digital portals/e-learning.
6. Annual Industrial Statistics report prepared and disseminated.
7. At least seven (7) public and private sector mechanisms; platforms/dialogues and public private partnerships for the effective development of strategic regional value chains established.
8. Regional and national mechanisms to govern the development of regional value chains established.
9. At least fourteen (14) studies conducted and research products used to guide interventions aimed at strengthening value addition and competitiveness of EAC priority sectors including mineral/extractive textiles, leather, pharmaceutical, automotive, veterinary products, herbal products, fruits & vegetables and quality infrastructure.
10. All policies, laws and regulations for the mining and mineral sector proposed for development, harmonization, or review, are finalized.
11. Mineral value addition (MVA) Strategy developed and implemented.
12. Rationalized SEZ Policy in adoption of cross border common incentives for enhanced FDI attraction, regional market access.
13. At least five (5) regional Special Economic Zones and Integrated Sector Industrial Parks established
14. Put in place regional preferential procurement schemes and establish a regional public procurement oversight committee to promote public procurement of locally produced goods by SMEs and the large industries.
15. At least seven (7) National and Regional Authorities for SMEs promotion established.
16. At least 300 SMES supported to enhance capacity in the implementation and compliance to standards to enhance competitiveness in the regional and international markets.
17. A framework for promoting linkages between SMEs and MNCs, including value and supply chains, developed, adopted, and operationalized.
18. National dedicated funding Institutions for MSMEs established.
19. Regional MSMEs sector specific associations established for at least six (6) sectors.
20. At least twelve (12) business registries and two (2) databases of MSMEs in the region established.

21. A regional framework in place to support SME firms in addressing immediate liquidity challenges, reduce layoffs, and avoid firm closures and bankruptcies as a post COVID-19 measure.
22. At least 120 Specialists from EAC Partner States receiving capacity building in industrial metrology with focus on medical metrology in support of the innovations on medical devices (ventilators, test kits, temperature guards) to ensure calibration and verification services necessary for acceptance, assured safety for use and recognition internationally.
23. Six (6) regional online buyer/seller's platforms for marketing locally produced goods established
24. Assessment of technology and innovation infrastructure including technology parks, science parks, and innovation parks to designate/establish centres of excellence.
25. Six (6) Industrial innovation, R&D and technology transfer mechanisms designed.
26. Develop guidelines for safe labour practices in factories in six (6) sectors and build capacity of producers on application of the guidelines.
27. Provide 60 enterprises with digital technology and set up digital platforms for digital marketing and service delivery.
28. At least sixty (60) SME receive capacity building in industrial metrology with focus on medical metrology in support of the innovations on medical devices (ventilators, test kits, temperature guards) to ensure calibration and verification services necessary for acceptance, assured safety for use and recognition internationally.

5.8.4 Investment & Private Sector Development

In addition to promoting PPPs, the 6th EAC Development strategy shall boost the industrial sector for more local content production of common goods and services (airline industry, agro-processing etc); public private partnerships (PPP), joint ventures. In this regard it is crucial to jointly tackle the issues which impede ease of doing business especially in infrastructure covering roads, railway, water, air transport, power, land policies, low agricultural productivity and human skills and capacities.

Expected High Level Outcome: Improved environment for investment and private sector development.

The goals of the Common Market are to promote East Africa as an attractive and single investment destination and enhance private sector participation in the EAC integration process. To achieve this Partner States have enacted some key bills and acts aimed at removing restrictions on East Africans and improving the investment environment. These have created ample investment opportunities in various sectors creating a diversified regional economy offering a variety of business and investment opportunities. However, key challenges include information gaps at national level on regional initiatives that the EAC undertakes which affect implementation efforts at national level. In addition, there is a lack of awareness on the effects of signed policies and laws at national level, creating lack of regional agreements during implementation and more focus on nationalistic interests by experts. Other challenges included insufficient resources limiting implementation of development activities, and inadequate staffing and capacity building.

Sector Priority Area: Investment Promotion and Private Sector Development.

Boosting industrial development in the region requires to:

1. Promote East Africa as an attractive and single investment destination and develop regional investment promotion products;
2. Enhance private sector and investment promotion institutions participation in the EAC integration process including designing of regional projects;
3. Promote investment policy measures to mitigate the effects of COVID-19 pandemic on business.

Targets:

The following key targets will be pursued under this priority area:

1. At least ten regional investment promotional events held, and six regional investment promotion products developed by June 2026.
2. EAC Investment Strategy developed and adopted.
3. EAC Public-Private Partnership Policy (PPP) developed and implemented.
4. PPP centre of excellence/resource centre established.
5. At least three (3) Forums established at appropriate sector levels to expand stakeholder engagements in the productive sectors to include citizenry (civil society, women, and private sector) and having them fully aware of the EAC affairs.
6. The EAC Investment Strategy and Private Sector Development Strategy (PSDS) implemented.

7. At least fifteen (15) SME industrial establishments per Partner State supported to improve their efficiency in production.
8. Harmonize and rationalize investment incentives to promote the Community as a single investment area.
9. High value addition and product diversification in the manufacturing sector.
10. Undertake at least three (3) regional investment promotion events for strategic sectors (manufacturing, ICT, health among others).
11. Sector specific incentives developed for at least six established regional value chains.
12. At least three (3) investment promotional materials developed or updated specifically: i-Guide and sector specific investment profiles.
13. Develop diaspora investment strategy.
14. Six (6) Incubation and innovation centres established.
15. An Investment funding mechanism developed to improve access to affordable finance.

5.8.5 Energy

Energy is a key enabler to competitiveness. Energy supply and access is an integral part of the EAC Development Strategy. The strategic objective being the supply of sufficient, reliable, affordable, and environmentally friendly energy to meet regional energy needs. For the EAC region to be able to attract investment, maintain its competitiveness and increase trade, development of the energy sector covering both renewable and non-renewable energy sources is crucial.

The objective of the energy and petroleum policy is to ensure sustainable, adequate, affordable, competitive, secure, and reliable supply of energy to meet regional needs at the least cost, while protecting and conserving the environment.

Expected High Level Outcome: Increase in production and consumption of clean energy.

Institutional challenges in the form of policy, legal and regulatory frameworks regarding investment, inadequate resources for investment, and high interest rates remain key challenges in the energy sector. There is also the added challenge of joint mobilization of resources for cross-border connectivity infrastructure in the absence of a regional investment framework. This has impacted on the oil and gas sector. There is also inadequate staffing at the regional level where there is one established staff position. Improvements in the sector can only be achieved through cooperation by adopting policies and mechanisms that promote efficient exploitation, development, joint research, and utilisation of various energy resources available within the region.

Sector Priority Area: Increasing access to sufficient, reliable, affordable, and environmentally friendly energy sources in the region.

Strategic Interventions

The following interventions will be implemented to expand access to energy:

1. Improve Energy Planning in the EAC.
2. Develop a Regional Energy Policy Framework to which Partner States can align their policies.
3. Implementation of Power Interconnection Projects.
4. Implementation of cross border shared generation projects.
5. Promotion of Renewable Energy and Energy Efficiency Technologies.
6. Holding the Biannual East African Petroleum Conference to promote investment in oil and gas sub sector.
7. Strengthen the institutional capacity of the energy sector.

Targets:

The following key targets will be pursued under this priority area:

1. Develop the Regional Integrated Energy Master Plan.
2. All Partner States align their policies to the Regional Energy Policy Framework.
3. At least five (5) Power Interconnection Projects implemented at regional and Partner State levels.
4. At least two (2) cross border shared generation projects implemented, and all Partner States covered by cross border shared generation projects.
5. Six (6) additional energy efficient technologies introduced into the EAC market.

6. Three (3) East African Petroleum Conferences held to keep potential investors in Oil and gas sub sector informed on emerging opportunities.
7. Prepare three (3) projects for strengthening the Centre of Excellence for the East African Centre for Renewable Energy and Energy Efficiency.

5.8.6 Environment & Natural Resources

Natural resource management encompasses sustainable use of natural resources, promotion of the green economy, and climate change adaptation and mitigation. The overall objective of natural resources management is sustainable harnessing of natural resources for value addition and transformation of the economy to the benefit of the people of the EAC. The exploitation and use of the natural resource endowment will emphasize value addition to enhance forward and backward linkages to generate employment and trade within the region, and export expansion possibilities. In this regard, it will be critical to enhancing regional mechanisms and strategies for ensuring sustainable natural resource utilisation and conservation, environmental sustainability, and climate change management.

Expected High Level Outcome: Environmental conservation enhanced, and sustainable use of natural resources strengthened.

Effective natural resource and climate change management with enhanced value addition will be given high priority coupled with human capital development aimed at creating well-educated and healthy human resources in the region. The major challenges include delays in ratification of adopted policy instruments, understaffing, and dependence on donor funding leading to delays in implementation of sector programmes. Others include low awareness on environment and climate change effects, out-dated policies, and regulations.

Sector Priority Area: Ensuring sustainable natural resource use, management and conservation, environmental sustainability, and climate change management.

Strategic Interventions

Strengthening implementation and domestication of harmonized policies, laws, and strategies to enhance conservation, management, and sustainable use of natural resources through the following activities:

1. Implement the EAC environment, natural resources, and climate change framework and promote Green economy.
2. Review and implement the EAC DRR Framework in line with the Sendai Framework for Disaster Risk Reduction (2015-2030) and promote nature-based solutions to hazards.
3. Develop and implement programmes for conservation and management of Trans-boundary Ecosystems.
4. Develop and implement an EAC framework of water governance and management of shared water resources in the region.
5. Address the challenges of air pollution.
6. Harmonize and implement forestry and mineral resources policies, strategies, and legislation.

Targets:

The following key targets will be pursued under this priority area:

1. The Climate Change Policy and Strategy reviewed, adopted by 2022 and implemented by 2026.
2. Three (3) community-based climate change programs developed and implemented by 2026.
3. The EAC Climate Change Bill developed and enacted into law.
4. The Protocol on Environment and Natural Resources Management ratified and implemented
5. Review the EAC DRRM Strategy (2012-2017) in line with the SFDRR (2015-2030).
6. Disaster Risk Reduction and Management (DRR/M) Bill assented to.
7. Integration of Disaster Risk Reduction into Education Curriculum; and Development of an EAC DRR Training Manual.
8. At least two (2) Regional emergency response plans developed.
9. Mapping out areas prone to disasters in Partner States.
10. Establish disasters evacuation centres in Partner States.
11. Strengthening and harmonizing existing regional Early Warning Systems.
12. Operationalize the EAC Disaster Risk Reduction (DRR) sub-regional platforms.

13. The Land Policy Initiative (LPI) implemented.
14. Ratification of the EAC Trans-boundary Ecosystems Management Bill.
15. The Strategy for Management and Conservation of the Arid and Semi-Arid Areas developed.
16. An EAC Regional Biosafety and Biotechnology Policy developed, adopted, and implemented
17. The Regional Biodiversity Strategy and Action Plan (RBSAP) developed, adopted, and implemented.
18. The EAC Water Policy and Integrated Water Resource Management Strategy finalized and implemented.
19. The EAC Water Resources Management Centre of Excellence established.
20. EAC Programme of Action (POA) for the Nairobi Agreement on Air Pollution implemented.
21. The EAC Mining Policy and Strategy adopted by 2026.
22. Trees and forests cover in trans-boundary catchment areas increased by 25%.

5.9 Social Sectors

Strengthening the social dimensions of the Regional Integration process to deliver quality, effective and efficient socio-economic services with emphasis on enhancing Human Capital Development, gainful employment and decent work, health status, as well as overall welfare of the people of East Africa. Consequently, the need for enhancing domestication and implementation of regional commitments in the social sectors in line with the EAC Common Market Protocol, and other related regional, continental, and international frameworks.

Strategic Development Objective: Enhancing domestication and implementation of regional commitments in line with the EAC Common Market Protocol, and other related regional, continental, and international frameworks.

Key Priority Area: Strengthening the productive and social sectors to improve production and productivity, increase value addition, and domesticate regional commitments to improve the welfare of East Africans.

5.9.1 Health

Growing populations in the EAC region continue placing greater demands on health services to deliver care that is proactive rather than reactive, comprehensive, and continuous rather than episodic and disease specific. Such a proactive approach is essential for the community to be able to respond to regional health challenges and implementation of priority interventions. The Community has therefore undertaken joint action towards prevention and control of communicable and non-communicable diseases; control pandemics and epidemics of communicable and vector-borne diseases; and integrating health services at national and regional levels directly contributing to better distribution of health outcomes, enhanced welfare, and quality of life of the residents of the community.

Expected High Level Outcome: Reduction in preventable deaths as a result of strengthened health systems.

Improving access to health services is a critical enabler for human resource quality and improved productivity; maternal and infant mortality. The outbreak of COVID-19 has highlighted underlying weaknesses in the health systems in the East African Community (EAC) and across the globe. Even the most developed countries' health systems have been overwhelmed by the COVID-19 pandemic. The challenges experienced include insufficient staffing, lack of capacity development, stringent internal policies affecting implementation, insufficient funding from Partner States leading to heavy dependence on donor funds. Other challenges included lack of prioritization of the sector by Partner States, and absence of a detailed elaborated policy on the structure of the health sector in the Community. These challenges will be exacerbated by the effects of COVID-19 on the health of the people and service delivery infrastructure.

Sector Priority Area: Strengthen Regional Policy Frameworks in support of Universal Healthcare.

Strategic Interventions

Key programme interventions to reduce preventable deaths are to:

1. Develop ten (10) new harmonized health laws, policies, regulations, strategies, and standards.
2. Develop and implement new projects and initiatives to improve the disease control and health promotion in EAC Region.
3. Develop guidelines, framework, and initiatives to strengthen health promotion and the prevention and control of communicable and non-communicable diseases

4. Create an enabling environment for the attainment of universal health coverage and social health protection in all EAC partner states.
5. Develop and implement a mutual recognition agreement of health service providers in the region to facilitate the movement of health workers.
6. Sustain implementation of regional high impact programmes, initiatives, and projects to strengthen health promotion.
7. Strengthen the coordination of the EAC Health Sector and sub sectors using updated strategic tools.
8. Promote access to safe, effective, affordable, and quality health products and technologies.
9. Promote the use of digital health innovation, knowledge management and high-quality data and statistics to increase access to health services
10. Expansion of capacity to produce skilled and professional work force for health in the region based on harmonized regional training and practice standards and guidelines.
11. Support Partner States to mobilise resources to implement the agreed upon EAC health investment priorities.

Targets:

The following key targets will be pursued under this priority area:

1. Ten (10) new harmonized health laws, policies, regulations, strategies, and standards in place.
2. At least five (5) bankable projects, initiatives and innovations developed to promote health or control diseases.
3. Ten guidelines, frameworks, and initiatives developed to strengthen health promotion and the prevention and control of communicable and non-communicable diseases.
4. Portability of benefits of social health protection is fully implemented as part of the overall social protection agenda.
5. Mutual recognition agreement of health service providers developed and domesticated by all Partner States.
6. Five Health Sector Programmes and Initiatives from the 5th DS sustained EIHP, (EAC Mobile Lab, Support to Pan Prep Project, MHR) are fully operational.
7. EAC Health Sector and Diseases Specific Strategic Plans 2021-2025 developed.
8. Five(5) tools, frameworks and interventions are developed and implemented to support medicines, health technology and food production, safety, and quality.
9. Robust and inter-operable health sector wide information, knowledge management and other ICT initiatives functional.
10. Six(6) Modernized University Teaching Hospitals and National Referral Hospitals in the region in terms of infrastructure, technology (including ICT for learning) and personnel in the region.
11. Health Investment priorities implemented at 50%.

5.9.2 Education & Training

The 6th EAC Development Strategy recognises education as a fundamental human right which is also indispensable for the achievement of sustainable development. The Strategy builds on the UNs Sustainable Development Goals (SDGs) No. 4 on inclusive, equitable and quality education; African Union Agenda 2063 and AU Continental Education Strategy for Africa (CESA 16-25); AUs Continental Strategy for Technical and Vocational Education (TVET); AUs Science, Technology and Innovation Strategy(STISA 2024);UNICEF Education Strategy 2019-2030; UNESCO Policies and Strategies on Education and African Continental Free Trade Area (ACFTA).The Strategy also recognizes the central role of ICT in education and the changing nature of teaching, learning and knowledge sharing; teacher development initiatives at national, regional and global levels and the central and growing role of TVET for youth employability and unlocking the regional development potentials. It thus cherishes human development through hard work, professionalism, entrepreneurship, creativity, innovativeness, ingenuity, critical thinking, and problem-solving skills. There will be need in linking universities and other tertiary institutions such as TVETs and the education system in general with industry; and integrating higher learning skills in the curricula by remodelling the curricula to create critical and creative thinkers who are emotionally intelligent to fit in an automated and ICT intensive society.

