

**EAST AFRICAN COMMUNITY
EAST AFRICAN LEGISLATIVE ASSEMBLY**



Received ✓

COMMITTEE ON AGRICULTURE, TOURISM AND NATURAL RESOURCES

**REPORT OF THE OVERSIGHT ACTIVITY ON THE IMPACT OF COVID 19
PANDEMIC ON FOOD SECURITY IN THE EAST AFRICAN COMMUNITY**

1ST TO 5TH NOVEMBER 2020

PARTNER STATES

PAPERS LAID	
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TABLED BY	Majority leader
COMMITTEE	
CLERK AT THE TABLE	U. Njirirwa

Clerk's Chambers
EALA Headquarters, 3rd Floor
EAC Headquarters
Arusha – TANZANIA

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LIST OF ABBREVIATIONS

AGRA	Alliance for a Green Revolution in Africa
ASALs	Arid and Semi-Arid Lands
ATNR	Agriculture, Tourism and Natural Resources
DRC	Democratic Republic of Congo
EAC	East African Community
EALA	East African Legislative Assembly
EAPA-FSN	Eastern African Parliamentarian Alliance for Food Security and Nutrition
ECD	Early Childhood Development Programs (Rwanda)
FAO	Food and Agriculture Organization
GDP	Gross Domestic Production
IDP	Internally Displaced People
IGAD	Intergovernmental Authority on Development
LCs	Local Councils
MAAIF	Ministry of Agriculture, Animal Industry and Fisheries (Uganda)
MEACA	Ministry of East African Community Affairs
MINAGRI	Ministry of Agriculture and Animal Resources (Rwanda)
MINICOM	Ministry of Trade and Industry (Rwanda)
NGOs	Non-Governmental Organisations
OSBP	One Stop Border Posts
RBA	Rome Based Agencies
RSS	Republic of South Sudan
SDCD&R	State Department for Crop Development and Agricultural Research (Kenya)
SMEs	Small and Medium Enterprises
SSIT	Small Scale Irrigation Technology (Rwanda)
ToGNU	Transitional Government of National Unity (RSS)
UN	United Nations
WFP	World Food Program

1.0 INTRODUCTION

The COVID-19 pandemic is having a devastating impact on already fragile livelihoods and unstable economies in various part of the world. Some of these impacts include reduced agricultural productivity, weak supply chains, increased cross border trade tensions, limited employment prospects and rising political and regulatory uncertainty.

Restrictions on movement within and across countries disrupted regional and national food supply chains and affected the availability of food as well as labour markets and supplies of critical agriculture inputs. This posed a challenge for food production and jeopardized food security for all people, especially the poor and marginalized.

The social distancing and lockdown measure that governments put in place to save lives and suppress the transmission of viruses resulted in a significant reduction of economic activity across all economies. At the household level, struggling families are increasingly seeing breadwinners lose their jobs or selling productive assets in order to survive. Restrictions on trade led to reduced imports and price hikes including high transport costs, increasing prices for agricultural inputs, food, and business closures.

The food and agriculture sector could get hurt by shortages of labour, which negatively impacted production and food processing, especially of labour-intensive agricultural production like fruits, vegetable and meat: transport interruptions and quarantine measures limiting farmers' access to input and output markets; and an increase in food loss and waste resulting from food supply chain disruptions. There was concern that the COVID-19 pandemic could turn into a hunger pandemic in future.

2.0 BACKGROUND INFORMATION

Article 105 of the Treaty provide the scope of cooperation in agricultural sector to achieve food security and rational agricultural production within the Community. Partner States undertook to ensure food sufficiency within the Community by cooperating in the

development of food security within the Partner States and the Community as a whole, through the production and supply of foodstuffs.

Pursuant to Rule 81 and Annex 5 D of the Rules of Procedure of the Assembly, one of the functions of the Committee on Agriculture, Tourism and Natural Resources (ATNR) is to examine, discuss and make recommendations on agriculture and food security issues as specified by Chapter Eighteen of the Treaty for the Establishment of the East African Community. Likewise, Article 49 (2) (d) of the Treaty empowers the Assembly to discuss all matters pertaining to the Community and make recommendations to the Council as it may deem necessary for the implementation of the Treaty.

It is against this background that the Committee on ATNR conducted an oversight activity on the impact of Covid 19 pandemic on food security in the East African Community.

3.0 OBJECTIVE

The main objective of this activity was to assess the impact of Covid 19 pandemic on the food security to the EAC. The specific objectives were:

- a. To understand the impact of Covid 19 to the food security in the region especially on the production, supply chain and distribution;
- b. To understand the effect of the pandemic to the cross-border trade in food produce;
- c. To engage with stakeholders to discuss the effect and measures to mitigate the problems caused by the pandemic; and
- d. To make appropriate recommendations on measures to mitigate the impact of Covid 19 pandemic to the food security.

4.0 METHODOLOGY

The Committee undertook this activity by conducting interactive meetings with various stakeholders related to food security. The stakeholders included the ministries

responsible for East African Affairs, ministries responsible for agriculture and food security and non-state actors.

Members of the Committee from each Partner State engaged with the ministries responsible for EAC affairs and ministries responsible for food security in their respective Partner States. The Committee also engaged with other stakeholders virtually through Microsoft Teams.

This activity did not take place in the United Republic of Tanzania because the government and the people of Tanzania were concluding their General Election process that took place on 28th October, 2020.

5.0 PRESENTATIONS FROM PARTNER STATES

5.1 REPUBLIC OF UGANDA

5.1.1 PRESENTATION BY THE MINISTRY OF AGRICULTURE, ANIMAL INDUSTRY AND FISHERIES

Mr. David Tumwesige from the Ministry of Agriculture, Animal Industry and Fisheries (MAAIF) presented the outcomes of recent assessments of the food security situation in Uganda which was conducted by the Ministry of MAAIF, the UN Food and Agricultural Organisation (FAO) and the World Food Programme (WFP). The findings of these studies indicate that Covid 19 and other vagaries of nature have affected:

- i. **Availability of food** – the trauma and several restrictions of Covid 19 have resulted to low yields and pre and post-harvest losses because farmers could not adequately attend to their production activities. In April 2020 only 20-30% of the rural farmers had food stocks that could take them to the next harvest.
- ii. **Food Accessibility** – several markets across the country were closed and generally there was widespread price shocks on food items as well as low purchasing power that greatly affected many people in Uganda. To make matters worse, flooding and water logging led to road network breakdown. In urban

areas over reliance on shops and markets is not sustainable in the face of Covid 19.

- iii. **Loose of employment** – Covid 19 caused low demand for labor and several people were forced to odd jobs that earned them a much smaller income that was not adequate to sustain the livelihoods of their families.
- iv. **Increased stress and shortage** – when schools closed and all children stayed at home some families felt an increased demand for food.
- v. **Quality of food** – both quality and quantity of food have been affected by Covid 19. With poor feeding, breast feeding mothers cannot sustain the required exclusive breast-feeding regimes.

Basing on the assessment undertaken, it was projected that:

- a. If Covid 19 restrictions continue up to January 2021; the restoration of agricultural economic activities will be difficult, and
- b. If schools remain closed for a long time many parents will need an affirmative action to relieve them of the food stress.

Therefore, there is a need to closely monitor and avert effects of Covid 19, implement the food security programmes in place and to provide response analysis of factors causing food insecurity. The government needs to find a way of helping farmers improve their food storage.

5.1.2 PRESENTATION BY THE MINISTRY EAST AFRICAN COMMUNITY AFFAIRS

Dr. Mary Asio from the Ministry of East African Community Affairs (MEACA) highlighted other factors that are contributing to the undesirable effects to food security in Uganda apart from Covid 19:

- i. The Fall Army Worm which has been in Uganda and EAC region since 2016 with incredible impacts on food security.
- ii. More recently Uganda has battled with the worst desert locust's invasion.

