



JOINT EAC HEADS OF STATE RETREAT ON INFRASTRUCTURE AND HEALTH FINANCING AND DEVELOPMENT

*DEVELOPMENT OF RESILIENT INFRASTRUCTURE TO ACCELERATE INDUSTRIALIZATION
AND SUPPORT TRADE TO FOSTER SOCIO-ECONOMIC TRANSFORMATION IN THE EAC*



Outcome of the Infrastructure Roundtable

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Outline

- **Purpose and Objectives of the Retreat**
- **Implementation Status of the 3rd Retreat Directives**
- **Achievements since the 3rd Retreat**
- **Implementation Status of Priority Projects as of Nov 2017**
- **Flagship projects**
- **Commitments**
- **Strategic Recommendations**

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Objectives of the 4th Retreat

- Consider the report on the implementation status of the directives of the Heads of State issued at the 3rd Retreat held in November, 2014 in Nairobi;
- Consider the progress of implementation of the priority infrastructure projects and programmes agreed at the 3rd Retreat
- Consideration of **high-priority projects** (the “Flagship Projects”) from the list of regional priority projects to be championed at Heads of State level;
- Consider new priority projects from the Republic of South Sudan and those under Civil Aviation;
- Consider the outcomes of the Infrastructure investors/Donors roundtable

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Implementation Status of the 3rd Retreat Directives

A. The 10-year Investment Strategy for Priority Regional Projects:

- Implementation of the 10-year Investment Strategy for Priority Regional Projects is ongoing;
- Between November 2014 and November 2017, Partner States and Secretariat mobilized resources for implementation of more than 30 projects

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B. Intermodal Transport Strategy:

- **Implementation of the Lake Victoria Transport Project has commenced with support from the World Bank of USD 475m;**
 - **Rwanda Phase of the project was approved by the World Bank in May 2017 and implementation commenced.**
 - **Tanzanian and Ugandan phase of the project are under preparation and expected to be submitted to the Board of the World Bank in May 2018**

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C. Mobilize technical and financial support for project preparations and implementation

- **EAC and the World Bank organized two roundtable meetings with Development Partners in Dar es Salaam in March 2015, Paris in June 2015;**
- **EAC and Partner States organized an Infrastructure Investors/Donors roundtable in February 2018 (yesterday).**
- **EU has allocated Euro 273 million under EDF 11 funding cycle for co-financing hard infrastructure projects in the Eastern Africa Region;**

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- **Secretariat secured funding support amounting USD 3.7million from NEPAD-IPPF/AfDB for project preparations for three multinational road projects, namely;**
 - **Lusahunga – Rusumo / Kayonza – Kigali (ongoing)**
 - **Nyakanazi – Kusulu – Manyovu / Rumonge – Rutunga – Bujumbura (complete Tz, ongoing Br)**
 - **Masaka – Mutukula – Kyaka / Bugene – Kasulo (ongoing)**

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E. Harmonization of EAC mobile telephone roaming charges:

- Republics of **Kenya, Uganda, Rwanda** and **South Sudan** have harmonized the charges among themselves;
- United Republic of **Tanzania** and Republic of **Burundi** will implement the framework by December, 2018

F. Inclusion of programmes for the civil aviation and airports sub-sectors

- The prioritized projects and programmes in civil aviation and airport sub-sectors have been included covering:
 - Establishment of the EAC Upper Flight Information Region (Seamless Operations) and
 - 28 EAC Airports Priority Projects

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Achievements made since the 3rd Retreat

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Railway Subsector

- **Completion and operationalization of construction of Phase 1 of SGR from Mombasa to Nairobi**
- **Construction of Phase 2A from Nairobi to Naivasha was launched in October 2016.**
- **Construction of Lot 1 SGR from Dar es Salaam to Morogoro commenced in April 2017.**
- **Construction of Lot 2 SGR from Morogoro to Dodoma has commenced following signing contract in November, 2017.**

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Ports and Inland Waterways Subsector

- Completion of the 2nd Container Terminal at Mombasa Port in February 2016
- Construction of Phase II of the project commenced in October, 2017 which will add two more berths (berth 22 & 23) with additional throughput capacity of 550,000 TEUs
- The **Dar es Salaam Maritime Gateway Program** is under implementation covering Berths 1 – 7 and 12 - 14
- **Ndumbi port on Lake Nyasa** was upgraded

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Roads Subsector

- **Completion** of the Kenyan section of the **Arusha – Holili/Taveta – Mwatate multinational** road
- **Completion** of the **Isiolo – Moyale road in Kenya**
- **Completion of several road upgrades** in Dar es Salaam aimed at **decongesting the Dar es Salaam port**
- **Completion** of construction of Mugina – Nyanza-Lac in Burundi
- **Financing secured** for the dualling of Jinja – Kampala and Kampala – Mpigi Highways in **Uganda**
- **Commencement** of construction of the Rusumo – Kayonza and Ngoma – Nyanza Road in **Rwanda**

