

EAC BRIEFING TO THE OECD / NEPAD ROUNDTABLE MEETING



An Overview of Transport Sector activities at the EAC

December 2008

Outline

- Brief Introduction to EAC
- Structure of the Energy Sector in EAC
- Projects under the Energy Sector
- Key Challenges
- Lessons and Opportunities
- Conclusion

INTRODUCTION

- The broad goal of the East African Community (EAC) is to widen and deepen cooperation among Partner States.
- This Presentation highlights the role of road transport in the Integration Process, progress made and challenges encountered.



Objectives of the Community

- EAC aims at widening and deepening cooperation among the Partner States in Political, Economic, Social, Cultural, Health, Education, Science and Technology, Defence, Security, Legal and Judicial affairs for their mutual benefit.
- Integration will be achieved thro' the establishment of a Customs Union, a Common Market, and subsequently a Monetary Union and ultimately a Political Federation

Vision of the Community

**A Prosperous, Competitive,
Secure, Stable and Politically United
East Africa**

Mission of the Community

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.

Benefits of Regional Integration

- Larger Markets for internal and external customers
- Larger and Better Volumes for common Products
- Creates an attractive Investment basin
- Enhances quality management,
- Generates social benefits and enhancement of the development of infrastructure
- Enhances global influence of the member States

Role of Regional Infrastructure in the Integration process

- Attracts investments to the region
- Contributes to poverty eradication
- Promotes intra-regional trade and cooperation
- Promotes value addition to raw materials
- Enhances competitiveness of the region
- Contributes to the attainment of MDGs
- Enhances peace and security

Implementation of Projects and Programmes-Progress Made

Significant achievements have been made in the implementation of Projects and Programmes, in confidence building measures and harmonization of Partner States' policies.

Projects and Programmes Continued.....

Main Projects include-:

- Implementation of the East African Customs Union;
- Negotiations towards concluding a Protocol on Common Market
- Operationalisation of the Lake Victoria Basin Commission;
- Development of Regional Infrastructure, Energy, Inland Waterways etc.
- Development of supply capacities in key productive sectors, Agriculture and Food Security, Tourism and Industrialisation

Projects and Programmes

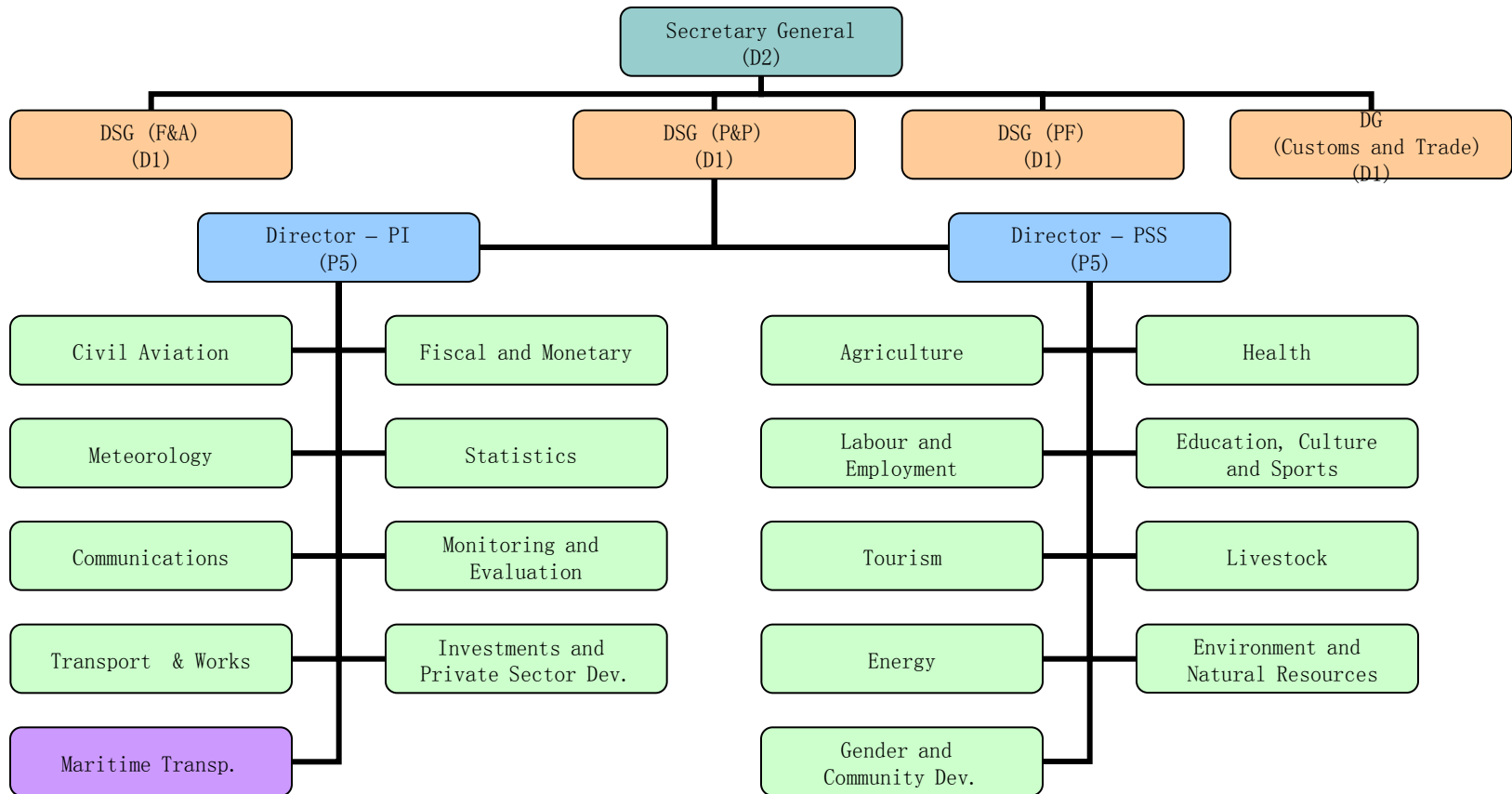
- Harmonisation of sectoral policies;
- Approximation of Laws;
- Facilitating easier movement of persons in the region;

