



USAID
FROM THE AMERICAN PEOPLE

KENYA AND EAST AFRICA



**EAST AFRICA
REGIONAL DEVELOPMENT
COOPERATION STRATEGY
2016 – 2021**

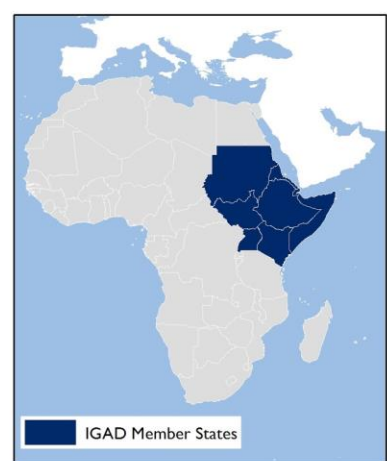
TABLE OF CONTENTS

MAP OF EAST AFRICA	ii
ABBREVIATIONS	iii
A. EXECUTIVE SUMMARY	1
Strategic Priorities	2
Underlying Principles	2
B. REGIONAL DEVELOPMENT CONTEXT	5
Overview	5
C. DEVELOPMENT HYPOTHESIS AND RESULTS FRAMEWORK	13
Cross-Cutting Strategic Issues.....	14
D. DEVELOPMENT OBJECTIVES	19
DO 1: Sustainable Regional Economic Integration Advanced.....	19
DO 2: East Africans Effectively Managing Risks that Transcend Borders	28
DO 3: Strengthen East African Institutions’ Leadership, Policies and Learning.....	37
E. MONITORING, EVALUATION, AND LEARNING PLAN	44
Monitoring.....	44
Evaluations.....	45
Collaborating, Learning and Adapting.....	45
ANNEX 1: REGIONAL INSTITUTIONS’ STRATEGIC PRIORITIES	47
ANNEX 2: GLOBAL CLIMATE CHANGE RISK ASSESSMENT	49
ANNEX 3: FEED THE FUTURE	62

Cover Photo

A customer pays for bananas at Kawonza Market in Eastern Province, Rwanda.
Credit: TRADEMARK EAST AFRICA

MAP OF EAST AFRICA



Prepared by: USAID KEA EXO/GIS Facility Nairobi, Mar 2016



The boundaries and names used on this map do not imply official endorsement or acceptance by the U.S. Government.

ABBREVIATIONS

AAD	Activity Approval Documents
ACTE	African Competitiveness and Trade Expansion
AfDB	African Development Bank
AGCE	Africa Geothermal Centre of Excellence
AGOA	Africa Growth and Opportunity Act
AMCEN	African Ministerial Conference on the Environment
AMIS	Activity Management Information System
AoA	Agreement on Agriculture
AU	African Union
AU-IBAR	African Union Bureau for Animal Resources
AUC	African Union Commission
CAADP	Comprehensive Africa Agricultural Development Program
CAR	Central African Republic
CBD	Convention for Convention on Biological Diversity
CEWARN	Conflict Early Warning and Response Mechanism
CEWERU	Conflict Early Warning and Response Units
CIN	Climate Information Network
CITES	Convention on International Trade in Endangered Species
CLA	Collaborating, Learning, and Adapting
COMESA	Common Market for Eastern and Southern Africa
CPI	Corruption Perception Index
CPMR	Conflict Prevention, Mitigation, and Response
CSO	Civil Society Organization
CT	Counter Terrorism
CVE	Combating Violent Extremism
DFID	Department for International Development
DO	Development Objective
DRC	Democratic Republic of the Congo
EAC	East African Community
EAPP	East African Power Pool
EGL	Energy for the Great Lakes
EU	European Union
FDI	Foreign Direct Investment
FSN	Foreign Service National
GCC	Global Climate Change
GDP	Gross Domestic Product
GEO	Global Earth Observations
GHG	Greenhouse Gas
GHI	Global Health Initiative
GHSA	Global Health Security Agenda
HoA JPC	Horn of Africa Joint Planning Cell

ICPAC	IGAD Climate Prediction and Applications Centre
IGAD	Intergovernmental Authority on Development
INC	Initial National Communications
IP	Implementing Partner
IR	Intermediate Result
IRB	Independent Regulatory Board
IRENA	International Renewable Energy Agency
IT	Information Technology
JICA	Japan International Cooperation Agency
LATF	Lusaka Agreement Task Force
MDR-TB	Multi-Drug Resistant TB
M&E	Monitoring and Evaluation
MEA	Multilateral Environmental Agreements
MLN	Maize Lethal Necrosis
MMR	Maternal mortality ratio
MW	Megawatts
NAPA	National Adaptation Programs of Action
NELSAP	Nile Equatorial Lakes Subsidiary Action Program
NGO	Non-governmental Organization
NTB	Non-tariff Barriers
OCA	Organizational Capacity Assessment
PAD	Project Appraisal Document
PEPFAR	President's Emergency Plan for AIDS Relief
PIO	Public International Organization
PMP	Performance Management Plan
RCMRD	Regional Centre for Mapping of Resources for Development
RDCS	Regional Development and Cooperation Strategy
RDOAG	Regional Development Objective Agreement
REC	Regional Economic Community
RIE	Regional Implementing Entity
RIGO	Regional Intergovernmental Organization
TB	Tuberculosis
UN	United Nations
UNDP	United Nations Development Program
UNICEF	United Nations Children's Fund
USAID/KEA	United States Agency for International Development/Kenya and East Africa
USDH	United States Direct Hire
US PSC/TCN	United States Personal Service Contractor/Third Country National
USG	United States Government
VE	Violent Extremism
WASH	Water, Sanitation, and Hygiene
XDR-TB	Extensively Drug-Resistant TB
YALI	Young African Leaders Initiative

Technicians at Polucon Laboratories in Mombasa, Kenya, test a sample of wheat.



A. EXECUTIVE SUMMARY

East Africa is rising and becoming more intra-dependent. Opportunities to advance sustainable economic growth and human development are increasing. At the same time, challenges that are inherently regional have become more constraining and have increased the region's vulnerability to negative shocks. Mitigating these threats and achieving timely and durable progress across the region will require investment in the future of East Africa based on a strategy that emphasizes greater integration, collaboration and cooperation among East African institutions and their partners.

With a few exceptions, East Africa's economies are among the fastest-growing in the world, with technological change sweeping across the region and offering tremendous opportunities in banking, medicine and business. Labor and capital are moving faster and more easily across borders. East African businesses are better able to access regional and global markets. Opportunities abound. In the future, the stability and prosperity of the region will depend on continued regional integration led by regional institutions, both as a tool for sustainable economic growth and to promote resilience. Through integration and with the support of partners, including the U.S. Government (USG), East Africa can become the world's next major economic success story.

The decades-long movement within East Africa to integrate individual economies and address challenges through coordinated action is rooted in goals of using market scale, competition and collaboration to drive development. USAID has supported regional integration in East Africa since the 1990s. In the intervening years, East Africa has become more interconnected with the global economy, the international community and the United States in particular. Intra-regional trade within the Common Market for Eastern and Southern Africa (COMESA), for instance, has grown from \$15 billion in 2009 to \$21 billion in 2014. Since 2008, exports from the East African Community (EAC) to the U.S. have grown by 29 percent. Nevertheless, East African integration still has a long way to go. Intra-regional trade is only 13 percent, compared to trading blocs in Europe (60 percent) and Asia (40 percent).¹

In this Regional Development and Cooperation Strategy (RDCS), USAID/Kenya and East Africa (USAID/KEA) employs lessons from the past while setting a new standard of cooperation. It supports African leadership and aspirations by aligning with key African and global development agendas such as: (1) the African Union's Agenda 2063, (2) the global "Agenda 2030" (outlining the Sustainable Development Goals) and (3) the strategies of each of the partner regional institutions.² Similarly, the RDCS is consistent with U.S. global and regional foreign policy priorities as conveyed in President Barack Obama's U.S. Strategy Toward Sub-Saharan Africa.

