



EAST AFRICAN COMMUNITY

PRODUCTIVE SECTORS UPDATE

MAY 2023



Productive Sectors Update - May 2023

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PRODUCTIVE SECTORS UPDATE

1. Agriculture, Food Security & Rural Development
2. Industry & SMEs Development
3. Energy
4. Environment & Natural Resources Management
5. Tourism & Wildlife Management

May 2023



AGRICULTURE & FOOD SECURITY

Provisions

EAC TREATY
Articles 105 to 110

COMMON MARKET PROTOCOL
Article 45

Key Interventions

**Sanitary & Phytosanitary Measures
(SPS Measures)**

**Comprehensive Africa Agriculture
Development Program (CAADP)**

Food and Nutrition Security (FNS)

**Agricultural Inputs System
Development Programme**

**Promoting Youth & Women
Employment in Agriculture**

**Transboundary Crop and Animal
Pests and Diseases**

Livestock & Fishery Development



1: Sanitary & Phytosanitary Measures (SPS Measures)

Instruments aimed at strengthening capacities of Partner States to enforce quality, enhance trade in agricultural commodities and ensure food and feed safety.

Where we are

- **Protocol** adopted by the Council of Ministers and Summit in 2013. Ratified by all Partner States. The Protocol is in line with Article 108 (c) of the treaty and article 38 (1 c) of the customs union which provide for Partner States to harmonize sanitary and phytosanitary measures in order to facilitate agricultural trade within the community and other trading partners
- Sanitary Measures for Fish and Fishery Products, Plant Health Measures and Measures on Food & Feed Safety are in place whereas the draft Animal Health Measures have been recently adopted by the 16th SCAFS held in May 2023 and awaits approval by the Council.
- **EAC SPS Bill** has been drafted to provide a legal framework for enforcement of EAC SPS measures and instruments. Draft SPS regulations and harmonized SOPs on plant health, animal health and food safety required to facilitate implementation of SPS protocol have also been approved by the 42nd Council of Ministers held in June 2022.
- **Aflatoxin strategy and action plan** has been developed along the food and feed value chains and adopted by the 36th Council in February 2018.
- A total of 11 evidence -based Technical Papers and 9 policy briefs have been developed and disseminated through strategic forums. They contain recommendations on interventions required to mitigate the multi-sectoral impacts and effects of aflatoxin. The policy briefs are available on the [EAC website](#).

Innovative measures to address challenges

- The Regional SPS Act is needed to enforce SPS measures, ensure food and feed safety and enhance competitiveness of agricultural commodities traded within and beyond the region
- Identification of reference Centers in the region to handle the seven (7) SPS purposes (product criteria, quarantine measures, processing requirements, certification, inspection, testing and health-related labelling).
- Provide technical and financial support to the National SPS committees to enable them to efficiently execute their mandate.
- In March 2023, EAC Secretariat in collaboration with TMA and USDA convened the SPS Partners meeting to discuss the mechanisms of strengthening coordination and collaboration in the implementation of EAC SPS priorities to eliminate overlaps, duplications, create synergies and ensure sustainability of interventions.

Challenges

- Contextual Understanding of the Instrument required.
- Due to cross-cutting nature of the SPS matters, there is a weak institutional framework at national level to coordinate several institution that dealing with regional and international agreement on SPS including World Trade Organization (WTO) Agreement on Application of Sanitary and Phytosanitary Measures (WTO-SPS Agreement), International Plant Protection Convention (IPPC), World Organization for Animal Health (WOAH) and FAO/WHO Codex Alimentarius Commission (CAC).

2: Comprehensive Africa Agriculture Development Programme (CAADP)

*Strengthening coordination and
joint capacities towards the
implementation of the CAADP
commitments.*

Where we are

- EAC CAADP Compact approved by Council of Ministers in September 2016 and formally signed in June 2017.
- The Regional Agriculture Investment Plan (RAIP) adopted by the 38th Extra Ordinary Council in January 2019.
- EAC RAIP wants to catalyze the realization of the CAADP goals in the following five investment thematic areas: *(i) Regional food supply, (ii) Food utilization, (iii) Value addition, (iv) Building capacity for sustainable natural resource management and (v) strengthening capacities for regional agricultural institutions.*
- EAC Partner States developed Malabo compliant National Agriculture Investment Plans (NAIPs) that are aligned to the EAC RAIP.
- NAIPs are the main vehicles for implementation and actualization of Malabo Declaration commitments at national level.

Challenges

- Financing of the RAIP
- Understanding by the intended beneficiaries: private sector, youth, women, farmers and pastoralists.
- Concentration of youth and businesses in other sectors than Agriculture

Innovative measures to address challenges

- Funding Options: i) Public resources; ii) Sovereign wealth funds; *iii) AfDB non-sovereign investment; iv) The African Agribusiness and Agro-Industries Initiative (3ADI); vi) Donor funding; and, vii) Private equity finance.*
- Partner States and non-state actors to domesticate and implement the EAC CAADP Agricultural Investment Plan (RAIP).
- Reach out to our intended beneficiaries, youth, women, farmers and pastoralists and show them how agriculture can be turned into a business that make money with a focus on investment.

3: Food and Nutrition Security

*Guiding the implementation and
actualization of the regional food
security objectives*

Where we are

- Five years (2019-2024) EAC Regional Food and Nutrition Security Strategy (FNSS) and Action Plan (FSAP) adopted by the 38th Extra-ordinary Council of Ministers in January 2019.
- EAC Partner States are expected to integrate the two instruments into their national policies and agriculture investment plans to achieve food and nutrition security.
- Two online systems, the Regional Food Balance Sheet (RFBS) and Animal Resources Information System (ARIS) providing information on the region 'supply capacities, on the demand and gaps to be offset by imports from outside EAC.
- Regional Rice Platform in place to deliberate on challenges and opportunities impacting on the rice value chain. Similar platform for seed potato and fruits and vegetables were established in 2021 to address challenges on seed potato and fruits and vegetables respectively.
- Regional Food and Nutrition Security Bulletin have been developed and current await regional validation to agree on the scope and the content of the bulletin.
- EAC Rice Development Strategy and Action plan adopted by the 16th SCAFS held in May 2023.

Challenges

- Partner States being at different levels of development in terms of the major components of the Strategy.
- National Strategies having different time lines and base year for the information used.

Innovative measures

- Alignment of National strategies to the EAC FNSS.
- Require synchronization of timeline and base year of strategies moving forward to ensure comparability and benchmarking whenever possible.
- EAC Partner States dedicated support to ensure long term sustainability of these systems is fundamental.

4: Agricultural Inputs System Development Programme

Facilitating the harmonization of agricultural inputs policies and regulations, including seeds, fertilizers and pesticides to enhance agricultural productivity, food and nutrition security and intra-regional trade.



Where we are

- EAC Seed Harmonization Initiative: EAC Seed and Plant Varieties Bill adopted by the Sectoral Council of Agriculture & Food Security in December 2018.
- 11th Sectoral Council on Agriculture and Food Security held in June 2018 adopted the EAC pesticides management guidelines and urged Partner States to pilot implementation of the pesticide efficacy guidelines for the first three years in order to pave way for operationalization of full mutual recognition.
- In January 2019, the EAC harmonized pesticides guidelines on efficacy trials, residue trials and registration requirements were approved by the 38th Extra Ordinary Council of Ministers.
- Additional guidelines on Data Requirements for Registration of Biopesticides and Biocontrol agents for Plant Protection and Guidelines for Protection of Confidential Business Information were developed and adopted by the 39th Council of Ministers in November 2019. Following the approval of the guidelines by the Council of Ministers, piloting of efficacy trials guidelines on potential products that could be used to control the Fall Army Worm has been prioritized and are on-going in the Partner States.
- Guidelines for approving pesticides for emergency uses and mutual recognition mechanism for registration of pesticides have been adopted by 16th SCAFS held in May 2023.
- EAC Fertilizer Policy was adopted in June 2022 by 42nd Council of Ministers.
- Development of the strategy to manage Highly Hazardous Pesticides (HHPs) in the region is on-going under FAO support.

Challenges

- Inadequate access to appropriate technologies and farm inputs is one of the factors contributing to low agricultural production and productivity in the EAC.
- The regional initiative of collectively promoting two fertilizer production facilities one in Kenya and another in Tanzania has not been sustained.