The region is also deficient in specialized Technical and Vocational Education and Training (TVET) skills, particularly in transport, energy, manufacturing including agro-processing and ICT, which could dampen the region's industrialization and integration agenda. There is a weak sync between the skills possessed by the labour force and those required by industry, implying that the region's inadequacies in education and skills development could result in a less productive workforce.

Labour productivity is an important economic indicator that is linked to economic growth, competitiveness and living standards. Low labour productivity across the region will be experienced in 2020 because of COVID-19.

Expected Outcome: Partner States education systems and training curricula fully harmonized for enhancement of productive and creative human resources.

The Community acknowledges that education is a key enabler for the region to be able to meet new technical and business demands of the 21st century. Recognising the fundamental importance of education, and to facilitate the regional integration process especially the free movement of human resources, EAC Partner States have identified the harmonisation of the education curricula, standards, assessment, and evaluation of education programmes as a priority issue. A number of challenges impacting negatively on the expansion of education services include staffing challenges, skills gaps, out dated policies, long delays in domestication of regional policies and frameworks in Partner States, inadequate funding, and bureaucracy causing delays in utilization of funds and mismatch between curriculum development and manpower planning.

Sector Priority Area: Universal primary and secondary education with 40% of females transiting to secondary education.

Strategic Interventions

Operationalisation of universal education calls for the following activities

1. Harmonization of EAC Education systems and training curricula
2. Operationalize designated EAC Centres of Excellence
3. Signing and Operationalization of the Mutual Recognition Agreements (MRAs)
4. Implementation of the EAC Introduction to E-Learning Strategy.
5. Finalization and Implementation of the EAC TVET Harmonization Strategy operationalized.
6. Undertake the EAC Tertiary and Secondary Schools Essay Writing Competition
7. Develop and implement the EAC Education Strategy
8. Strengthen collaborations with regional and international agencies

Targets:

The following key targets will be pursued under this priority area:

1. All pending actions in the harmonization of EAC education systems and training curricula concluded
2. Number of designated EAC Centres of Excellence operationalized
3. Five new MRAs negotiated and signed.
4. All signed MRAs operationalized and implemented in all Partner States.
5. All Partner States domesticate and implement the EAC Introduction to E-Learning Strategy
6. EAC TVET Harmonization Strategy finalized and implemented in All Partner States.
7. EAC Tertiary and Secondary Schools Essay Writing Competition conducted annually to engage students into the affairs and developments in the Community.
8. EAC Education Strategy Developed and operationalized.
9. EAC Regional Stakeholders and Partners Forum established.
10. New collaborations established with regional and international agencies

5.9.3 Culture & Sports

Culture and Sports play a critical role in promoting social cohesion, solidarity, stability, identity, promoting unity and economic development, which in themselves are key aspect to ensure sustainable development, maintenance of peace, security, and healthy societies. At national level, there is commitment to strengthen sustainable cultural practices and to identify, preserve, promote, and develop cultural heritage that create business within the country and outside, promote sports as part of skills development for employability.

Expected High Level Outcome: Increased investment and investment returns from creative arts as a tool for social cohesion and economic development.

Embracing culture and sports as both enablers and drivers of a people-centered integration agenda through the promotion and enhancement of diverse sports activities and the promotion and preservation of our culture is of paramount importance. The EAC Partner States recognise the role that culture and sports play in the existence and survival of our communities, particularly for social cohesion, solidarity, stability, identity, promoting unity and economic development and as tools for effective sustainable development, maintenance of peace, security and healthy societies. The major challenges facing the sector centres on the inability of the region to transform culture and sports into business. Other challenges include insufficient funding, staffing, slow implementation of policies and regulations at regional and national levels, and frequent budgetary constraints. Other challenges at national level include inadequate skills, lack of digital platforms, outdated policies and laws, and inadequate sports infrastructure.

Sector Priority Area: Development of Creative Arts.

Strategic interventions

The critical programmes to be implemented to achieve social cohesion include:

1. Develop a framework for mobility of artists and other professionals in the culture and sports fields.
2. Develop and operationalize a framework for private sector investment in culture and sports industries
3. Identify and enhance potential of cultural and creative industries in the EAC, with particular focus on SMEs.
4. Hold the East African Community Arts and Culture Festivals (JAMAFEST)
5. Hold the biannual East African Community Games
6. Establish and operationalize the EAC Culture Trust Fund
7. Develop and operationalize Regional Culture and Sports exchange program.
8. Strengthen representation of EAC in regional and international Sports and Culture (e.g. FIFA/ UNESCO) activities to strengthen collaborations)
9. Popularize Symbols of EAC cultural identity amongst key stakeholders.
10. Conduct a study on modalities of including French as a Language of the Community

Targets:

1. A framework for mobility of artists and other professionals in the culture and sports fields developed and adopted.
2. A framework for private sector investment in culture and sports tries developed and implemented. Number of private sector agencies investing in culture and sports.
3. Twenty (20) private sector agencies mobilised to invest in culture and sports
4. Twenty (20) Sports and Culture organizations from PSs benefit from private sector investments
5. At least 20 SME based cultural and creative industries in the EAC benefitting from interventions to enhance their potential.
6. At least 3 regional programs developed to enhance the potentials of cultural and creative industries in EAC with a focus on SMEs
7. East African Community Arts and Culture Festivals (JAMAFEST) held biannually to strengthen, showcase, and celebrate EACs arts and cultural diversity
8. East African Community Games are held biannually
9. At least 500, 000 USD mobilised within the planned period for the EAC Culture Trust Fund
10. Regional Culture and Sports exchange program developed and operationalized, benefitting at least 50 artists as participants in the program
11. At least 10 new collaborations established with regional and international Sports organisations lead to at least 4 resource mobilization projects.
12. EAC represented in at least 20 regional and international sports and culture activities.
13. At least 6 events undertaken to popularize the symbols of EAC Cultural Identity.
14. Study on modalities of including French as a language of the Community undertaken

5.9.4 Labour, Employment, Immigration & Refugee Management

Article 47 of the Common Market Protocol Mandates Partner States to approximate their national laws and harmonise their policies and systems for purposes of implementing the EAC Common Market Protocol and in alignment with ILO conventions. The review of the immigration policies and laws to facilitate movement of persons, labour and migrants in the Partner States are at different stages. These priority interventions are consistent with AU Joint Migration provisions and SDG 10.7 on orderly safe labour migration; SDG 8.7 and 8.8 on Protection of labour rights and security of working environments for all workers, including mi-

grantworkers, in particular women migrants, and those in precarious employment.

Expected High Level Outcome: Increased access to gainful employment because of favourable laws and policies on labour mobility and immigration.

Accelerating economic growth and development of the Community involves Partner States facilitating the free movement of persons and labour through the adoption of common policies and procedures. A key pillar in the context of the Common Market Partner States during the plan period continued to make great strides adopting measures aimed at enhancing the free movement of persons, labour, and services, and the right of establishment and residence of their citizens in the EAC region. The key challenges faced in the subsector during implementation of interventions were inadequate staffing; delays in finalizing policies and other instruments due to lengthy process of consultations and lack of consensus; and lastly budgetary constraints and donor dependence.

Sector Priority Area: Strengthening Immigration capacities to enhance free movement of persons, workers, and service; and management of refugees.

Strategic interventions

a) *Labour & Employment*

1. Finalize the draft EAC Labour Migration Policy and the Action Plan, Capacity building for Partner States Labour migration experts- to coordinate labour migration policies, systems and frameworks.
2. Develop the EAC/ILO Decent Work Programme 2020-2025.
3. Review and update the draft EAC Council directive on Coordination Social Security Benefits. (ref Article 19 (3) (f) of the EAC Common market Protocol.
4. Coordinate the implementation of the recommendations of the EAC Common Market Scorecard, 2018 on free movement of labour, rights of residence and establishment.
5. Develop a guide for Partner States to develop, share employment opportunities/vacancies in the context of the EAC Common Market.

b) *Immigration & Refugee management*

1. Finalize the EAC e-Immigration Policy and implementation roadmap.
2. Monitor the progressive implementation of Integrated Border Management Systems (IBMS) in the Partner States' border points.
3. Finalize the harmonization of entry, work, and residence permits fees, forms and procedures for the Partner States.
4. Finalize the development of the draft EAC refugee management policy and Action Plan
5. Review the Plan of Action for the Regional Strategic Framework for e- Immigration.

Targets:

The following key targets will be pursued under this priority area:

1. EAC Labour Migration Policy and the Action Plan adopted and domesticated by all Partner States.
2. Capacity building for 120 labour migration experts from relevant ministries/agencies in Partner States to effectively coordinate labour migration policies systems and frameworks at national level.
3. EAC/ ILO Decent Work Programme 2020-2025 developed and adopted.
4. EAC Council directive/ regulations on coordination of Social Security benefits reviewed and updated.
5. Recommendations of the EAC Common Market Scorecard, 2018 on free movement of labour, rights of residence and establishment- fully implemented.
6. Guide developed and used by all Partner States to develop, share employment opportunities/ vacancies in the context of the EAC Common Market.
7. EAC e-Immigration Policy and implementation roadmap finalized and adopted.
8. Progress monitoring reports on facilitation of movement of persons arising out of the implementation of Integrated Border Management Systems (IBMS) generated annually and used to guide implementation.
9. Harmonization of entry, work, and residence permits, fees, forms and procedures for the Partner States finalized.
10. EAC refugee management policy and action plan finalized and adopted.
11. Plan of Action for the Regional Strategic Framework for e- Immigration revised.

5.9.5 Gender, Community Development & Civil Society Mobilization

As the Community strives to enhance the socio-economic development of its citizens, there is greater need for the EAC to adopt common approaches towards disadvantaged and marginalised groups, including women, children, the youth, the elderly, and persons with disabilities. During the plan period, interventions in the Gender, Community Development & Civil Society Mobilization subsector were targeted towards addressing gender disparities, empowering of communities, and creating an enabling environment for key stakeholders to participate in regional integration and development of the community.

Expected High Level Outcome: Increased participation of women and youth in social, economic, and political activities of the region.

During the plan period, primary challenges facing the subsector were understaffing, and poor adoption of policies due to very few regional laws being enacted or operationalized. Similarly, performance was affected due to low investment in social policies and public services such as health, gender, education and social welfare by Partner States.

Sector Priority Area: Promotion of Gender, Community development and Empowerment.

Strategic Interventions

Gender and youth empowerment to be achieved with the following activities:

1. Implement the EAC Gender Policy Action Plan.
2. Implement the EAC Youth, Children and Persons with Disabilities Policies.
3. Strengthen frameworks for social protection programmes to safeguard the vulnerable in society.
4. Finalise and implement the Regional Strategy for Promoting Women in Business.
5. Implement regional projects based on the EAC Socio-development framework.
6. Implement the Consultative Dialogue Framework (CDF) for civil society, private sector and other interest groups.

Targets:

The following key targets will be pursued under this priority area:

1. At least one regional and one national project developed to implement the EAC Gender Policy Action Plan.
2. At least three(3) regional and four(4) national programmes that integrate the provisions of the EAC Youth, Children and Persons with Disabilities Policies developed and implemented.
3. Develop and implement a regional policy on social protection.
4. Regional Strategy for Promoting Women in Business finalized and implemented.
5. At least two (2) regional projects based on the EAC Socio-development framework developed and implemented.
6. Organise at least five (5) forums for civil society, private sector, and other interest groups to implement the CDF.

5.10 Regional Sector Support Programmes

The regional integration agenda is highly dependent on EAC's Organs and Institutions' effectiveness to coordinate and implement regional programs aimed at widening and deepening economic, political, social and cultural integration in order to improve the quality of life of the people of East Africa through increased competitiveness, value added production, enhanced trade and investment.

Strategic Development Objective: Developing and strengthening the capacity of all EAC Organs and Institutions to effectively execute their mandates.

Key Priority Area: Institutional transformation at the regional level, including skills development;

5.10.1 Office of the Secretary General

The Office of the Secretary General bears the overall responsibility for the strategic direction of the Community. The mandate includes overall responsibility for institutional strengthening, partnerships and collaborations at the regional, continental and global levels, ensuring visibility of EAC in the global map.

Expected High Level Outcome: EAC Organs and Institutions discharging their mandates more effectively and efficiently.

Sector Priority Area: Implementation of the Institutional review recommendations.

Strategic Interventions

1. Coordination with key stakeholders at strategic and policy level.

Targets

1. Transform EAC Secretariat into a Commission.
2. Modalities of operationalisation of the autonomy granted to EALA and EACJ developed.

Sector Priority Area: Strengthen Inter-Organ/Institutional Collaboration.

Strategic Interventions

1. Coordination with Partner States, EAC Organs and Institutions.

Targets

1. Bi-annual strategic consultations and meetings at Policy level.
2. Annual strategic consultations with EAC Institutions.
3. All EALA decisions, resolutions and recommendations implemented.

Expected High Level Outcome: EAC integration objectives widely understood and supported locally and globally.

Sector Priority Area: Enhanced Partnership linkages and networking with EAC stakeholders.

Strategic Interventions

1. Articulate EAC integration agenda at regional and international fora for enhanced image and support.
2. Stakeholder engagement with private sector organisations, professional associations, civil society organisations and other opinion leaders.

Targets

1. One hundred and twenty (120) High Level Donor missions.
2. Annual Secretary General's forum.
3. Annual Town Hall engagement forum.

5.10.2 Legal & Judicial Affairs

In order to ensure adherence to regional and international law, the Legal & Judicial Affairs functions shall in addition to providing the interpretation and applications of the Community laws, also facilitate the formulation of the relevant legislations to bring into effect Community programmes and obligations while strengthening availability and access to quality legal support services by the EAC Organs and Institutions.

Expected High Level Outcome: Improved judicial and legislative capacity of the Community.

The Community's specific objectives in strengthening legal and judicial systems include: Access to Justice through both formal and informal legal aid systems in East Africa; the establishment of the East Africa Regional Legal Aid Network and enhanced legal aid service provision. In this regard, the legal and judicial affairs must bring to effect the Community laws across the Partner States, that currently have different policies and regulatory regimes. These need to be harmonized and made consistent with Community interests. In addition, there is inadequate appreciation of the role of the legal and judicial sector and its contribution to the regional integration agenda. Other challenges were inadequate staffing, budgetary constraints, slow approval process of programmes, and inadequate participation of legal experts from Partner States in meetings.

Sector Priority Area: Provide legal support to Organs and Institutions of the Community.

Strategic Interventions

Legal support at regional level to be achieved in the following:

1. Represent the Community in the East African Court of Justice, national and other courts.
2. Develop and draft EAC Legislation.
3. Harmonise laws that impact implementation of the EAC Pillars of Integration.
4. Facilitate training of Judges and Judicial Officers as well as standardisation of Judgements of Courts within the Community.
5. Facilitate negotiations for the admission into the Community ratification of/ accession to the Treaty and assent to the laws of the Community.
6. Periodical publication of the East African Law Journal and East African Law Reports.
7. Undertake a comprehensive review of the Treaty for the Establishment of the East African Community.

Targets

2. The following key targets will be pursued under this priority area:
 1. At least 80% of the judgements received are in favour of the Community.
 2. At least 90% of all instructions from the Council to draft EAC legislation are complied with.
 3. At least four laws that impact implementation of the EAC Pillars of Integration are harmonised and approximated in line with the Treaty and relevant protocols annually.
 4. At least 60 judges and judicial officers of the Partner States are trained on Community laws and other pertinent aspects: and standardization of judgments of national courts.
 5. Verification reports on countries that have applied for membership to the Community are finalised and presented to the Council for consideration.
 6. Accession instruments and guidelines on ratification of the adopted Protocols as well as assent to the Bills passed by EALA are prepared and submitted to the joining Partner State.
 7. At least one East African Law Report is published for each calendar year.
 8. At least one annual East African Law Journal on the topical integration matters within the Community is published.
 9. A reviewed and amended Treaty is published and gazetted.

5.10.3 Corporate Communication & Public Affairs

Under Article 71 of the Treaty for the Establishment of the EAC, one of the functions of the Secretariat is “the general promotion and dissemination of information on the Community to the stakeholders, the general public and the international community.” The Secretariat executes this function through the development and implementation of appropriate communication policies and strategies. This function was to be executed through Corporate ICT platforms to enhance governance operations within and across the organs and the institutions. The ICT function is meant to become a true enabler of the EAC integration and socio- economic development processes. This will be achieved through elevation of ICT status by formulation of strategies and polices; integration of ICT functions and systems by mainstreaming into the regular sectoral management coordination project coordination.

Strategic Development Objective: Increasing visibility of EAC, stakeholder knowledge and awareness, and participation of EAC citizens in the integration process.

Expected High Level Outcome: Increased awareness and participation of the East African people in the regional integration process.