This five-year RDCS is grounded by a long-term vision of an *integrated, prosperous and resilient East Africa*. It proposes to work directly with and through regional partner institutions to achieve three development objectives that reinforce each other toward achieving the overall goal of *enhancing East African-led sustainable economic growth and resilience*. In keeping with aid effectiveness principles and the USAID Forward initiative, the vision and goal align with the aspirations of East Africans and their institutions, as set out in their mandates and strategic plans.

Through strengthened partnerships with regional institutions, the private sector, and civil society organizations, USAID/KEA's strategy will deepen integration, improve cross-border risk management and strengthen regional institutions' leadership and learning. To accomplish this, the strategy will support

¹ Facts and figures identified as "intra-regional" or attributed to "East Africa," unless otherwise specified, are representative of the five countries of EAC (Kenya, Tanzania, Uganda, Burundi and Rwanda) only and not the broader region as defined by USAID/KEA.

² A summary of the strategic priorities of key regional partners — the regional intergovernmental organizations (RIGOs) — such as the EAC, COMESA and the Intergovernmental Authority on Development (IGAD), is in Annex 1.

East African leaders as they harmonize policies and standards and scale up technologies and best practices in trade, investment, agriculture, energy transmission, environmental and natural resource management, climate change and countering violent extremism (CVE), as well as manage critical health threats. In addition, this strategy will seek to strengthen East African institutions' leadership of the development agenda by enhancing their systems and structures, technical capacity and use of evidence in policymaking, and reaffirm their commitments to inclusive development principles.

By focusing on regional partner institutions, this RDCS is different from past USAID regional strategies that are geographically defined by their support to specific bilateral USAID missions or by country coverage. In terms of scope, USAID/KEA traditionally defines East Africa to include the 15 easterly countries in the continent, as shown in the map on page 1. The scope of this strategy, however, is set by regional East African partner institutions — specifically the three key regional intergovernmental organizations (RIGOs), as these organizations are to this strategy what a country government would be to a bilateral strategy.

Strategic Priorities

The East Africa RDCS is founded on the following three priorities:

- 1) *Promoting regional partner institutions as a local solution.* Supporting the RIGOs in achieving long-term sustainable development within East Africa by increasing their institutional strength and leadership expertise as they work with stakeholders to advance mutually-beneficial policies and address threats.
- 2) *Intra-regional economic integration and trade as the means to growth.* Improving market access across borders, reducing barriers to trade and facilitating smart policy are proven and necessary requirements for East African firms and laborers to take full advantage of the global economy to foster equitable and sustainable growth.
- 3) *Regional resilience to internal and external shocks.* Partnering with regional institutions to identify and address the urgent and immediate threats to economic and political stability, including food insecurity and transnational threats such as the rise of violent extremism, to secure sustainable development gains.

Underlying Principles

The East Africa RDCS subscribes to the following principles:

East African Ownership

USAID/KEA recognizes the need to collaborate closely with regional partner institutions to ensure that funding supports African agendas that promote joint objectives, rather than driving those agendas. This RDCS and its approach of working with and through partner institutions also represents a fundamental change in USAID's relationships with these institutions, from implementer to strategic partner. To facilitate this transition, the strategy prioritizes and focuses on enhancing the long-term institutional strength of partner institutions.

Institutional Capacity and Knowledge

Regional partner institutions, with mandates to lead the development agenda and coordinate across member countries, are building a body of knowledge on integration experience that will guide future decisions. Data, science, technology and innovation should inform evidence-based decisions. This strategy intends to help strengthen regional institutions' capacities to become "knowledge hubs" and repositories of best practices, as well as forums for inclusive policy reform discussions. In addition to aligning with strategic priorities,

knowledge hubs will promote shared values and principles, such as consideration for gender and inclusive development.

Coordination with Bilateral Missions

To take advantage of unique opportunities and to ensure that the East African regional program does not duplicate the efforts of bilateral USAID missions, this RDCS focuses primarily on regional issues that require regional solutions. By focusing on these regional issues and institutions, the strategy will help enhance and expand the benefits of country-level programs. USAID/KEA has worked and will continue to work closely with bilateral missions to ensure that each program is complementary. Additionally, USAID/KEA commits to improving information-sharing and collaboration with bilateral missions to increase awareness and inform regional programs of developments within the countries. Given that CVE is one of the key regional priorities, USAID/KEA will especially focus on strengthening coordination among bilateral USAID missions, supporting their efforts to develop CVE-related strategies and projects, as well as advancing regional research and sharing best practices in the field of CVE.

A vendor sells fruit by the road in
Kayanza Province, Burundi.



B. REGIONAL DEVELOPMENT CONTEXT

Overview

East Africa's real gross domestic product (GDP) growth rate is expected to reach 6.1 percent in 2016, the fastest-growing sub-regional grouping in Africa.³ Even when accounting for strong population growth, per capita GDP growth is anticipated to remain relatively high at 3.5 percent. As the economies of East Africa rapidly expand, poverty rates are falling but remain prevalent. All countries in the region, from Ethiopia (37 percent) to the Democratic Republic of the Congo (88 percent),⁴ struggle with some of the highest and most persistent rates of poverty globally. Moreover, inequality — both income and gender — persists and has improved little over the last decade.

Despite challenges, East Africa continues to rise. It is endowed with substantial human and natural resources, including biological diversity. Economic governance markedly improved over the past decade and the region has begun to open its doors to global markets. Investment and trade are expanding. East Africa, however, remains one of the last regions in the world positioned to achieve the full economic benefits of integration. As such, opportunities for increased intra-regional trade and broad-based economic growth are extensive.

Despite the many positive trends, East Africa is susceptible to shocks and stresses.⁵ Shocks can arise in many forms, whether related to economic, conflict, environmental or disease-related factors, and have the potential to diminish development gains, exacerbate inequalities and stagnate future growth. As a regional operating unit, USAID/KEA is positioned to partner with regional institutions, share knowledge and apply its resources and technical expertise in support of the regional institutions' efforts to achieve sustainable economic growth and resilience to shocks.

Cross-Sector Development Opportunities

- **Demographic Dividend:** East Africa has the potential to benefit from a sizable demographic dividend by 2030. If recent reductions in child mortality and fertility rates are maintained, an estimated 60 percent of the population will be in the labor market in 15 years. This structural change in employment will have significant impact on poverty and inequality. To take advantage of this opportunity, it is essential that East Africa lays the foundation for these new entrants to find full employment and contribute to economic growth. While USAID/KEA casts this as an opportunity, achieving it is highly dependent on the region's ability to take advantage of this demographic dividend.
- **Foreign Investment:** Net foreign direct investment (FDI) is expected to reach 3.8 percent of GDP in 2016. A positive trend in FDI growth is indicative of the region's improving position as a business and services hub. Entrepreneurs and the broader private sector are already channeling new investment streams toward innovation and productivity gains. Nevertheless, further improvements in the business-enabling environment and harmonization of economic policies across the region can help remove barriers to investment.
- **Agriculture:** Increased agriculture productivity in several East African countries means more staple foods are available to supply regional markets. USAID Feed the Future country programs in

³ Refers to the growth rate for Rwanda, Burundi, Tanzania, Kenya and Uganda only, International Monetary Fund, Regional Economic Outlook for Sub-Saharan Africa, October 2016

⁴ World Bank Poverty Data Bank, povertydata.worldbank.org/poverty, 2016

⁵ Shocks are sudden events that impact on the vulnerability of the system and its components. Many types of disaster-related shocks can strike at different levels. These include disease outbreaks, weather-related and geophysical events including floods, high winds, landslides, droughts or earthquakes. Conflict-related shocks can include outbreaks of fighting or violence, or shocks related to economic volatility. Stresses are long-term trends that undermine the potential of a given system or process and increase the vulnerability of actors within it. These can include natural resource degradation, loss of agricultural production, urbanization, demographic changes, climate change, political instability and economic decline. Defining Disaster Resilience: A DFID Approach Paper, 2011, DFID.