- iii. Since the beginning of the long rain season in March 2020, the country has been recording the highest amount of rainfall for the period of 40 years.

In view of the above concerns, it was established that:

- i. Uganda has put in place multi-sectoral task force (s) to mitigate effects of Covid 19, dessert locusts, Fall Army Worm and other vagaries of nature like floods and droughts;
- ii. Uganda welcomes the regional intervention efforts by the EAC Secretariat with support from the UN Rome-based Agencies (RBA) and AGRA;
- iii. On 2nd Sept 2020 the EAC Secretariat and Partner States held a virtual planning meeting on implementation of the Proposed Programme. The meeting recommended:
 - a. Both government and private institutions should get involvement in the community-based participatory planning and risk assessment activities; and
 - b. The EAC Secretariat to liaise with WFP and provide criteria for site selection for project implementation areas.

5.1.3 DISCUSSION BY STAKEHOLDERS

Stakeholders discussed the presentations made by the two ministries and the following were the key issues raised:

- a. The problem in Uganda is not the absence of food but it is the failure to have an effective food distribution system. At any time, some parts of the country are always blessed with surplus food while other parts have deficits.
- b. Nutrition security is an important aspect of food security that need to be taken care of rather than push for increased volumes alone.

- c. All leaders at various levels and lawmakers should prioritize food and nutrition issues. Parliament, Local Councils (LCs 5 and 3) as well as parish leaders should ensure that their people do not go hungry.
- d. Parliaments in particular have a bigger role to play in enforcing national, regional and global commitments since they enact laws, direct political discussions and approve budgets among other things.
- e. The Eastern Africa Parliamentarian Alliance for Food Security and Nutrition (EAPA - FSN) to which EALA and IGAD subscribe to is aligned with a new way of doing politics, where communities, regions and countries can together generate strategies that truly guarantee the right to food.
- f. The EAC region is not short of regulatory frameworks to facilitate the processes that ensure food security. There are several national and regional frameworks that promote food and nutrition security. and
- g. Increase public investment in food production, storage, value addition and marketing.

5.2 THE REPUBLIC OF SOUTH SUDAN

5.2.1 INTRODUCTION

The activity in the Republic of South Sudan (RSS) was organized by Members of the Committee from RSS in collaboration with the Ministry of East African Community Affairs. The activity was conducted through two meetings as follows:

- i. Meeting with technical staff from Non-State Actors held on 3rd November 2020.
- ii. Meeting with technical staff from line ministries held on 4th November 2020.

5.2.2 MEETING WITH NON-STATE ACTORS

The following were some of the key issues discussed and raised during the meeting with the Non- State Actors (NSAs):

- a. Many farmers did not resume their farming activities in 2020 because they did not have seeds. The importation of seeds from other countries was affected by

the lockdown. The problem was severe because lockdown was introduced at the time when farming activities were starting.

- b. Farm tools and equipment could not enter the Republic of South Sudan in 2020 because of lockdown.
- c. Little food produced by small-scale farmers was not enough for the entire population.

5.2.3 MEETING WITH STAFF FROM THE LINE MINISTRIES

The meeting was attended by technical staff from the Ministry of Agriculture, the Ministry of Fisheries and Animal Resources, the Ministry of East African Community Affairs and the Ministry of Trade and Industry.

5.2.3.1 Presentation from the Ministry of Agriculture and Forestry

The presentation from the Ministry of Agriculture and Forestry highlighted the following issues with regard to the impact of Covid 19 pandemic to the food security:

- i. The cost of food production increased in 2020 because of various effects of Covid 19 pandemic.
- ii. The supply of seeds dropped drastically because of lockdown in RSS and in the neighbouring countries.
- iii. Most of the seeds brought by the NGOs were of low quality.
- iv. Importation of food during the critical moment of Covid-19 was highly affected by the restriction of movements caused by lockdowns.
- v. Food supply to small towns and cities was affected by lockdown and the scarcity of food imported from neighboring countries.
- vi. The Ministry of Agriculture was not providing equipment such as tractors due to inadequate of financial resources.
- vii. The Internally Displaced Persons (IDPs) who wanted to return to their areas/homes after the signing of the peace agreement were not able to return because of the lockdown.

- viii. The program of the Ministry of Agriculture to support farmers was not effective because of inadequate legal framework.

5.2.3.2 Report from the Ministry of Trade and Industry

The Ministry of Trade and Industry provided information on the imports of food stuffs from EAC Partner States and other countries. According to the Ministry of Trade and Industry, trade in the Republic of South Sudan was highly affected by the outbreak of Covid-19. The following table show the list of countries that import food staffs to the Republic of South Sudan.

SN	COUNTRY	FOOD ITEMS
1	Uganda	Sorghum, maize flour, beans, fresh vegetables, milk, fruits, sugar, juice, liquor and soda
2	Kenya	Beans and sugar
3	Rwanda	Fruits, juice, liquor and soda
4	United Republic of Tanzania	Beans
5	Republic of Sudan	Sorghum
6	People's Republic of China	Rice

Source: presentation from the Ministry of Trade and Industry

Data from the Ministry of Trade and Industry indicate that the RSS was importing hundreds of tons of food staffs before the outbreak. However, the import dropped up to 10 tons per month following the outbreak. The food situation in the Republic of South Sudan indicates the following:

- a. The Republic of South Sudan does not produce enough food for her entire population;

- b. There is inadequate capital to invest in the agriculture sector to enable farmers to produce enough food for their consumption and surplus for selling;
- c. The country experienced instability which affected all sectors including agriculture, however the Transitional Government of National Unity (ToGNU) is putting efforts to promote agriculture;
- d. Locust that emerged in the year 2020 also affected the production of food;
- e. The country has been experiencing floods that affected most of the agricultural productive areas/regions.
- f. The low supply of food in all markets increased the demand, which resulted to high prices and inflation.
- a. There is a need to support and encourage the private sector to invest in the agriculture and related sectors.

5.2.4 OBSERVATIONS BY MEMBERS OF THE COMMITTEE FROM THE REPUBLIC OF SOUTH SUDAN

Following the presentations and discussions above, Members of the Committee on ATNR from the Republic of South Sudan made the following observations:

- i. The outbreak of Covid-19 caused a serious food shortage because food and seeds were not imported from neighbouring countries as a result of lockdown;
- ii. There is low investment in the agriculture sector as evidenced by small budgetary allocation to the sector;
- iii. The insecurity that was caused by the internal conflict affected the production of food because some farmers are still having fear to engage in their farming activities; and
- iv. There is no law to govern and coordinate the agricultural sector in the Republic of South Sudan.

5.2.5 RECOMMENDATIONS FROM THE REPUBLIC OF SOUTH SUDAN

- a. The EAC Partner States should establish border task forces to facilitate the movement of goods from one country to another;

- b. The Republic of South Sudan should increase budgetary allocation for the Ministry of Agriculture and private sector engaged in agriculture. The allocation to the sectors is between 1% and 3% which is far below the 10% required under the Malabo Declaration;
- c. The government should enact law to govern the sector;
- d. The agricultural banks in the Republic of South Sudan should create investment opportunities for the agriculture and food security sector;
- e. There is a need to improve roads and other infrastructure to facilitate food distribution in the country;
- f. The government and all stakeholders in the peace process should work together to ensure fully restoration of security to encourage farmers to continue with their farming activities;
- g. The government should revive cooperative societies especially those relating to the agriculture sector; and
- h. The Republic of South Sudan need to fully integrate in the East Africa Community transportation and technology services.

5.3 REPUBLIC OF KENYA

5.3.1 BACKGROUND INFORMATION

Covid-19 pandemic has had a devastating impact on food security, livelihoods and economies in the region and all other parts of the world. It has led to a decrease in agricultural productivity as well as increase the cross-border trade tensions.