Key Priority Area: Promotion of awareness creation and dissemination of information on the Community.

The implementation of programmes and interventions was hampered mainly by limitations in staffing, delays in decision-making and implementation of programmes often because of bureaucracy and lack of consensus and quorum. Resource constraints equally limited ICT capacity expansion. This affected the evaluation of the 1st EAC Communication Policy and Strategy and the development of the 2nd EAC Communication Policy and Strategy could not start as scheduled in 2017 due to shortage of funds.

Sector Priority Area 1: Promotion of awareness creation and dissemination of information on the Community.

Strategic Interventions

Awareness creation interventions to strengthening corporate communications and public relations are to:

1. Develop and operationalize the EAC Communication Policy and Strategy 2021-2026.
2. Finalize and embark on campaigns to popularize the new EAC Brand Architecture Strategy/ New Corporate Identity
3. Develop and implement a comprehensive programme for continuous and in-depth sensitization and engagement of stakeholders in the integration process, including initiatives to promote mutual trust; confidence building; an East African identity and solidarity among EAC citizens on the integration process.

Targets

The following key targets will be pursued under this priority area:

1. The 2nd EAC Communication Policy and 2nd EAC Communication Strategy 2021-2026 operationalized by 2021.
2. Unveil and popularise the new EAC Brand Architecture Strategy/New Corporate Identity in all the Partner States.
3. At least five (5) programmes developed to enhance stakeholder engagement in the integration process.

5.10.4 Regional Statistics

Evidence based policy making depends on data quality; comparability within the region calls for improved tools and methodologies used by the Partner States to produce agreed harmonized approaches in line with best practices and international standards. This calls for building the relevant infrastructure to support systems and process that are robust, comprehensive, coordinated and fully integrated for improving capacity for statistical analysis, dissemination and use of statistical products for monitoring the implementation of (national/regional/global) development initiatives as well as planning, policy formulation and decision making.

Expected Outcome: Harmonized regional statistics necessary for monitoring the EAC macroeconomic convergence criteria, status of implementation of the Customs Union, Common Market and EAMU Protocols.

During the plan period the department faced challenges such as low staffing levels; skill gaps; weak national statistical systems, and budgetary constraints. Similarly, it was observed that low priority was given to the statistics department signifying a lack of awareness of the role it plays in support of the regional integration in the region. Further, there are still differences in statistical methods at national levels, making it difficult to consolidate the statistics.

Sector Priority Area: Managing and strengthening the regional planning, statistics, research, monitoring and evaluation functions.

Strategic Interventions

Key interventions to coordinate the development of the Community Statistical System (CSS); and harmonisation, compilation, and dissemination of EAC Community Statistics are to:

1. Strengthen the capacity of the Statistics function at the Secretariat and accelerate the establishment of the East African Statistics Bureau (EASB).
2. Enhance the human resource capacity of the National Statistics Offices to produce Community Statistics.
3. Accelerate the harmonization of statistical methodologies and practices for compilation of Community Statistics.
4. Produce and disseminate harmonised Community Statistics and maintain a database of regionally comparable statistics necessary for monitoring the integration process.

Targets:

Critical indicators of measure are:

1. At least eight (8) technical statistics experts maintained to improve human resource capacity of the statistics function at the Secretariat.
2. At least two (2) statistical compilation software's/systems developed to improve statistics function of the EAC Secretariat.
3. East African Statistics Bureau (EASB) established.
4. At least 96 officers from all National Statistics Offices benefit from capacity building interventions to produce Community Statistics.
5. All Partner States adopt the harmonized statistical methodologies and practices for compilation of Community Statistics.
6. Annual EAC Facts and Figures regularly published.
7. A statistical database of harmonised Community Statistics, necessary for monitoring the integration process, established.

5.10.5 Planning & Research

In ensuring that the EAC region meets the AU, SDG and Vision 2050 aspirations, the planning functions must be anchored in research, to set realistic targets with complementary strategies. As the implementation of Vision 2050 intensifies, there may be a need for increased joint planning. In this regard, it will be necessary to establish a Central Regional Planning Authority (CRPA) to ensure harmonised efficient coordination of activities including strengthening the use of research evidence to inform policy and program planning within the EAC. The CRPA will coordinate medium-term plans that would run for a phase of the implementation period. The mandate of the CRPA will be developed during the first phase of the implementation of Vision 2050.

Expected High Level Outcome: Increased access and use of knowledge and knowledge products developed by EAC.

The planning and research functions were affected by serious gaps in structure and staffing of the Planning, Research and M&E Department, affecting implementation of activities.

Sector Priority Area: Managing and strengthening the regional planning, statistics, research, monitoring and evaluation functions.

Strategic Interventions

Critical interventions for improved regional planning are to:

1. Improve coordination of regional planning processes.
2. Effectively coordinate the formulation of the Community's and sector-specific medium and short-term plans.
3. Enhance the policy research and analysis function at the EAC Secretariat.
4. Implement the EAC Quality Management System.

Targets:

The following key targets will be pursued under this priority area:

1. Regional Planning Authority established.
2. All Community's and sector-specific medium and short-term plans developed.
3. All technical staff of the EAC Policy Research Unit receive refresher training on research and policy analysis.
4. EALA and EACJ ISO 9001:2015 Certified.

5.10.6 Monitoring & Evaluation

Under Article 14, one of the key functions of the Council is to promote, monitor and keep under constant review the implementation of the programmes of the Community and ensure proper functioning and development of the Community. Consequently, the need for strengthening the technical and coordination capacity for monitoring and evaluation across EAC Organs and Institutions, and at the national and regional levels.

Expected High Level Outcome: Increased access and use of knowledge and knowledge products developed by EAC.

During the plan period, the M&E function was affected by insufficient staffing; lack of clear responsibility of M&E in the policy, legal and regulatory environment of the EAC; poor awareness on the importance of M&E in supporting the development and integration activities of the Community; and lack of a budget for the unit affecting implementation of critical activities and interventions. Another challenge observed is that Development Strategies (Vision 2050) AU 2063, and SDG 2030 are implemented and reported on by Partner States separately, using different indicators, despite all pointing to the same development agenda. There is a need to operationalise a framework that harmonises the reporting function especially at the regional level and institutionalise a platform that brings Partner States together to share progress and learn from each other.

Sector Priority Area: Managing and strengthening the regional planning, statistics, research, monitoring and evaluation functions.

Strategic Interventions

Critical interventions for improved monitoring of regional planning are to:

1. Conduct impact assessment of previous development strategies (1st to 5th DS) that will serve as a baseline for monitoring and evaluation of implementation of the 6th EAC Development Strategy.
2. Implement the results-based M&E system at national and regional levels.
3. Enhance the capacity for data collection, analysis, reporting and dissemination at regional and national levels.
4. Strengthen M&E co-ordination between the EAC Secretariat, EAC Organs and Institutions.
5. Undertake reviews of the 6th EAC Development Strategy.
6. Undertake sector/thematic evaluations.
7. Fully operationalise a web-based MIS for the monitoring of programmes and projects.

Targets

3. The following key targets will be pursued under this priority area:
 1. Data base on outcome and impact indicators of development strategies (These data will serve as baseline for the 6th Development strategy).
 2. All EAC institutions and Partner States implement results-based M&E system.
 3. At least two focal persons per Partner State, Organ and Institution trained data collection, analysis, reporting and dissemination.
 4. Improved M&E co-ordination between the EAC Secretariat, EAC Organs and Institutions by 2025.
 5. Review of 6th EAC Development Strategy completed by 2023.
 6. All prioritized sector/thematic evaluations finalized by 2025/2026.
 7. Web-based MIS for the monitoring of programmes and projects operationalized.

5.10.7 Resource Mobilisation, Financial Management, and Internal Audit

5.10.7.1 Resource Mobilisation

Access to resources for implementation of regional programmes remains a challenge. EAC is currently dependent on donor funding and Partner States transfers, which in most cases are released. There is urgency in mobilising more sustainable domestic resources, international public and private financing and external debt instruments, among others. Sources of financing the EAC Vision 2050 will be linked to the agreed outcome of the Third International Conference on Financing for Development Expanding EAC's capacity to pursue and attract diversified and sustainable funding is critical in ensuring planned programmes are implemented on timely basis.

Expected High Level Outcome: Improved capacity for resource mobilisation.

The priority of the RMO is to strengthen the capacity for resource mobilization into the Community. The Resource Mobilisation Office has made great efforts in mobilising both internal and external resources putting in place the EAC Resource Mobilisation Strategy that clearly defines policies, procedures and mechanisms for fund raising. In addition, establishing of the EAC Development Fund aimed at increasing the financing of EAC activities. However, the major challenge was the delayed validation of the Resource Mobilization Strate-

gy and its annexes due to lengthy internal approval processes. This led to delayed decision-making processes of RMO instruments for domestication. Other challenges that affected the RMO were understaffing and budgetary constraints. The RMO has no budget to undertake its mandate. Donor missions were extremely limited, coupled with constrained and delayed release of contributions from Partner States.

Sector Priority Area: Enhancing sustainable mechanisms for mobilising resources to implement EAC Programs and Projects.

Strategic Interventions

Improvement of resource mobilisation efforts call for:

1. Pursuit of Donor Interaction to expand the EAC resource base.
2. Establish and Operationalize the EAC Development Fund (EACDF).
3. Establish and operationalize the EAC Private Sector Fund.
4. Strengthen the capacity of EAC Organs and Institutions on Resource Mobilisation.
5. Explore framework for accessing resources from AU 2063 commitments.

Targets

The following key targets will be pursued under this priority area:

1. Donor engagement strengthened and at least \$50 million mobilised annually.
2. EAC Development Fund (EACDF) established.
3. EAC Private Sector Fund established.
4. At least two organs and institutions receive capacity building on Donor Mapping, and Resource Mobilisation Plans annually.
5. Framework developed for accessing resources from AU 2063 Agenda.

5.10.7.2 Financial Management

ICT integrated financial management systems are critical for enhanced financial management practices as well as strengthening accountability for financial resources across EAC Organs and Institutions. ICT integrated financial management systems are critical for enhanced financial management practices as well as strengthening accountability for financial resources across EAC Organs and Institutions.

Expected High Level Outcome: Improved financial management capacity across EAC organs and institutions.

The financial management systems for the Secretariat, organs and institutions are run on different financial management systems platforms. It is difficult to establish available resources and their utilisation at any one time.

Sector Priority Area: Enhancing financial resources management, accountability, and reporting.

Strategic Interventions:

Improved financial management practices shall benefit from:

1. Institutionalize an effective Centralized Financial Management Information System across EAC Organs and Institutions.
2. Coordinate development and implementation of a sustainable financing mechanism for the EAC Budget.
3. Coordinate the formulation of, and oversee the execution of the budgets that reflect the policies and priorities of the Community.

Targets

The following key targets will be pursued under this priority area:

1. All EAC Organs and Institutions are connected to the centralized financial management information system.
2. At least one sustainable financing mechanism for the EAC Budget established.
3. Timely, quality, practical and purposeful EAC Budget developed and appropriated.
4. 100% compliance to established rules, regulations, and controls.
5. Zero tolerance to Project/Programme and Financial Audit Queries.

5.10.7.3 Internal Audit

The Internal Audit function is responsible for ensuring proper and adequate internal management and financial controls in the EAC are in place and strictly adhered to so that accurate accounting records are maintained in all organs and institutions of the EAC. There is constant need to strengthen the Internal Audit function through appropriate internal audit policies and procedures in accordance with international standards, to ensure strong internal controls and proper resource management in the EAC Secretariat, organs, and institutions.

Expected High Level Outcome: Better integration and delivery of EAC audit functions.

Performance in attaining the DS targets was affected primarily by budgetary allocation changes. Similarly going forward, the next Development Strategy will need to be funded in line with the approved interventions and elimination of unrealistic targets and objectives.

Sector Priority Area: Ensuring governance, risk management, and internal controls, as well as reporting.

Strategic Interventions:

Key financial control related interventions include:

1. Enhance governance, risk management and internal controls.
2. Integrate audit management systems with all EAC system modules.
3. Enhance the capacity of stakeholders in areas of governance, risk management and internal controls.

Targets

The following key targets will be pursued under this priority area:

1. Four (4) additional measures established (fully fledged audit management software, Risk Management Software, Revised Audit Charters, and Revised Audit Manual) to enhance governance, risk management and internal controls.
2. Audit management systems integrated with all EAC system modules.
3. Build capacity of stakeholders (staff, members of Audit and Risk Committee, Audit Commission) in areas of governance, risk management and internal controls.

5.10.8 Human Resources and Administration

To cope with the ever-increasing demands of the Community, strengthening EAC institutional and human resource management and development frameworks is a priority. Key reasons in the slow achievement of the 5th Development Strategy interventions were primarily due to insufficient staff and budget constraints.

Improving efficiency in delivery of human resource and administrative functions of EAC organs and institutions

Expected High Level Outcome: Internal systems and processes improved, and staff capacity strengthened for efficient implementation of human resource and administrative functions of the EAC organs and institutions.

5.10.8.1 Human Resources

The achievements made so far on the preparation of the HR Development Strategy, capacity building of staff, strengthened inter-organizational cooperation, institutional processes and systems have gone a long way in strengthening Human Resource development and management; improving EAC's oversight role, administrative and ICT systems, capacity building and HR to support the realization of the EAC Overall objective. Besides the insufficient staff and budget constraints, there are challenges in management of the available human resources in building synergies and collaborations among similar activities while taking advantage of expertise in Partner States.

Expected High Level Outcome: Internal systems and processes improved, and staff capacity strengthened for efficient implementation of human resource and administrative functions of the EAC organs and institutions.

Sector Priority Area 1: Strengthening EAC institutional and human resource management & development frameworks.

Strategic Interventions

Institutional strengthening management measures cover:

1. Complete the implementation of the Institutional Review recommendations.
2. Strengthen inter-organ/institutional collaboration and co-operation and develop the HR Development Strategy to complement the 6th EAC Development Strategy
3. Improve processes, systems, and infrastructure to provide high levels of efficiency, quality, and cost effectiveness by building the capacity of the governance structure, EAC management and staff.
4. Strengthen and transform EAC's culture of excellence to attain the EAC goals through improved performance.
5. Attract, develop, and retain competent staff.

Targets:

4. The following key targets will be pursued under this priority area:
 1. All the recommendations of the institutional review implemented by June 2026.
 2. Establish and operationalise a forum for regular consultations to enhance inter-organ/institution collaboration and co-operation by 2026.
 3. HR Development Strategy finalized and approved.
 4. Review processes, systems, and infrastructure on HR functions to provide high levels of efficiency, quality, and cost effectiveness for the implementation of the 6th EAC Development Strategy.
 5. All staff receive capacity building in their areas of expertise to improve service delivery.
 6. The EAC performance management system reviewed and operationalized.
 7. Right staff provided to different departments and maintained.

5.10.8.2 Administration

Coordination of the different players under the regional integration programme implementation requires strengthening EAC institutional and administrative frameworks. The challenges experienced so far relate to inadequate staff, lack of a forum for developing regulatory framework to govern all organs and institutions, no visible linkages of administrative organs to national administrative setups, and lastly lack of funds to undertake planned activities.

Expected High Level Outcome: Internal systems and processes improved, and staff capacity strengthened for efficient implementation of human resource and administrative functions of the EAC organs and institutions.

Sector Priority Area 2: Strengthening of EAC institutional and administrative frameworks.

Strategic Interventions

Key activities for strengthening institutional administrative arrangements include:

1. Finalization of the framework to govern operations of the organs and institutions.
2. Develop EAC Procurement Act to guide EAC organs and institutions.
3. Develop improved processes to support the EAC's delivery of internal and external meetings as approved by the Calendar of Activities.
4. Develop Protocol Handbook/Manual.
5. Improve efficiency, effectiveness, and accountability of all players in the EAC region.
6. Operationalise EAC Safety, Security Policy and Strategy.
7. Increase Public Private participation to be fuelled by the creation of the fora for regional administrators.

Targets

The following key targets will be pursued under this priority area:

1. Framework to govern operations of the organs and institutions finalized and adopted.
2. Procurement Act to guide EAC organs and institutions finalized and adopted.
3. Operationalise the Conference Management Policy.
4. Protocol Handbook/Manual finalized and adopted.
5. EAC buildings, furniture and equipment properly maintained as per Contracts.
6. Efficient Administrative Support services provided to the Secretariat and EAC organs.