Innovative measures to address challenges

- Operationalization of full mutual recognition to allow the private sector take the lead in the pesticide sector.
- Prioritize joint testing of pesticides and to share information on products that can control the Fall Army Worm.

5: Promoting Youth Employment in Agriculture

Supporting the reduction of rural poverty and boosting economic growth through facilitating the creation of better opportunities for youth and women in the agricultural sector.

Where we are

- Promoting youth employment in agriculture: top priority under Malabo Declaration Commitment 4. Focuses on halving poverty by the year 2025. Key targets include creating job opportunities for at least 30% of the youth in agricultural value chains. Remarkable progress made in the implementation of the EAC-FAO project on “*Promoting Youth Employment in Agriculture in the EAC Region*”.
- Comprehensive documentation of Best Youth Agribusiness Models in the EAC completed. The report provides detailed information to Governments and Development Partners on identified models to replicate, adapt, and upscale in line with promoting youth employment in agriculture.
- A total of 18 EAC Youth Champions in Agriculture were identified and supported to participate in a hands-on Incubation Training in Agribusiness and Sustainable Agro-ecological Practices at Songhai Center in Porto Novo, Benin.
- The outstanding top 6 youth champions (one per Partner State) were recognized and awarded prizes on the margins of the 11th Sectoral Council on Agriculture and Food Security. A total sum of US\$ 55,000 was awarded in grants.
- Resource mobilization to upscale and sustain implementation of the project is on-going.

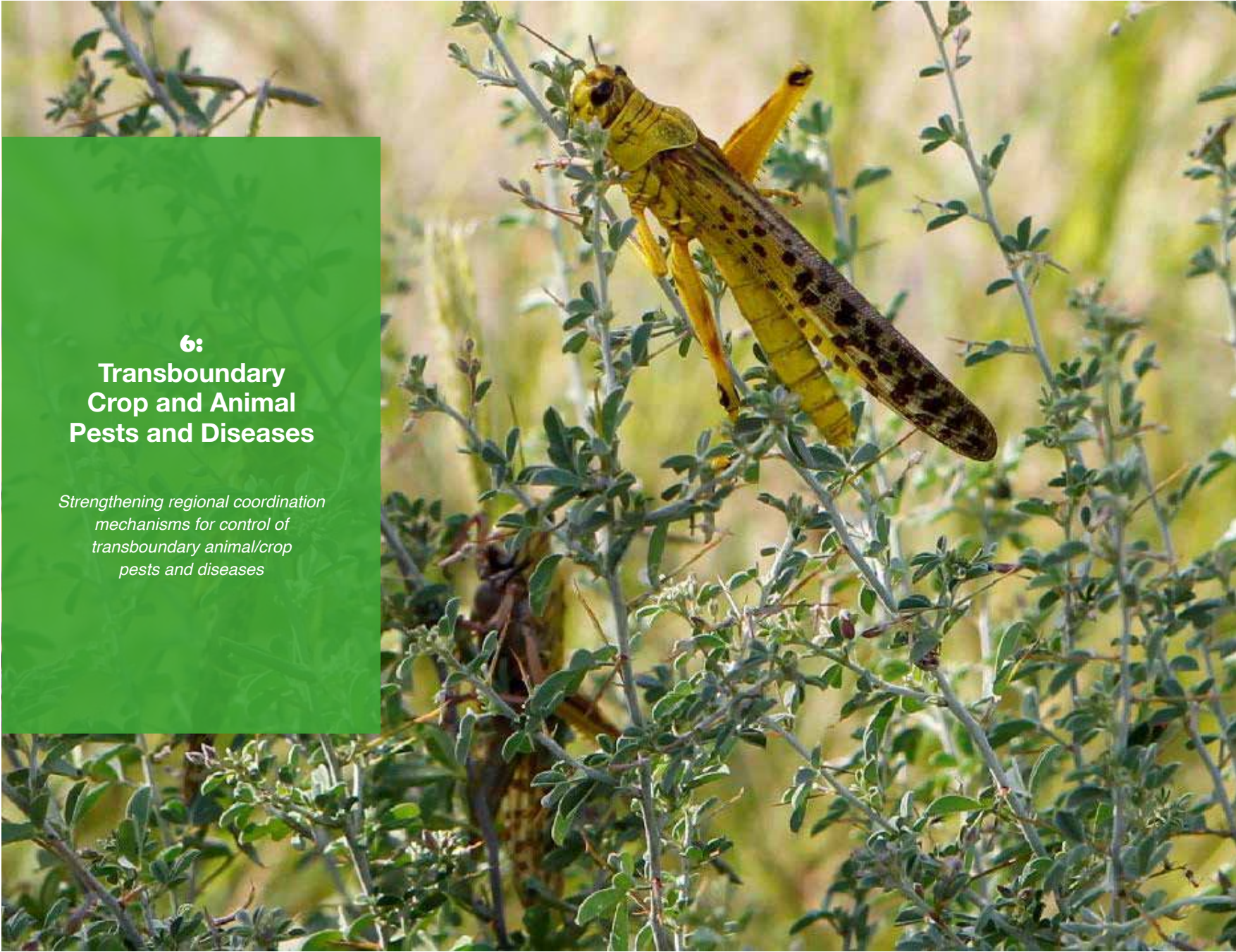
Challenges

- Some public officers in Partner States still have the bias on who to consider to enter the recognition scheme screening process.
- Follow ups on the use of the grant award.

Innovative measures to address challenges

- EAC should set up an interactive digital engagement platform for youth agribusiness in the EAC region to facilitate intra-regional trade and targeted interventions.
- Setting up a regional grant facility for the EAC youth for scaling up agripreneurs in the EAC
- Establish an EAC SMES incubation Centre of Excellence that cater also for youth start-ups in agriculture sector





6: Transboundary Crop and Animal Pests and Diseases

*Strengthening regional coordination
mechanisms for control of
transboundary animal/crop
pests and diseases*

Where we are

- **Animal Pests and Diseases:** Foot and Mouth Disease (FMD), Contagious Caprine Pleuropneumonia (CCPP), Trypanosomiasis, Avian Influenza and Rift Valley. EAC Secretariat has collaborated with strategic regional and international partners that have adequate technical capacities and infrastructure for effective management of such diseases.
- **Guidelines for the Integrated Regional Coordinated Mechanism (IRCM)** for prevention and control of transboundary animal diseases and zoonoses have been developed and adopted 16th SCAFS held in May 2023.
- **Crop Pests and Diseases:** Fall Army Worm (FAW) reported in 2016 and is the latest transboundary crop pest in the EAC and Africa continent as a whole. The Maize Lethal Necrosis Disease (MLND) has also been a threat in the EAC since 2011.
- EAC has been implementing a strategy on Transboundary Animal Diseases (TADs). The process of updating the strategy on TADs and developing an action plan for its implementation is underway.
- Fora on FAW & Rift Valley Fever were organized to chat possible ways of controlling for them. Rift valley Fever was contained.

Challenges

- EAC region is a hot spot for many transboundary animal crop pests and diseases.
- EAC has no adequate technical capacities and infrastructure for effective management of such diseases.
- FAW & MLND have both threatened the productivity and availability of key staple and commercial crops such as Maize which many people depend on directly or indirectly in terms of food, employment and income.
- FAW seem to be resisting existing pesticides & chemicals.

Innovative measures to address challenges

- A coordinated collective regional action is needed.
- Resources permitting, establish cross border testing and quarantine facilities.
- EAC Secretariat supported Partner States to enhance bilateral cooperation and coordination in the planning, implementation and monitoring of strategies to prevent, control, manage, eliminate, and eradicate transboundary animal diseases and zoonoses along the cross border and other mutually agreed actions. Currently, two MOUs have been drafted between Tanzania and Kenya (signed in December 2022) and Tanzania and Uganda undergoing approval process before signing.