Tanzania, Ethiopia, Kenya, Rwanda and Uganda have contributed to that increase. Regional programming facilitates cross-border movement and agro-processing. Agriculture makes up 80 percent of the goods traded in the region.

- **Remittances:** Remittances from East Africans living abroad is steadily growing as an external source of capital. Total remittances to the region increased from \$1.7 billion in 2005 to \$3.4 billion in 2014. Remittance flows can be a major contributor to growth if applied to productive investments.
- **Wildlife:** Situated on the only continent with such a high diversity of megafauna, East Africa is well positioned to reap tremendous ecotourism benefits. Realizing these benefits will require maintaining key habitats in trans-boundary ecosystems and preventing wildlife decimation.

Cross-Sector Development Challenges

- **Shocks:** Shocks and stressors drive chronic vulnerability and undermine inclusive growth and security. Regionally, East Africa is vulnerable to both recurring and unanticipated shocks, as well as shocks with a relatively slow onset. Climate shocks have short-term and cyclical effects, such as drought, floods or temperature variation, as well as longer-term impacts. Shocks may arise due to pandemic health crises or the emergence and transmission of disease across borders due to population, livestock and wildlife movements. Political instability, conflict and the recent rise in violent extremism all have the potential to severely undermine development gains and further disrupt the delivery of humanitarian and development assistance. Equally, East Africa is susceptible to the effects of changes in global economic growth and demand. As global economic growth slows and international commodity prices drop, long-term development consequences for the region rise. Given their ability to mobilize the resources of all member countries, regional organizations' readiness to address shocks of all types must be enhanced to fully realize their mandates.
- **Inequality:** Globally, income, gender and other social inequalities impede growth. In East Africa, per capita income growth has not been sufficient to reduce income inequality. While structural reasons for inequality exist, such as the fertility rate, policy reforms are needed to positively impact equality within the region. At the regional level, working to harmonize policies on inclusion and reduce restrictions on economic activity for women and marginalized groups will promote growth and development on a wide scale.
- **Externalities of Integration:** This strategy and the strategies of regional institutions strive to more fully integrate East Africa. Regional integration has numerous positive effects, including decreased cost of goods to consumers, increased job opportunities, growth in GDPs and access to shared resources. However, integration can produce unintended, negative consequences. The adoption of a single customs union has decreased the time and cost of transporting goods, but has also made it easier to smuggle illegal goods, such as animal products and narcotics. The limited production and export of clean energy could lead to a degradation and overexploitation of natural resources. Increased trade and job opportunities generally lead to an increasingly mobile population and transboundary movement of livestock, wildlife and animal products, potentially spreading infectious disease across borders or contributing to the emergence of new diseases. While integration is generally seen as a positive step, programming must identify, monitor and address negative consequences.
- **Corruption:** All countries in East Africa suffer the effects of entrenched corruption. Most countries have fared poorly in the Transparency International Corruption Perception Index (CPI). According to the 2015 CPI, only Rwanda was in a relatively strong position at 44 out of 168 countries. Kenya was ranked at 139, with Somalia ranked last. Corruption has a negative and persistent impact on inclusive economic growth and development as it diverts resources away from socially optimal investments. Corruption issues within national governments can potentially impact and undermine regional institutions.

Sectoral Challenges and Opportunities

A. Natural Resources and Climate Change

Sustainable management of the environment and its natural resources is vital for economic growth, stability and human well-being in East Africa. If managed well, renewable natural resources, wildlife, watersheds, productive landscapes and ecosystems can provide the foundation for sustained inclusive growth and poverty reduction. Management of these resources will provide livelihoods to millions within the region, generating sizeable tax revenue from productive sectors such as extractive, agriculture, tourism and fisheries. Increased and sustainable livelihoods, combined with revenue increase, will increase resilience and provide a foundational and cost-effective buffer against extreme weather events and climate change.

Degradation and overexploitation of natural resources, low food production, inadequate access to quality water, increasingly sophisticated wildlife poaching and demographic changes due to nature-based conflict and insufficient energy services all threaten the region's ecosystem integrity and economic development.⁶ Regional climate change projections indicate further pressure on the natural resource base of the region. Warming of just 2 degrees Celsius could result in permanent reductions in per capita income of 4 to 5 percent. As a result of existing vulnerabilities in populations and ecosystems, the region is likely to face water shortages, causing serious impacts to food security, access to safe drinking water and sanitation. Climate change will have severe implications on rain-fed agriculture, affecting local cropping patterns — especially of staple crops — and trade.

Biodiversity and transboundary ecosystems are essential for the long-term growth of economic sectors such as agriculture, forestry, fisheries, mining and tourism. Combating transnational wildlife crime and ensuring sound management of recent mineral discoveries in oil and gas are emerging issues that will require regional solutions.

B. Trade and Investment

While intra-regional trade within the East African Community increased from \$3.7 billion in 2008 to \$6 billion in 2013, a significant increase of 61 percent, it represented a total of only 13 percent of trade. This pales in comparison with intra-regional trading blocs in Europe (60 percent) and Asia (40 percent). The enactment and implementation of both the EAC Customs Union and Common Market protocol have contributed to the increase in intra-regional trade and the implementation of the EAC Single Customs Territory is further reducing trade barriers. Yet, substantial growth potential exists for East Africa if the potential for intra-regional trade is unlocked.

The small size of national economies within East Africa presents a major constraint to export competitiveness, diversification and investment. Protectionist policies by individual governments, particularly in staple foods, have restricted trade, exacerbated food insecurity and hampered economic integration. Myriad differing regulations, tariff and nontariff barriers to trade and underperforming markets discourage production and inhibit aggregation from exports, raising costs to both producers and consumers. Limited ability to meet staple food standards further hinders access to regional and international markets.

Transit and transportation costs in East Africa raise the final cost of goods by as much as 40 percent and are among the highest in the world.⁷ High transaction costs and low economies of scale discourage investments in technologies, infrastructure, and expertise needed to enhance East Africa's competitiveness. Transaction costs also impede the region's ability to take advantage of trade preference programs, such as the Africa Growth and Opportunity Act (AGOA). Investment in trade facilitating infrastructure (ports, roads, rail,

⁶ Hecht, Joy E., J. Kahata, K. Vincent (2011). Key Considerations and Opportunities for a USAID Climate Change Program in the East African Region: Implications of the Costs Imposed by Climate Change in Three Ecoregions of East Africa. Prepared for USAID/KEA by International Resources Group.

⁷ Corridor Diagnostic Study of the Northern and Central Corridors of East Africa, January 2011, Nathan Associates.

border posts) and soft infrastructure (information technology, procedures, standards) remain essential to enabling the private sector to utilize the economic integration policy environment now in place.

C. Agriculture and Food Security

On a continuing basis, an estimated 19.5 million people in East Africa (including South Sudan and Somalia) face “stressed” to “crisis” levels of food insecurity. Emergency food aid and a growing dependence on humanitarian assistance have become commonplace in the semi-arid and arid lands of Kenya, Ethiopia, Uganda, Somalia and South Sudan. In the drylands, the frequency of drought has increased significantly over the past decade. Moreover, gender inequalities exacerbate food insecurity. In East Africa, women have little control over farm decision-making, resources or income,⁸ and as a result, women are under-resourced to combat food insecurity for themselves and their families. This is true despite women contributing approximately 70 percent of agricultural labor, 90 percent of the hoeing and weeding work, 60 percent of harvesting and marketing activities and 80 percent of food storage and transport from farm to village, as well as 90 percent of household water and fuelwood collection and nearly 100 percent of household food preparation.⁹

East African drylands are vibrant centers of livestock trade and mobility, with populations renowned for their ability to survive and adapt in harsh environments but they are repeatedly hit by shocks and struggle to organize the means to respond. Production of meat and milk from these areas typically contribute between 5 to 15 percent of total GDP of countries in East and West Africa. However, the drylands have a disproportionate number of the region’s poor population. The World Bank estimates that by 2030, the number of vulnerable, drought-affected people living in drylands is projected to be 60 percent higher than in 2010. The same report found that in 2010, only 30 percent of households in the Sahel and the Horn of Africa possessed enough livestock assets to stay out of poverty in the face of recurrent droughts.¹⁰ With high population growth rates and increased environmental degradation, USAID and regional institutions must partner to ensure fundamental transformation of the livelihood systems in these areas now or face great humanitarian consequences later.