7. EAC Safety, Security Policy and Strategy operationalized.
8. A forum for Regional Administrators established.

5.10.8.3 Library and Documentation (Information Centre)

Documentation and knowledge management calls for improved information access by the EAC organs, institutions, Partner States, and other stakeholders. Notable achievements made include formulation of a draft EAC Information Resources (IR) Policy; development of an EAC Strategic Plan for Data, Information and Knowledge Management (2018 - 2023); Draft Policy on Networking and Information Sharing; and lastly a draft EAC Information and Knowledge Resources Marketing Strategy were prepared. Notwithstanding these developments, the Information Centre activities were restricted by lack of capacity building of staff, delays in the domestication of Council decisions to align information generation and storage across the Partner States for ease of retrieval.

Expected High Level Outcome: Internal systems and processes improved, and staff capacity strengthened for efficient implementation of human resource and administrative functions of the EAC organs and institutions.

Sector Priority Area 3: Strengthening EAC's knowledge management and improving information access to EAC organs, institutions, Partner States and other stakeholders.

Strategic Interventions:

1. Strengthen access and preservation of EAC information and knowledge for effective EAC integration.
2. Enhance the network and sharing of data, information, and knowledge among the EAC organs, institutions and coordinating ministries.
3. Initiate collaboration and benchmarking with RECS and other international organizations for increased access to information on the integration agenda.

Targets

The following key targets will be pursued under this priority area:

1. EAC information and knowledge resources updated quarterly.
2. At least 20% increase in the number of data sets and information products shared regularly between the EAC organs, institutions and coordinating ministries.
3. Modalities for documenting tacit knowledge for dissemination and sharing among EAC organs, institutions and coordinating ministries developed.
4. At least two (2) consortiums/forums for knowledge management and information sharing with other RECs and international organisations created.

5.10.8.4 Management Information

The management information function's primary role is to ensure that all activities and decisions of the EAC are fully and accurately documented and managed in accordance with the life cycle principles of records creation, maintenance, use and disposal. A critical intervention on the EAC record keeping was the introduction of the Disaster Planning Preparedness record keeping and archiving as mitigation in case of a disaster. Modalities were put in place to establish a Vital Records programme for EAC. The achievements were made in terms of infrastructure development and capacity building of the staff, further enhancing the management of records and information in the EAC organs and institutions, including an offsite storage for vital records. Fireproof cabinets were acquired for records storage, selection of key vital EAC records considered and archived, and reproduction and digitization of vital records as well as transfer to the storage. This is a continuous process.

The department aims to promote the accessibility and sharing of information within and across EAC Organs and Institutions enhancing their performance and service delivery to the Community and beyond. The department also contributes to the Community's obligation for transparency and accountability to its citizens and other stakeholders. The challenge however, remains inadequate staffing, different levels of relevant expertise in organs and institutions, lack of a regional law covering the management of records and archives, and limited budget affecting procurement of necessary equipment and services.

Expected High Level Outcome: Internal systems and processes improved, and staff capacity strengthened for efficient implementation of human resource and administrative functions of the EAC Organs and Institutions.

Sector Priority Area 4: Enhancement of Management of EAC Records and Archives

Strategic Interventions

Key interventions strengthening record keeping in EAC include:

1. Updating and implementing the records and archives management policy to cater for records in multiple formats.
2. Development of the retention and disposal schedule.
3. Study laws in the Partner States dealing with records and archives management with a view to harmonizing them for uniform application.
4. Disaster Management and Recovery Plan for EAC records and archives. Establishment of a Vital Records programme for EAC.

Targets:

5. The following key targets will be pursued under this priority area:
 1. Records and archives management policy updated, and records become available in multiple formats.
 2. Retention and disposal schedule developed by 2024.
 3. Principles to guide harmonisation of national laws to address records and archives management at regional level established.
 4. Disaster Plan in place for EAC records and archives, and a Vital Records programme developed for the Community.

5.10.8.5 Corporate Information and Communication Technology

Under the provisions of the EAC Treaty, Partner States undertake to co-operate in development and deployment of ICT applications and services, to support corporate operations. In this regard, it will be necessary to develop relevant ICT frameworks and platforms in EAC Organs and Institutions and enhance ICT governance for the ICT function to become a true enabler of the EAC integration and socio-economic development process through elevation of ICT status; formulation of strategies and policies; integration of ICT functions and systems; and streamlining the coordination and management of ICT projects.

Expected High Level Outcome: Internal systems and processes improved, and staff capacity strengthened for efficient implementation of human resource and administrative functions of the EAC organs and institutions.

Sector Priority Area: Strengthening the Corporate ICT function as an enabler of the EAC Integration and Socio-economic Development process

Strategic Interventions

1. Develop digital services.
2. Strengthen the cyber security development of EAC Digital Services.
3. Support seamlessly integrated EAC services across sectors in the region.
4. Sustain digitally transformed services for improving ease of offering services in EAC Organs and Institutions.
5. Make EAC organs and institution's financial and administration systems integrated and electronic.
6. Strengthen collaborative digital platforms for participative governance.

Targets:

1. Digital service developed by 2023.
2. Develop cyber security strategy and policy.
3. EAC systems in organs and institutions integrated as per the ICT Strategy, the EAC Corporate ICT Policy and various studies and proposals.
4. ICT Governance and function enhanced to make it a business enabler as per the ICT Strategy.
5. Train the Financial Managers from all institutions and organs on how to use the integrated system.
6. Financial system will be fully integrated and linked with all institutions and organs.
7. ICT digital platform review meetings for all stakeholders convened.

5.10.9 Defence Liaison

Expected High Level Outcome: Improvement in governance, political commitment, and accountability in the region, because of demonstrable progress in the implementation of the EAC Political Federation.

Sector Priority Area: 1. Promote peace, security, and stability within the Community and good neighbourliness among the Partner States

Strategic interventions:

Key interventions to promote peace and security are:

1. To develop, promote and pursue policies and programmes aimed at widening and deepening cooperation among the Partner States in defence affairs for their mutual benefits.
2. To promote peace, security, and stability within, and good neighbourliness among Partner States in order to guarantee the protection and preservation of life and property, wellbeing of the people in the community and their environment.
3. To anticipate and prevent conflicts. In circumstances where conflicts have occurred to undertake Peace Support Operations and Peace Building functions for the resolution of such conflicts.
4. To promote and implement peace-building and post-conflict reconstruction activities to consolidate peace and prevent the resurgence of violence.
5. To coordinate and harmonise regional efforts in the prevention and combating of international terrorism in all its aspects.
6. To undertake such other activities ancillary to cooperation in defence affairs to further the objectives of the community.

Targets:

The following key targets will be pursued under this priority area:

1. Joint Military Training to be enhanced.
2. Joint Operations to be implemented.
3. Specific guidelines for the planning and conduct of EAC CPX and FTX developed.
4. Facilitate Mutual Defence Pact signing and ratification.
5. Technical Cooperation obtained and operational 2026.
6. Visits and exchange of information carried out.
7. Technical Aspects, modalities and administrative requirements for implementation of Sectoral Council decisions developed.
8. Regional Counter Terrorism Centre finalised and established.
9. Proposed exhibition of Defence Industrial products implemented.
10. Modalities of collaboration in Military Medical Research developed.
11. Medical Modelling and Simulation Centre in the Republic of Rwanda assessed and modalities for sharing the facility availed.

5.11 EAC Organs

The East African Legislative Assembly (EALA) and the East African Court of Justice (EACJ) are the legislative and judicial arms of the Community.

Strategic Development Objective: Developing and strengthening the capacity of all EAC Organs and Institutions to effectively execute their mandates.

Key Priority Area: Institutional transformation at the regional level, including skills development;

5.11.1 East African Legislative Assembly (EALA)

In creating and sustaining a friendly environment free from political, diplomatic, economic tensions and suspicions, the regional Parliament shall prioritise projects that are responsive to the needs of the people and impacting on their living conditions while strengthening working relations with national and regional parliaments. The Assembly has a cardinal function in the furtherance of Community objectives; this function encompasses the legislative, representative and oversight mandate in a bid to foster economic, social, cultural, and political integration. In addition to admitting RSS, EALA also established the EAPI. In addition,

EALA intensified its programs aimed at sensitizing EAC citizens on matters and benefits of regional integration. These include live streaming of plenary meetings of the Assembly on the Internet allowing citizens in Partner States to follow and appreciate the debate; and initiating a regional media engagement where EALA supports one media house per Partner State to cover its plenary and committee activities.

EALA also further strengthened its collaboration with National Parliaments. An agreement was reached where National Assemblies support the legislative function of EALA by avoiding the passing national laws which do not conform to regional laws. Furthermore, National Assemblies also agreed to follow up on the process of Assent to Bills passed by the EALA.

Expected High Level Outcome: Increased contribution of the EAC legislative functions to the regional integration agenda.

The challenges centred on inadequate finance and staff. The staffing level and structures are not aligned to the functions of the Assembly as it lacks key positions such as legal adviser, legal drafting, planning, monitoring and evaluation. The distribution of powers between the Speaker and the Commission, the lack of administrative and financial autonomy were other institutional challenges affecting the performance of the Assembly.

In the area of policy, legal and regulatory environment, political and diplomatic conflicts between some Partner States, and unresolved cross-border disputes have affected the functions of EALA especially the election of EALA's Speaker. It was also noted that the process of amending identified areas in the EAC Treaty is extremely lengthy with little progress. In addition, laws were passed at national levels that did not conform to EAC law and thus limited jurisdictions of the EACJ.

Sector Priority Area 1: Strengthen Legislation for the Community

Strategic Intervention

To enact legislation for the implementation of the pillars of the EAC integration agenda

Targets

- i) To enact legislation for the implementation of the pillars of the EAC integration agenda
- ii) Ten (10) Bills presented and enacted per year.
- iii) Seven (7) pieces of legislation assented and disseminated annually.
- iv) Six (6) plenary sessions conducted each year.
- v) 24 meetings, hearings and outreach activities on Bills conducted by committees annually.

Sector Priority Area 2: Strengthen Oversight for the Community

Strategic Interventions

- a) To oversee the processes for the implementation of the four pillars of the EAC integration agenda:
- b) To facilitate the implementation of the AU Agenda 2063 and UN Sustainable Development Goals (SDGs) 2030.
- c) To promote, protect and defend human rights, democracy, peace, and security in the Community.
- d) To establish a strong Performance Monitoring and Evaluation Framework for the EALA.

Targets

- i) Three oversight activities undertaken annually by each Committee.
- ii) Eight meetings of the statutory audit cycle of the Audit Commission held annually.
- iii) Three hearings to consider the Audit Commission reports undertaken annually by the Accounts Committee.
- iv) Three hearings to consider the EAC Annual reports undertaken by the GP Committee.
- v) Two hearings to consider the EAC foreign and security policies report by the RACR Committee held annually.
- vi) Four oversight meetings undertaken annually to address the SDGs and AU 2063 Agenda.
- vii) Six interactive meetings undertaken with national, regional, and international stakeholders and RECs annually.

- viii) Four exchange visits with key strategic stakeholders undertaken annually.
- ix) Two meetings each undertaken annually by the Committee on Legal and the Committee on RACR.
- x) 15 exchange visits undertaken annually.
- xi) 16 EALA delegations to national, regional, and international fora annually.
- xii) Four interactive meetings amongst committees held annually on EALAs performance monitoring and evaluation framework developed and disseminated by 2026.
- xiii) 14 performance reports prepared, discussed, published, and disseminated annually.

Sector Priority Area 3: Strengthen Public Hearings and Representation for the Community

Strategic Interventions

- a) To strengthen partnership and collaboration with National and other Regional Parliaments.
- b) To enhance EALA's collaborative engagement with the Private Sector, Civil Society, Women organizations, youth, and other Stakeholders.
- c) To enhance the corporate image of EALA

Targets

- i) 20 collaborative engagements undertaken with EAC national parliaments and other regional and international parliaments annually.
- ii) Four meetings of the EAC Speakers Bureau and Senior Parliamentary officials held annually.
- iii) Four public outreach activities undertaken with National parliaments annually.
- iv) Two exchange visits per committee held annually.
- v) Five(5) collaborative engagements per Committee established annually with civil society, private sector, and interest groups.
- vi) 40 EALA delegations by speaker and members undertaken annually.
- vii) 15 public outreach activities undertaken annually.

Sector Priority Area 4: Strengthen Appropriation Role of the Community

Strategic Intervention

To strengthen harmonious working relations with other EAC Organs and Institutions in the furtherance of the Integration Agenda.

Target

20 quarterly strategic meetings held with EAC organs and Institutions.

Sector Priority Area 5: Strengthen Financial and Administrative Support to the Assembly

Strategic Interventions

- a) To operationalize and consolidate the financial and administrative autonomy of the East African Legislative Assembly.
- b) To enhance the capacity of Members and Staff to strengthen the performance of the Assembly.
- c) To support and strengthen the East African Parliamentary Institute (EAPI).

Targets

- i) Four interactive meetings held between the EALA Commission and stakeholders per year.
- ii) 24 capacity building initiatives undertaken by Members, staff, and Committees per year.
- iii) Ten delegations for continuous professional development, attachment initiatives undertaken annually.
- iv) Four EAPI statutory meetings held annually with EAC Speakers and Clerks in line with the Act.
- v) Ten delegation exchange and networking programmes undertaken annually.
- vi) Four delegation capacity building, sessions held between EAPI and the EALA heads of departments annually.

5.11.2 East African Court of Justice (EACJ)

The East African Court of Justice ensures adherence to law in the interpretation and application of and compliance with the national practices. SDG XVI and AU Goal 11 reinforces the EACJ provisions on justice for all people in building effective, accountable, and inclusive institutions at all levels. In the event of conflicts or non-adherence of the Community obligations, the regional courts play the critical role of adjudication; hence the need for strengthening judicial and administrative capacity of EACJ.

Expected High Level Outcome: Judicial and administrative function of the Court strengthened.

EACJ experienced various challenges, key among them being inadequate of funds leading to cancellation of Planned Court sessions. This hurt the image of the Court. The ad hoc nature of service of the Judges of the Court continues to affect the performance of the Court. Other challenges in the policy environment were non assent to the EACJ Administration of Justice Act; non ratification of Protocol on Extended Jurisdiction and Protocol on Immunities and Privileges; overdue amendments to the Treaty; and lengthy approval and adoption process of key decisions. Further, delay in finalisation, adoption, and implementation of the Report of the Ad hoc EAC Service Commission on Workload Analysis and Evaluation hampered the strengthening of the internal capacity of the Court

Sector Priority Area: Extending the Court's jurisdiction to other Original and Appellate Courts as envisaged in the Treaty.

Strategic Interventions

The functions of the Court to be strengthened to:

1. Achieve the administrative and financial autonomy for the Court.
2. Strengthen and improve the design of the Court under the Treaty by:
 - a) Extending the Court's jurisdiction to other Original and Appellate Courts as envisaged in the Treaty.
 - b) Addressing the ad-hoc nature of the Court.
3. Actively engage EAC Policy organs and other stakeholders on the role and place of the Court in the EAC integration agenda.
4. Hold Court Sessions and other outreach programs in the Partner States as a matter of policy.
5. Enhance ICT as a driving tool for the Court's operations.

Targets:

The following key targets will be pursued under this priority area:

1. Administrative and financial autonomy for the Court achieved.
2. Court's jurisdiction extended to other Original, Appellate and Human Rights Matters.
3. Services of Hon Judges become permanent.
4. At least one courtesy call to each of the following in all Partner States: the EAC Heads of State; Chief Justices; Ministers and Permanent Secretaries of EAC Affairs; and Attorneys General by June 2026.
5. Hold round table discussions, workshops, retreats, seminars with various stakeholders.
6. At least 40 Court Sessions held with 30 Sessions being held in Arusha and 10 Sessions in the Partner States.

7. At least 24 outreach awareness creation programs held in the Partner States by June 2026.
8. At least eighty (80) per cent of the Court's processes facilitated through technology.
 - a) Implementation of an independent ICT infrastructure,
 - b) Implementation of a videoconference facility in all the sub-registries: and
 - c) Continuously upgrading the Case Management and Recording System to meet international standards.

5.12 EAC Institutions

Several Institutions are operational for specific sectors, in partnership with national level implementing agencies. These include East African Science and Technology Commission (EASTECCO), Lake Victoria Fisheries Organisation (LVFO), Lake Victoria Basin Commission (LVBC), *Civil Aviation Safety and Security Oversight Agency* (CASSOA), Inter-university Council for East Africa (IUCEA), East African Kiswahili Commission (EAKC), East African Development Bank (EADB), East African Health and Research Commission (EAHRC) and East African Community Competition Authority (EACCA).

Strategic Development Objective: Developing and Strengthening the Capacity of all EAC Organs and Institutions to Effectively Execute their Mandates

Key Priority Area: Institutional transformation at the regional level, including skills development

5.12.1 Lake Victoria Basin Commission (LVBC)

As a regional area of economic interest, the EAC Partner States have committed to promote, facilitate, and coordinate activities of different actors towards sustainable development and poverty eradication. In this regard, LVBC is to provide stewardship in environment and natural resources management including climate change while focusing on strengthening sustainability and resilience in the management and utilization of Lake Victoria Basin resources.