7: Livestock & Fishery Development

*Promoting sustainable development
of the livestock and fisheries
sub-sectors in the region.*



Where we are

- In 2016, the EAC Livestock Policy was adopted by the 34th Council of Ministers. The policy envisions a “*vibrant livestock industry contributing significantly to improved living standards of EAC citizens, economic growth and sustainable natural resources management by 2025.*”
- Mutual Recognition Procedures (MRPs) for registration of vaccines for the management of animal diseases were adopted by the 30th EAC Council of Ministers in November 2014 to ease access to and use of safe and quality vaccines for control of animal diseases.
- The first application for market authorizations (licenses) of a veterinary vaccine submitted under MRP involved Rwanda and Uganda and issued in June and October 2018. The second involved Kenya, United Republic of Tanzania and Uganda while the third MRP application involved Kenya, Rwanda and Uganda.
- **Mutual Recognition Agreement among Veterinary Professionals (MRAs):** Mutual Recognition Agreement among Veterinary Professionals in the EAC has been adopted by the Council of Ministers. MRA will promote increased availability of veterinary services across the region; spread best practice in regulation and raise standards of qualification, which would help to support the development of the livestock sub sector.
- Under the AU-IBAR VetGov project, National Livestock Policy hubs have been formed in all the EAC Partner States to stimulate a more conducive policy and institutional environment for public and private investments in the livestock sector.

Challenges

- The sector is faced with many challenges. Existing policies and regulatory frameworks are often restrictive and act as barriers to market participation of producers and traders.

Innovative measures to address challenges

- Build Capacity of Pastoralist for Climate Change Resilience in Arid and Semi-Arid Drylands.
- EAC dairy regulations developed & harmonized.
- **Promotion of Climate Smart Agriculture (CSA), Agro-forestry, and income generating activities.**

INDUSTRY & SME DEVELOPMENT

Provisions

EAC TREATY
Articles 5, 79 & 80

COMMON MARKET PROTOCOL
Article 44

Key Programmes

Development of the Cotton, Textiles and Apparels Sector; Leather and Leather Products and Automotive sector;

Development of the Pharmaceutical sector

Support the Development of Extractive Industries (EI) and Mineral Value Addition (MVA)

EAC-PTB Programme on Quality Infrastructure for the Region's Pharmaceutical Sector and Good Manufacturing Practices

Agro-processing and Natural Resources Value addition including minerals;

The EAC Manufacturing Business Summit



Key Implementation Challenges and Lessons

- Institutional gaps-to provide support services to backstop implementation of plans;
- Financing the implementation of the Plans at Regional and at Partner States level;
- Limited Resources including under developed financing markets; limited affordable financing to finance development of the various sectors;
- Building quality infrastructure: Infrastructure challenges including industrial Infrastructure such as industrial parks , roads, railways, electricity among others;
- shortages of essential industrial skills: due to the underdevelopment of human capital, there are shortages of industrial sector skills and skills mix and productivity.
- Limited Research and Development and Technological Innovation;
- Slow pace to getting regional consensus on critical issues affecting the industry and implementation of policy directives;
- Instituting a conducive legal , regulatory framework and business environment. This area is improving.



1: Promotion of Automotive Industry

Where we are

- The Automotive Industry And Action Plan for implementation of its relevant policy recommendations adopted by the 36th Council of Ministers is currently under implementation.
- The 38th Extraordinary Council adopted the TORs for the establishment of the Regional Automotive Industry Platform of East Africa (RAIPEA). A regional mechanism to provide technical support towards sustainable development of automotive sector in the region and to spearhead the implementation of the Action Plan established by the 37th Council. The RAIPEA is expected to hold a meeting in June 2023.
- 39th Ex-SCTIFI adopted the Terms of Reference for the production of an EAC Low Cost/Affordable Vehicle.

Challenges

- High Cost of energy.
- Low technology adoption by the region.
- The 38th Extraordinary Council of Ministers took note of the different stages of setting age limits for imported used vehicles. To date the age limits are yet to be harmonized.

Innovative measures

- Region is proposing for the production of a low cost / affordable vehicle.
- As a starting point, Partner States should adopt a maximum age limit of 8 years for imported used motor vehicles and commit to a gradual reduction, upon completion of national consultations with a view to setting their respective national used vehicle age limits.
- To privilege promotion of EAC as a single market by removing intra trade barriers for locally made cars.



2: Cotton, Textiles & Apparels sector

Where we are

- The region adopted the regional strategies for the Cotton, Textiles and Apparels (CTA); and Leather & Footwear Sectors.
- The Strategy was adopted on 13th September 2019 by SCTIFI who also appointed Focal Point to coordinate the development of national Action Plans for implementation of the EAC Regional CTA Strategy and Implementation Roadmap.
- The Secretariat undertook an analytical Assessment of production gaps on cotton production, ginning, spinning, and knitting/weaving to determine the current levels of local procurement of raw materials as well as finished products and report and submitted the report to 38th Ex-SCTIFI held on 1st April 2023.
- The Secretariat also developed a “Progress Monitoring template incorporating “Regional Incentive Framework Monitoring Tool” to facilitate tracking of the implementation of the Strategy. Monitoring of the implementation was undertaken in July 2022.

Challenges

- High Cost of energy industrial development to take place.
- Sourcing raw materials from outside EAC.

Innovative measures to address challenges

- Initial visible step would be for governments to enforce local procurement of raw materials by manufacturers and of finished products/made in EAC by public institutions (schools, police, hospitals...).
- List of raw materials that cannot be found within the EAC and issue licenses to the importers after verification that they can't get the raw materials from within EAC.
- Undervaluation of imported textile products-Some traders under-declare the quantity of the imported finished textile products by almost 40% of its value, which leads to unfair competition to locally manufactured products.

Where we are

- Leather and Leather Products Strategy was adopted in 2019.
- The Council of Ministers directed the Secretariat to prioritize implementation of the Strategy and to provide budget for the activities, as relevant to respective countries, in the next financing period and undertake resource mobilization to ensure implementation of the Strategy.
- Owners of Leather and Leather Products met to discuss Investment Opportunities in the sector and proposed Terms of Reference (TORs) for the Leather Platform.
- A Focus Group Discussion and Regional Workshop to Monitor Implementation of the Leather and Leather Goods Strategy, was convened in July 2022.
- The region develops a 'Quality Management Self-Assessment Tool for Micro, Small and Medium Enterprises adopte by 38th –Ex-SCTIFI of 1st April 2023.

Challenges

- High Cost of energy industrial development to take place.
- Quality of raw material.


Innovative measures

- Partner States to harmonize export levy on wet-blue and crust traded outside the Community to 10% from FY 2019/2020 and to increase it by 10% every financial year for the next 10 years.

Table I: Potential of hides and skins that can be produced by each country and the demand from the footwear market

Country	Cattle Population (millions - 2016/17 estimates)	Cattle Population (millions - 2016/17 estimates)	Actual pieces (60 percent collection rate adjusted for defects)	Population (Millions - EAC 2014)	Demand for finished leather (footwear market) - million pairs	Demand for finished leather (footwear market) - million pairs	Required Hides (million pieces)	Gaps/surplus (%)
Burundi	0.801	0.1	0.04	9.7	7.3	2.3	0.29	14
Kenya	20	3	0.75	43	32.3	13	1.63	46
Rwanda	1.4	0.21	0.08	10.9	8.2	3.3	0.42	19
Uganda	14.4	2.16	0.65	34.7	27	10.8	1.35	48
Tanzania	25.8	3.87	0.78	47.2	36	14.4	1.8	43.3
RSS	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a

Note: per capita footwear consumption is 0.75 pairs/person/year (assume 40% market share of leather footwear, and 1 hide produces 8 pairs of shoes).



4: Development of the of the Pharmaceutical & Vaccines Sector

Where we are

- The region is currently implementing the EAC Regional Pharmaceutical Manufacturing Plan of Action (EACRPMPOA) is currently under implementation to address the challenges of local manufacturing of essential medicines.
- In addition in 2019 SCTIFI approved the EAC Regional Good Manufacturing Practices (GMP) Roadmap Framework for the Pharmaceutical Manufacturing Industry and the following activities were undertaken:

GMP audits conducted in all Partner States with pharmaceutical manufacturing capacities

Currently Manufacturers are taking corrective action to improve their production;

- The region has developed a list Essential List of Locally Manufactured Pharmaceutical Products to be accorded preferential treatment in public procurement. The list is waiting adoption in the next SCTIFI.
- The region is working on a Pharmaceutical Manufacturing Bill.
- Region agreed on eight molecules that can be sufficiently locally produced and a Verification Mission was undertaken to confirm the capacity.