Agro-ecological zones form a complex patchwork of high and low potential areas of agricultural production crossing the entire region and its borders. Unfortunately, many areas of food surplus lie adjacent to areas of food deficit, but food does not move efficiently or reliably from surplus to deficit areas, limiting the potential market-based response to food insecurity. Instead, chronic food shortages regularly require humanitarian assistance, largely due to issues of distribution: inefficient markets, borders and policies that restrict movement of staple foods and exacerbate fluctuations in prices. Threats to the region’s staple crops and their solutions need coherent, widely aligned solutions. Trade and proximity, while beneficial, can spread disease. Both the emergence of maize lethal necrosis (MLN), which is threatening to decimate smallholder production, and the persistence of serious health threats caused by aflatoxin fungus in food supplies pose major threats to food production if left unchecked. Solutions based on research and dissemination of results can be identified and jointly adopted.

The World Bank estimates that East Africa produces enough food to feed its people, but underperforming markets and trade barriers prevent food moving from areas of surplus to deficit. Under the Malabo Declaration in 2014, African states committed to tripling intra-regional agricultural trade by 2025 to achieve greater food security and enable agricultural sector growth. Malabo reaffirmed member states’ commitments

⁸ The Role of Women in Agriculture, United Nations Food and Agriculture Organization, March 2011.

⁹ ASARECA, Gender Mainstreaming Strategic Plan, quoting FAO sources, 2009.

¹⁰ International Bank for Reconstruction and Development/The World Bank, *Confronting Drought in Africa’s Drylands: Opportunities for Enhancing Resilience*, 2015

to agriculture growth as a key driver of the economies in the region¹¹ to stimulate growth, decrease poverty and improve food security.¹²

D. Energy and Power Development

Improved power capacity and access to clean and affordable energy are required to meet increasing demands from economic growth and household consumption. Demand drivers for energy include increased urbanization, new infrastructure projects, mineral and extractive industries, retail-related manufacturing and the expansion of agricultural value chain and agribusiness — all of which underpin commercial and industrial developments going forward. To meet these growing demands, East Africa will need to triple power capacity within the next five years.

As energy demands increase, an integrated approach that complements country goals and objectives is essential. Each country stands to benefit from a regional approach to sharing clean energy sources, such as geothermal, wind and solar. Economies of scale, due to a regional power system, will reduce the costs of construction and services when compared to systems developed and used on an individual country level. The region has the potential to reduce the cost of energy services by 30 percent through new power generation and interconnected services. In addition, power pools can instantly accommodate large single users, eliminating the prolonged delays associated with the construction of new energy projects, allowing them to tap into the accumulated reserve margins of the member countries.

E. Health

Sustainable economic growth and management of risks in the East African region are directly linked to strengthening regional health policies and systems. New pandemic threats, high-consequence endemic diseases, cross-border migration and fragmented health systems challenge the region and limit economic growth potential. The convergence of people, animals and the environment resulting from population and economic growth has led to the emergence of new, deadly infectious disease threats that will increase steadily in the coming decades.¹³ New disease emergence is significantly correlated with socio-economic factors that impact the environment, suggesting that the emergence of infectious diseases may result from human economic development.¹⁴ Large epidemics, in turn, have significant economic costs. Furthering this cycle, in ecologically fragile areas, population growth and inadequate access to health services can further stress land use and reduce economic productivity.

Controlling infectious disease among migrant populations is particularly challenging. However, the capacity to collect migration statistics and communicate them efficiently is severely constrained. More than 6 million East Africans are living with HIV/AIDS, and tuberculosis (TB) causes more than 600,000 deaths a year. Ethiopia, Kenya, Tanzania and Uganda remain among the 22 “high-burden” countries for TB (cases per year are above 100 per 100,000). In East Africa, women are disproportionately affected with HIV. Infection rates among women between the ages of 15 and 24 are double that of their male peers.¹⁵ Polio is also a risk in the region, with wild polio virus still circulating in Somalia, leading to cross-border outbreaks such as the one in Kenya in 2013. Added to the high rates of maternal and child morbidity and mortality in the region, approximately 1 million children in conflict-torn areas are living without access to health services, presenting a risk for infectious disease control particularly among migrant populations, for whom health services are even more fragmented. To stop the spread of cross-border infectious diseases, national governments, regional

11 World Bank, *Political Economy of Regional Integration in Sub-Saharan Africa*, 2015; and, World Bank, *Africa Can Help Feed Africa: Removing barriers to regional trade in food staples*, 2012.

12 World Bank, *Defragmenting Africa: Deepening Regional Trade Integration in Goods and Services*. 2012. Juma, C. 2011. *The New Harvest: Agricultural Innovation in Africa*. Oxford University Press, Oxford and New York.

13 Thomas, Mark Roland; Smith, Gregory; Ferreira, Francisco H. G.; Evans, David; Maliszewska, Maryla; Cruz, Marcio; Himelein, Kristen; Over, Mead. 2015. *The economic impact of Ebola on sub-Saharan Africa: updated estimates for 2015*. Washington, DC: World Bank Group.

14 Asian Development Bank (2003): *Assessing the Impact and Cost of SARS in Developing Asia: Asian Development Outlook 2003 Update*, Hong Kong, China, Oxford University Press for the Asian Development Bank.

15 *Epidemiology Research International*, Volume 2014, Article ID 417038, page 7.

institutions and international organizations must use regional platforms to collaborate and share health information quickly.

Harmonizing health policies, regulations and standards across the region is necessary to develop efficiencies in the health system. For example, the region faces challenges in financing health services, including underfunding, heavy reliance on donor and out-of-pocket financing and limited availability and use of health insurance. In addition, the absence of standardized accreditation and licensure agreements mean that health workers are not free to move across borders to fill critical personnel gaps. A regional approach is needed to harmonize and strengthen these areas, as well as to address health care needs among transient populations, particularly along borders, and prevent and respond to infectious disease threats. Working in partnership with regional intergovernmental organizations such as the EAC or IGAD, non-governmental organizations, the United Nations and other bilateral and multinational partners presents opportunities to leverage and maximize innovation and best practices to strengthen systems and increase resiliency in the region.

F. Conflict and Violent Extremism

Persistent conflict, authoritarian regimes, wide ungoverned spaces where populations have been marginalized and alienated and weak governance in East Africa continue to make it one of the most unstable regions in the world. Significant portions of the region remain unable to break free of the lethal combination of violent extremism, armed conflict, crime, communal and sexual violence, and state failure that has plagued the area for decades. Inadequate personal security and violations of human rights leave citizens and communities feeling chronically vulnerable to violence, thereby discouraging meaningful civic and economic participation, with women and disadvantaged groups most affected. This instability slows economic progress, creates a perpetual cycle of weak economies and abets crime and violent extremism that weaken governance and instills authoritarianism and state failure.

The recent rise in violent extremist throughout the region is alarming. A combination of “push” and “pull” factors are at work in the radicalization of communities and youth. “Pull” factors include the appeal of a particular leader or inspirational figure, material, emotional or spiritual benefits (i.e., prospect of glory or fame, access to material resources, social status, sense of belonging, self-esteem, personal empowerment) that affiliation with a violent extremist group like al-Shabaab may confer. “Push” factors include social marginalization, poverty and inequality; high rates of unemployment; continued pressure on natural resources and land; insufficient formal services or social amenities for youth; and ongoing human rights violations and absence of rule of law. Social media carries messages that appeal to and is persuasive among marginalized youth and populations seeking alternatives to systems that have not served them. Women’s role in society is affected in communities where violent extremism takes root and any development gains for equality and public participation are eliminated. Limited cooperation between these affected communities, their governments and the private sector in countering violent extremism hinders the effectiveness of ongoing initiatives on this important issue. The region, despite these challenges, is witnessing a positive shift in national government commitment to countering violent extremism and management of conflicts.