Expected High Level Outcome: Improved integration of sustainability and resilience mechanisms in the management and utilization of L. Victoria Basin resources

LVBC encountered various challenges during implementation of targeted interventions. The delayed completion of the institutional review plus the job evaluation and workload analysis being done by the EAC Ad hoc service commission severely impacted on the performance and achievement of the Commission's targets. Furthermore, the lengthy process of policy approval negatively impacted on the Commission's day to day activities and hindered the set targets. Further resources continued to shrink whereas the Commission mandate expanded. Partner States need to increase the contributions to enable the Commission to discharge its mandate.

Sector Priority Area 1: Promotion of sustainable utilization and management of the Lake Victoria Basin resources

Strategic Interventions

For sustainable management and utilisation of Lake Victoria Basin resources, it is critical to:

1. Promote integrated Water Resources Management and development in the Lake Victoria Basin.
2. Coordinate maritime transport safety and security on Lake Victoria.
3. Facilitate social development programs in the Lake Victoria Basin.
4. Promote investment for economic development in the Lake Victoria Basin; and
5. Enhance Environment and Natural Resources Management in Lake Victoria Basin.
6. Strengthen institutional capacity and coordination capacity of Lake Victoria Basin Commission Secretariat and National Focal/Coordination Points.

Targets:

The following key targets will be pursued under this priority area:

1. Twenty functional investments to control and prevent Point Source Water Pollution by 2026.
2. Six water supply, sewerage treatment plants and solid waste management infrastructure installed
3. Hydrographic survey and mapping of navigational routes in Lake Victoria conducted by 2026.
4. Install additional sixty aids to navigation equipment in Lake Victoria by 2026.

5. Meteorological Services for Lake Victoria strengthened to enhance Safety of Navigation by 2026.
6. At least three (3) ports on Lake Victoria developed to improve trade and integration by 2026.
7. At least 5,000 people in the intervention sites have access to Public Health service with emphasis on prevention & control of communicable diseases among vulnerable populations by 2026.
8. At least 100 Community Based Organisations are supported in Community Development initiatives geared towards improving livelihoods of communities in Lake Victoria Basin by 2026.
9. Develop the Investment Plan to create an enabling environment for sustainable investment and employment creation in the Basin by 2023.
10. Strengthen research and capacity development for increased participation of 80% in the regional economy by 2026.
11. Develop Green growth instruments for Industries to promote Green economy and an enabling environment for resource efficient and cleaner production.
12. Develop and implement sustainable management of trans-boundary natural resources plans by 2026.
13. Promote conservation of trans-boundary ecosystems, including watersheds, wetlands, and biodiversity by 2026.
14. To establish and operationalize the forum of researchers and technical experts on climate change adaptation and hold regional workshop to promote knowledge sharing through the Global Adaptation Network (GAN), Africa Adaptation Knowledge Network (AAKNet) and Africa Adaptation Initiative.
15. Policy- and decision-makers; and local communities in each pilot country project intervention sites receive tailored climate information packages every quarter.
16. 200 hectares at project intervention sites in each of the five Partner States and at least 500 hectares of woodland rehabilitated using an environmental based adaptation approach and transfer these climate change adaptation technologies to communities to reduce their vulnerability to climate change by 2024.
17. Strengthen the institutional capacity of LVBC by 2026.
18. Strengthen the fiduciary systems of LVBC to maintain zero qualified audits by 2026.
19. Establish and operationalize LVBC knowledge management and communication strategy by 2026.

5.12.2 Lake Victoria Fisheries Organisation (LVFO)

The Lake Victoria Fisheries Organization (LVFO) is a specialized institution of the East African Community (EAC) whose mandate is to coordinate the management and development of fisheries and aquaculture resources and their production sustainability in the EAC region.

Key Priority Area: Re-engineering production and logistics arrangements in line with digitalised frameworks.

Expected High Level Outcome: Ecologically sustainable and economically efficient fisheries and aquaculture production in the East African Community.

LVFO has put in place several institutional frameworks through wide stakeholder engagement for strengthening, and monitoring performance of the fisheries sector in Lake Victoria. These include development of the LVFO Strategic Plan 2016-2020; mainstreaming of LVFO rules and regulations to EAC policies; establishment of the Disaster Recovery System; improved financial systems and Secretariat Data Centre, and development of a resource mobilization strategy. However, challenges observed during the implementation period consisted of inadequate use of available information on fisheries by beneficiaries, shortage of staff, lengthy processes of amending policies and law, non-conformance of national laws with regional acts, and inadequate financial resources.

Sector Priority Area 1: Promote sustainable management and development of fisheries and aquaculture in the East African Community for food security and wealth creation.

Strategic Interventions

1. Strengthen Integrated Fisheries Management and Development-Reverse the declining fish catches by 2025.
2. Promote and support aquaculture management and development-Promote investment in commercial aquaculture and effective bio-security measures by 2025.
3. Value addition of key commercial fish species (Nile Perch, Dagaa and Nile Tilapia) for better access to markets.

4. Train 2,000 stakeholders on fish safety quality, product development, cross border, and international fish trader.
5. Strengthen Integrated Fisheries Management and Development.
6. Strengthen quality assurance, trade and marketing of fish and fishery products-Promote value addition, market access, and strengthen official controls by 2025.

Targets

1. A framework for fisheries enforcement developed and implemented.
2. Reverse the declining fish catches by 2025.
3. Harmonized fisheries policies, plans, legislations, standards, and guidelines established.
4. Fisheries business management plan developed.
5. Aquaculture potential areas in the EAC documented.

Sector Priority Area 2: Application of cutting age science in fisheries research, management, and development.

Strategic Interventions

The key interventions to promote sustainable management and development of fisheries and aquaculture in the East African Community for food security and wealth creation, knowledge management and information sharing in the fisheries sector are:

1. Strengthen fisheries and aquaculture resource monitoring and research.
2. Strengthen dissemination of scientific information to support evidence-based decision-making process.
3. Enhancing knowledge management, information sharing, awareness creation and participation of the East African people on fisheries and aquaculture.
4. Institutional reform to fully streamline LVFO as an EAC institution in all the EAC Partner states.
5. Increase value addition of key commercial fish species by 15%.

Targets

The following key targets will be pursued under this priority area:

1. Timely, demand-driven, and innovative research and extension services promoted, coordinated, and undertaken by 2025.
2. Evidence based systems and processes to guide research planning & development established.
3. Produce Quarterly Policy Briefs and communication materials.
4. Develop an information and data sharing policy.
5. Widen the scope of key stakeholders to include relevant academic and higher learning institutions in the Partner States.

Sector Priority Area 3: Strengthening LVFO institutional and administrative frameworks.

Strategic Interventions

1. Coordinate strengthening of official controls in the Partner States.
2. Transform LVFO into East African Fisheries Organization (EAFO).
3. Institutional reform to fully streamline LVFO as an EAC institution in all the EAC Partner States.

Targets

1. Implement the regional fisheries co-management guidelines.
2. Existing governance structures restructured to best practice level.
3. Transform LVFO into East African Fisheries Organization (EAFO).
4. Regional coherent regulatory framework affecting aquatic animal health conditions and ecosystem biodiversity adopted.

Sector Priority Area 4: Improvement of the socio-economic benefits from fisheries through value addition and product development.

Strategic Interventions

Value addition of key commercial fish species (Nile Perch, Dagaa and Nile Tilapia) for better access to markets.

Targets

Increase value addition of key commercial fish species by 15%.

5.12.3 Inter-University Council of East Africa (IUCEA)

The IUCEA aims to encourage and develop mutually beneficial collaboration between higher learning institutions and other organisations, both public and private at regional and international levels with a view to enhancing the stock and quality of human capital development pertinent for achieving higher growth rates.

Expected High Level Outcome: Improved operational capacity of Inter-University Council and human resource capacity in all disciplines of higher education in the Region.

While IUCEA made significant progress since the inception of the 2016–2021 strategic plan, it faced various challenges in the area of staffing, over-stretched institutional capacity due to the huge mandate vis-à-vis the understaffing of the IUCEA Secretariat leading to inadequate service delivery on the demands of the region. The other challenge was the slow pace of customization by some Partner States of harmonized policy documents, i.e., the Fees Structure Model. There was also delayed funds disbursement by some Development Partners which affected an effective delivery on some IUCEA strategic interventions. Lastly, the institution was plagued by delays in Partner States remittances and a slow resource mobilization mechanism further affecting activities and programmes.

Sector Priority Area: Strengthen the development of human resource capacity in all disciplines of higher education in East Africa.

Strategic Interventions

Human resource development in higher education are to:

1. Advocate for and foster the implementation of the EAC Common Higher Education Area.
2. Establish and Implement university leadership training programmes in the region for a world class postgraduate supervision, teaching and learning.
3. Establish and implement a Regional information hub for integrated higher education.
4. Advocate for a digital learning infrastructure that focuses on enhancing quality and innovation of teaching and learning in higher learning institutions in EAC.
5. Develop a regional research and innovation agenda for Higher Learning Institutions (HLIs) in collaboration with stakeholders that cater for a balance between knowledge generation and product/policy innovation.
6. Strengthen Institutional Capacity and Governance of Inter-University Council for East Africa to effectively and efficiently discharge its mandate.

Targets

The following key targets will be pursued under this priority area:

1. The EAC Common Higher Education area fully implemented at Partner State level.
2. University leadership training programmes established.
3. At least 200 beneficiaries trained on the newly established University leadership training programmes.
4. Regional information hub for integrated higher education established.
5. Advocacy roadmap designed and implemented.
6. At least 70 higher learning institutions expand their digital learning infrastructure.
7. Regional research and innovation agenda for Higher Learning Institutions (HLIs) developed and implemented.
8. Assessment conducted on the Institutional Capacity and Governance of Inter-University Council for East Africa
9. Institutional capacity strengthening plan developed and implemented

5.12.4 Civil Aviation Safety and Security Oversight Agency (CASSOA)

CASSOA is the specialized technical institution of the Community responsible for the development of a sustainable safe, secure, and efficient civil aviation sub-sector in the region in line with the dynamics in the

aviation industry and the enhanced economic integration.

Expected High Level Outcome: Improved safety and security of Civil Aviation services.

In the globalised air transport services sector, CASSOA challenges include inadequate staffing leading to inability to keep pace with dynamic aviation trends, irregular participation by Partner States in CASSOA activities, slow pace of customization by Partner States of the harmonized developed EAC model civil aviation laws, regulations and technical guidance materials, and delay in approval and operationalization of the sustainable funding mechanism.

Sector Priority Area: Strengthen corporate governance and operational efficiency in civil aviation.

Strategic Interventions

Civil aviation improvements interventions are:

1. To enhance corporate governance and operational efficiency.
2. Establish and maintain robust ICT Systems to support aviation safety and security oversight.
3. To establish and maintain partnership and collaboration with key aviation organisations and stakeholders.
4. To support the establishment and implementation of sustainable aviation safety and security oversight systems.
5. To facilitate technical capacity building, resources and skills sharing in the Partner States.

Targets

1. Effectiveness of the Board of Directors in the governance of the Agency increased.
2. Automate Medical, AvSec, Aerodrome and ANSP Certification.
3. Keep abreast with emerging trends in aviation to remain relevant and attractive to the industry.
4. Civil aviation regulations updated annually.
5. Questions in the EAC Examination Databank increased by 10,000 every year.
6. At least 20 qualified and competent inspectors in Partner States trained through capacity building and skill share arrangements.

5.12.5 East African Science & Technology Commission (EASTECO)

EASTECO is the institution of EAC mandated to coordinate and facilitate activities of Partner States and National Science and Technology Institutions in promoting the development and application of science, technology and innovation in all its aspects including policy development, administrative issues, resource mobilization and utilization, research and development programs, products and projects development and implementation, and all matters integral and incidental to STI.

Strategic Objective: To promote and coordinate the development, management and application of science and technology for regional integration and socio-economic development.

Expected High Level Outcome: Increase in adoption of scientific and technological innovations.

While EASTECO has made significant achievements during the implementation of the Strategic Plan 2016/17 -2021/22, the commission has faced a number of challenges including underdeveloped regulatory frameworks, systems, and processes, partly due to slow process in approval and adoption of policies and strategies at regional and national levels; inadequate staff; and budgetary constraints resulting from inadequate funding from Partner States.

Sector Priority Area 1: Promote and coordinate the development, management and application of Science and Technology in EAC Partner States.

Strategic Interventions

1. Develop evidence based regional Science, Technology & Innovation policies.
2. Promote Science & Technology knowledge and Innovation for regional development.
3. Apply Science, Technology & Innovation for socio- economic development.
4. Enhance collaboration and partnerships for STI stakeholders' engagement.

Targets

1. Develop at least five (5) evidence based regional Science Technology & Innovation policies and strategies.
2. STI Management Database established; Regional monitoring and evaluation framework developed.
3. Leveraging of Scientific research and experimental development, with focus on R&D in regional strategic areas, infrastructure, facilities and Centres of Excellence.
4. Enhancement of STEM Education.
5. Commercialization of Innovation and Technology supported through improved Partner States' national systems of Innovation.
6. Increased value addition in Agriculture.
7. Promotion of technological solutions in energy and environment.
8. Enhancement of biotechnology initiatives (support for the generation of innovative biotechnology solutions to resolve the Region's challenges).
9. Support for export-oriented industrial development and trade (generation of innovative solutions to support industrial development and trade).
10. Information and Communication Technology (Capacity in ICT enhanced for efficient productive and social sectors in the region).
11. Stakeholder engagement and partnerships enhanced in the STI community.
12. EASTECO's capacity in STI project development, knowledge management and communication enhanced by 2021.

Sector Priority Area 2: Supporting Institutional transformation for improvement of performance management and operation efficiency of EASTECO.

Strategic Interventions

Strengthen EASTECO's institutional framework for effective and efficient governance and operations

Targets

1. Appropriate staff recruited to deliver on EASTECO's Mandate by 2020.
2. Effective and efficient governance systems in place to oversight achievement of EASTECO objectives.
3. Fiduciary and administrative systems developed and operationalized.

5.12.6 East African Health Research Commission (EAHRC)

The EAHRC links up with international health organisations to prepare and respond to disease outbreaks. In addition, the Commission also researches new technologies, advances in care and treatment, vaccines, diagnostics, and behaviour for the novel virus.

Expected High Level Outcome: Increased generation, availability, access and use of health research products.

The major success was the launch of the Digital REACH initiative which seeks to apply ICT across all dimensions of the health sector for the improvement of health outcomes and the benefit of patients across East Africa. This is complemented with the EA web portal as the official comprehensive compendium of health information in East Africa Community. To disseminate the information, EAHRC launched two EAHRC journals, the East African Health Research Journal, and the East Africa Science by the EAHRC. The EAHRC conducted two baseline assessments on ethical review framework and clinical trials capacity in EAC Partner States and is implementing the recommendations of the assessments including the rights of the human subjects, scientists, and the institutions.

The challenges experienced were underpinned by insufficient staffing and funding; operational conflicts between the EAHRC and the EAC Health Department due to similar roles and responsibilities.

Priority Area: Strengthen health research and capacity strengthening programmes, networks, partnerships, and Centres of Excellence. It is critical to the creation of a conducive environment for research development, and harmonised regional regulatory and ethics review frameworks.

Sector Priority Area 1: Promote, facilitate and coordinate the conduct and application of health research for the improvement of health and for the wellbeing of the people of East Africa.

Strategic Interventions

1. Strengthen research collaboration and capacity development.
2. Facilitate a conducive research environment.
3. Establish Knowledge Management Platform.
4. Operationalise the Digital Regional East African Community Health (REACH) Initiative.
5. Mobilise resources to achieve the institutional mandate.

Targets

1. Training Programme to address the gaps rolled through the baseline assessment on regional research capacity.
2. Health Research priorities in the Community determined and revised.
3. Establish an integrated regional cholera surveillance system in EAC Partner States.
4. Capacity of four (4) national and institutional review boards in ethics per Partner State strengthened.
5. Harmonization of Ethics Review frameworks at regional level.
6. Establishment of a Regional Research Ethics Review Board.
7. East African Web Portal for Health Information functional as a one stop centre for health information in the region.
8. Publish at least three (3) issues of East African Health Research Journal and two (2) issues of East Africa Science.
9. East African Health Cloud (EAHC) data sharing policy among partner states in place.
10. Develop and operationalise the East African Health Cloud (EAHC), an interoperable health information system that will enable real-time capture, storage, analysis, and retrieval of health data across the region.
11. The Regional East Africa Disease Surveillance, Control, and Response (READSCoR), a digital mechanism for regional surveillance of disease outbreaks for early preparedness, including prediction, detection, and response operationalised.
12. Workforce Development, a work stream focused building the capacity of health workers in the region to facilitate the sharing of human resource and evidence-based best health practices across countries.