Challenges

- National Procurement Agencies do not give preference to companies in the region.



5: Small & Medium Enterprises Development

Where we are

- In 2015 the region undertook work on, “Harmonization of Regulations Impacting on the Development of Micro, Small and Medium Enterprises in the EAC Region”, with a view to identifying regulatory and business environment challenges affecting MSMEs and how to overcome them.
- In 2019 ,the region adopted a SME Charter that indicates an inventory of regulations, and administrative requirements at various stages of MSMEs development that would facilitate benchmarking of regulatory and administrative regimes for MSMEs in the region’.
- The region developed an SME Upgrading and Modernization Programme to enable SMES take advantage of common market opportunities and integrate into regional and global value chains. It has not been implemented due to lack of resources.
- The SCTIFI of 13th September 2019: directed the Secretariat to facilitate the formation of a Regional MSMEs Platform to provide an avenue for private sector advocacy on MSMEs issues and compliance with their charter.
- The 38th Ex-SCTIFI adopted the Terms of Reference for MSMEs platform for implementation on 1st April 2023.

Challenges

There is no budget allocation for industrial MSMEs development and promotions.



6: Development of the Fruits and Vegetable Sector

*Agro-processing and value addition
to Natural Resources*

Where we are

- The region adopted a Fruits and Vegetables Strategy in 2021.
- One of the areas for which the Federal Republic of Germany through the GIZ Regional Programme provides support to the EAC is the programme “Support to East African Market Driven and People Centered Integration I (SEAMPEC)” supported an objective under Regional Industrial Value Addition (RIVA) component is to improve framework conditions for regional industrial value addition and access to markets. SEAMPEC II was launched in August 2022 and has objective to remove obstacles to implementation of the strategies.
- Another initiative is the EAC-PTB Programme on Quality Infrastructure for the Region’s Pharmaceutical Sector ; fruits and vegetables and herbal.
- The region convened the 2nd Regional Forum on Fruits and Vegetables Forum/1st CEOs Meeting of Fruits and Vegetable Processing Industries on 18th to 19th November 2021.
- The project supported Partner States to undertake Focus Group Discussions (FGDs) to facilitate tracking of the implementation of the Fruits and Vegetables Strategy.

Challenges

- Region has over 25%-80% post harvest losses.

Innovative measures to address challenges

- Collection centers, cold rooms, cold storages to be planned for.

7: Strengthening Research & Development, Technology and Innovation capabilities



Where we are

- In 2020-21, EAC in collaboration with UNCTAD undertook a study on investment and incentives for antibiotic production in the EAC. The study assessed the current regional policy framework and trends on antibiotics production in light of policy developments to combat antimicrobial resistance (AMR). In 2015 the region undertook an assessment study of the feasibility of establishing a regional Centre for Adaptation & Transfer of Manufacturing & Industrial Technologies (CATMIT).
- The 38th Ex-SCTIFI:
 - adopted the Regional Policy Framework for the Promotion of Antibiotics Production and Supply (EAC/ExSCTIFI 38/Decision 5).
 - adopted the Regional Cooperation Mechanism for Information Exchange and hold multi-sectoral meeting to operationalize the information exchange to enable sharing of information on manufacture and investments in antibiotic production within the EAC region.

Challenges

- The EAC NMRAs lack the capacity to enforce policies critical to combating anti-Microbial resistance (AMR) such as good distribution, prescription and dispensing practices.



8: Industrial Policy Design

Strengthening the regions' institutional frameworks and capabilities for industrial policy design and implementation; and delivery of support services

Where we are

- On 1st April 2023, the region adopted the 2nd Action Plan for the Implementation of the EAC Industrial Policy and Strategy, 2023-2028.
- The theme for the Action Plan 2021-2027 is **“Recovery and Building Resilience for Sustainable Industrial Growth”**.
- The broad Programmatic Intervention Areas in the period 2021-2027 include:
 - Improving the competitiveness of priority regional value chains to booster intra-EAC trade and local sourcing/procurement;
 - Developing a regionally coherent and harmonized policy framework for Local Content for regional value creation and supply chains development;
 - Supporting the private sector and SMEs resilience for accelerated growth and recovery of the Industrial Sector;
 - Leveraging the AfCFTA and Global Value Chains (GVCs) for export growth and rapid Industrial Sector Transformation;
 - Shifting to Green Industrialization Pathways and anchoring sustainability to achieve SDGs and green growth;
 - Improving Policy Coordination and Building Capacity for Industrial Policy Management;
 - Optimizing Infrastructure & Logistics Networks for Spatial Industrial growth and Agglomeration; and
 - Strengthening collaboration in R&D, Technology Transfer and adoption of Fourth Industrial Revolution (4IR) technologies.
- It enhanced the technical and management competencies national and regional institutions to design, implement and monitor industrialization policies and related regulations effectively.

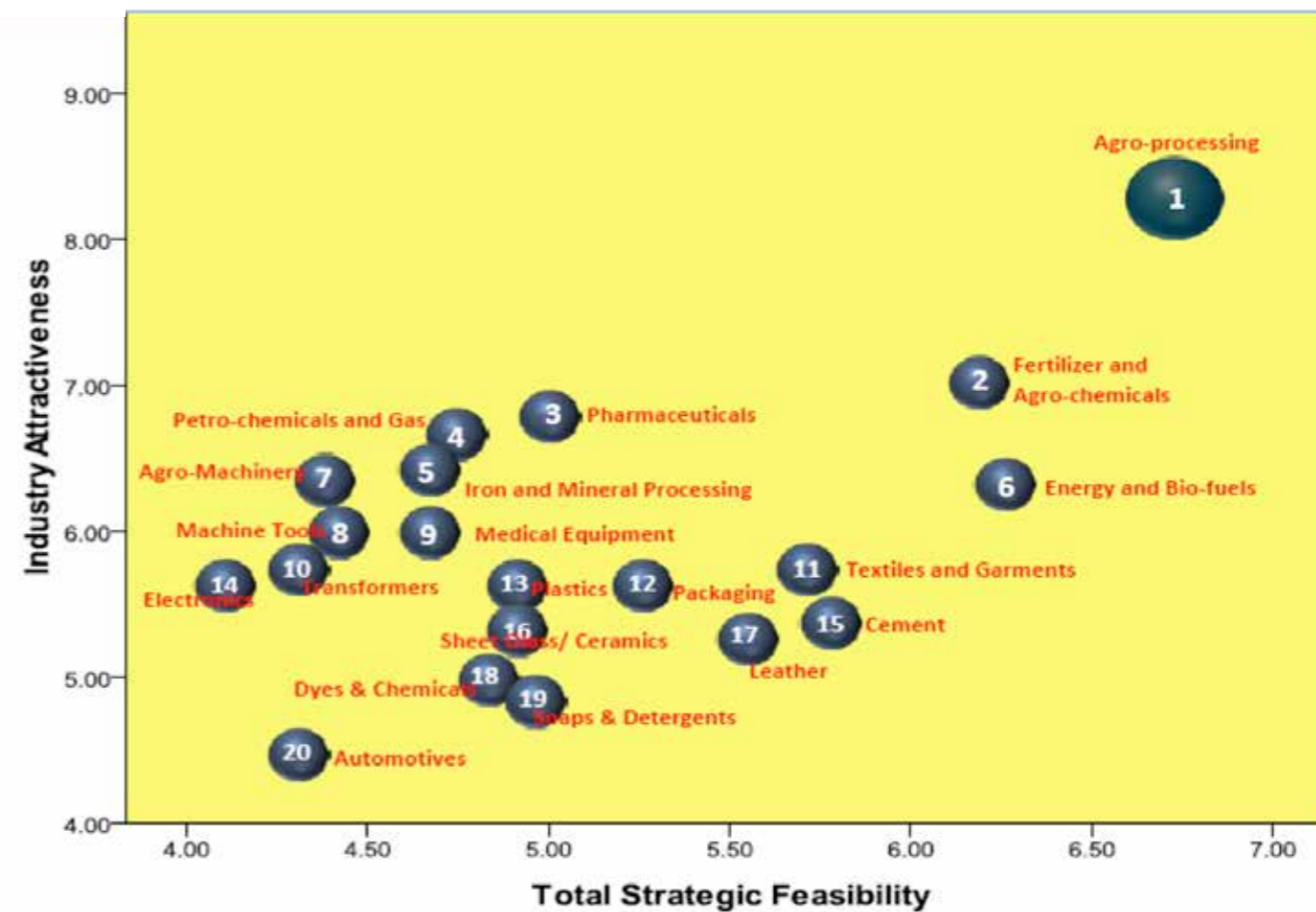
Challenges

- Limited Resources including under developed financing markets.
- limited affordable financing to finance development of the various sectors after donor support.