U.S. Foreign Policy, National Security and East Africa Development Priorities

The 2014 Africa Leaders’ Summit emphasized the U.S. Government’s focus on trade and investment in Africa and highlighted the U.S. commitment to Africa’s security, democratic development and people. At the same time, it highlighted the depth and breadth of the U.S. commitment to the African continent, advanced the shared priorities and enabled discussion of concrete ideas to deepen the partnership. At its core, the summit was about strengthening ties between the United States and Africa. The summit provided an opportunity to discuss ways of stimulating growth, unlocking opportunities and creating an enabling environment for the next generation.

This RDCS seeks to address the above priorities drawing from the 2015 National Security Strategy, the 2015 Quadrennial Diplomacy and Development Review, the 2012 U.S. Strategy Toward Sub-Saharan Africa and

the 2015 East Africa Counter Terrorism and Counter Violent Extremism (EA CT/CVE) Strategy. Operationally, the RDCS is consistent with the USAID Policy Framework 2011–15, with all three development objectives falling within the seven core development objectives under the framework and the seven operational principles.

This RDCS is directly aligned with and designed to advance the goals and objectives of principal regional economic communities and partner intergovernmental organizations, including the East African Community, Common Market for Eastern and Southern Africa, the Intergovernmental Authority on Development and the African Union (AU). IGAD and the EAC have developed new five-year strategies that begin in 2016, and COMESA’s new Medium-Term Strategic Plan (2016–2020) will begin in 2016. This RDCS is designed to align with and advance these strategies. It is also well positioned to support the 2030 Agenda for Sustainable Development and Agenda 2063 “The Africa We Want.”

Several presidential initiatives — including Trade Africa, Feed the Future, Global Climate Change (GCC), the USAID Biodiversity Policy, the U.S. National Strategy to Combat Wildlife Trafficking, the Global Health Initiative (GHI), Global Health Security Agenda (GHSA), Power Africa, Young African Leaders Initiative (YALI) and the President’s Emergency Plan for AIDS Relief (PEPFAR) — will contribute to the achievement of the RDCS using regional approaches to support and supplement bilateral efforts.



A health worker vaccinates a child on the Kenya-Somali border.

C. DEVELOPMENT HYPOTHESIS AND RESULTS FRAMEWORK

In the long term, this strategy envisions an East Africa defined by integration, collaboration and cooperation of regional intergovernmental organizations (also called regional economic communities), national governments, the private sector and civil society, as each works to achieve shared prosperity and resilience. The vision statement, “*An integrated, prosperous, and resilient East Africa,*” connects USAID/KEA’s goal to the Agency’s mission statement: “*We partner to end extreme poverty and promote resilient, democratic societies while advancing our security and prosperity,*” and reflects an understanding that the regional program, by focusing on regional issues, institutions and leaders, ultimately speeds and grounds development impacts at the people-level.

The goal of the RDCS is:

Enhance East African-led sustainable economic growth and resilience

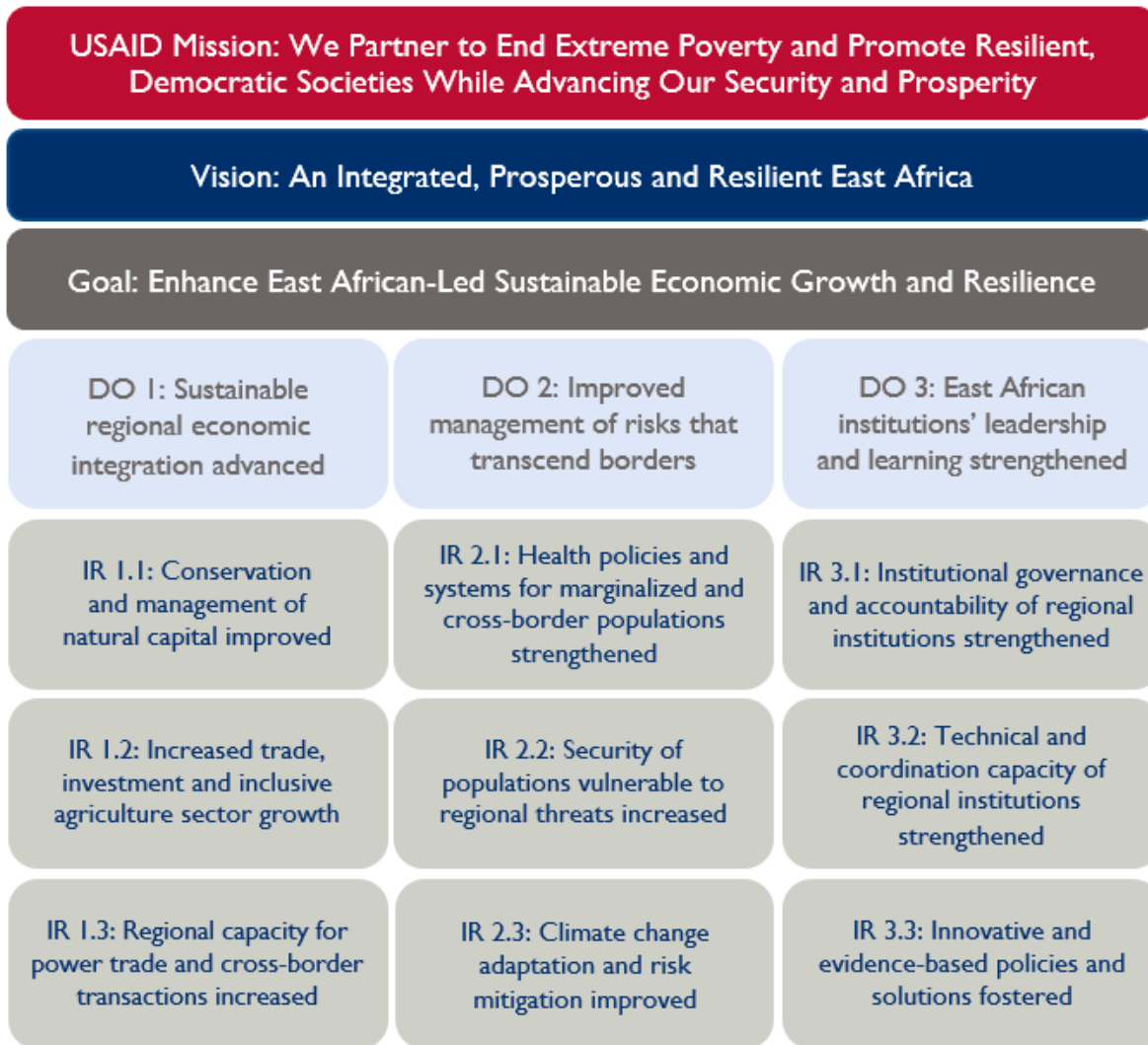
This goal sets a trajectory of measurable incremental improvement over five years. As the foundation for the RDCS results framework, the goal focuses on regional partner institutions as the leaders who, by working with and through them, will further the sustainable development outcomes to which USAID and its partners jointly aspire. By focusing on regional partner institutions, the strategy addresses challenges to development that are best addressed through improved cooperation and coordination between governments, institutions and systems.

For economic growth in East Africa to be sustainable, it must be inclusive, broad-based and founded on precepts of commercial benefit, need and economies of scale. Successful efforts in areas such as market integration, increased intra-regional trade, natural capital management, environmental protection and smart investment in key sectors such as agriculture and health provide opportunities to ensure regional integration. By promoting sustainability, this strategy will facilitate important development outcomes, such as improving food security through intra-regional trade, access to electricity through cross-border power transmission and transfer of knowledge to other common endeavors.