5.12.7 East African Kiswahili Commission (EAKC)

The EACK is an Institution of the East African Community (EAC) mandated to coordinate and promote the development and use of Kiswahili for regional integration and sustainable development. This will require strengthening the management and operational capacity of EAKC to develop, coordinate, and promote the use of Kiswahili as a language for regional integration and sustainable development.

Expected High Level Outcome: Increased recognition and adoption of Kiswahili as a regional language.

A number of institutional set ups were made in the furtherance of Kiswahili as a language to promote socio-economic development. However, challenges experienced so far include lack of an oversight role for the commission, shortage of programme staff to undertake planned activities, lack of regional and national Kiswahili policies, lack of national Kiswahili Councils in most Partner States to monitor and regulate Kiswahili activities. A lack of an operational framework guiding collaboration efforts between EAKC and Kiswahili Associations in EAC was also identified as a hurdle. Finally, EAKC also noted that budgets were inadequate for Kiswahili development programmes.

Sector Priority Area: Coordination and promotion of the development and use of Kiswahili for regional and international interaction for political, economic, social, educational, scientific, and technological development.

Coordination and promotion of the development and use of Kiswahili for regional and international interaction for political, economic, social, educational, scientific, and technological development

Strategic Interventions

Promotion of Kiswahili in the region to be done through the following integrated activities:

1. Develop and use Kiswahili as a language of wider communication in the EAC integration process and development agenda.
2. Build capacity of Kiswahili teaching institutions in Partner States.

3. Collaborate with different Kiswahili stakeholders to mobilize resources required for various Kiswahili programmes and projects.
4. Facilitate and coordinate regional Kiswahili research and publications.
5. Develop and launch IT based Kiswahili learning materials to promote Kiswahili development in EAC.
6. Translate into and from Kiswahili key documents that support the integration agenda.
7. Strengthen EAKC structures and systems of governance and management.

Targets

The following key target will be pursued under this priority area:

1. Kiswahili adopted as a national language by all Partner States and National Kiswahili Policies developed.
2. At least six (6) Regional programs developed and implemented to build capacity of Kiswahili teaching institutions in Partner States.
3. At least 20% of the current EAKC budget is mobilised for joint funding of roll out and implementation Kiswahili Training programmes and manuals in Partner States.
4. Double the number of Kiswahili research and publications.
5. Kiswahili self-learning materials developed and shared on different social media platforms.
6. At least 80% of key documents that support integration agenda identified and translated.
7. Assessment undertaken to identify gaps in EAKC structures and systems of governance and management and gaps filled.
8. EAKC structure fully operationalised.

5.12.8 East African Competition Authority (EACA)

The East African Community Competition Authority (EACA) is the institution mandated to promote and protect fair trade and to ensure consumer welfare in the community pursuant to EAC Competition Act, 2006 (the Act). The Authority seeks to promote economic integration and development in the region, advocating for a conducive environment for investment in the EAC. This is crucial for deepening regional integration and economic development of the community. So far, the Authority has established the East African Community Competition (Amendment) Bill, 2020; adoption and launching of the EACA Strategic Plan 2019 – 2024. EACA further enhanced public awareness and sensitization interventions through the development of an Outreach and Advocacy Strategy for 2019–2024. Other achievements included positive gains in enforcement of competition and consumer welfare through improved regional cooperation through sensitization and awareness activities, conduct of a sector study and establishment of competition institutions in some EAC Partner States.

Expected High Level Outcome: Fair competition within the EAC markets.

Despite the achievements made, a few challenges include lack of adequate human capital, with only one established staff. The lack of competition culture in the region led to uneven and limited competition enforcement capacity, and finally reducing funding and budgetary allocations. There are also policy contradictions at national level with implementation of the competition law which may require amendments to complementary laws. Resource constraints continue to remain a challenge even at the national level. There will also be need for legal review of EACA framework to align with AfCFTA and TFTA agreements.

Sector Priority Area: Strengthening of EACA's functional independence.

Strategic Interventions

Entrenching competitiveness to be covered in various activities to:

1. Finalize amendments to the EAC Competition Act, 2006 and Competition Regulations 2010.
2. Develop merger regulations and guidelines, procedures and manuals.
3. Develop prioritization framework to provide a clear criterion in setting priorities in the activities and projects of the Authority considering the available resources.
4. Analyse merger and acquisitions notifications, investigate anti-competitive practices and handle complaints.
5. Develop restraints to enterprises' anticompetitive regulations, guidelines, and forms.

6. Sensitization workshops and meetings on regulation of cross-border infractions and other competition enforcement matters in the region.
7. Develop subsidy guidelines and register, and related case handling procedures.
8. Conclude trade/ competition negotiations with 3rd Parties Articulate and develop Tripartite Free Trade Area (TFTA) and AfCFTA competition policy protocols and other regional and competition meetings participations (ACF and ICN).
9. Develop cooperation frameworks with COMESA and National Competition Authorities and Partner States where no Competition Authorities exist.
10. Develop Cartel Leniency programme (CLP).
11. Develop a framework for screening enforcement conducts.

Targets

The following key target will be pursued under this priority area:

1. Amendments to the EAC Competition Act, 2006 and Competition finalized and approved.
2. Merger regulations and guidelines, procedures and manuals developed.
3. Prioritization framework developed.
4. All merger and acquisitions notifications analysed.
5. Anti-competitive practices investigated, and complaints addressed.
6. Restraints developed to enterprises' anticompetitive regulations, guidelines, and forms.
7. Enhanced stakeholder (Specify the number and possibly names of outreach and advocacy on regulation of cross-border infractions and other competition enforcement matters in the region by 2026. Approximately four stakeholder events will be held in a year. The Stakeholders include the business community, governments, consumers, and media.
8. Subsidy guidelines and register, and related case handling procedures developed.
9. Negotiations concluded and protocols and strategies developed for implementation.
10. Competition toolkits developed.
11. Cooperation frameworks developed.
12. CLP developed.
13. Screening methodology developed.

5.13 Emergency Response Mechanisms

To harness East Africa's growth prospects and mitigate the underlying external and domestic risks and disasters, a multiple of political and socio-economic policy interventions are necessary. There is need to take multidimensional multi-agency emergency management approaches to minimise the negative effects of disasters, to reduce our vulnerability to hazards; to diminish the impact of disasters; and to prepare for, respond to, and recover from those that occur. Some of the disasters are cyclical and can be anticipated. Disasters dramatically affect our physical, social, and economic geography, geospatial requirements and capabilities, often calling for intergovernmental responses. The EAC region continues to experience disasters arising from climate change, drought, floods, locusts and lately COVID-19, among others.

In the case of COVID-19, Partner States have responded individually with targeted fiscal, monetary and social insurance policies as well as containment measures to moderate the social and economic impact of the pandemic. Nevertheless, the pandemic continues to undercut growth prospects across the globe. In the medium to long term, there is need to stimulate domestic demand. Coordinated approaches to management of different shocks including COVID-19 pandemic, are necessary to mitigate the negative socio-economic effects including those impacting on the health sector.

The rising levels of the L. Victoria waters present a new emergence since it has already displaced people and businesses around the lake. Further inland lakes are also experiencing overflows leading to population displacements.

Key interventions include:

1. Social protection for the vulnerable.
2. Respond to COVID-19 challenges.
3. Explore solutions on the rising levels of Lake Victoria.
4. Implementation of stimulus packages.
5. Structural transformation policies.

5.14 Domestication of Regional Commitments and COVID-19 Mitigation Measures in Partner States

Implementation of regional commitments takes place in Partner States. These continue to suffer from structural capacity constraints in the form of slow decision-making process; weak enforcement mechanism on regional commitments; absence of a sustainable financing mechanism for regional integration activities; weak implementation, coordination and monitoring and evaluation frameworks; and weak linkage between national and regional planning and budgeting mechanisms.

It is critical for institutional transformation in Partner States to domesticate regional commitments and joint planning to create conducive business environment to stimulate private sector investment to generate supply capacities, job opportunities and build sustainable government revenue streams. Strong political commitment is necessary to realize regional integration. This must be reflected in national level measures and actions taken by individual States that are geared towards implementation of regional economic community decisions. In this regard, EAC Partner States will be expected to ensure efficient coordination between the Regional level priorities and the national economic policy making, and to ratify and implement decisions, agreed protocols and instruments in a timely manner. This will call for dedicated capacity building with support from the regional level, to ensure alignment of national and regional priorities.

Consequently, the consolidation and transformation of the regional economy shall go hand in hand with promotion of diversification, value addition and innovation. To the extent possible, joint cross border project implementation should be encouraged. These would galvanise political, economic, social, and cultural aspects, research and innovations, defence, security, and judicial affairs. The aim is to trigger integrated mechanisms for transformation in the region for mutual benefits to the people of the EAC.

The COVID-19 pandemic has had negative effects on key EAC economic sectors such as transport and distribution, trade, manufacturing, agriculture, tourism, construction, and education, oil, and petroleum imports among others. The EAC Secretariat will collaborate and work closely with Development Partners in implementing the comprehensive medium-term recovery plan to alleviate the negative economic impacts of COVID-19 and support coordinated strengthening of economic foundations for sustainable trade, investment, and economic development. The measures implemented to contain COVID-19 pandemic call for new ways of doing business and offering services. The COVID-19 pandemic has caused rethinking on how governments and the private sector can offer services to the public. Automation of service delivery is the new normal. Provision of products and services online will seamlessly allow business continuity for both government and private sector.

To take advantage of the digital revolution to transform the way business is done in the region the following strategic intervention will be undertaken:

Strategic Objective: Strengthen national frameworks to implement regional commitments while deepening stakeholder involvement and participation, in all matters related to the integration process and implementation of COVID-19 recovery measures.

Expected High Level Outcomes:

- 1) Improved domestication of regional integration policies and programs.
- 2) Accelerated post COVID-19 recovery across the three sectors identified as most affected.
- 3) Harmonized policies and practices in containment of COVID-19 and its potential impact on the regional integration agenda.

Priority Areas:

- a) Institutional transformation in Partner States to domesticate regional commitments.
- b) Deepen stakeholder involvement and participation including grassroots representation in all matters of regional integration.
- c) National interventions to mitigate effects of COVID-19.

Strategic Interventions

1. Institutional transformation in Partner States to domesticate regional commitments:
 - a) Adoption of harmonised business environment in context of policy, legal and regulatory frameworks in consultation with key national and regional stakeholders to ensure harmonised approach in the domestication process,
 - Consolidate political commitment and stability by promoting participation of the citizenry and the private sector in the integration process.
 - Promote local and FDI inflows to stimulate expansion of supply capacities and creation of employment opportunities and sustainable government revenue streams.
 - Enhancing e-business opportunities.
 - Leverage newer technologies to enhance production and productivity.
 - Transport, communications, and energy Interconnectivity across different networks.
2. National level interventions to mitigate the effects of COVID-19:
 - a) **Strengthen the transport sector services to mitigate the impact of COVID-19** while reducing human contact, strengthening health and transshipment facilities along the transport routes, including linkages into the EAC digital business registries and trading platforms.
 - b) **Developing and building trade in services sectors** – focussing on strengthening ICT capabilities to reduce physical proximity between buyers and sellers. Alternative mechanisms for logistics and distributions services must be put in place for the merchandise trade, and construction and other business services that require the movement of skilled and unskilled professionals across borders. On the other hand, information, and communication technology (ICT) technologies and services are playing a crucial role in supporting continued access to healthcare, education, financial services and essential goods and services, safeguarding the social and economic fabric of societies worldwide. Creating a thriving environment for e-commerce and e-transactions will require investment in a well-functioning telecommunications infrastructure, in addition to regulatory frameworks that create the enabling environment for e-commerce.
 - c) **Restoring, adopting, reorienting and strengthening manufacturing capacity and supply value chains in the region to digitalise the bulk of the manufacturing processes.**

With the onset of COVID-19, the manufacturing sector has experienced a number of challenges with the national, regional, and international containment measures. This has impacted on production, trade with net effect on reduced sales revenues with resultant effects on redundancies. Firms are responding to the spread of COVID-19 in various ways. Many are trying to solve immediate cash-flow challenges by cutting costs; employees are being put on short-time working and are requested to take leave to reduce the wage burden. Others are repurposing their production lines, switching to the production of urgently needed goods such as ventilators, masks, and other personal protective equipment. Production due to social distance have reduced producing to 30%-50% the usual capacities leading to less outputs and lost employment opportunities. These measures may work in the short term but will not sustain the business in the medium to long term.

To ensure continuity, there is need to create incentives for innovations, growth, and sustainability in manufacturing. These may include but not limited to reengineering to support firms embrace innovation, research and technology, upgrade worker skills to enhance competitiveness and get into efficient and up-scaled production; improve efficiency. Other measures to be pursued include increasing public procurement capacity for local production; and competitive funding to manufacturers and supporting the development of industrial and SMEs clusters.

The region needs to protect domestic industries that serve the regional producing inputs and raw materials for manufacturing and secure the supply of such products in view of possible disruptions in global value chains. Firms need to be assisted to invest in new business processes and in technological innovations by monitoring market conditions and developing indicators allowing them to quickly identify emerging market needs and changes in consumer behaviour to quickly reboot domestic supply as well as restoring -and eventually reshaping -the functioning of global value chains in the EAC region. In this regard, the following interventions are critical to the COVID-19 recovery process.

d) Supporting agriculture and food security and sustainability

The state of food security and nutrition was already alarming before the outbreak of COVID-19, with FAO, WFP and IFAD in 2019 estimating that an average of 821 million, most of the world's hungry people live in low-income countries, where 12.9% of the population is undernourished. The COVID-19 Risk Index has ranked East African countries as "Very High Risk" or High Risk based on the risks from COVID-19 impacts that could overwhelm national response capacity and therefore lead to the need of additional international assistance.

The EAC agriculture sector was already experiencing multiple challenges including climate-induced shocks and desert locust infestation, all of which had weakened food systems' resilience. The emergence of COVID-19 therefore, poses additional risks to an already vulnerable and stressed food-system, by way of reduced farming activities and the reduced normal trading channels to contain the spread of COVID-19. These will be compounded by the weaker demand of agricultural and fish exports to the European markets.

In January 2019, the 38th Extra-Ordinary Council of Ministers adopted five-year (2019-2024) EAC Regional Food and Nutrition Security Strategy (FNSS) and Action Plan (FSAP) aiming to contribute to elimination of hunger, malnutrition, and extreme poverty in the East African region by the year 2024.

To support agriculture sustainability and food security in the region in the context of the COVID-19, it is critical:

- a) To improve sustainable and inclusive agricultural production, productivity, market access and utilization of nutritious, diverse, and safe food:
This would entail increasing access to quality inputs e.g. fertilizers, improved seeds and planting material, breeding materials, feeds and fodder, fingerlings, agrochemicals, and veterinary pharmaceuticals; Promote and harmonize demand driven research, technologies, education, and extension to increase production and productivity systems in crops, fish, livestock, and nutrition; and Promote production of diversified foods including bio fortification, legumes, and dairy products.
- b) To strengthen resilience among households, communities and livelihood systems and uptake of disaster risk reduction with enhanced post-harvest value addition:
In this regard, it will be critical to promote establishment of regional food reserves by developing and harmonizing policies, laws and guidelines governing the establishment of national and regional food reserves; expand extension services that facilitate development, and implementation of climate smart strategies; and enhance post-harvest research and innovation on appropriate technologies.

e) Reinvigorating Tourism and Re-orienting the Tourism Value Chains into regional frameworks in the interim

The unprecedented societal changes brought on by the COVID-19 pandemic have drastically affected tourism. The impact of the COVID-19 outbreak will be felt across the whole tourism value chain, with small and medium sized tourism families being hardest hit. The UNWTO estimates an annual decline of between 58% and 78% in tourist arrivals in 2020 compared to 2019. Given that EAC is highly dependent on long-haul markets of Europe and North America, it is estimated that the tourist arrivals in the region for 2020 will drop by about 40% to 60% compared to 2019 even when the gradual opening of international borders and easing of travel restrictions takes place in late June or early July 2020.

In view of the projected losses in terms of tourist arrivals, export earnings and jobs in the tourism sector as well as considering the resilience of the sector, the following interventions are proposed for re-igniting the sector and re-orienting tourism value chains; by providing stimulus and supporting tourism-related jobs and livelihoods including developing skills and outreach programmes for MSMEs in tourism including tour guides, tour operators, youth and women through online courses and exchange programmes. Further, there is need to diversify and develop tourism markets and products within the domestic and regional markets; develop new tourism products along sustainable tourism value chains and innovative circular approaches through jointly packaging and promoting thematic multi-country tour products in the region; and guidelines for cleanliness and hygiene standards in hotels, restaurants, and other tourist facilities.

f) Capacity rebuilding of trade and investment facilitation institutions

The positioning of the capacities of various institutions in the regions did not anticipate the ramifications caused on the economies by the COVID-19 pandemic. To effectively deal with the recovery process, there is a need to assess the requirements of key institutions in terms of human capital, institutional capacities, machines, and technology. In this regard, key strategic interventions call for assessment of the requirements in technical training, institutional capacities, equipment, and technology requirements to cope with the changed business environment.