Table 2 : Industrialization Policy and Strategy: Key Targets

Objective	Present 2011	Target 2032
Diversifying the manufacturing base and raising local value added	Estimated value of 8.62%	To at least 40%
Manufacturing industry's contribution to the regional GDP	Currently at an average of 9.7%	To an average of 25%
Manufacturing based employment	456,000	About 2.3 million
GDP per capita	\$ 558	\$ 1,300
Transforming micro small and medium enterprises into viable and sustainable business	Contribution 20%	Contribute 50 % of manufacturing GDP
Increasing manufactured value added per capita	\$ 50	\$ 258
Strengthens Institutional capabilities to deliver support services		
Strengthen Research, Development Technology and Innovation		

Figure 1 : Graphical illustration on the attractiveness and strategic feasibility of a targeted industry in the East African Region



Source: FAO Statistics on Eastern Africa Sub-Region, 2008 rebased in 2013

ENERGY



Provisions

EAC TREATY
Article 101

COMMON MARKET PROTOCOL
Article 47 & 23

Key Programmes

Power Sub Sector

Fossil Fuel Sub Sector

**Renewable Energy & Energy
Efficiency Sub Sector**



Sector Progress

EAC Energy Security Policy Framework

Draft EAC Energy Efficiency Policy

Draft Compliance Framework

Approved Minimum Energy Standards adopted at Regional Level

Kenya and Rwanda gazetted the standards at National level. Other Partner States are in the process to gazette the MEPS for lighting

1: Power Sub Sector



Where we are

- Regional Power System Master Plan being updated.
- Regional Cross Border Electrification Policy being implemented by electrifying border towns.
- Generation and Power Interconnection Projects.
- Kikagati/Murongo Hydro Power project commissioned by the two Heads of States of Tanzania and Uganda on May 25, 2023.
- Rusumo Power Station to be commissioned soon.
- Secured part funding for the Feasibility Study for Nsongezi Hydro Power Project.

Challenges

- **The energy cost/price is very high.** The average price at the grid is more than 15 US cents in the EAC region. Among the highest in the world. Most countries are below 10 US cents. USA 7cents, China 5cents, Ethiopia 8 cents.
- We have been relying on hydropower and we have seen that this **conventional source of energy has become very vulnerable due to the impacts of climate change and disasters**, thus, not more reliable in some seasons of the year.

Innovative measures

- Building blocs for an Regional EAC Energy Exchange Market as well as the Africa Single Energy Market (AfSEM).
- We have surpluses but need optimal distribution which can only be **done through power interconnections within the region and beyond connecting to other Power pools.**

2: Fossil Fuel



Where we are

- EAPCE'23 held in Kampala 9-11 May, 2023 and attracted over 1,000 delegates and over 60 exhibitors from the region and beyond.
- Study on analysis of petroleum policies, legal and regulatory frameworks in EAC Region.
- Final Investment Decision for the East African Crude Oil Pipeline concluded and the project implementation is on course.

Challenges

- The Russian-Ukraine conflict skyrocketed the price of petroleum products.
- Low volumes of petroleum storage facilities in the region.
- Limited petroleum pipelines in the region.

Innovative measures

- Research in alternatives like bio-diesel, ethanol, electric cars etc.

3: Renewable Energy & Energy Efficiency

Where we are

- Establishment of the Centre of Excellence for the East African Centre for Renewable Energy and Energy Efficiency (EACREEE).
- Regional Strategy on Scaling Up Access to Modern Energy Services.
- Energy Efficiency Lighting and Appliances (EELA) Project being implemented.
- Undertaking a Study on Productive Energy Use to identify intervention actions.

Challenges

- Reducing biomass resource in the region especially the forest resource. This can be an opportunity to the private sector.

Innovative measures to address challenges

- Alternative sources of energy: geothermal, renewable energy (EACREEE), wind and solar energy, Biomass and Biogas.
- Energy efficiency measures.





4: The EAC Energy Security Policy Framework

Where we are

- Popularize the EAC Energy Security Policy Framework.
- Engage in joint planning at the regional level.
- Agree to share information and energy resources across borders.
- Streamline energy security in the existing national policy frameworks.
- Support the development of regional market.
- Develop, promote and enforce energy standards.

Challenges

- Energy not a priority at the regional level as it is at national level.
- Under funded as energy budget from Partner States budget contribution is very small.

Innovative measures to address challenges

- Supporting member States move towards designing and implementing national energy security strategies.

ENVIRONMENT & NATURAL RESOURCES MANAGEMENT



Provisions

EAC TREATY
Articles 111, 112, 113 & 114

Key Programmes

Terrestrial Ecosystems

Aquatic Ecosystems

Climate Change

Pollution & Waste Management

Biosafety

Disaster Risk Reduction (DRR)



1: Terrestrial Ecosystems

Forestry resources; Mountains ecosystems; Mineral resources; Land; and Biodiversity

Where we are

- East African Community Forestry Policy (2022).
- East African Community Forestry Strategy (2022/23- 2032/33).
- The East African Community Forests Management and Protection Bill, 2015.
- Model on community benefit sharing under Mt. Elgon Regional Ecosystem Conservation project (MERECP) for other shared ecosystems (2011).
- Inventory Report on EAC Mineral Policies and Mining Regimes (2018).

Challenges

- Depletion of natural resources.

Innovative measures to address challenges

- Harmonize and implement forestry and mineral resources policies, strategies and legislation.
- EAC Mining Policy and Strategy; EAC Forestry Policy, Strategy.

2: Aquatic Ecosystems

Freshwater resources; Marine ecosystems; Wetland and aquatic ecosystems

Where we are

- East African Community Water Vision, 2025.
- Draft EAC Water Policy, 2022.
- Draft Integrated Water Resources Management Strategy (2022/23 - 2032/33).
- Initial stage of development of EAC Blue Economy Strategy.

3: Climate Change

Climate change adaptation; Climate change mitigations; Climate change science; and Climate finance

Where we are

- East African Community Climate Change Policy (2011).
- East African Community Climate Change Strategy (2011-2016).
- East African Community Climate Change Master Plan (2011-2031).
- Operational Modalities for EAC climate change Fund.
- East African Community Roadmap for Implementation of the Resolutions of COP21/CMP11 (2018).
- Lake Victoria Basin Climate Change Adaptation Strategy and Action Plan (2018–2023).
- EAC Climate Finance Access and Mobilization Strategy (2022/23-2031/32).
- Vulnerability, Impact and Adaptation Assessment in the East African Region (2017).
- Declaration of the 12th Summit of EAC Heads of State on Food Security and Climate Change.
- Technical Assessment of Climate Finance in the East African Community (2022).

Innovative measures to address challenges

- implement the EAC climate change framework in line with Paris Agreement.





4: Pollution Control and Waste Management

*Management of chemicals;
Management of waste and
hazardous waste; and Pollution
Control and management*

Where we are

- Concept Paper on Plastics and Plastics Waste Management (2018) to guide development of EAC Wastes management policy and strategy.
- Programme of Action (2018-2022) for the Nairobi Agreement on Air Pollution.
- The East African Community Polythene Materials Control Bill, 2016.

Innovative measures

- Implement the Nairobi Agreement on Air Pollution-EAC Programme of Action for the Nairobi Agreement on Air Pollution.

5: Biosafety

*Control of Genetically Modified
Organisms(GMOs); and
Harmonization of policy frameworks*

Where we are

- Report on Harmonized Biosafety Policy Framework for the East African Community (2016).

Challenges

- The department is understaffed with only one established staff i.e. Principal Environment and Natural Resources Officer.





