
14TH SUMMIT ON THE NORTHERN
CORRIDOR INTEGRATION PROJECTS:
26TH JUNE 2018 –SAFARI PARK
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BACKGROUND PAPER

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MINISTRY OF EAST AFRICAN COMMUNITY AND NORTHERN CORRIDOR DEVELOPMENT
NAIROBI, KENYA

1.0 Introduction

The 14th Summit of the Northern Corridor Integration Projects (NCIP) is being convened as a follow up to the 13th Summit held on 23rd April, 2016 in Kampala Uganda. The Northern Corridor Integration Projects is an initiative of the Heads of States and Governments of the Republics of Kenya, Rwanda and , Uganda which started on 25th June 2013 in Kampala Uganda with the Republic of South Sudan joining in 2015. The initiative was born out of the need to co-operate in order to speed up development in the region particularly the improvement of infrastructure and ease of movement of people and goods. The Member States were particularly concerned with the long time it was taking to transport cargo to and from Mombasa.

The initial focus was on the Standard Gauge Railway (SGR) and construction of one common Crude Oil Pipeline and a common Refined Petroleum Pipeline to serve the oil discovered in the region and supply logistics. Secondly, there was a need to simplify labour and immigration requirements, customs procedures and cooperate in marketing the region as a single tourism destination. The Tripartite Infrastructure Initiative was established and later renamed the Northern Corridor Integration Projects (NCIP) with the entry of South Sudan in 2015. The Summit identified 16 projects which were critical in promoting socio-economic development in the region. The projects coordination was shared among the three Member States as follows:

KENYA

1. Power Generation, Transmission and Interconnectivity
2. Crude Oil Pipeline Development.
3. Refined Petroleum Products Pipeline Development.
4. Land for Infrastructure in the Corridor
5. Human Resource Capacity Building
6. Commodities Exchange

RWANDA:

1. Immigration, Tourism, Trade, Labour & Services (ITTLS)
2. Single Custom Territory
3. Air Space Management
4. Defence Cooperation
5. Peace and Security

UGANDA:

1. Standard Gauge Railway
2. ICT Infrastructure.
3. Oil Refinery Development
4. Fast Tracking Political Federation) moved to EAC Secretariat
5. Financing Projects
6. Private Sector

The 13th Summit directed that the cluster on political Federation be moved to the EAC Secretariat and also create a cluster on Private sector to ensure inclusivity and effective participation of the private sector in the NCIPs

The projects coordination role of each project is vested in the relevant line Ministries in each Member State working in consultations with other relevant stakeholders.

Since 2013, tremendous progress has been made towards the implementation of the Summit Directives with the SGR operationalization between Mombasa and Nairobi. During the 13th Summit, the Summit pronounced itself on a number of issues that required immediate action to enhance cooperation and promote movement of goods and people in the region.

The 14th summit has therefore been convened to:

- i. Receive progress reports on the implementation of the 13th Summit Directives; and
- ii. Any Other Business.

2.0 DIRECTIVES OF THE 13TH SUMMIT

The 13th Summit of the Northern Corridor Integration Projects was held in Kampala, Uganda on 23rd April, 2016.

The Summit welcomed the progress made in the implementation of the various projects and reiterated their resolve to continue fast-tracking the Northern Corridor Integration Projects in order to accelerate regional integration and improve the livelihood of citizens. The Heads of States stressed the need to implement the projects with a sense of urgency and resolve outstanding issues by 14th Summit.

The 13th Summit pronounced itself and directed the implementing agencies to fast-track the implementation of the following projects and report during the 14th

Summit. The directives coordinated by the respective partner States is hereto a The Heads of State considered the Report of the 13th Ministerial meeting endorsed the recommendations contained therein and directed as follows:

- A. On Standard Gauge Railway (SGR) Development, the Summit welcomed the progress in the construction works of the Mombasa – Nairobi section which has reached seventy-five per cent and is on course for completion in June 2017. The Heads of State noted the conclusion of the financing agreement for the Nairobi – Naivasha section slated for construction beginning in September 2016. They directed that the contractors for the Mombasa-Kampala section undertake operation of the section in the interim as the two Partner States build their local capacities.

The Heads of State directed that the bankable feasibility studies for the remaining Northern, Western, Southern, and Mirami – Kigali sections be expedited.