6



Implementation Framework

6.1 Introduction

A participatory approach underpins the Strategy Implementation Framework. However, in most cases, these engagements are limited to apex national organisations, most of which represent multiple sector stakeholders. In order, to improve uptake of regional programmes, there is need to expand and deepen stakeholder engagement, particularly at the national level, with sector specific associations designing mechanisms of domesticating regional obligations. Country specific frameworks should build on platforms bringing together sector associations along value chain linkages to enhance synergies, and information flow. Such networks are critical in national programming and implementation. These also encourage ownerships of regional commitments. The same frameworks should also be leveraged for continental and global commitments and the institutional mechanisms be employed for monitoring purposes.

6.2 Financing Framework

Resource mobilisation to finance the EAC Development Strategies implementation are largely dependent on Partner States contributions; receipts from regional and international partners; grants, donations, funds for projects and programmes; technical assistance; income earned from Community activities; and other sources, as may be determined by the Council. These funding sources, however, have been constrained by the intermittent and ad hoc nature of inflows, particularly in respect to development partner contributions, which are mostly influenced by, among other factors, the global financial crisis affecting their economies. Further, Partner States contributions are normally in arrears due to financial constraints.

There is need to explore additional funding options. The EAC Resource Mobilisation Strategy clearly defines policies, procedures and mechanisms for fund raising. More specifically, the establishment of an EAC Development Fund with provisions on implementing a regional integration levy on external imports. Some of the Institutions can raise resources from partnering with corresponding national institutions and share the fees on the services they provide. These may include institutions managing investment and competitiveness, stock markets, civil aviation, among others. Other sources of funding include mobilisation of private sector to establish an EAC Private Sector Fund.

Against the low target achievements in the productive sectors in the outgoing strategy, there is need to diversify the funding mechanisms in which regional potential benefits linked to Partner State initiatives are shared and sold to key implementers in the private sector and civil society. The continental and global initiatives that come with mobilised resources need to be leveraged. Better prospects derive from proposals, preferably linking regional initiatives to national and global commitments. The AUDA-NEPAD implementation mechanisms could form a starting point. This will entail proposal writing to access such resources.

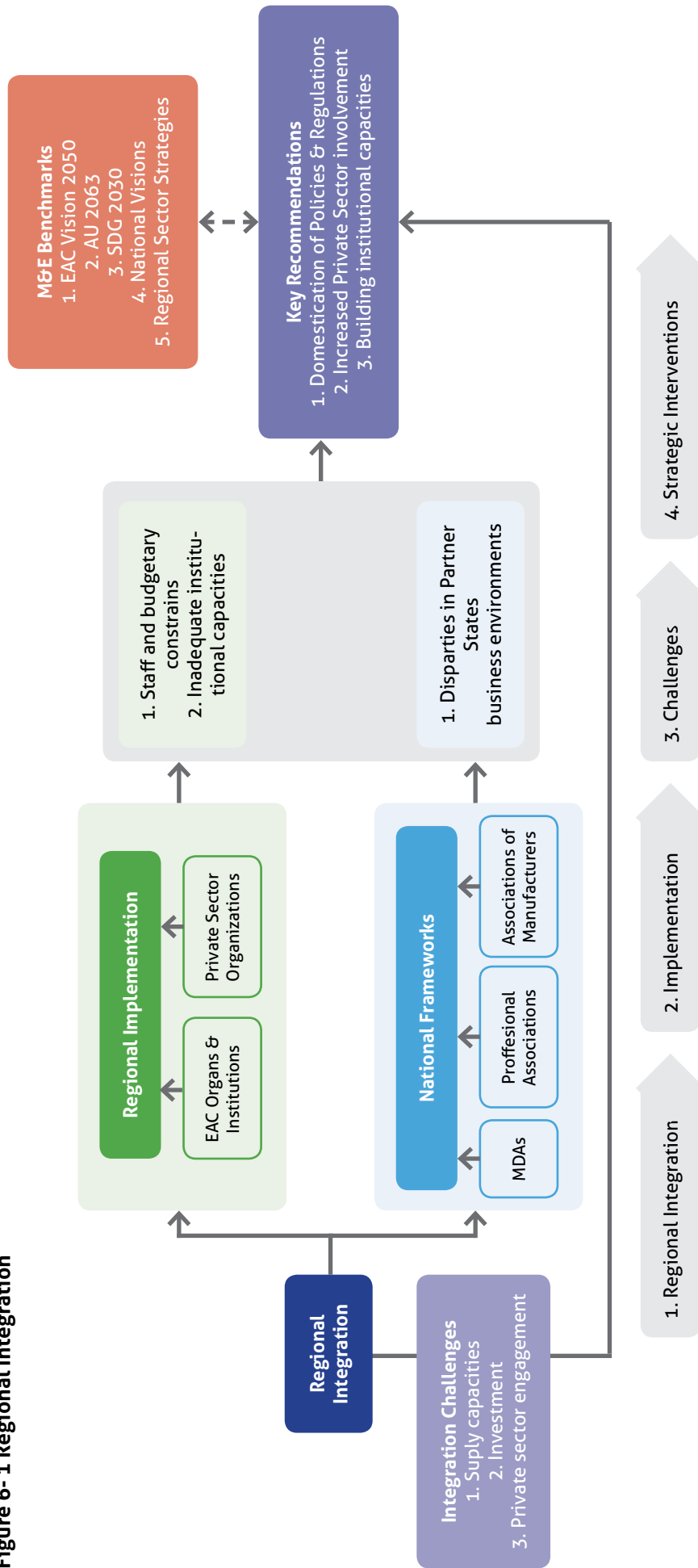
6.3 Implementation of the 6th EAC Development Strategy

A number of pre-requisites to be in place in order to ensure successful implementation of the Strategy include: political will, commitment and support at all levels; demonstrable ownership of the Strategy by all categories of stakeholders; effective use and management of credible data/information for evidence-based decision making; and enhanced private sector participation. There is also need for mind-set change, including civic competence and responsibility. It is also imperative that all stakeholders demonstrable preparedness for implementation and effective monitoring and evaluation to support implementation; clarity and internal harmony of roles and responsibilities of actors/stakeholders; effective partnerships and collaboration with non-state actors; human resource capacity and conducive working environments at all levels; as well as effective and efficient resource mobilisation and utilisation.

6.4 Implementation Arrangements and Mechanisms

The Community domesticates its obligations in the Partner States through several instruments. Policies and guidelines often give Partner States a lot of flexibility in the domestication process. Often this has resulted in divergent adoption of regional commitments. Gazettements and laws passed by the regional Parliament and ratified by the national Parliament often have a better chance of implementation. Where feasible, specialised institutions anchored on legal frameworks should be in charge of implementation.

Figure 6- 1 Regional Integration



6.5 Institutional Frameworks

In addition to the existing institutional arrangements and implementation instruments at the regional and Partner State levels, there will be need to strengthen and maximise institutional synergies amongst stakeholders to achieve efficiency in resource use. In this regard, more effort should target well-co-ordinated and strategic partnerships, as well as collaboration within the EAC system and Partner State governments and other stakeholders (private sector, development partners, the civil society, non-state actors) since the implementation of this Strategy is a shared responsibility of all stakeholders. Programmes implemented through regional organs and institutions have a better uptake at national level, when the enabling legal framework is available. Further, for programmes anchored on international standards and for which there are beneficiary players, enforcement is much easier.

6.6 System-wide Aspects and Issues

To maximise benefits from regional integration, it will be incumbent on the Community to ensure that key programmes of interest to regional integration are implemented concurrently across all the Partner States. There will be opportunity to integrate the continental, other REC, and global commitments in the regional frameworks. In this way, any challenges and obstacles are remedied timely across all different commitments in all the Partner States. More importantly, wider stakeholder engagement should be institutionalized such that different players pick up components aligned to their functions. Finally, actual programme implementation takes place at the national level. Priority in the 6th Development Strategy should focus on building national capacities. This will ensure that regional commitments are picked up at the planning stages. At all levels, political ownership should be cultivated.

In this regard, there will be need to strengthen and re-align national and regional M&E frameworks to respond to the aspects of national, regional, and concurrent implementation of the national visions, regional and global commitments. Consequently, the EAC Results-based Monitoring and Evaluation (RBME) Manual may need updating to consider the new targets reflected in SDG 2030, AU 2063 and EAC Vision 2050. The statistical capacities to harmonise systems and processes shall be prioritized.



Monitoring & Evaluation Framework

7.1 Introduction

The quantitative targets in AU 2063, SDG 2030 and Vision 2050 form the basis for the 6th EAC Development Strategy. These constitute the targets set in Chapter 5. The qualitative interventions will be assessed as inputs to the process of implementation.

7.2 Review of the Existing M&E Framework

While there is mention of the RBM&E frameworks in monitoring the 5th Development Strategy, specific impact measures were not specified within the strategic outcomes against the various objectives. Instead, the Strategic interventions focused on outputs, most of which had no quantitative indicator measure. To remedy this gap, the situation analysis has to a large extent drawn on the regional, continental, and global indicators in evaluating specific performance to date.

7.3 The M&E Framework for the 6th EAC Development Strategy

In addition to tracking the regional, continental, and global indicators, the M&E framework for the 6th Development Strategy will also track implementation of strategic interventions. Special focus shall be dedicated to monitoring the effectiveness of the partnerships with private sector and civil society in the actualization of the regional programmes and commitments. There will be need to monitor the level of Partner State capacity development initiatives and the level of success in the regional integration programmes. An implementation plan shall be presented separately from the Strategy.

Table 7 - 1 6th EAC Strategy M&E Framework

Goal/ Objective	Impact/ Outcomes	Indicator	Target	Data Source (Means of Verification)
Strategic Goal: To Build a Firm Foundation for Transforming the East African Community into a Stable, Competitive and Sustainable Lower-middle Income Region by 2025".	A stable, peaceful, competitive, and sustainable East African Community	EAC Regional integration index	EAC regional index of at least 3.5 by 2025	Africa Regional Integration Index Report (UNECA)
		GDP growth	Annual GDP growth rate of at least 8% by 2025	WDI; National Sources
		Poverty index	Reduce 2019 poverty levels by at least 10% by 2025	WDI; National Sources
		Regional Peace index (Average of EAC Partner States)	Achieve an average peace index of 3.5	COMWARN data – Conflict Barometer/ Global peace index report
SDO 1: Attainment of a fully-fledged Customs Union through full implementation of the Single Customs Territory (SCT) and enhanced ICT systems for customs administrations and other key players	1.1 AfCFTA and TFTA operationalized, and the EAC Customs Union becomes fully functional, leading to increase in access to export market	1.1.1 % implementation of the Single Customs Territory	100%	Indicator tracker; Council reports
		1.1.2 % of identified NTBs that are resolved	At least 50 % of reported NTBs resolved	National Sources; Indicator tracker
		1.1.3 Intra EAC trade as a share of total trade	Increase by 30%	National Sources; Indicator tracker
		1.1.4 % increase in EAC exports to external markets	20% increase	National Sources; Indicator tracker

Goal/ Objective	Impact/ Outcomes	Indicator	Target	Data Source (Means of Verification)
		1.1.5 Operational status of AfCFTA	AfCFTA fully operational by 2023 and TFTA by 2024	Indicator tracker; Council Reports AfCFT and TFTA operationalization progress reports
		1.1.6 Increase in adoption and implementation of regional, continental, and international agreements	Adoption and implementation of regional, continental, and international agreements increased from 60% to 100%	Indicator tracker; Reports on adoption and implementation of regional, continental, and international agreements
SDO 2: Enhancing domestication and implementation of regional commitments in line with the EAC Common Market Protocol, and other related regional, continental, and international frameworks;	2.1 Fast tracked implementation of the Common Market Protocol, leading to increase in intra-EAC trade, and free movement of factors of production, Right of establishment and Residence within EAC	2.1.1 % increase in intra EAC Trade	300%	National Sources
		2.1.2 % increase in intra EAC Trade of agricultural commodities and services	300%	National Sources; Indicator Tracker
		2.1.3 % of service liberalization commitments achieved	At least 80%	EAC Common Market Scorecard
		2.1.4 Number of PS demonstrating >=50% reduction in the total number of non-conforming measures (NCMs)	6	EAC Common Market Scorecard
		2.1.5 Number of additional services liberalized	At least 5	EAC Common Market Scorecard
		2.1.6 Progress on elimination of tariffs by EAC Partner States on intra-regional trade	Av average of 75%	EAC Common Market Scorecard
		2.1.7 Total number of reforms undertaken towards freedom of movement of capital,	At least 5	EAC Common Market Scorecard
		2.1.8 Average time (months) to eliminate non-tariff barriers to trade	At least 30% reduction in average time	EAC Common Market Score-card

Goal/ Objective	Impact/ Outcomes	Indicator	Target	Data Source (Means of Verification)
	2.2 Reduction in preventable deaths because of strengthened health systems	2.2.1 Reduce maternal and child mortality	Reduce by 40% by 2025	National Sources (DHS); WDI
		2.2.2 Stunting in children	Reduce to <10% by 2025	National Sources (DHS); WDI
		2.2.3 Underweight among children under 5 years	Reduce to <5% by 2025	National Sources (DHS); WDI
		2.2.4 Access to Anti-Retroviral (ARV) drugs	100% access	National Sources
		2.2.5 Number of Partner States implementing universal health-care coverage (UHC)	6 Partner States	National Sources
	2.3 Expanded access to quality education and training services	2.3.1 Number of Partner States providing Universal primary and secondary education	6 Partner States	National Sources
		2.3.2 Enrolment rate for basic education	100%	National Sources
		2.3.3 % of girls transitioning to secondary education	At least 40%	National Sources
	2.4 Increased investment and investment returns from creative arts as a tool for social cohesion and economic development	2.4.1 Contribution of creative arts to GDP.	Double the 2020 contribution	National Sources; Indicator tracker
		2.4.2 % increase in private sector investment in sports and culture	30%	National Sources
	2.5 Increased access to gainful employment because of favourable laws and policies on labour mobility and immigration	2.5.1 Unemployment rate	Reduce by at least 10%	WDI; ILO; National Sources
		2.5.2 Proportion of the labour force not receiving liveable wages	Reduce by 20%	National Sources; ILO

Goal/ Objective	Impact/ Outcomes	Indicator	Target	Data Source (Means of Verification)
		2.5.3 % increase in the number of citizens working in the EAC region in countries outside their nationalities	At least 40%	National Sources
	2.6 Increased participation of women and youth in social, economic, and political activities of the region	2.6.1 Gender parity in employment	Increase by 10%	ILO; National Sources
		2.6.2 Poverty among women	Reduce by at least 30%	WDI; National Sources
		2.6.3 % of youth in elective positions	At least 30%	National Sources
		2.6.4 % of elective positions and other decision-making positions held by women	At least 30%	National Sources
	2.7 Sustainable increase in agricultural productivity and value addition in agriculture	2.7.1 % annual agriculture GDP growth (absolute values)	At least 6%	National Sources; WDI; FAOSTAT
		2.7.2 Agriculture production index	At least 20% increase in the index	National Sources; WDI; FAOSTAT
		2.7.3 Annual public expenditure to agriculture as % of total public expenditure	At least 10% expenditure in agriculture	National Sources
		2.7.4 Agriculture value added per hectare of arable land (constant price USD)		National Sources; WDI; FAOSTAT
		2.7.5 % reduction in number of people in need of food aid	At least 50% reduction	National Sources
		2.7.6 % of agricultural land placed under climate smart and ecosystem-based sustainable practices	At least 30%	National Sources; WDI; FAOSTAT
		2.7.7 % irrigated agriculture	Increase by 30%	National Sources; WDI; FAOSTAT