6: Disaster Risk Management (DRR)

Disaster preparedness; Disaster management; Disaster protection; and Disaster mitigation measures

Where we are


- EAC DRR Framework in line with the Sendai Framework for Disaster Risk Reduction (2015-2030).
- EAC DRRM Strategy (2012-2017).
- Disaster mapping and disaster evacuation centres mapped out.

Challenges

- Multiplication of Natural and manmade hazards.
- Rapid urbanization and Populations growth.
- Poverty: including lack of knowledge.
- Lack of technology to adapt, or prepared to disasters.
- Inadequate data/information.
- Inadequate financial and human resources.

Innovative measures to address challenges

- EAC Climate Change Fund.
- Road Map for Implementation of the Paris Agreement, 2018.
- EAC accreditation as RIE to AF and GCF.



7: Conservation and Management of Trans-boundary Ecosystems

Where we are

- Strategy for Management and Conservation of the Arid and Semi-Arid Areas developed.

Challenges

- Multiplication of Natural and manmade hazards.
- Rapid urbanization and Populations growth.
- Poverty: including lack of knowledge.
- Lack of technology to adapt, or prepared to disasters.
- Inadequate data/information.
- Inadequate financial and human resources.

Innovative measures

- EAC Climate Change Fund.
- Road Map for Implementation of the Paris Agreement, 2018.
- EAC accreditation as RIE to AF and GCF.

TOURISM & WILDLIFE MANAGEMENT

A rustic bedroom interior featuring a canopy bed with white sheer curtains, a wooden coffee table with a vase of yellow and purple flowers, and a wooden side table. The room has a high ceiling with exposed wooden beams and a window with a view of greenery.

Provisions

EAC TREATY
Articles 115 & 116

Key Programmes

Development and implementation of a collective approach and strategy on promotion and marketing of quality tourism.

Enhance cooperation in tourism and wildlife management

Collective approach in wildlife conservation and management

Build and strengthen capacity in tourism and wildlife sectors

Promote tourism investments opportunities



1: Development and Implementation of a Collective Approach and Strategy on Promotion and Marketing of Quality Tourism

Where we are

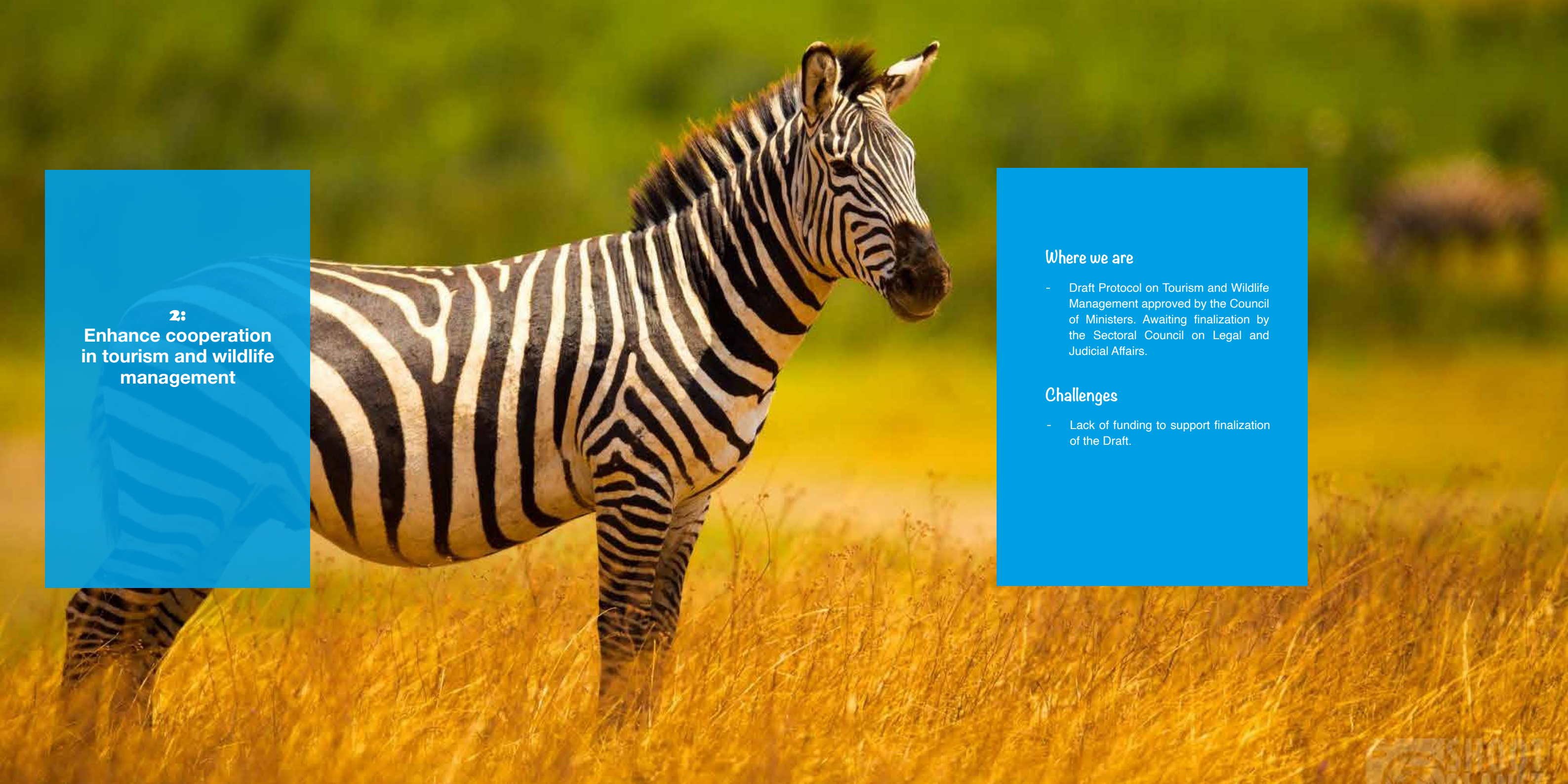
- Development and implementation of Classification Criteria for tourism accommodation establishments and restaurants.
- Joint Tourism Promotion in international trade fairs – WTM and ITB.
- Single tourist visa – introduced by Republics of Kenya, Rwanda and Uganda.
- EAC Tourism Marketing Strategy 2021-2025 approved by the Council of Ministers and is now being implemented.
- 2nd EAC Regional Tourism EXPO hosted by the Republic of Burundi from 23rd – 30th September 2022.

Challenges

- Over dependence on beach and safari products.
- High cost of travel within the region.
- Inadequate Funding for tourism product development and marketing.

Innovative measures to address challenges

- Product diversification and Promotion of Multi-destination/thematic tourism products.
- Implementation of a Joint Tourism Recovery Plan in collaboration with the Private Sector.
- Digital Marketing and e-platforms.
- Branding East Africa as a single tourism destination.
- Harmonization of tourism statistics.
- Innovative Financing.
- Full implementation of the single tourist visa.



2:
**Enhance cooperation
in tourism and wildlife
management**

Where we are

- Draft Protocol on Tourism and Wildlife Management approved by the Council of Ministers. Awaiting finalization by the Sectoral Council on Legal and Judicial Affairs.

Challenges

- Lack of funding to support finalization of the Draft.



3: Collective Approach in Wildlife Conservation and Management

*To Combat Poaching and IWT
for sustainable management and
conservation of wildlife resources in
EAC*

Where we are

- Strategy to combat poaching and illegal trade and trafficking of wildlife and wildlife products developed.
- Commenced development of a Regional Wildlife Conservation and Management Policy.
- Economic Valuation of Natural Capital in priority Transboundary Wildlife Landscapes undertaken to inform policy decision making.

Challenges

- Poaching.
- Loss of wildlife habitats.
- Wildlife Conservation Revenue affected by COVID-19 due to low volume of visitors.

Innovative measures to address challenges

- Provide Opportunities to Private Sector and Entrepreneurs to show case their conservation friendly innovative technologies and where possible financial cooperating partners explain existing opportunities and avenues for financing –annually.
- Increase awareness on Wildlife Conservation and Management by engaging regional media, youth, musicians, local communities, and people from all walks of life.