Cooperation by EAC Partner States is necessary to guarantee food security in the region through enhanced production and supply of foodstuffs in line with Article 105 of the Treaty. Members of the Committee on ATNR from Kenya met and held deliberations with officials from the State Department for Crop Development and Agricultural Research, State Department for Livestock, State Department for Fisheries, Aquaculture and the Blue Economy and the State Department for East Africa Community.

5.3.2 CROP DEVELOPMENT AND AGRICULTURAL RESEARCH

During the 2019/20 Financial Year, the State Department for Crop Development and Agricultural Research (SDCD&R) prioritized a number of Medium-Term Plan III and 'Big Four' Agenda programs and projects for implementation. The projects aimed at promoting food and nutrition security; increasing production and productivity; enhancing value addition and improving marketing infrastructure. Implementation of the projects was moving on smoothly until 12th March 2020 when the first COVID-19 case was reported in Kenya. This led to announcement of various control measures and budget cuts by the National Treasury to finance COVID-19 mitigation measures, which affected implementation of the projects.

The flagship programs and projects in this state department before COVID 19 interferences were pursued under the Kenya Vision 2030; the Medium-Term Plan III (2018-2022) and the big 4 agenda. They include the following.

- 1) Fertilizer Subsidy Programme:** Aimed at agricultural productivity by improving access, affordability, and suitability of fertilizers.
- 2) Agricultural Mechanization Programme:** For strengthening adoption of agricultural mechanization by supporting counties to provide affordable agricultural mechanization services to small-scale farmers.
- 3) Food and Nutrition Security:** Focus on new and innovative initiatives that will drive food and nutrition security by supporting enhanced large-scale production, smallholder productivity and agro-processing and reduction in food prices.
- 4) Youth and Women Empowerment in Modern Agriculture Programme:** Aims at creating sustainable and gainful self-employment for the youth and women through their participatory engagement in agriculture.
- 5) Agricultural Insurance Programme:** This aims at the government supporting farmers to access agriculture insurance to manage risks and losses amongst smallholder farmers, increase crop productivity and livestock production through improved access to credit and higher yielding technology, and support transition from subsistence to commercially oriented farming.

6) Crop Diversification Programme: This is for the sector to diversify food production base through distribution of assorted seeds to farmers.

7) Strategic Food Reserve: Aims at contracting farmers for strategic food reserve and redesigning subsidy model to maximize impact by focusing on specific farmers.

8) Other Programs and Projects: Other programs and projects under the Medium-Term Plan 2018-2022 include: the Large Scale Production; Small Holder Productivity and Agro-processing; Agricultural Technology Development Programme; Climate Smart Agriculture; Research and Capacity Building Programme; Market Access and Product Development Programs; Miraa Farmers Livelihood Improvement Project; Traditional High Value Crops Programme; and Policy, Legal and Institutional Reforms.

All these programs and projects were affected by the COVID-19 pandemic.

5.3.3 STATE DEPARTMENT OF LIVESTOCK

Livestock plays an important role in the Kenyan economy. It contributes 15% of GDP, source of livelihood to up to 95% of the rural population, contributes to food security and employs up to 50% of the agriculture labor force. It is one of the key contributors to the food security pillar of the big four agenda which seeks to enhance availability, access, utilization and stability in supply of livestock products.

The status of livestock production is now stable because of good rains experienced. The sector, however, is not without challenges. The challenges include floods, disease outbreaks, locust invasion and conflict over rangeland resources in the ASAL areas.

In summary, the following are the outcomes of the outbreak of Covid 19 pandemic:

- i. **Input supply.** Transport and distribution of agricultural inputs (seeds, fertilizers, chemicals, drugs, vaccines, premises and equipment) has been affected because the transport operators have to comply with various guidelines to minimize chance of propagating COVID 19.

- ii. **Food Production and Supply.** Food markets have faced supply and distribution challenges associated with transport, closure of border points and temporary closure of markets for fumigation and decongestion.
- iii. **Crop Production for the Long Rains 2020 Season.** The outbreak was announced at the peak of activities as farmers were harvesting and carrying out land preparation for planting and other farm operations.
- iv. **Horticulture Industry.** The industry is experiencing the impact on restriction of movement in the country and closure of airspace in destination market countries.
- v. **Miraa Industry.** The challenges include the ban by some County Governments yet Miraa was scheduled as a crop in 2016, closure of the airspace of main export markets, impounding and destruction of Miraa in transit.
- vi. **Sale of Key Industrial Crops (Tea and Coffee).** The export of these commodities has not been seriously affected during the period. The Nairobi Coffee Exchange and Mombasa Tea Auction performed well compared to the same period last year.
- vii. **Reduced access to animal feeds.** Restriction of movement led to labour shortages, as the sector is labour intensive. There was low supply of raw materials, disruption of feed supplies routes and constrained the movement of people and livestock among the pastoralist community.
- viii. **Reduced access to inputs and services.** Restriction of movement disrupted the supply of inputs for use in the livestock sector. Import restriction resulted in short supply of inputs. Restriction of movement and the policy to work from home resulted in disruption of provision of public services like extension.
- ix. **Reduced access to the markets.** There was closure of live animal's market resulting in low sales and low price. There was increased post-harvest losses arising from limited access to the markets.

In addition to the outcomes explained above, the following were other general impact of Covid 19 pandemic on the Kenyan agriculture sector:

- i. Loss of revenue due to reduced export of fresh produce to key destination markets;
- ii. Job losses in large scale establishments: 3.5 million people are directly involved in production, processing and marketing and about 3.5 million people benefit through other related activities along the value chains;
- iii. Negative impact experienced on food security and house-hold incomes;
- iv. Negative impact experienced along the food supply chain (market closures, supply and distribution challenges);
- v. Reduced demand for crop products due to closure of restaurants, hotels and learning institutions as well as halting of social events;
- vi. Horticulture industry is experiencing the impact due to insufficient cargo space, freight challenges and closure of airspace in destination market countries;
- vii. Reduced access to inputs due to limited cash flow, high cost and restricted movement;
- viii. Inputs stores which supply agricultural inputs are experiencing low demand as farmers cut down on production due to uncertainty regarding the market;
- ix. Transporters in the agriculture value chains have been affected by subdued demand for their services; and
- x. Reduced research activity as majority of the research staff are above fifty years. Agriculture research work is a hands-on activity hence other work arrangement such as working from home limits the research output.

5.3.4 PROPOSED PROGRAMS AND PROJECTS AS POST COVID-19 RECOVERY MEASURES

- a. **Inputs Subsidy Programme.** The program targets to reach 153,531 beneficiaries in 12 counties involved in maize, rice, coffee and Irish potato value chains.
- b. **Emergency Locust Recovery Program.** The program aims to respond to the threat posed by the desert locust outbreak, strengthen Kenya's system for preparedness & address recovery for affected communities in the desert locust infested counties.

- c. **1 Million Vulnerable Households Kitchen Garden Kit Support project.** The support in response to the impact of COVID -19 to improve household food and nutrition security through dietary diversity targeting vulnerable households in Kenya.
- d. **Stimulus for Enhancement of Food Security through Increased Pyrethrum Production.** The target to expand crop acreage from the current 6,000 acres (500MT) to 10,000 acres (3,000MT) through provision of quality seedlings at a subsidized price to growers.
- e. **Stimulus for Enhancement of Food Security through Increased Cotton Production.** The target is to reach 75,000 beneficiaries (45,000 females and 30,000 males). The proposed activities are in line with ongoing IFAD projects and its new strategy to extend support to the country's arid and semi-arid lands (ASALs).
- f. **Livelihoods support through flood response & Mitigation in the Agricultural Sector.** Enhance the production capacity and strengthen the resilience of rural communities through flood response and mitigation in the agricultural sector.
- g. **Improve agriculture research.** The Director of Agriculture Research to coordinate and manage agricultural research in the country through creation and strengthening of the linkage of players of agricultural research.