Resilience at the regional level is the ability of systems and institutions to guide the region to mitigate, adapt to and recover from shocks and stresses in a manner that reduces chronic vulnerability and facilitates inclusive growth and food security at the individual, household or government level. For East Africa, building resilience to common trans-border threats such as drought, pandemic health crises and violent extremism is a necessity.

To achieve the goal, this strategy sets out three development objectives, each focusing on USAID’s regional institutional partners.

RESULTS FRAMEWORK



Cross-Cutting Strategic Issues

Integration

East African countries have made strides toward integration — both political and economic — for decades. Economic integration — the process of eliminating economic barriers to the exchange of goods, services and capital and the movement of people — has well-documented benefits. As institutions work to integrate through harmonization of economic policies, the advantages of broader integration, whereby nations cooperate to bring all members' resources to bear on an issue of joint concern, allow for expanded development gains and efficiencies. Within this strategy, integration is a broadly cross-cutting issue. While economic integration is specifically identified in Development Objective 1 (DO 1), integration as a broader objective is included in DOs 2 and 3, as well as in the goal of this strategy. Integration is not just the vehicle used by USAID/KEA to pursue economic growth and resilience, but it is the Mission's objective and the objective of its partners. The integration efforts of the regional institutions of East Africa, specifically EAC, COMESA and IGAD, have solidified gains and set a trajectory for development to 2030 and beyond. Increasingly, these institutions and their efforts toward integration are becoming the model for the rest of the continent.

Regional Partnerships

The three key regional intergovernmental organizations are to this RDCS what a national government is to a bilateral strategy. The strategy, developed in collaboration with USAID's partners, defines a path for assistance, partnership and programs that promote African leadership and advance the shared priority of sustainable economic growth and resilience. USAID/KEA chose the three regional intergovernmental organizations as key partners due to their abilities to strengthen democratic institutions; spur economic growth, trade and investment; advance peace and prosperity; and promote opportunity and development. USAID aligns regional assistance according to these organizations' mandates and strategies, in line with USG foreign policy and development priorities. During the life of this strategy, these institutional partners may shift due to the dynamic nature of the region.

These regional intergovernmental organizations have taken the lead in driving the development agenda for East Africa, and great progress has been made toward integration. However, challenges still exist within these institutions and among national governments in the region. USAID/KEA is conducting assessments of each of the regional institutions and its findings will guide future decision-making and programming. Common findings and challenges include insufficient member state financial contributions; fragile leadership; and insufficient monitoring and evaluation (M&E) capabilities. Country-level support to these institutions and the implementation of regional policies at a national government level hinder regional efforts.

USAID/KEA's current RIGO partners include:

- **EAC:** Formed in 1999, the EAC consists of Burundi, Kenya, Rwanda, Tanzania, South Sudan and Uganda. It is the leading regional economic organization and it promotes broad-based growth and integration. USAID/KEA partners with the EAC to improve the quality of life of the people of East Africa through increased competitiveness, value-added production, enhanced food security, trade and investment. To date, USAID has provided \$17 million in assistance and will continue to provide direct assistance in trade and investment, environmental programs, agriculture sector growth and harmonizing health policies and standards. The EAC member states closely align with USAID's Feed the Future initiatives and the EAC promotes the Trade Africa initiative. The EAC works to harmonize policies and standards in agriculture including staple foods, customs and prevention of aflatoxin among crops. The EAC Common Market, which established that goods moving through East Africa would clear customs only once, is a key outcome of USAID/KEA's partnership with the EAC.
- **COMESA:** Since 1998, USAID has maintained a strong partnership with COMESA, which comprises 19 African member states with the mission to "endeavor to achieve sustainable economic and social progress particularly in trade, customs and monetary affairs, transport, communication, information and technology, industry and energy, gender, agriculture, environment and natural resources." USAID/KEA currently partners with COMESA in several sectors: trade and investment, agriculture, conflict mitigation and administration, governance, environmental and institutional strengthening. COMESA has been a key partner in harmonizing policy and standards, especially in the areas of biotechnology, seed and fertilizer. To date, intra-regional trade with COMESA has grown by 40 percent and it has contributed to the decrease in cost of doing business in East Africa. To date, USAID has contributed \$22 million in direct assistance to COMESA.
- **IGAD:** USAID/KEA's partnership with IGAD started in 2006 with support to the peace and security program, implemented through the Conflict Early Warning and Response Mechanism (CEWARN). IGAD, created in 1996, is based in Djibouti and comprises eight member states. IGAD's mission is to "assist and complement the efforts of the member states to achieve, through increased cooperation, food security and environmental protection; promotion and maintenance of peace and security and humanitarian affairs; and economic cooperation and integration." IGAD is currently USAID/KEA's primary regional partner in countering violent extremism (CVE) and strengthening cross-border conflict management in the Horn of Africa. USAID/KEA will support IGAD in the establishment of a

CVE center of excellence that will develop and harmonize regional CVE policies and provide an information-sharing platform for member states. Additional areas of collaboration include drought management, conflict mitigation, increasing food security and resilience and climate predictions. To date, USAID/KEA has provided \$23 million in assistance.

In addition to partnering with the three RIGOs, USAID/KEA will partner with other regional institutions, civil society and professional and private sector organizations. By supporting other partner institutions, USAID/KEA intends to promote their leadership, advocacy and ability to provide services to their members, build economies of scale and influence the regional intergovernmental organizations.

Donor Partnerships

In addition to regional partnerships, USAID/KEA will continue to collaborate with other donors actively engaged in promoting a regionally integrated East Africa. The European Union (EU) has been a key partner in advancing the resilience of East Africa, contributing to animal disease surveillance and the development of IGAD's Centre for Pastoral Areas and Livestock Development (ICPALD) and to IGAD's drought strategy. USAID/KEA's support to EAC has closely coordinated with the Department for International Development and the World Bank. The World Bank's assistance to the EAC has strengthened its capacity to implement a monitoring and evaluation system, establish a records system and provide technical assistance for the accounting and budgeting systems. The African Development Bank (AfDB) continues to be a strong partner and supports capacity building for the regional institutions. USAID/KEA partners with AfDB to develop a sustainable monitoring, evaluation and reporting framework for COMESA's peace/cross-border trade facilitation program. The program seeks to encourage formalized trade, peace and security and to assess the effects of cross-border trade for women. USAID/KEA partners with several other donors in regional programming, including the Japan International Cooperation Agency (JICA), the United Nations Development Program (UNDP), Sweden and Germany.

Science, Technology and Innovation

Development problems are increasingly complex. It is essential to innovate and adapt technologies to resolve these problems, but successful tests of innovative solutions often fall short of expectations when made available to a larger population. Lessons learned are not easily transferred. USAID/KEA will encourage the use of science and technology to reach development objectives and will continue to search for opportunities to use science and emerging technologies through the regional platform and institutions. In the health sector, mobile technology has provided family-planning text messages to women in Kenya and Tanzania and has offered health financing solutions. Mobile money systems are blossoming in the region and state-of-the-art technology is being used to advance regional climate sciences through utilization of earth observations and spatial analysis and planning. To combat wildlife trafficking, USAID/KEA is sourcing innovative solutions based in science and technology to detect transit routes, strengthen forensic evidence, reduce consumer demand and tackle corruption. Research will help identify knowledge gaps and additional opportunities to employ tactical science and technology tools.

Gender

Gender equality and women's empowerment is a critical element in supporting sustainable and inclusive economic growth and resilience in East Africa. Social, economic and political systems that disadvantage women contribute to adverse outcomes for entire communities and countries, and are often mirrored in regional institutions and systems. Far from being a secondary concern, steps to integrate gender equality into development programming will be critical in supporting economic gains and wider political cooperation across the region.