4: Build and Strengthen Capacity in Tourism and Wildlife sectors

Where we are

- A total of 100 EAC Hotel Classification Assessors already trained and certified. Additional 42 assessors trained and awaiting certification.
- Capacity building programme on tourism recovery undertaken and reached out to 3,400 tourism service providers in the region.
- Capacity building of Technical Experts on Transboundary Wildlife Conservation Areas, Economic Assessment of Natural Capital on-going.
- Trade in Wildlife Information Exchange (TWIX) for Wildlife Law Enforcement Officials established.

Challenges

- Inadequate human resource at the Secretariat.

Innovative measures to address challenges

- Park Rangers, Guides and Managers equipped with knowledge and skills on conservation and management of biodiversity.
- Use of digital platforms to reach out to tourism service providers, wildlife law enforcement officers, women, youth and local communities.



5: Promote Tourism Investment Opportunities

Where we are

- EAC Investment Guide developed.
- Tourism Investment Fora organized during the annual EAC Regional Tourism EXPO.

Challenges

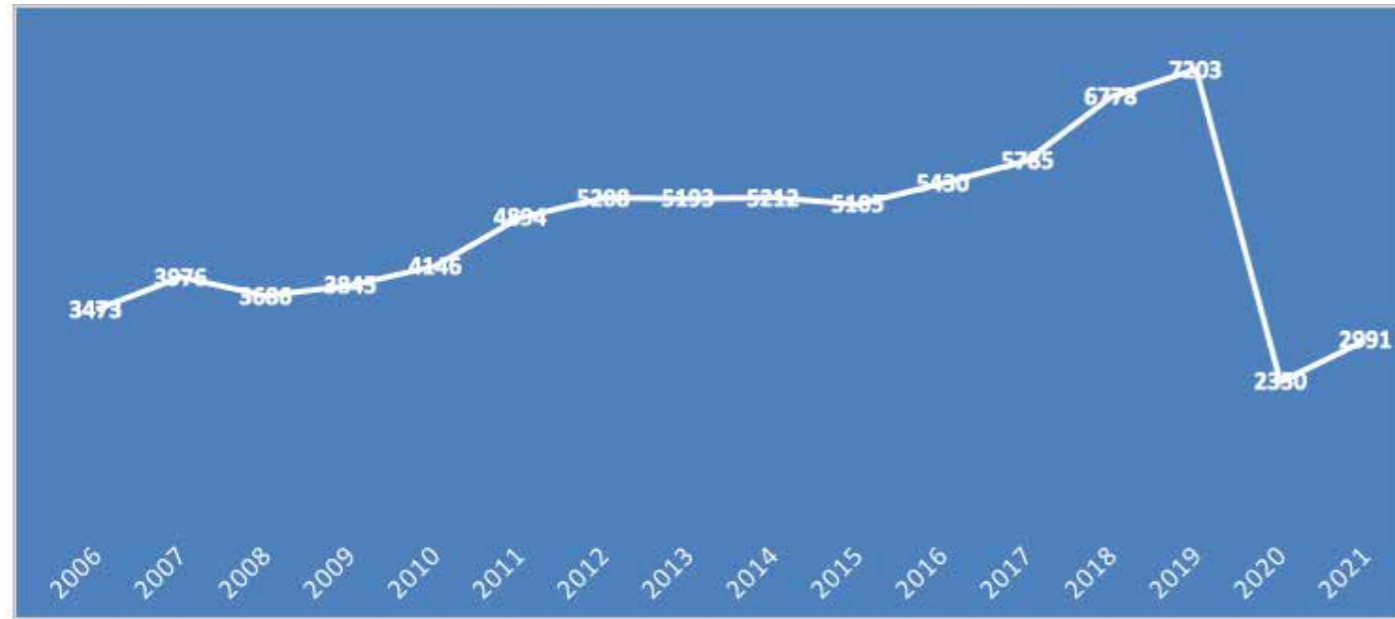
- Infrastructure – inadequate connectivity within the region and to tourist attractions.
- Inadequate awareness of EAC tourism investment opportunities.

Innovative measures to address challenges

- To strengthen the Regional Tourism Value Chains.