5.3.5 PROPOSED RECOVERY AND POLICY INTERVENTIONS POST COVID-19 FOR THE LIVESTOCK SECTOR

- a. Tax relief for animal feed raw materials and livestock production equipment.
- b. Livestock insurance provision and subsidy on insurance premium.
- c. Establish a fund for economic recovery strategy. This can be done by availing credit to livestock farmers at an interest rate of between 2% and 5%.
- d. Operationalize the e-voucher system.
- e. Support pasture and fodder production through provision of seeds.
- f. Enhance livestock and livestock product off-take. Mop-up in times of glut or adverse weather conditions and enhancement of cross-border trade.

- g. Harmonize livestock production protocols to reduce ban on livestock products in the EAC.

5.3.6 IMPACT OF COVID 19 AS PRESENTED BY THE STATE DEPARTMENT OF FISHERIES

Due to closure of the hotels, most of the tour guides have been jobless and are currently engaging in fishing for survival. Transport of fish from the Lake Victoria to Nairobi has improved after many drivers got the required documents to facilitate their movement. The overall fish production declined by about 20% in 2020 compared to 2019.

Import and Export of Fish

There was a drastic reduction in imports between January and March 2020 dropping from 72% in February 2020 to 4% in March 2020. Overall, the reduction in imports was about 38%.

The exports were higher between January and March 2020. However, the situation was expected to change in the post covid-19 era as the production declined by about 20%. It is important to note that although the balance was positive in January and February, when the Covid-19 lockdown started, the month of March experienced a 6% reduction compared to the same period in 2019. The following are the impact of Covid 19 pandemic to the cross border trade on fish:

- i. The COVID-19 Pandemic has interfered with the transportation of fish and fish products across the borders due to mandatory testing of drivers and this has led to extreme delays in regard to imports/exports.
- ii. The Pandemic has led to low productivity as most food handlers or personnel in fish processing establishments have to work less hours to beat the curfew imposed by the government.
- iii. Some workers dealing in cross border fish trade lost their jobs due to the mandatory Covid-19 test and restrictions imposed by the EAC Governments.
- iv. It has led to low productivity since Clearing and Forwarding Agents operate from 8 am to 1 pm as opposed to 8 working hours per day.

- v. It has led to a decline in exports/imports because most of the fish products are transported across border inspection points during the night and police are extorting money from drivers.
-

5.3.7 INTERVENTIONS CARRIED OUT BY THE GOVERNMENT

- a. Guidelines for cross border trade in EAC during Covid-19.
- b. Covid-19 testing.
- c. Provision of sanitizer at the One Stop Border Posts (OSBP).
- d. Imposition of quotas in Kenya and tariffs by EAC Partner States on fish from China to promote local fisheries sector.
- e. Enhanced quality checks on fish imports by requiring the pre-inspection to take place at the point of origin by internationally certified inspection bodies.

5.3.8 GENERAL RECOMMENDATIONS

All the three main food security departments; crops, livestock and fisheries, indicated that there have been extreme impacts of COVID 19 on food security in the country at all levels from production to consumption. Among the recommendations for mitigation and recovery from this shock include:

- i. Increase investment to Agriculture, Livestock and fisheries to cater for input subsidies to restore farmers' capacity to input access, research, establish a fund for economic recovery strategy and others.
- ii. Harmonization of policy issues affected by COVID 19 to allow for resilience in production and cross border trade especially on compliance of standard operating procedures and product standards, establish a tax relief to various players in the value chains, insurance among others.
- iii. Lobbying and advocacy of EAC agriculture production and utilization to increase self-reliance.
- iv. Enhance the capacity of manpower on the agriculture portfolio and resource allocation to improve service delivery to the sector.

- v. Political good will towards implementation of the Common Market Protocol and cross border trade in particular as demonstrated by the numerous NTBs both existing and emerging.

5.4 REPUBLIC OF RWANDA

5.4.1 BACKGROUND INFORMATION

The Ministry of Agriculture and Animal Resources (MINAGRI) is responsible for guaranteeing food security by scaling up the level of production and ensure sufficient stocks in the country. It is required to mitigate impact of trade disruptions, particularly closure of import/export pathways of agriculture commodities and access of agricultural inputs (fertilizers, seeds, lime and pesticides).

MINAGRI is also ensuring intensive use of agricultural resources, increase subsidies to support farmers access inputs, rehabilitate disaster affected agriculture lands, increase food reserves through NSGR, and support agro-processing, import substitutions, and support agriculture exports.

5.4.2 PRODUCTION OF FOOD CROPS AND LIVESTOCK PRODUCTS

Production of major food commodities (Tons)

Commodity	2020A&B	5 years average of demand 2015-2019	Share of production meeting demand (%)
Maize	450,633	494,573	91%
Wheat	12,811	163,006	8%
Rice	116,504	250,487	47%
Beans	463,348	423,258	109%
Soybean	23,239	27,997	83%
Irish Potato	779,912	858,560	91%
Cassava	1,279,582	1,084,813	118%

- Sufficient production of beans and cassava is expected for season 2020A and 2020B.
- Local production for wheat and rice covers 8% and 49% of domestic demand
- Local production covers the domestic demand by 91% and 83% for maize and soybean, respectively.

Milk processing (Lts/Day)

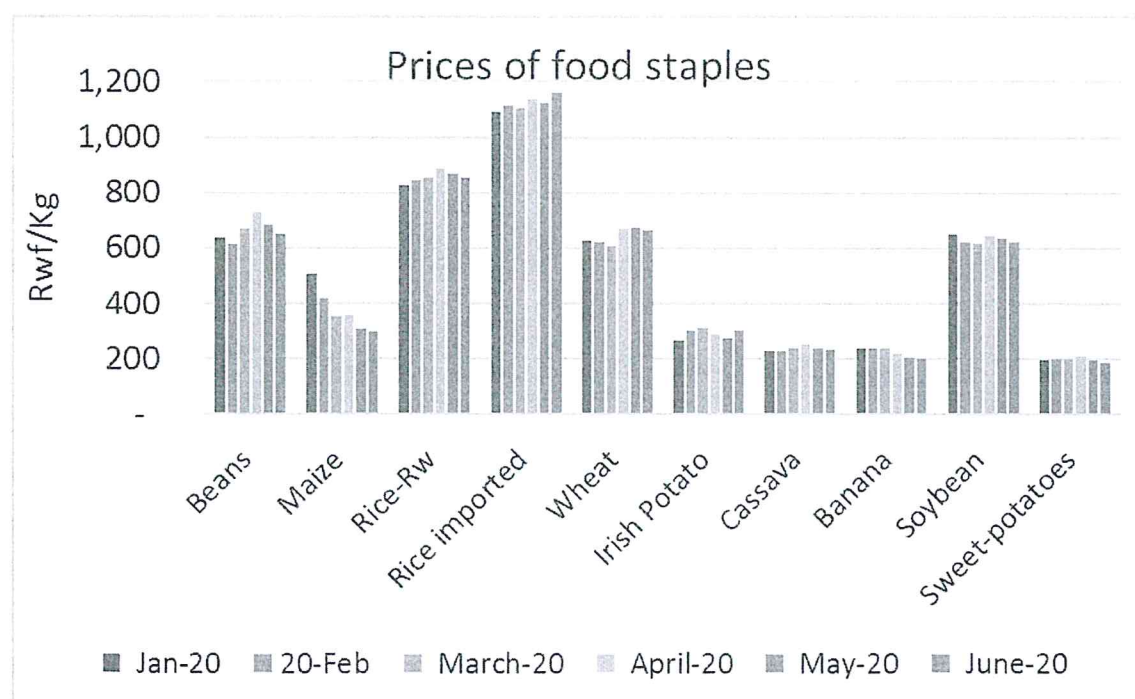
Processing plant	Before the lockdown	During the lockdown	Current
Inyange (Kigali)	81,901	94,877	79,484
Savannah (Nyagatare)	24,671	23,675	21, 675
Mukamira (Nyabihu)	14,650	16,540	20,540
Giheke (Rusizi)	1,153	1,705	5,700
Nyanza dairy (Nyanza)	16,000	10,000	14,169
Blessed dairy (Gicumbi)	58,000	46,000	56,000