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Energy Sector

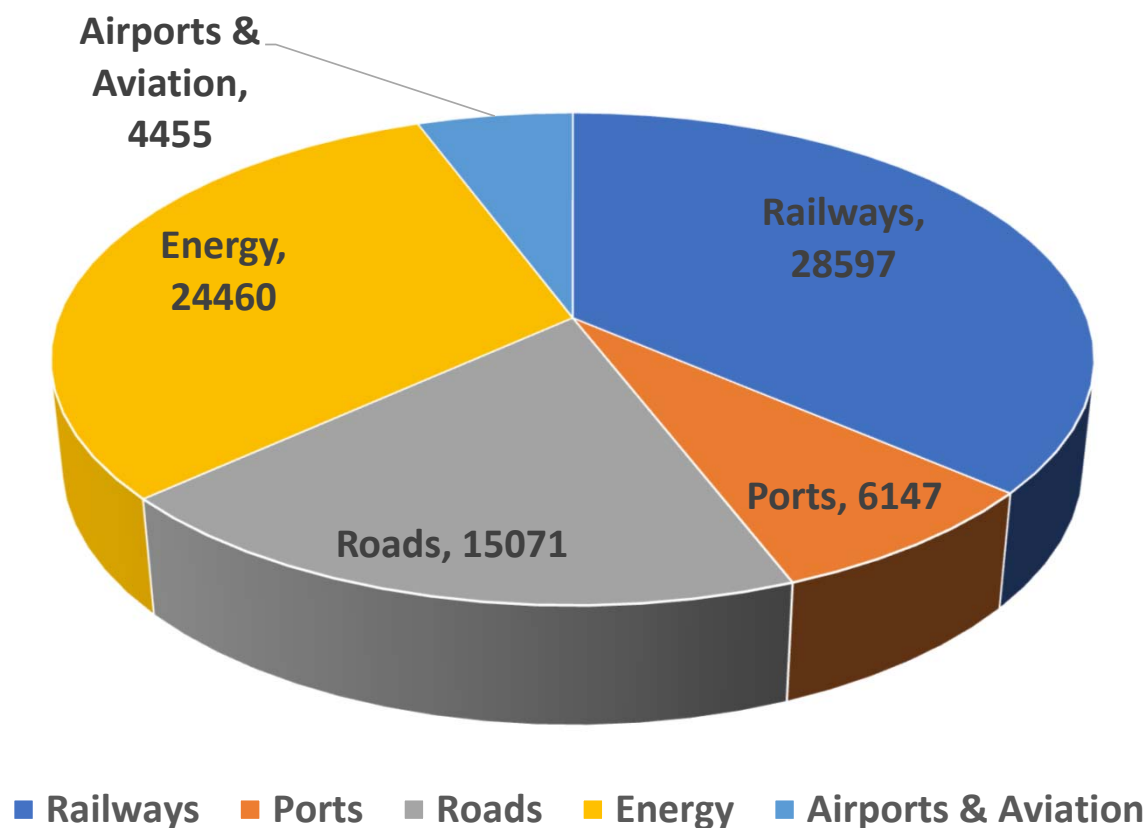
- **EAC Cross-Border Electrification Policy has been adopted by the Council and is under implementation**
- **Works on the Rusumo Falls 80 MW Hydro Power Plant are ongoing**
- **Construction of the Rusumo – Bugesera – Kigali transmission line (119 km 220 kV in Rwanda) is ongoing**
- **Construction of the Kisumu – Mwanza 220 kV transmission commenced in 2017**
- **Construction of Olkaria – Lessos – Kisumu transmission line (300km 400/220kV) is ongoing**
- **Construction of the Hoima – Tanga oil products pipeline launched**

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Status of Priority Projects as of Nov 2017

Investment requirement by Sectors



- Implementation of the 286 identified priority infrastructure projects and programs will require an investment amounting to USD 78.730 billion over the next 10 years and beyond

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Flagship Projects

- Partner States have identified 17 large-scale and high impact on regional integration projects/programme which are being proposed for championing as flagship projects under infrastructure and energy sectors with an estimated capital investment of **USD 61.2 billion**.
- The flagship projects are presented for your consideration, approval and championship

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Flagship Projects cont'