Goal/ Objective	Impact/ Outcomes	Indicator	Target	Data Source (Means of Verification)
		2.7.8 % reduction in post-harvest losses in prioritized strategic value chains in the EAC Agro-industry and agro-enterprise program	At least 50% reduction	National Sources
		2.7.9 % increase in intra-regional trade and delivery systems for agricultural inputs and technologies	Increase by 50%	National sources
		2.7.10 Food security index	Increase by at least 30%	Global food security index: https://foodsecurityindex.eiu.com/
	2.8 Increased contribution of the tourism sector to regional economic growth	2.8.1 Tourism arrivals and receipts	Double tourism arrivals and receipts	National sources
		2.8.2 % increase in contribution of tourism to GDP in real terms	At least 15% increase	WDI/ World Bank
		2.8.3 % increase in employment in the tourism sector	Increase to 2.5 million people	
		2.8.4 Intra-EAC tourism	Double intra- EAC tourism by 2025	National Sources
		2.8.5 % reduction in value of illegal trade in wildlife and wildlife products.	At least 20% reduction	National sources; Indicator tracker
		2.8.6 % increase in eco-tourism	At least 5% increase	National sources
		2.8.7 Incidences of poaching by 70%	Reduce by at least 70%	National Sources
		2.8.8 % increase in the number of institutions sharing information on poaching, illegal trade and trafficking of wildlife and wildlife products	Increase by 50%	National Sources
	2.9 Improved environment for investment and private sector development	2.9.1 % increase in foreign direct investment (FDI)	At least 6 % increase	UNCTAD Annual WIR, COMESA Annual Investment Report

Goal/ Objective	Impact/ Outcomes	Indicator	Target	Data Source (Means of Verification)
		2.9.2 % increase in the value of private sector investment in manufacturing	At least 15% increase	National sources; Indicator tracker
		2.9.3 % increase in private sector investment in agricultural value chains.	At least 15% increase	National sources; Indicator tracker
		2.9.4 Value of private sector investment in fisheries and processing	At least 15% increase	National sources; Indicator tracker
		2.9.5 Scores in ease of doing business/ business competitive index	At least 0.5 points increase in the index	WB Ease of Doing Business Annual report; World Competitive-ness Report
	2.10 Inclusive expansion in industrial development and SMEs across value chains in the productive sector	2.10.1 Manufacturing value added as % of GDP	At least two percentage points increase	WDI; National sources
		2.10.2 Intra-regional manufactured exports relative to total manufactured imports into the EAC region	Increase to at least 50%;	WDI; National sources
		2.10.3 Share of manufactured exports relative to total merchandise exports	Increase to at least 25%	
		2.10.4 Local value-added content of resource-based exports	Increase from 8.9% to at least 15% by 2026	National Sources; Indicator tracker
		2.10.5 Contribution of Micro Small and Medium Enterprises of manufacturing GDP.	Micro Small and Medium Enterprises (PARTNER STATESMES) contribute at least 50% of manufacturing GDP.	National Sources
		2.10.6 % of informal sector ventures growing into small formal enterprise category a year	At least 10 %	National Sources
		2.10.7 % increase in value addition in the fishery sector in real term	At least 20% achieved by 2025	National Sources

Goal/ Objective	Impact/ Outcomes	Indicator	Target	Data Source (Means of Verification)
		2.10.8 % reduction in number of SME firms closing down	At least 15% reduction	National sources
		2.10.9 % reduction in post-harvest losses	At least 50%	National Sources
	2.11 Environmental conservation enhanced, and sustainable use of natural resources strengthened	2.11.1 Proportion of important cross-border biodiversity (land/seascapes) that are protected	At least 60%	WDI; National sources; Indicator tracker
		2.11.2 % of coastal and marine areas preserved	A least 10%	WDI; National Sources; Indicator tracker
		2.11.3 % of terrestrial and inland water preserved	At least 17%	WDI; National Sources; Indicator tracker; https://data.worldbank.org/indicator
		2.11.4 % of rainwater harvested for productive use	At least 20%	National Sources
		2.11.5 % of agricultural land placed under sustainable land management practices	At least 30%	WDI; FAOSTAT
		2.11.6 % increase in financial resources received by EAC Partner States from the global climate finance facilities	At least 20%	National Sources; GCF Web Portals
		2.11.7 Number of EAC Partner States that have developed the national determined contributions (NDC)	All the Six PS	National Sources
		2.11.8 % reduction in greenhouse gas emissions within the EAC	<=5%	National Sources
		2.11.9 % increase in trees and forests cover in trans-boundary catchment areas	At least 25% increase	National Sources
	2.12 Increased investment in science, technology, and innovation (STI)	2.12.1 Gross Domestic Expenditures on R&D (GERD) as a percentage of GDP	At least 1% of government expenditure allocated to STI	

Goal/ Objective	Impact/ Outcomes	Indicator	Target	Data Source (Means of Verification)
		2.1.2.2 Number of Partner States undertaking innovation surveys and implementing innovation reward schemes	At least 5 Partner States	National Sources; Indicator tracker
SDO 3: Attainment of the EAC single currency through the realisation of macro-economic convergence criteria and the harmonisation of fiscal, monetary and exchange rate policies	3.1: Milestones for the establishment of EAC Monetary Union accomplished and the Monetary Union enforced	3.1.1 Adoption of EAC Single Currency 3.1.2 East African Central Bank in place 3.1.3 % of regional fiscal & monetary policies harmonized 3.1.4 Number of PS achieving all the 12 4-point mandatory criteria prior to the establishment of a single currency	Establishment of the Single Currency by 2024 East Africa Bank is established and operational 100% 6	The operationalized single currency Bank establishment documents Indicator tracker; Council reports National Sources; Indicator tracker; Council reports
SDO 4: Strengthening regional governance, political commitment, accountability, and inclusivity to improve peace and security, in the build-up to an EAC Political Confederation	4.1 Improvement in governance, political commitment, and accountability in the region, as a result of demonstrable progress in the implementation of the EAC Political Federation	4.1.1 Regional Peace index (Average of EAC Member States) 4.1.2 Four-year average number of people affected by disasters 4.1.3 Number of persons displaced by conflict (refugees) 4.1.4 Number of Partner States implementing at least 80% of decisions made in areas of peace and security	A regional average of 3 At least 40% reduction Reduce by 30% All the six PS	National sources; COMWARN data – Conflict Barometer COMWARN data – Centre for Research on epidemiology on Disaster (CRED) COMWARN Data: Fund for Peace National sources; Indicator tracker

Goal/ Objective	Impact/ Outcomes	Indicator	Target	Data Source (Means of Verification)
		4.1.5 Regional constitution promulgated	All the Six PS sign and promulgate the regional constitution by 2024	Regional constitution signed by the EAC Heads of States
SDO 5: Development of quality multi-dimensional strategic infrastructure and related services including clean energy, to support and accelerate sustainable regional integration and global competitiveness	5.1 Road transport infrastructure improved, and efficiency in transport related services enhanced	5.1.1 Composite infrastructure development index	At least 30.0	Africa Infrastructure development index report, Africa Development Bank (AfDB)
		5.1.2 % increase in road regional interconnectivity for paved roads	5% increase	National Sources; Indicator Tracker
		5.1.3 % of prioritized road transport policies, guidelines and standards that are harmonized	100%	Council reports; Indicator tracker
	5.2 Railway transport infrastructure improved, and efficiency in rail transport related services enhanced	5.2.1 % increase in regional quantity of railway network (Km)	10% increase	Council reports; Indicator tracker
		5.2.2 % of prioritized railway transport policies, guidelines and standards that are harmonized	100%	Council reports; Indicator tracker
	5.3 Expanded air transport system that is safe, secure, and efficient	5.3.2 Number of Airplane Incidents and Accidents	Reduce by 30%	National Sources; Indicator tracker
		5.3.3 % increase in Regional Tourist Airport Connections	30% increase by 2025	National Sources; Indicator tracker
	5.4 Expanded maritime transport system that is safe, secure, and efficient	5.4.1. Number of potential disasters detected before occurrence because of the regional early warning systems	At least 5	National Sources; Indicator Tracker; Surveys

Goal/ Objective	Impact/ Outcomes	Indicator	Target	Data Source (Means of Verification)
		5.4.2 % of Meteorological Policies harmonized	100%	National Sources; Indicator Tracker; Surveys
		5.4.3 Number of Partner States implementing the regional integrated comprehensive early warning system	6 PARTNER STATES	Indicator tracker
		5.4.4 % reduction in number of security incidents in both inland waterways and the Indian Ocean	At least 20% reduction	National Sources; Indicator Tracker; Surveys
	5.5 Improved ICT infrastructure	5.5.1 ICT penetration	Increase by 30% ICT Penetration based on 2013 figures.	National Sources
		5.5.2 Broadband accessibility	At least 80% increase in broadband accessibility by 2025	National Sources
		5.5.3 Mobile cellular subscriptions (per 100 people)	Achieve 100% by 2025	National Sources; https://data.worldbank.org/indicator/IT.CEL.SETS.P2
		5.5.4 ICT Index	At least 30.0	Africa Infrastructure development index report, Africa Development Bank (AfDB)
	5.6 Strengthened meteorological capacity, leading to improvement in detection and aversion of climate related disasters	5.6.1 % reduction in number of deaths resulting from weather/climate related disasters	At least 30% reduction	National sources
		5.6.2 % increase in accessing of Weather Services for Disaster Risk Reduction	At least 30% increase	Indicator tracker; Weather service provision reports
		5.6.3 Accuracy of short, medium, and long-range weather forecasting and climate change prediction and monitoring	Improve by 20%	Indicator tracker; Weather service provision reports
		5.6.4 % reduction in estimated value of losses from weather/climate related disasters	At least 30% reduction	National sources
	5.7 Increase in production and consumption of clean energy	5.7.1 Proportion of fossil fuel in total energy production	Reduce by at least 20%	National Sources

Goal/ Objective	Impact/ Outcomes	Indicator	Target	Data Source (Means of Verification)
		5.7.2 Renewable energy consumption (% of total final energy consumption)	Raise by 10%	National Sources
		5.7.3 No. of Mega Watts of clean energy added into the national grid	Increase by 20%	WDI; National Sources
		5.7.4 Households' access to electricity	Raise by 58%	National Sources
SDO 6: Developing and strengthening the capacity of all EAC Organs and Institutions to execute their mandates effectively.	6.1 Improved organizational capacity and organizational performance of EAC Organs and Institutions	6.1.1 Organizational performance index (OPI) of EAC Secretariat and EAC Institutions	OPI of at least 3.8 and at least 3.5 each for Efficiency, Effectiveness, Relevance and Sustainability	Annual OPI Assessment
		6.1.2 Amount of resources (in USD) allocated and used in capacity strengthening of EAC organs and institutions	N/A	Financial reports/ records; Capacity building plans and budgets
		6.1.3 % of resource requirements mobilized and used in institutional strengthening of EAC organs and institutions	100%	Indicator tracker
		6.1.4 % of capacity gaps identified that are addressed through appropriate capacity strengthening interventions	100%	Indicator tracker
SDO 7: Increasing visibility of EAC, stakeholder knowledge and awareness, and participation of EAC citizens in the integration process	7.1 Improved awareness and participation of the East African people in the regional integration process	7.1.1 Average score across objectives of the second EAC Communication Strategy	At least 70%	2 nd Communication Strategy evaluation report
		7.1.2 % increase in number of representatives from the CSO, trade unions; and private sector) participating in the annual secretary general's stakeholder engagement forum	At least 40%	Indicator tracker

Goal/ Objective	Impact/ Outcomes	Indicator	Target	Data Source (Means of Verification)
		7.1.3 % increase in number of citizens benefitting from EAC cross border exchange programs	At least 30%	Immigration reports; Indicator tracker
		7.1.4 % increase in number of citizens participating through the interactive platforms established to engage EAC citizens	At least 30%	Participation records; Indicator tracker
		7.1.5 Number of harmonized sensitization campaigns conducted in at least four Partner States	At least 5	Event reports; Indicator tracker
		7.1.6 Number of regional platforms established or revived to strengthen regular engagement with citizens.	At least 4	Indicator tracker; Departmental reports
	7.2 Increased access and use of knowledge and knowledge products developed by EAC	7.2.1 % of priority research, monitoring & evaluation, and learning products that are developed and shared through the EAC knowledge portal, on schedule.	At least 80%	Knowledge portal; Indicator tracker;
		7.2.2 Number of statistical analysis products generated within the Community and used to inform policy decisions in the region.	At least 5	Indicator tracker
		7.2.3 % of datasets prioritized for inclusion in the database of regionally comparable statistics, that are up to date in the database	100%	Database; List of priority data sets
		7.2.4 % increase in traffic on the knowledge portal	100%	Indicator tracker
		7.2.5 % of sectors that have developed sector-specific medium and short-term plans	At least 70%	Indicator tracker; Sector plans

7.4 Strategies for Information Sharing and Use

Information sharing and use are vital as part of assessing the progress and status of strategy implementation. To this end, the existing mechanisms for information sharing with diverse stakeholders will be leveraged. Thus, Partner States remain the focal points of information gathering. There will be need to design additional Web-based Management Information System (MIS) for the results-based monitoring and evaluation system through the MEACAs in the Partner States. This will go a long way in improving information flow and sharing.

Strengthening the institutional framework for usage of the M&E information is crucial. There will be need to simplify and capacity build the media to empower them to disseminate regional integration information to different stakeholders.

Total amount, how it will be funded, clarity that the cost excludes what will be borne by Partner States for projects and programmes to be implemented at Partner States level; will be shown in a funding strategy to reflect the hopefully soon to be concluded, study on sustainable financing mechanism for the East African Community.

Annex 1: Alignment of AU 2063, SDG 2030 and EAC Vision 2050 Goals

AU2063	Description	SDGs	Description	EAC 2050	Aspiration Description
Goal 1	A high standard of living, quality of life and well-being for all citizens.	Goal 1	End poverty	Goal 1	Enhanced inclusiveness in development and socio-economic transformation.
		Goal 2	End hunger	Goal 3	Achievement of high per capita income to give the population adequate purchasing powers and improved quality of life.
		Goal 8	Economic Growth	Goal 4	Economic empowerment of the citizens to spur growth and fast track poverty reduction.
		Goal 11	Population living in slums		
Goal 2	Well educated citizens and skills revolution underpinned by science, technology, and innovation.	Goal 4	Equitable education	Goal 5	Building EAC's ICT capacities to encourage innovation and increase competitiveness.
Goal 3	Healthy citizens	Goal 3	Healthy lives and well-being	Goal 1	Enhanced inclusiveness in development and socio-economic transformation.
Goal 4	Transformed economies	Goal 8	Promote sustained economic growth	Goal 7	Articulation of pro-active policies aimed at linking employment targets to skills development initiatives.
		Goal 9	Resilient infrastructure	Goal 9	Increased partnership between the public and private sectors for economic transformation.
				Goal 13	Free movement of people, labour, goods, services, and capital
Goal 5	Modern agriculture	Goal 2	End hunger and food insecurity	Goal 5	Building EAC's ICT capacities to encourage innovation and increase competitiveness.
Goal 6	Blue/ ocean economy for economic growth	Goal 14	Conservation and sustainable use of oceans, seas, and marine resources	Goal 10	A better environment for inter and intra- regional trade and investment.

AU2063	Description	SDGs	Description	EAC 2050	Aspiration Description
Goal 7	Climate resilient and sustainable economies	Goal 6	Sustainable use of water and sanitation for all	Goal 10	A better environment for inter and intra- regional trade and investment.
		Goal 7	Access to affordable sustainable modern energy for all		
		Goal 13	Combat climate change		
		Goal 15	Protect, restore, and promote sustainable use of terrestrial ecosystems		
Goal 8	United Africa				
Goal 9	Continental financial and monetary institutions			Goal 9	Increased partnership between the public and private sectors for economic transformation.
Goal 10	World class infrastructure	Goal 9	Resilient infrastructure	Goal 2	Access to modern, fast, and affordable infrastructure that is essential for economic development and wellbeing of the population.
Goal 11	Democracy, human rights, and justice	Goal 16	Peaceful and inclusive societies	Goal 14	Rights of establishment and rights of residence.
Goal 12	Capable institutions and leadership	Goal 16	Peaceful and inclusive societies	Goal 12	Building sound economic institutions, legal and policy frameworks needed for the long-term socio-economic transformation.
				Goal 6	Zero tolerance to corrupt practices and misuse of development resources.
Goal 13	Peace and security	Goal 16	Peaceful and inclusive societies		
Goal 14	Stable and peaceful Africa				
Goal 15	Fully functional and operational APSA				
Goal 16	African cultural renaissance				
Goal 17	Gender equality	Goal 5	Achieve gender equality and empower all women and girls	Goal 11	That the needs of special groups are addressed in an inclusive and participatory manner.
Goal 18	Engaged and empowered youth	Goal 4	Equitable education	Goal 8	Job creation initiatives to provide for current and future needs of the bulging youth population.
		Goal 5	Achieve gender equality and empower all women and girls		

AU2063	Description	SDGs	Description	EAC 2050	Aspiration Description
Goal 19	Africa partner in global affairs and peaceful co-existence	Goal 17	Global partnership for sustainable development		
Goal 20	Africa rising	Goal 10	Reduce inequality within and among countries		
		Goal 17	Global partnership for sustainable development		

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