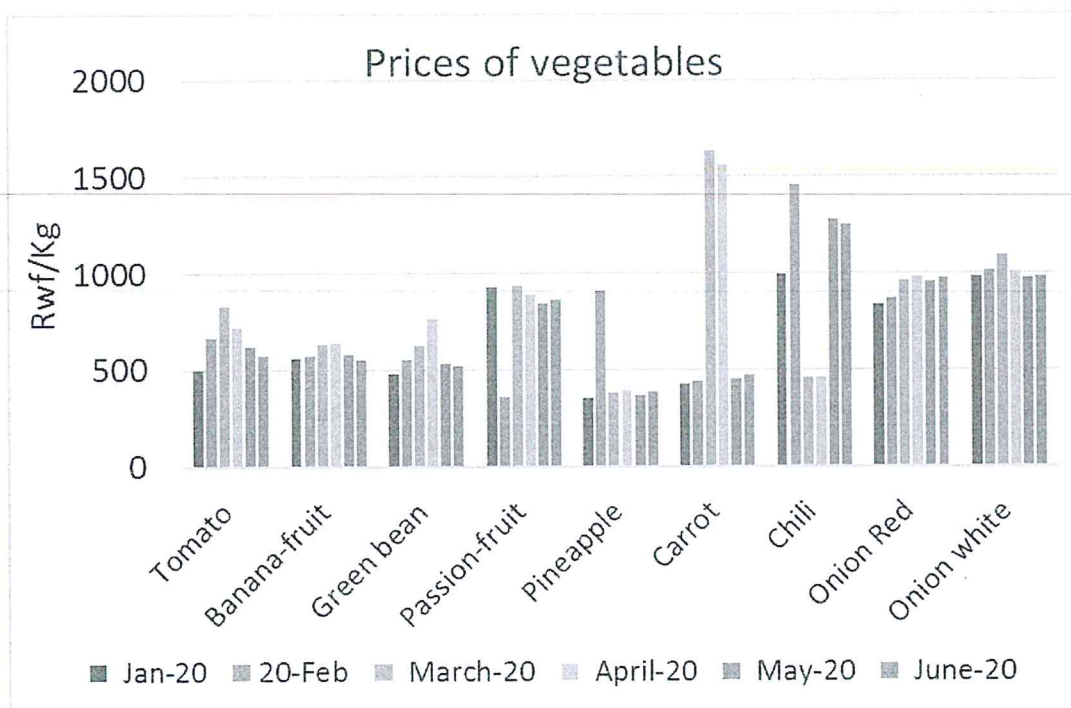
Number of cows slaughtered per week

Province	Before the lockdown	During the lockdown	Current
Kigali	840	662	810
Western	740	264	808
Southern	242	89	386
Northern	447	164	336
Eastern	509	217	343
Total	2,778	1,396	2,683

5.4.3 PRICES ANALYSIS FOR FOOD CROPS

Average monthly prices during and after the lockdown





Prices of commodities are influenced by the seasonal effect and COVID-19 lockdown:

- i. Price spikes in April coinciding with lockdown & gradual reduction with easing of lockdown in May and June (maize, beans, local rice, cassava, banana, sweet potatoes, tomatoes, green beans, carrots, onions & banana fruit);
- ii. Imported commodities (e.g., rice & wheat) have not shown decrease which is associated with border restrictions;
- iii. Chilli prices influenced by COVID 19 lockdown (depressed in March-April) & picked up with easing of exports (May).

5.4.4 MARKET PRICES ANALYSIS FOR LIVESTOCK PRODUCTS

Price of meat (Frw/Kg)

Commodity	Before the lockdown	During the lockdown	Current
Beef Meat	3,440	3,435	3,407
Beef Meat (mixt)	2,727	2,770	2,704
Goat Meat	3,368	3,479	3,318
Pork Meat	2,882	2,860	2,673

- Before lockdown: Feb-March 2020
- Lockdown: March 20- April 2020
- Current prices: May 2020 up to today

Price of chicken/eggs (Frw)

Commodity	Before the lockdown	During the lockdown	Current
Eggs (tray)	Farmer: 2,400-2500 Market: 2,600-2,800	Farmer: 1,600-1,800 Market: 1,900-2,000	Farmer: 2,400-2500 Market: 2,700-3,100
Chicken (Kg)	Farmer: 2,200-2400 Market: 2,500 -2,800	Farmer: 1,400-1,600 Market: 1,800 -2,000	Farmer: 2,600- 2,800 Market: 3,200- 3,500

Price of fish (Frw/Kg)

Category	Before the lockdown	During the lockdown	Current
Fisherman	Farmer: 2,150	Farmer: 1,600 -2,000	Farmer: 1,800 -2,650
	Market: 2,840	Market: 2,500	Market: 2,650
Captured fish (Lakes)	Farmer: 1,500	Farmer: 1,000	Farmer: 1,300
	Market: 3,000	Market: 3,000	Market: 3,000
Farmed fish	Farmer: 2,750	Farmer: 2,750	Farmer: 2,750
	Market: 4,000	Market: 3,500	Market: 4,000
Imported fish	Farmer: 2,000	Farmer: 2,000	Farmer: 2,000
	Market: 4,000	Market: 4,000	Market: 4,000

5.4.5 VALUE OF EXPORTS OF LIVESTOCK PRODUCTS IN 2019 AND 2020 (USD)

Month	2019	2020	% Change
January	5,901,606	5,958,485	+ 0.1%
February	6,612,722	7,700,912	+ 16.5%
March	6,928,433	4,926,395	- 28.9%
April	6,540,962	2,201,409	- 66.3%
May	11,381,546	1,977,102	- 82.6%

- Comparison of similar months of 2019 and 2020 showed a reduction in the value of exports in 2020 during the lockdown.
- The lockdown that started in mid-March reduced the value of exports by- 28.9%, that increased to -66.3% in April and -82.6% in May.

5.4.6 KEY MESSAGES ON BEHAVIOR OF PRICES OF LIVESTOCK PRODUCTS

a. MILK

- Milk prices did not change because flow of agriculture commodities was allowed and the processors had an internal market of Early Childhood Development Programs (ECD).
- The number of SMEs processing yoghurt, cheese and fermented milk was reduced and those that remained reduced processing capacity.
- Milk prices did not change as it had been negotiated before.

b. MEAT

- The number of slaughtered cows was reduced during COVID-19 lockdown due to transport restrictions but travel permits were given to stabilize the situation.
- Meat prices did not change because the Ministry of Trade and Industry (MINICOM) assisted in stabilization and eliminating speculators during the lockdown period.

c. FISH

- The price of fish was reduced during the lockdown due to transport restrictions as fishermen could not go out to fish and no buyers.
- Fish farmers delayed fishing and let their fish stay for long in water.

d. POULTRY AND EGGS

- Poultry farmers sold off their chicken during lockdown to avoid losses and because of this, prices reduced but they have now started going up again.
- There was a surplus of eggs occasioned by the closure of hotels and restaurants and the decline of export to DRC.
- Eggs were later included in the ECD program to assist farmers.

5.4.7 THE PROPOSED WAY FORWARD

5.4.7.1 WAY FORWARD: SEASON 2021 A AND 2021 B

- i. Increasing the availability, access and use of productivity enhancing inputs (improved seed, fertilizers, lime and water);
- ii. Increase Subsidies to make agro input affordable for farmers;
- iii. Provide farmers of Ubudehe Cat 1&2 with seeds and fertilizers under the social protection program.