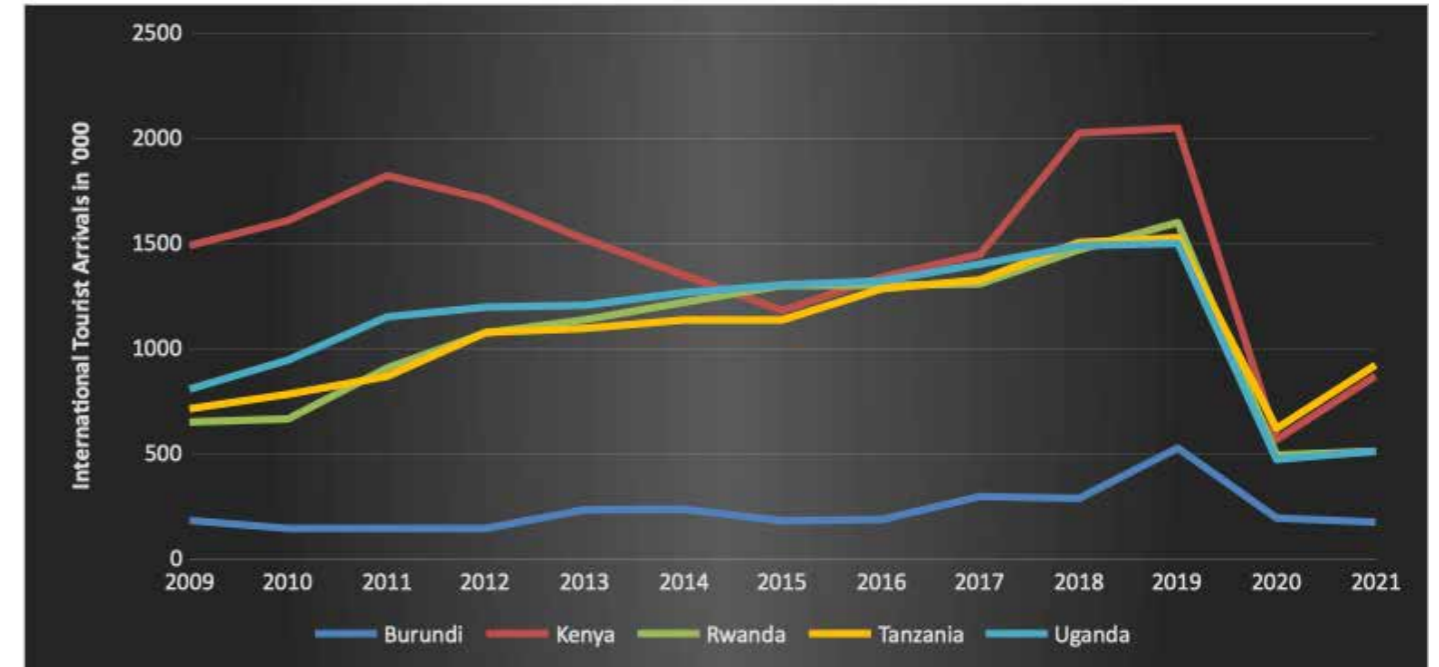


Figure 2: Total International Tourist Arrivals in EAC



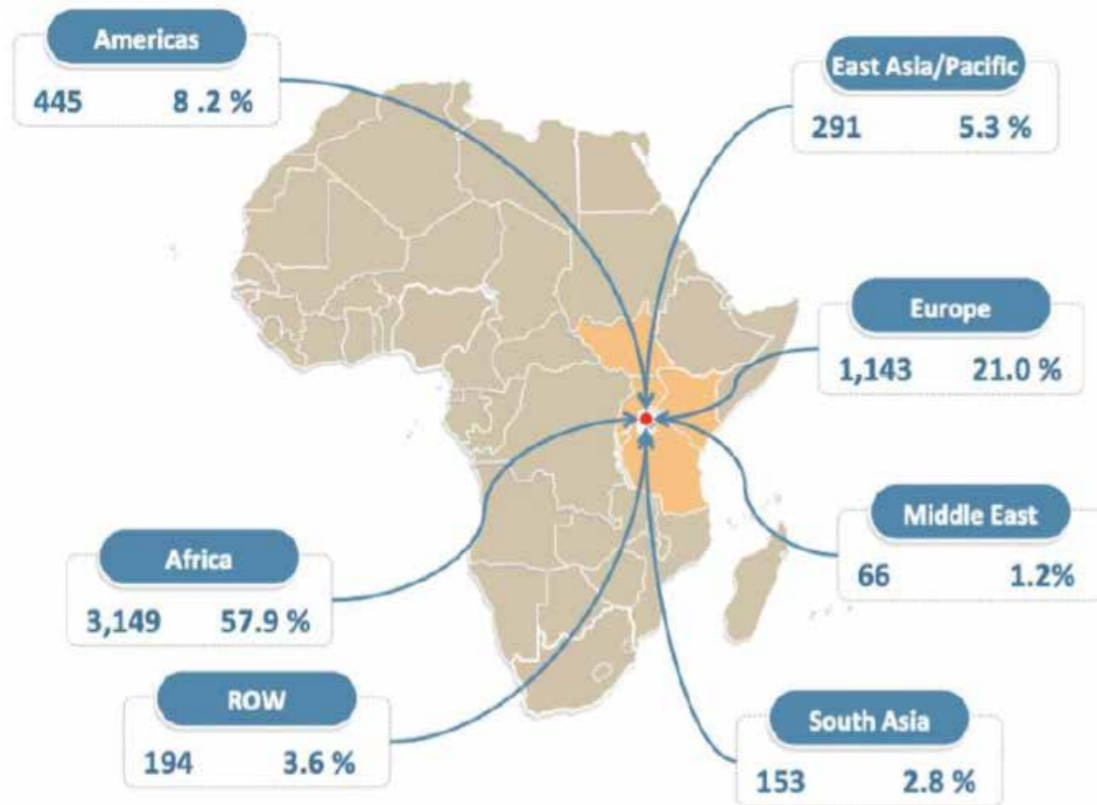
Source: National Statistical Reports

Figure 3: Tourist Arrivals by Partner State



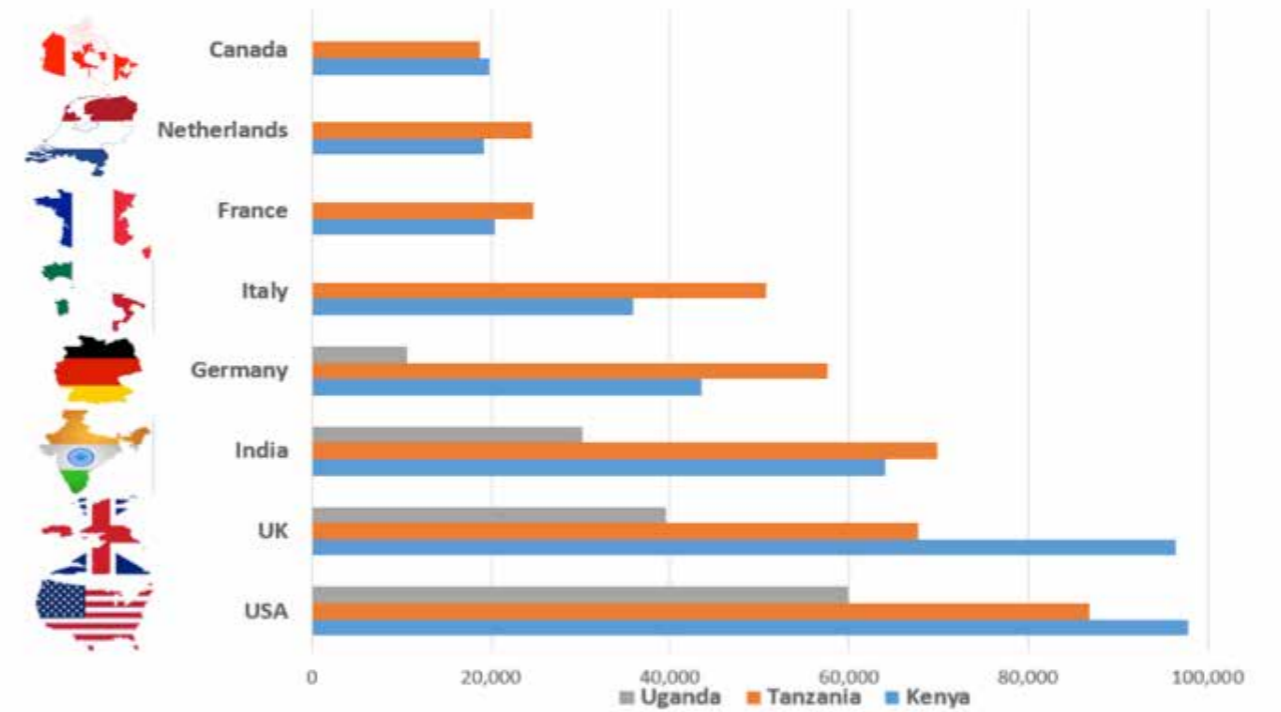
Source: UNWTO and National Statistical Reports

Figure 4: Tourist Source Markets by Region



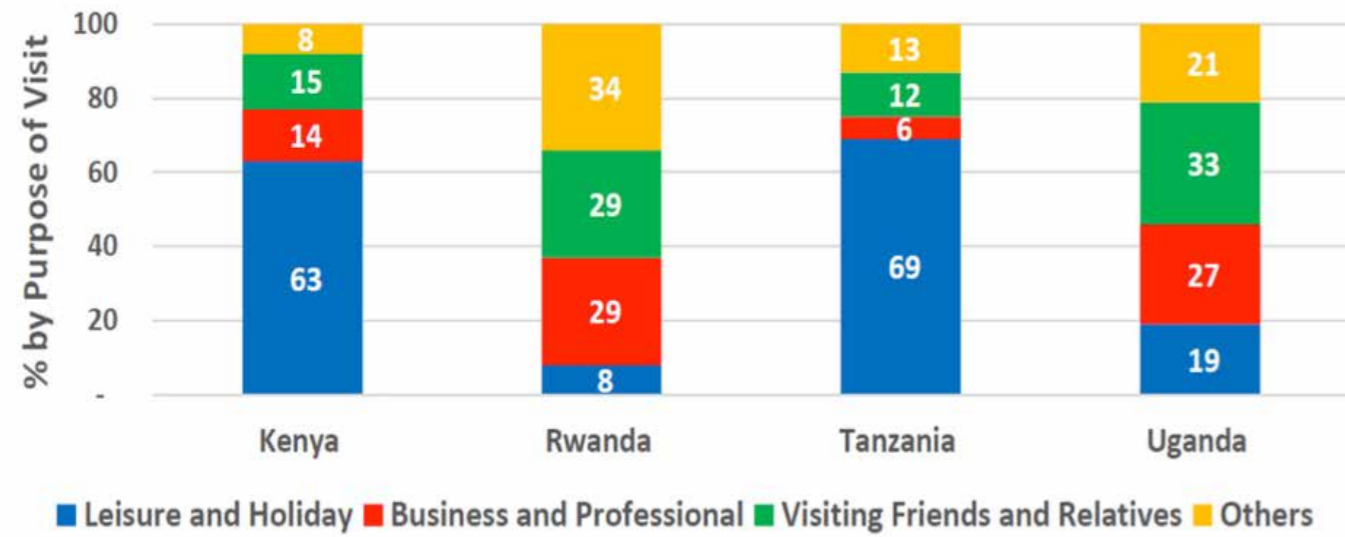
Source: National Statistical Reports (Latest Data Available)

Figure 5: Tourist Source Markets by Region



Source: National Statistical Reports (Latest Data Available)

Figure 6: Market Segments by Partner State



Source: UNWTO and National Statistical Reports

RECOMMENDATIONS & WAY FORWARD

1:
Low and declining funding of the productive sectors from Partner States contributions.

2:
Require sustainability of the programmes beyond funding from Development Partner States.

3:
Low pace of implementation of regionally adopted instruments (SPS Protocol, Tourism Marketing Strategy, East African Single Tourist Visa, etc.).

4:
Limited Staff in the directorate – three (3) out of five (5) departments of the Directorate are one man-department: Energy, Environment and Natural Resources, Tourism & wildlife. Currently, no single staff for Industry.

6:
Package and translate information, communication and education (ICE) materials on EAC sectoral policies, strategies and action plans for dissemination through relevant regional stakeholders in each sector.



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