Development of Regional Infrastructure

EAC implements regional infrastructure projects in:

- Transport (Roads, Railways, Maritime & Inland Waterways);
- Civil Aviation;
- Communications;
- Meteorology; and
- Energy.

Organization Structure of the Secretariat



Cooperation in Infrastructure and Services (Article 89 of the Treaty)

- **Common Transport and Communications Policies**
 - **Harmonization of standards and regulatory laws**
 - **Construct, maintain and integrates roads, railways, airports, ports, pipelines in their territories.**
 - **Grant special treatment to land-locked Partner States (in line with the Almaty Programme of Action)**
 - **Provide security in the transport corridors to ensure smooth movement of goods and persons in the Region**

Road Transport

- **Cooperation Roads and Road Transport (Article 90)**
 - **Ratify international conventions on road traffic and signs.**
 - **Harmonize traffic laws and adopt a common definition of classes of roads and route numbering systems.**
 - **Adopt common regulations governing speed limits.**
 - **Establish common road safety regulations, accident rescue, first aid, medical care and post-trauma systems**
 - **Adopt common rules and regulations governing dimensions, gross and axle loads of vehicles used in trunk roads.**
 - **Coordinate activities with respect to the construction of trunk roads connecting the Partner States to common standards.**

LOCATION MAP OF EAST AFRICA
EAST AFRICAN COMMUNITY ROAD NETWORK PROJECT
 (Including Proposed Additional Road Links)



Note:

1. This Map is not to scale. It should therefore not be used for any other purpose other than purposes of reflecting the general alignment of the East African Road Network Corridors.

2. The additional road links are in dotted lines in colours similar to the Corridors of their alignment.

- 1. ————— Mombasa-Malaba-Katuna Corridor
- 2. ————— Dar-es-Salaam-Dodoma-Isaka-Mutukula-Masaka Corridor
- 3. ————— Biharamulo-Mwanza-Musoma-Sirari-Lodwar-Lokichogio Corridor
- 4. ————— Nyakanazi-Kasulu-Sumbawanga-Tunduma Corridor
- 5. ————— Tunduma-Iringa-Dodoma-Arusha-Namanga-Moyale Corridor
- 6. - - - - - Sections/Links connecting with East Africa neighbours; those of interregional connectivity

Projects in the Roads Sector

- a) **Coordination of the implementation of the Arusha – Namanga – Athi River Road development project – US\$ 137 million loaned to Tanzania and Kenya by the JBIC and ADB;**
- b) **Procurement for consultancy services of the studies for the Arusha – Moshi – Holili – Voi Road and Malindi – Mombasa – Lunga Lunga / Horohoro – Tanga – Bagamoyo Road - US\$ 5.3m grant resources from ADB;**
- c) **Procurement for consultancy services and execution of the study for the 10 years EAC Roads Development Program - US\$ - 1.5 million from ADB;**

Projects in the Roads Sector

- d) Coordination of the implementation of the East African Transport Facilitation Project – grant resources from ADB**
- e) Preparations for the hosting of the next EAC Roads development Partners Consultative meeting in May 2009 – budget US\$ 162,000; and**
- f) Implementation of the study to assess the transportation bottlenecks along Northern and the Central Corridors**

Roads cont...

- **Challenges**

- a) **Lack of sufficient resources to carry out bankable project preparations for roads including new road priorities for Burundi and Rwanda**
- b) **Lack of a co-ordinate programme between the Partner States and the Secretariat on the development of projects for multinational support;**
- c) **Lengthy procurement procedures for road projects;**
- d) **Ineffective implementation of the axle load control procedures in the region;**
- e) **Corruption in the industry**
- f) **Low local contractor capacity**

Railways Sector

- **Execution of the of the EAC Railways Development Master Plan. Already the Inception and the Interim Reports have been reviewed and accepted by the Partner States. Final Report will among others:**
 - **Establish the key missing and possible new railway links and inter-connectors;**
 - **Proposals on effective management, operations, ownership, financing of railways in the region;**
 - **An evaluated and prioritized list of railways business cases for investments in the region; and**
 - **A package of proposed railways policy reforms to support the growth of this sector**
 - **Advise on the suitable gauge to adopt for the region**

Railways cont....

Challenges

- a) Lack of a regional framework for coordinated railways development in the region;**
- b) Inadequate resources for railways investments and renewal;**
- c) Low applications of ICTs in railways to enhance efficiency in operations;**
- d) Missing inter-connectors and variable railways gauge;**
- e) An ineffective privatization process**

The Way Forward

- Develop a pipeline of bankable projects
- Establish a regional Transport Authority
- Create an EAC infrastructure fund
- Joint financing of regional projects
- Harmonize policies and guidelines
- Link regional projects to national priorities

**THANK YOU FOR YOUR
ATTENTION**