5.4.7.2 WAY FORWARD: SMALL SCALE IRRIGATION TECHNOLOGY (SSIT)

- i. Increase support to SSIT;
- ii. Facilitate youth to acquire loans to purchase the irrigation equipment;
- iii. Encourage youths to become irrigation service providers.

5.4.7.3 WAY FORWARD: STRATEGIC FOOD RESERVES

- i. Increasing resources for the National Strategic Reserve to stock food;
- ii. Supporting the districts to establish their own district food reserves; and
- iii. Mobilize farmers to have community stores as well as storage facilities at the household level.

5.4.7.4 WAY FORWARD: HORTICULTURE EXPORTS

- i. Support fresh produce exporters;
- ii. Secure more weekly flights to Europe and subsidize air freight;
- iii. Support farmers to easily access seeds, fertilizers and pests & diseases control products;

- iv. There is a great need to build internal markets to absorb most of the products;
- v. Exporters will also need a boost because the lockdown affected their markets as well as the supply logistics.

5.4.7.5 WAY FORWARD: LIVESTOCK SUB-SECTOR

(a) Animal feeds

Animal feeds faced with the limited supply of raw materials & tremendously reduced the number of buyers due to restricted movements. To address this challenge, there is a need to encourage feed millers to organise distribution to their clients through bulk purchase farmers and to support feed millers to set up a strategic grain reserve.

(b) Milk

Production and processing of milk face the limited market for both fresh and processed milk, which will lead to the significant loss for farmers. The following measures are proposed to address this challenge.

- i. Add processed milk on the list of food items given to people affected by the lockdown situation.
- ii. The government of Rwanda to facilitate milk processing factories and traders to export.
- iii. Consider a relief financial package for poultry farmers.

(c) Meat

Production and supply of meat is affected by limited supply of animals to processing factories & abattoirs. This challenge can be addressed by mapping the potential suppliers of animals and to facilitate their movements.

(d) Eggs & Broilers

Limited market for both eggs & broilers is the major problem facing producers. There is a need to look for alternative markets for broilers and to add eggs on the list of food items given to people affected by the lockdown situation.

5.4.7.6 WAY FORWARD: ACCESS TO MARKET

- i. MINAGRI will continue to streamline the agricultural value chain supply by ensuring movement of food to supply internal markets;
- ii. MINAGRI will support farmers to access the Recovery Fund to ensure that food production, movement and processing are not interrupted. This is particularly important for poultry farmers and small-scale processors that may need capital to start their business.

5.5 REPUBLIC OF BURUNDI

Members of the Committee on ATNR from the Republic of Burundi interacted with officials of the Ministry in charge of Agriculture and the Ministry in charge of EAC Affairs, Youth and Culture. The meeting held on 3rd November 2020 to assess the impact of Covid-19 on food security.

It was noted that the Republic of Burundi did not face negative impact on food security caused by the Covid 19 because the country did not impose lockdown:

- i. Food production was not affected because labor continued being active (labor was not affected) as people continued with their usual agricultural activities.
- ii. Food productivity became even higher because there was availability of agro-inputs. There was a stock and reserve of these agro-inputs before the outbreak of Covid-19 pandemic.
- iii. The climate remained friendly and favorable; therefore, the farmers followed the agricultural calendar.
- iv. The Government of the Republic of Burundi continued to support cooperative organizations and the farmers with agro-inputs and subsidized seeds.
- v. It was also noted that in the agricultural domain a milestone was made which helped to maintain high food production regardless of Covid-19 pandemic. This was attributed by the existence of the local industry (FOMI) which is engaged in Agro-inputs.

- vi. The policy of the Government of Burundi, an approach adopted to support cooperative organizations to invite agricultural people to work together as a team for a better productivity and the implementation of other approach related to land restoration by availing fertilizers to farmers as an approach to modernize soil.
- vii. The livestock sector was not affected due to the availability of veterinary products.
- viii. The Government of the Republic of Burundi was proactive to control price speculation to reduce the possibility of inflation.
- ix. The fisheries sector was affected by lack of fishing equipment because of closure of borders and airports. Most of the equipment used in Burundi are imported.

The general observation indicates that the production of food in the Republic of Burundi is satisfying in spite of Covid-19 pandemic. The Government of Burundi continues to encourage farmers to observe measures to mitigate Covid-19 while continuing with the agricultural activities. Likewise, the Government continued to support farmers through elaborated policies and approaches to support agricultural which is the spinal cord of Burundi's economy.

However, the stakeholders from the Republic of Burundi noted with concern the closure of two critical projects at the EAC:

- i. Regional Food Balance Sheet; and
- ii. Early warning system.

The Regional Food Balance Sheet was very critical in the food supply chain within the region whereas Early warning system project was also critical to alert in advance to prevent calamities and other danger to agriculture so that preventives measures can be taken on time.

Consequently, stakeholder recommended that EAC Partner States should urgently revive and finance the two projects in order to reduce the effects of future pandemic.

6.0 PRESENTATION FROM PELUM TANZANIA

i. Introduction

PELUM Tanzania submitted to the Committee their written submission explaining their experience and comments with regard to impact of Covid 19 to the food security. PELUM Tanzania is a legally registered network of NGOs that have come together to facilitate and promote networking, learning and advocacy ecological land use management/sustainable agriculture. The current membership of PELUM Tanzania is 39 organizations working with 1.2 million smallholder farmers in Tanzania mainland.

ii. Assessment of Impact of Covid 19 Pandemic

In July 2020, PELUM Tanzania conducted assessment on the impact of Covid 19 on Farmer Managed Seed system. The assessment was conducted in Northern Zone (Karatu District, Arusha), Southern High Land Zone (Songwe and Mbeya), and Lake Zone (Mara).

iii. Farmer's Situation During Covid 19

The first case of Covid 19 in Tanzania was announced on 16th March 2020. At that time, in most areas of the country farmers were at weeding stage. Farmers were shocked by the pandemic and they started isolating themselves and stopped gathering although they continued with their farming activities. The isolation caused shortage of labour at this critical period of weeding in most parts on Tanzania.

iv. Effects of Covid 19

- i. Some farms were left without weeding and reduced yields.
- ii. Limited access to extension services, as public gatherings were restricted.
- iii. The harvested crops failed to get market or faced low prices from local buyers as the export was affected by the closure of borders especially in the Northern Zone.
- iv. Increased prices of seeds because the country imports over 50% of seed and the borders were closed contributing to the use of poor-quality seeds.

- v. Some farmers enjoyed the benefit of high price of their produce for example in Usoha Muungano village, Mbeya District a farmer was able to sell one bag of potatoes for TZS 90,000 while before COVID 19 the price was TZS 30,000.

v. Recommendations

- a. Promote farmer managed seed system for sustainable food production so that in the event of pandemic like the COVID 19, farmers can still access adequate quality seeds locally.
- b. Device a mechanism where farmers in rural areas can access extension services digitally.
- c. Partner States of the East African Community to have a common mechanism/strategy in addressing pandemic and outbreaks in the food chain as they depend on each other in terms of food security.

7.0 OBSERVATIONS BY THE COMMITTEE

Following the discussions and engagement with various stakeholders, the Committee on ATNR made the following observations:

- i. Covid 19 Pandemic affected the production and supply of food in the entire EAC region;
- ii. The EAC and Partner States were not prepared to address the effects of Covid 19 pandemic to food security, hence they were not able to address them immediately;
- iii. The different measures taken by Partners States in addressing the Covid 19 pandemic caused confusion to business people, a situation that disturbed the food supply chain in the EAC;
- iv. The closure of borders and restriction of movement affected largely both the supply and quality of food in the EAC.
- v. There was no prior impact assessment of the measures taken to mitigate Covid 19 pandemic, especially their effect on food production and supply to the EAC.