To promote gender equity in a fundamental way, the Mission will rely on an approach that is both cross-cutting and multi-sectoral. USAID/KEA will foster gender equity through East Africa regional institutions, building on

successful partnerships with these institutions and forging new partnerships with proven regional change agents. Significant gaps exist in institutional gender policies among regional institutions. USAID/KEA will work with these institutions to improve sex-disaggregated data collection and analyses relevant to improved gender policy development and decision-making. In conflict-prone areas and fragile states, inclusive approaches to supporting vulnerable populations will be stressed. Activities under this strategy will improve the knowledge base on gender issues and employ gender-sensitive programming approaches.

Global Climate Change

The goal of climate risk management is to build and institutionalize resilience to climate change risk and avoid maladaptation — development efforts that inadvertently increase those risks. USAID/KEA works in vast areas that are being impacted or will be impacted by climate change. The regional strategy will support African leaders to: increase security and resilience, adapt and reduce risks due to climate change, integrate climate-smart agriculture that includes drought-tolerant crop varieties and increase inclusive democratic governance. In addition, this strategy seeks to strengthen the technical and institutional capacity of regional institutions, regionally integrate climate prediction and analysis capability and encourage institutions to seek innovative and evidence-based solutions.

USAID/KEA, in line with the Executive Order (EO) 13677, “Climate-Resilient International Development,” promotes: (1) engaged and strong partnerships and information-sharing at a regional level; (2) risk-informed decision-making and the tools to facilitate it; (3) adaptive learning, in which experiences serve as opportunities to inform and adjust future actions; and (4) preparedness planning. USAID/KEA will incorporate this approach with regional institutions to minimize negative effects on climate change.

Resilience

USAID defines resilience as “the ability of people, households, communities, countries and systems to mitigate, adapt to and recover from shocks and stresses in a manner that reduces chronic vulnerability and facilitates inclusive growth.” This RDCS promotes resilience programming to reduce chronic vulnerability and facilitate inclusive growth in line with the Agency’s policy and program guidance titled, “Building Resilience to Recurrent Crisis.” Working within regional bodies, resilience programming is a necessary lens through which the development needs of communities impacted by frequent shocks and stresses can be better achieved and maintained.

Livestock traders discuss a sale at the livestock market in Jigjiga in the Somali Region.



D. DEVELOPMENT OBJECTIVES

DO 1: Sustainable Regional Economic Integration Advanced

DO 1: Sustainable Regional Economic Integration Advanced <u>Illustrative Indicators:</u> Intra-Regional Trade as a Percent of Total Trade Doing Business in East Africa by the World Bank Percent Change in Gross Domestic Product in East Africa Change in Africa Regional Integration Index		
<p>IR 1.1: Conservation and Management of Natural Capital Improved</p> <p><u>Sub-IRs:</u></p> <p>I.1.1: Collaborative Management and Conservation of Transboundary Natural Resources Enhanced</p> <p>I.1.2: Wildlife Poaching and Trafficking Reduced</p> <p><u>Illustrative Indicators:</u></p> <p>Percent and number of reforms implemented</p> <p>Number of international and regional investigations shared among law enforcement authorities</p> <p>Number of hectares of biological significance and/or natural resources under improved natural resource management</p> <p>Number of laws, policies, strategies, plans, or regulations addressing sustainable trans-boundary natural resource management implemented</p> <p>Number of regional organizations engaging member countries on maintaining biodiversity</p> <p>Number of cross-border ecosystems jointly managed</p>	<p>IR 1.2: Increased Trade, Investment, and Inclusive Agriculture Sector Growth</p> <p><u>Sub-IRs:</u></p> <p>I.2.1: Reduced Barriers to Regional and International Trade</p> <p>I.2.2: Increased Private Sector Competitiveness to Access Regional and Global Markets</p> <p><u>Illustrative Indicators:</u></p> <p>Foreign Trade Index as a percentage of GDP</p> <p>Value of new private sector investment leveraged</p> <p>Percent change in volume and value of intra-regional trade in targeted agricultural and non-agricultural commodities</p> <p>Score on the Global Competitiveness Index</p> <p>Value of AGOA exports from AGOA-eligible countries to the U.S. as a result of USG assistance</p> <p>Number of policies implemented reducing barriers to cross-border trade</p>	<p>IR 1.3: Regional Capacity for Power Trade and Cross-border Transactions Increased</p> <p><u>Sub-IRs:</u></p> <p>I.3.1: Cross-Border Power Trade Enhanced</p> <p>I.3.2: Increased Renewable Energy Generation and Investment</p> <p>I.3.3: Improved Knowledge Management and Adoption of International Best Practices</p> <p><u>Illustrative Indicators:</u></p> <p>EAPP regional cross-border regulatory and compliance framework developed and implemented</p> <p>EAPP bilateral trade mechanisms developed & implemented</p> <p>Power traded within the region</p> <p>The number of transmission and interconnection projects completed as scheduled</p> <p>Intermediate term regional power flow and dynamic models using PSS/E developed and maintained on a routine basis by EAPP and its members</p> <p>MWts generated from renewable energy sources that benefited from the development of new finance or risk mitigation instruments</p>

The benefits for countries to join and support regional economic communities are numerous and lead to an increase in economic efficiency and competitiveness at both the country and regional levels. Regional integration leads to larger market access for business. The resulting larger markets are more attractive to foreign direct investment and generate higher domestic investment rates. The combination of growth and investments encourages individual countries to further implement policy reforms that improve their business climate. Consumers benefit from larger markets, which provide lower prices and more reliable access to food, goods and services, including electricity. Demand grows for new technologies, which become increasingly easier to import, and innovation is encouraged as research costs are spread over a larger market. The

harmonization of customs regulations and tariffs contributes to a more transparent and consistent approach by individual governments and increased regional resilience to both internal stresses and external shocks. The positive effects experienced through country-level support to, and participation in, regional institutions will lead to advancement in sustainable economic integration and the better use of limited natural resources.

Over the next five years, USAID and its partners will work to advance the factors necessary to achieve sustainable economic integration in the region. However, USAID must focus on areas that have shown promise and that fit into its anticipated resource availability. This is a focused approach that will produce lessons learned from regional institutions. Through assistance and cooperation provided under this strategy, the region will witness significant growth in intra-regional and export trade, foreign and local investment and inclusive agricultural sector growth. The conservation and management of natural resources will improve and regional capacity for power trade and cross-border transactions will increase, leading to a larger energy market and enabling countries to access more cost-effective electric power. Through this approach, the position of regional institutions and their long-term ability to promote an integrated, prosperous and resilient East Africa will be strengthened.

To keep pace with projected population growth and associated unemployment and to address perpetual food insecurity and crisis, economic growth must be agriculture-based and trade-driven while purposefully enabling diversification. Gender equality must be addressed to strengthen businesswomen's capacity to access regional and international markets through regional associations, facilitating their participation in trade fairs and in investment opportunities. Investment in renewable energy and transmission, distribution infrastructure and the adoption of a transparent legal and regulatory framework to enable power trade across borders are all needed to meet expanding industrial and household demand for electric power. Further, regional finance and risk mitigation instruments, along with the adoption of more harmonized approaches and industry best practices, are required to increase energy access.

USAID/KEA's approach to promoting sustainable economic integration is to advance the integration agenda while simultaneously positioning businesses, investment, and civil society to take advantage of and exercise the scale and opportunities presented by a larger, more integrated regional economy. USAID/KEA will continue to support the development and, in response to deepening political will and private sector investment in integration, the implementation of policies that advance sustainable regional integration while promoting the sustainable use of its finite natural resources.

Assumptions and Risk

The development hypothesis and results framework are informed by the following:

Assumptions

- Governments in East Africa continue to have the political will to support economic integration.
- East Africa will experience general political stability.
- Fiscal and monetary policy are generally stable.

Risks

- As regional trade facilitation and integration expands, the ease of wildlife trafficking and other undesirable impacts could increase.
- Unsustainable management of transboundary water resources could have a negative impact on other human and productive uses.
- Increased power generation capacity, coupled with lower-than-projected demand growth, could lead to stranded power and underutilized cross-border infrastructure.

- If access to electric power does not keep up with demand growth, charcoal production and deforestation could increase.