	Project name	Geographical reach	Cost (US\$ million)
1.	Construction of the Mombasa – Nairobi – Malaba – Kampala-Kigali line with Malaba – Nimule – Juba spur SGR line	Kenya, Uganda, Rwanda and South Sudan	19,221
2.	Construction of the Dar es Salaam – Isaka – Mwanza and Isaka – Kigali/ Keza – Gitega – Musongati SGR line	Tanzania, Rwanda and Burundi	5,580
3.	Construction of Uvinza – Musongati Railway line SGR line	Tanzania and Burundi	600
4.	Phase II construction of the 2nd Container Terminal – Kipevu West at Mombasa port	Kenya	320
5.	Construction of Rusizi Hydro power Project	Burundi, Rwanda, DRC	1,082
6.	Construction of Dar es Salaam to Chalinze Expressway (144km)	Tanzania	1,408
7.	Construction of the Kampala – Jinja Expressway / Southern Bypass (96 Km)	Uganda	1,000



Flagship Projects cont'

	Project name	Geographical reach	Cost (US\$ million)
8.	LAPSSET Corridor Development (comprising 32 berths at Lamu Port, Lamu – Isiolo – Lokichar – Juba highway and Lamu – Isiolo – Moyale – Addis Ababa Highway, crude oil pipeline, railway lines to Juba and Addis Ababa, 3 international Airports and 3 resort cities)	Kenya, South Sudan and Ethiopia	15,200
9.	Mombasa – Nairobi – Malaba - Jinja Expressway	Kenya, Uganda	886
10.	Construction of a new crude oil pipeline from Hoima (Uganda) to Tanga (Tanzania) (1,443km)	Uganda and Tanzania	4,000
11.	Development of priority infrastructure projects in the Region – 6 airports establishment of EAC Upper Flight Information Region (Seamless Operation).	Burundi, Rwanda, Kenya, Uganda, Tanzania	1,856
12.	Hoima Oil Refinery Uganda		4,000



Flagship Projects cont'

	Project name	Geographical reach	Cost (US\$ million)
13.	Development of Zanzibar Ports including Maruhubi, Mangapwani, Wete and Mkoani	Tanzania	2,131
14.	Phase II of Dar es Salaam Maritime Gateway Program (2nd Container Terminal at Dar es Salaam Port, Berths 12 to 14)	Tanzania	360
15.	Construction of Rufiji Hydropower Project along the Rufiji River, 2100 MW	Tanzania	2,000
16.	Upgrading of Handeni – Kiberashi – Kwamtoro – Singida road (434 km)	Tanzania	368
17.	Lake Victoria and Lake Tanganyika Transport Program (LVTP)	Kenya, Rwanda, Tanzania, Burundi and Uganda	1200
		Total	61,212



Outcomes of the Infrastructure Roundtable

Following the deliberation at the infrastructure roundtable these are the main outcomes:

- Region should embrace innovative financing options including leveraging private sector financing, diaspora resources, blending and long term bonds;
- Need to integrate ICT in transport and energy infrastructure development;
- Need to develop of smart corridors to enhance trade and transport facilitation in the region;
- Need to develop capacity in infrastructure projects coordination, preparation and development at the national and regional levels to enhance the realization of prioritized projects;
- Need for Partner States to prioritise for implementation at the national levels those projects that have been prioritized at the regional level to quicken project preparations and approvals for financing and implementation.

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- Need to establish a regional framework to consistently and effectively address road safety challenges including the harmonization of road safety laws and regulations, enhance road safety data collection and management systems, and improve post-crash management operations;
- Need for regular and structured engagement coordinated by the Secretariat between the Partner States, Development Partners and Investors to enhance the rollout of the Heads of State Infrastructure and Energy Priority Projects

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Commitments by Development Partners

Among the commitments made by DPs during the Infrastructure Investors/Donors roundtable are:

- **World Bank** has re-affirmed its commitment of **USD 2.3 billion** to support infrastructure, trade and transport facilitation programs in the EAC
- **TMEA** is targeting to invest **USD 550 million** in trade, transport and logistics improvements in EAC Region
- **EU** has re-affirmed its commitment of **USD 291 million** to support programmes under EDF 11 in the Eastern African Region covering the Tripartite Transport and Transit Facilitation Program and Infrastructure development.
- **AfDB** has re-affirmed its commitment to support the ongoing and planned projects under Regional Integration Strategy (RISP 2) including EAC infrastructure flagship projects.
- The **Peoples Republic of China** reiterated the commitments to support the financing of the Heads of State infrastructure projects.
- **European Investment Bank** and **DBSA** commitment to engage the Partner States in development and implementation financing for the priority projects.

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Recommendations

- **Request the Heads of State to consider and endorse:**
 - a) **the status of implementation of the priority infrastructure and energy projects;**
 - b) **the outcomes of the Infrastructure Investors/Donors Roundtable for implementation**
 - c) **the 17 flagship projects/programmes proposed for implementation in various sub-sectors across EAC; and**
 - d) **new projects from the Republic of South Sudan and projects under civil aviation and airport sub-sectors.**

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Thank you for your attention

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