- vi. Key stakeholders including farmers and producers were not involved the planning and execution of measures to mitigate Covid 19 Pandemic, something that caused a number of negative impacts to food security in the region and other areas of livelihood.
- vii. The closure of the Regional Food Balance Sheet and the Early Warning System projects at the EAC contributed to the problem of food insecurity in the region.
- viii. The EAC Secretariat and the specific Sectoral Council did not put enough efforts to foresee the effects of Covid 19 on food security and hence failed to put in place adequate measures to address those effects.

8.0 RECOMMENDATIONS BY THE COMMITTEE

The Committee on ATNR recommends to the Assembly to:

- 1. Urge the Council of Ministers to direct the EAC Partner States to assess the impact of Covid 19 pandemic on food security and prepare measures to address them as they continue with measures to mitigate Covid 19 pandemic;**
- 2. Urge the Council of Ministers to direct the relevant Sectoral Council to immediately convene and prepare joint actions that should be taken to address the food insecurity in the EAC;**
- 3. Urge the Council of Ministers to revive the Regional Food Balance Sheet and the Early Warning System projects by financing them by budgetary allocation from the Partner States' contributions;**
- 4. Urge the Council of Ministers to direct Partner States to comply with the Malabo Declaration by allocating at least 10% of their budget to agriculture.**
- 5. Urge the Council of Ministers to urgently address all NTBs relating to food staffs;**
- 6. Urge the Council of Ministers to adopt common cross border protocols in order to facilitate the free movements of goods including food items.**

REPORT OF THE ATNR COMMITTEE ON THE IMPACT OF COVID 19 PANDEMIC ON FOOD SECURITY IN THE EAST AFRICAN COMMUNITY

1. Hon. Dr. Abdullah Makame

2. Hon. Josephine S. Lemoyan

3. Hon. Fancy Nkuhi

4. Hon. Dr. Woda J. Odok

5. Hon. Gabriel Alaak Garang

6. Hon. Dr. Gabriel Garang Arol Aher

7. Hon. Fatuma Ibrahim Ali

8. Hon. Wanjiku Muhia

9. Hon. Jematiah F. Sergon

10. Hon. Amb. Ndangiza Fatuma

11. Hon. Dr. Rwigema Pierre Celestin

12. Hon. Uwumukiza Francoise

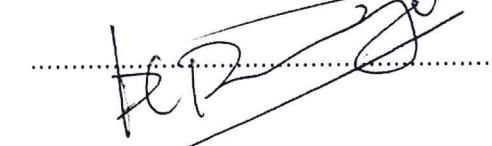
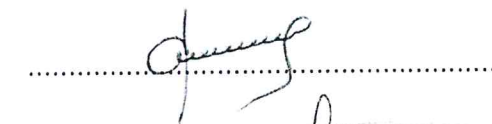
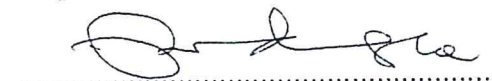
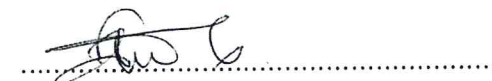
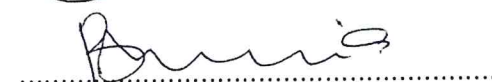
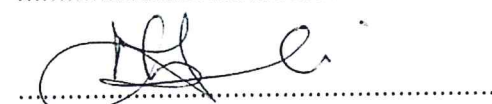
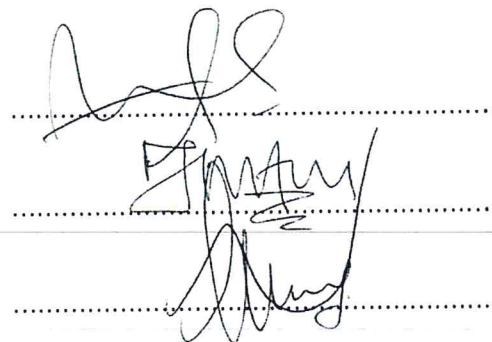
13. Hon. Chris Opoka-Okumu

14. Hon. Susan Nakawuki

15. Hon. Jean Marie Muhirwa

16. Hon. Marie Claire Burikukiye

17. Hon. Pierre Claver Rurakamvye





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**EAST AFRICAN COMMUNITY
EAST AFRICAN LEGISLATIVE ASSEMBLY**

**A RESOLUTION OF THE ASSEMBLY GRANTING LEAVE TO INTRODUCE A BILL
TO AMEND THE COMMUNITY EMBLEMS ACT TO PROVIDE FOR THE
COMMUNITY FLAG TO FLY AT HALF-MAST ON SPECIFIED OCCASIONS AND
EVENTS IN HONOUR OF THE EAC FOUNDING FATHERS AND OTHER PUBLIC
FIGURES**

*(Moved under Articles 49(1), 59(1) of the Treaty and Rule 26 of the Rules of Procedure
of the Assembly)*

***Moved By: Hon. Dr. Abdullah Hasnuu Makame and adopted by the Assembly
on 25th May, 2021***

WHEREAS section 3 of the Community Emblems Act provides for, describes and establishes the Community flag as a visible symbol of the Community;

WHEREAS section 7 (3) of the Community Emblems Act provides for the Community flag to be hoisted at all public institutions at all occasions where the national flag is hoisted and for Members of the Summit, Council, the Assembly, Judges of the Court and the Secretary General to fly the Community flag on their vehicles;

RECOGNISING that internationally and all over the world, States and Communities with symbols like our community flag, including the Partner States, use the flag as a symbol of national mourning and remembrance and frequently fly their national and Community flags at half-mast when national or public figures die;

AWARE that flying a flag at half-mast is a national or Community expression of solidarity with the family and particular Partner State especially in recognition and remembrance of the contribution of that departed national, public or Community figure which is reserved for the eminent persons whose lives, sacrifice and illustrious careers and lives have impacted the Community or the respective Partner State;

CONCERNED that Act does not require the Community flag to be hoisted and to fly at half-mast in honour and out of respect by the Community for the founding fathers, leaders and other East Africans who have provided distinguished services to the Community;

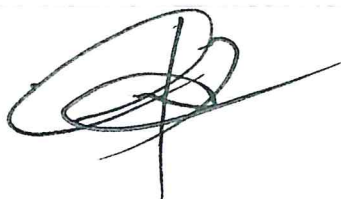
FURTHER CONCERNED that although through section 9 of the Community Emblems Act the Assembly empowered the Council to make regulations which could have been used by the Council to provide for circumstances when the Community flag may be hoisted at half-mast at all organs and institutions of the Community, to date, the Council has not issued any regulations under the Community Emblems Act;

CONVINCED that it is necessary for the Community to honour and recognise the contribution of the founding fathers of the Community and other East Africans who have given distinguished leadership and service to the Community by joining their families and Partner States of origin in mourning when these East African depart from this world;

AWARE that under Article 59(1) of the Treaty any member may propose any motion or introduce any Bill in the Assembly; Recognizing that rule 64 (5) of the Rules of Procedure of the Assembly requires that a Private Member's Bill shall be introduced first by way of Motion to which shall be attached the proposed draft of the Bill;

NOW THEREFORE BE IT RESOLVED BY THE ASSEMBLY AS FOLLOWS: - THAT in accordance with Article 49(1) and 59(1) of the Treaty and Rule 64 (5) of the Rules of Procedure of the Assembly, the Assembly grants leave to HON. DR. MAKAME ABDULLAH HASNUU to introduce a Bill to amend the Community Emblems Act to specifically provide for the Community flag to fly at half-mast on specified occasions and events in honour of the EAC founding fathers and other public figures.