- B. On ICT Infrastructure Development, the summit underscored the importance of ICT in promoting regional inter-connectivity. In this regard, they welcomed the development of a framework for regional data roaming with maximum retail tariff of USD 11 Cents per Megabyte and the maximum inter-operator tariff of USD 7 Cents per megabyte. The Summit directed that the procurement of the traffic monitoring systems for detection of fraudulent call (grey traffic) be fast-tracked.

The Head of State welcomed the signing of a data sharing accessing framework. Their Excellences directed Ministers of ICT, Finance and Central Bank Governors to expedite the harmonization of Northern Corridor cross-border mobile financial services interoperability and report to the next Summit.

The Heads of State further noted the signing of the Memorandum of Understanding on cooperation and information sharing by Ministers.

- C. On Oil Refinery Development, the Summit welcomed the decision by United Republic of Tanzania to invest in the shareholding of the Uganda oil refinery project.

- D. On Crude Oil, the summit agreed that two crude oil pipelines one from Lokichar to Lamu and another from Hoima to Tanga, will be developed by Kenya and Uganda respectively.
- E. On Political Federation, the Summit decided that the matter will be handled under the East African Community
- F. On Project Financing, the Summit direct Ministers of Finance to establish harmonized financing models to facilitate the private sector's participation in the projects. Ministers of Finance in conjunction with Ministers of Energy were directed to engage the private sector on financing of the refined petroleum product pipeline through the Public Private Partnership model. The Heads of State directed Ministers of Finance to continue sourcing funds for other projects.
- G. On Power Generation, Transmission and Interconnectivity, the Summit directed Ministers to address the delays in completion of transmission lines, acquisition of land away leaves which has hindered the commencement of power trade. The Summit further directed that a joint inspection be undertaken on construction of the 220 kV and 400 kV transmission lines to determine the progress and report to the next Summit. The Heads of State welcomed the commitment by African Development Bank to finance the feasibility study for the Olwiyo -Juba 400kV transmission line.
- H. On Air Space Management, the Summit directed Ministers of Transport to continue engaging the airline industry and stakeholders to enhance competition and to reduce the cost of air travel in the region.
- I. On Human Resource Capacity Building, the Summit appreciated the adoption of a Framework for offering scholarships to students in the Partner States' Centres of Excellence (CoEs) and directed Ministers to expedite review of the legal status of CoEs to enable them access and mobilize adequate funding.
- J. On Commodities Exchange, the Summit noted with appreciation progress towards developing interlinked trading platforms and a mechanism for promotion economies of scale and value addition.
- K. On Land for the Infrastructure Corridor, the Summit directed Ministers responsible for Land and Attorneys General to expedite the review and amendment of Land laws to facilitate easier acquisition of land for projects.

- L. On Immigration Tourism, Trade, Labour and Service, the Heads of State noted with appreciation the adoption of the Joint Schedule for Total Liberalization of Free Movement of Labour and directed the schedule be implemented expeditiously. The Summit directed Ministers to develop strategies to address emerging threats of human trafficking and other transnational crimes.
- M. On Single Customs Territory (SCT), the Summit welcomed the harmonization of the warehousing regime and expansion of the commodities under the Single Customs Territory. They directed that a strategy document on joint enforcement along the Northern Corridor be developed and presented to the 14th Summit.

The Summit noted the report of the Time Release Study by the Northern Corridor Transit Transport Coordination Authority (NCTTCA) which has recorded increased efficiency on the time it takes to move cargo from the Port of Mombasa to the inland destinations along the Northern Corridor.

The Summit directed Ministers responsible for Finance and Trade to ensure the shipping lines and insurance companies finalize and sign an agreement on elimination of cash deposits for containers.

- N. On Defence, Peace and Security Cooperation, the Heads of State directed Ministers of Foreign Affairs, Defence, Peace and Security to finalize the draft Accession Treaties to the Mutual Defence Pact as well as the Mutual Peace and Security Pact; Mechanism for Comprehensive Conflict and Dispute Resolution; and Draft Coordination Mechanism
- O. On Private Sector, the Summit noted the active participation and engagement of the private sector in the various clusters of the Northern Corridor integration projects. They welcomed the private sector's commitment to provide innovative financing options.

The 14th Summit on the NCIP is expected to:

- i. Take note of the progress made towards the implementation of the above directives; and
- ii. Give Direction on the Northern Corridor Integration Projects.

3.0 Any Other Business