CERTIFIED BY:



Mr. Charles N. Kadonya
Ag. CLERK OF THE ASSEMBLY

25th May, 2021
DATE



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**EAST AFRICAN COMMUNITY
EAST AFRICAN LEGISLATIVE ASSEMBLY**

**MOTION FOR A RESOLUTION OF THE ASSEMBLY RECOMMENDING
TO THE COUNCIL OF MINISTERS AND PARTNER STATES TO
ENHANCE MEASURES TO PREVENT ILLICIT FINANCIAL FLOWS**

(Moved under Articles 49(2)(d), 59(1), Chapter Fourteen of the Treaty and Rule 26 of the Rules of Procedure of the Assembly)

**Moved by Hon. Fatuma Ibrahim Ali and adopted by the Assembly on
Tuesday 25th May, 2021**

WHEREAS pursuant to Article 82(1) of the Treaty, the Partner States undertook to cooperate in monetary and fiscal matters in order to establish monetary stability within the Community and facilitate economic integration and the attainment of sustainable economic development of the Community;

AND WHEREAS under Article 83 of the Treaty, Article 30 of the Protocol on the Establishment of the East African Community Common Market and Article 22 of the Protocol on the Establishment of the East African Community Monetary Union, the Partner States agreed to harmonise and co-ordinate their economic and monetary policies;

RECOGNISING the global challenge of Illicit Financial Flows (IFFs) and its impact on sustainable development for the Partner States, the Community and the Continent. IFFs is considered to take away domestic financial resources from public sectors, increase public debts and destabilizes national economics;

AWARE that whereas Illicit Financial Flows refers to money that is illegally earned, transferred or utilized which includes tax avoidance, the actual funds typically originate from three sources, namely: commercial tax evasion and smuggling, trade mis-invoicing and abusive transfer pricing; illegal markets, criminal activities, including the drug trade, human trafficking, illegal arms dealing, and smuggling of contraband; and bribery and theft by corruption. Generally IFFs is regarded as unrecorded cross border financial transfers against national,

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regional and international laws particularly illegal movements of finances that violate these systems especially in the Extractive sectors;

NOTING WITH APPRECIATION the efforts of the African Union Commission, the United Nations Economic Commission for Africa and the African Ministers of Finance, Planning and Economic Development in establishing an AU High-Level Panel on Illicit Financial Flows from Africa chaired by H.E. Thabo Mbeki. The AU HLP was mandated to assess the extent and causes of Illicit Financial Flows (IFFs), to understand how these outflows occur and to make specific, practical and realistic recommendations to prevent and stop IFFs; The African Union has declared commitment to halve IFFs by 2023 through Anti – IFFs structures and projects;

FURTHER AWARE that the areas needing priority intervention are linked to existing legal frameworks and policies; harmful tax competition, tax evasion; tax avoidance; public debt management and corporate transparency and accountability in the extractive sector and natural resources; IFFs constitute deviation of development financial resources to other illegal channels such as to private accounts in abroad without paying necessary taxes using complex systems and multiple layers in various jurisdictions to conceal the true identity of owners or beneficiaries;

CONCERNED that the high correlation between reliance on extractive industries and Illicit Financial Flows impacts on development and inequality within the Community and the dependence of Partner States on natural resources extraction makes them vulnerable to illicit financial flows; IFFs occurs through mispricing, over invoicing of imports, under invoicing of exports, etc by Multination Corporations (including undeclared corporate revenues from illegal exploitation); Many of our countries lack the means to verify the quantities of natural resources locally produced and rely on exporter declarations;

FURTHER CONCERNED that Illicit Financial Flows are a major hindrance to effective domestic resource mobilisation in the Community yet there are ineffective legislative, regulatory and institutional frameworks to combat the illicit flows, curb public resources leakages and tighten loopholes in financial systems at national, regional and international levels. Many Africa states and our region are believed to have lost huge financial resources because of lack of legal framework and regulations, weak institutions and culture of impunity;

NOTING that Illicit Financial Flows from Africa are large and increasing, new and innovative means of generating illicit financial flows are emerging and corruption and abuse of entrusted power remains a continuing concern; According to 2020 UNCAD (United Nations Conference on Sustainable Development) reported that

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African countries losses \$88.6 billion per year through transfer of IFFs and this means EAC partner states may have lost about \$9.6 billion/year; In 2012, one of President of EAC partner states claimed that his country had lost close to \$4bn through IFFs due to manipulation of currency exchange, mismanagement of government procurement and payment systems, theft of resources from extractive and natural resources sector;

CONVINCED that combating Illicit Financial Flows is the political responsibility of the Council and the Partner States and successful efforts will generate a positive impact on the governance of the Community and result in sustainable improvements and enhancements of the local business and private sector development and investment environment within the Community; Eliminating IFFs is NOT impossible if our Partner States are committed to eradicate and stop these gross abuse and theft of resources from extractive sector

FURTHER CONVINCED that preventing illicit financial flows by the Community and the Partner States would contribute to strengthened capacity to foster increased domestic resource mobilization in the Community, increased benefits by the economies of the Partner States from the multiplier effects of the domestic use of such resources, whether for consumption or investment and creation; Some of our Partner States may be considered most attractive to those responsible to IFFS of more job opportunities from the previously illicit transfers;

Late president HE Hon Magufuli of URTZ has undertaken serious engagement with mining Companies on its IFFs practices; Late President HE. Hon. Magufuli had started to implement the AU HLP recommendations on IFFs, Multinational Companies operating in URTZ were pressured to renegotiate and reassess the taxation of extractive sector and they had to pay the country

CONSCIOUS that some of the recommendations made by the High-Level Panel on Illicit Financial Flows from Africa chaired by H.E. Thabo Mbeki include the following:

- (a) improving governance and accountability through ending obscure and badly structured contracts denying legitimate earnings from royalties or tax;
- (b) developing the legislative capacities to curb illicit financial flows;
- (c) strengthening regulatory capacities and resourcing of tax and customs;
- (d) promoting global cooperation and transparency to stop aggressive tax avoidance and trade mispricing making available tax information, account of sales, profits and taxes paid by mining companies, declaration of beneficial ownership in commercial entities; and

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- (e) supporting international cooperation in regulatory law and systems reform including harmonizing anti-money laundering laws and Double Taxation Treaties to avoid double taxation;

COGNISANT of the provisions of Article 49 (2) (d) of the Treaty, which empowers the Assembly to discuss any matter pertaining to the Treaty and make recommendations to the Council;

NOW THEREFORE BE IT RESOLVED BY THE ASSEMBLY AS FOLLOWS: -

THAT in accordance with Article 49(2) (d) of the Treaty, the Assembly recommends to the Council of Ministers and Urges the Partner States to:

- (a) Enhance measures within the Community, to prevent and stop Illicit Financial Flows;
- (b) Adopt and implement the recommendations of the AU High-Level Panel on Illicit Financial Flows on Africa chaired by H.E. Thabo Mbeki;
- (c) Strengthen and enforce legislation on corruption, financial crime and money laundering, including legislation on freezing, confiscation and seizure of the proceeds of corruption, including legislation which requires the identification of beneficial owners of companies doing business in the Community;
- (d) Undertake study to assess on the extent of IFFs in EAC region especially on extractive and other natural resource sectors and execution of the findings and recommendations;
- (e) Relevant EALA Committees to conduct oversight missions to Partner States to engage key stakeholders (public officials, Multinational companies, CSOs, hosting local communities and other actors) on their level of awareness, capacity, laws, regulations, policies and plans in place to prevent IFFs in each Partner State;
- (f) to initiate and institutionalize dialogue between communities affected by mining, mining companies, Partner States ministries of mining, finance and revenue collection authorities, to work towards discussing measures to enhance and harmonize laws for the extractives sector particularly tax laws to prevent harmful competition between partner states and illicit financial flows through inter-agency collaboration.

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CERTIFIED BY:



Mr. Charles N. Kadonya
Ag. CLERK OF THE ASSEMBLY

25TH MAY, 2021

DATE