Illustrative DO-Level Indicators

- Intra-regional trade as a percent of total trade
- Doing Business in the East African Community by the World Bank
- Percent change in gross domestic product in East Africa
- Change in Africa Regional Integration Index

IR 1.1: Conservation and Management of Natural Capital Improved

Sustainable economic integration is dependent on the judicious use of the region’s natural resources. Natural capital¹⁶ is a critical asset, especially for low-income countries, where it makes up around 36 percent of total wealth, according to recent World Bank estimates. If key partnerships, collaboration, multi-lateral agreements/policies and technological innovation are nurtured across the region more effectively, then sustainable and environmentally responsible economic growth and integration will be possible. The EAC Protocol on Environment and Natural Resources reaffirms the importance of cooperation around sustainable natural resource management, but the institutions and collaborative mechanisms for achieving this need to be strengthened. Policy harmonization is a key issue; currently environmental management plans are disjointed and leave gaps in protected areas, making cooperation on natural resource management difficult. Maintaining biodiversity and protecting shared resources such as transboundary watersheds and ecosystems will be required for the resilience and future economic prosperity of the region.

Wildlife crime threatens the security, economy and biodiversity of East Africa, yet no regional solution is in place. International networks for poaching, transit and sale of illegal wildlife products target wildlife populations across borders, creating a complex problem that transcends national boundaries. East Africa’s tourism industry, which depends heavily on wildlife and protected areas, brings more than \$3.5 billion to the region each year. The conservation and sustainable management of wildlife and habitats is therefore crucial to the region’s long-term economic growth and development.

IR 1.1 will work to reduce illegal wildlife trade from East Africa through key regional partnerships and working with other strategic partners and institutions that deal specifically with wildlife crime. The strategy will work to strengthen East African leadership and the capacity to enforce adherence to multilateral environmental agreements (MEAs) to reduce poaching and trafficking. Activities will help expand regional reforms of key laws, policies and agreements that address wildlife crime, strengthen interoperability through information-sharing and enforcement of key transboundary hotspots and strengthen scientific and research capacity.

Within East Africa, the Convention on International Trade in Endangered Species (CITES) treaty is the pre-eminent international agreement to counter wildlife trafficking; it is critical as East Africa has emerged as a global hub for illegal wildlife trafficking in a black market that generates between \$7 billion and \$23 billion each year.¹⁷ CITES helps ensure that the international trade of wild plants and animals does not threaten their survival, yet only Kenya and Tanzania have fully ratified CITES. The bulk of illegally traded wildlife products in East Africa passes through only a handful of transit points. Mombasa Port is the No. 1 transit location of

¹⁶ Natural capital is defined as the stock of all natural resources — both renewable and nonrenewable — such as land, forests, water, air quality and biodiversity. Natural capital can include both public and private goods.

¹⁷ Nellemann, C., Henriksen, R., Raxter, P., Ash, N., Mrema, E., (Eds). 2014. The Environmental Crime Crisis: Threats to Sustainable Development from Illegal Exploitation and Trade in Wildlife and Forest Resources. A UNEP Rapid Response Assessment. United Nations Environment Program and GRID-Arendal, Nairobi and Arendal.

illegally trafficked wildlife goods on the continent. Together with Dar es Salaam and Zanzibar ports, it accounts for 58 percent of all ivory seized between 2009 and 2011.¹⁸

Two sub-IRs will work in coordination to achieve IR 1.1:

Sub-IR 1.1.1: Collaborative Management and Conservation of Transboundary Natural Resources Enhanced

Regional and national decision-makers have yet to fully embrace a landscape-scale approach to transboundary biodiversity and natural resource conservation. East Africa's natural resources are highly interconnected, yet critical linkages between climate change and water, sanitation and hygiene (WASH), biodiversity conservation, and ecosystem management are not integrated into policies and programming. Under sub-IR 1.1.1, USAID/KEA will work with regional institutions, such as the EAC, to support integration of sustainable natural resource management into regional coordination agendas. Support will be provided to at least two critical transboundary ecosystems to enhance transboundary collaboration in sustainable management of wildlife and their habitat. Support to science and research will increase regionally integrated information databases and enhance evidence-based decision-making of transboundary natural resources.

Sub-IR 1.1.2: Wildlife Poaching and Trafficking Reduced

The goal of Sub-IR 1.1.2 is to strengthen international and interagency coordination, working closely with both the EAC and the Lusaka Agreement Task Force (LATF), to reduce poaching and wildlife trafficking. Regional laws and policies will be reformed and enhanced support to EAC will increase regional and global action around CITES. USAID/KEA will partner to build institutional capacity to utilize new technologies, science, support information, intelligence management and analysis for effective enforcement and prosecution of poachers. The strategy will explore opportunities for developing Kenya into a regional hub for forensics research and applications used to prosecute wildlife trafficking crimes.

IR-Level Illustrative Activities

- Strengthen and harmonize regional laws, policies and agreements addressing wildlife crime.
- Build a regional community of practice on conservation and countering wildlife crime.
- Increase effective international and interagency coordination relating to information-sharing and analysis, DNA and forensic capability, and enforcement.
- Build capacity in key transboundary trafficking hotspots and transit points for effective enforcement and prosecution enforcement.
- Promote regional ratification of and adherence to MEAs.
- Promote regional scientific and research capacity and information networks.
- Provide support to critical biodiverse transboundary ecosystems to advance the management of wildlife and their habitats.

IR-Level Illustrative Indicators

- Percent and number of reforms implemented as identified by regional institutions, stakeholders or national governments
- Number of international and regional investigations shared among law enforcement authorities
- Number of hectares of biological significance and/or natural resources under improved natural resource management

¹⁸ Vira, Varun, Thomas Ewing and Jackson Miller 2014, *Out of Africa: Mapping the Global Trade in Illicit Elephant Ivory*.

- Number of laws, policies, strategies, plans or regulations addressing sustainable transboundary natural resource management implemented
- Number of regional organizations engaging member countries on maintaining biodiversity
- Number of cross-border ecosystems jointly managed

IR 1.2 Increased Trade, Investment and Inclusive Agriculture Sector Growth

East African governments have committed to regional economic integration to create larger markets able to employ and feed a growing, youthful and urbanizing population. However, many challenges and much work remain to realize the benefits of integration and the utilization of regional economies. The USG launched the Presidential Trade Africa Initiative to align foreign assistance, U.S. trade policy and U.S. private sector interests with the regional integration agenda of the EAC. USAID/KEA is responsible for implementation and achievement of all Trade Africa goals focused on boosting trade with and within EA, AGOA utilization, investment and technology. Agriculture and livestock account for more than 80 percent of what is traded intra-regionally. USAID/KEA's regional Feed the Future program harmonizes agricultural standards and policies, builds cross-border market linkages to foster trade and brings investment to expand agribusiness and scale technologies. USAID/KEA will support regional institutions and their member states in advancing the integration agenda through the development and implementation of regional integration policies, incentivizing investments that expand profits and taking advantage of broader common markets, thus positioning the private sector to drive sustainable economic growth. Through a combination of USAID/KEA's assistance and improved regional institution leadership, intra-regional and export trade and the public and private sector investment in regional integration will increase.

USAID/KEA will leverage national governments' commitments to advance integration, as well as support the leadership and integration agendas of its institutional partners to implement regional approaches that reduce trade barriers and improve private sector competitiveness. Harmonizing policies and standards of national governments, which will be accomplished through collaboration with bilateral missions, will enable producers to export to neighboring markets and provide incentives to investment in agriculture production and processing, light manufacturing and services. USAID/KEA will promote regional approaches for improved access to high-quality agriculture inputs (seeds and fertilizer), more efficient trading platforms for both formal and informal trade, and regional trade policies that enhance the quantity and quality of agricultural production. This approach will support climate-smart agriculture by sustainably increasing agricultural productivity, adapting and building resilience of agricultural and food security systems, and reducing greenhouse gas emissions from agriculture.

Two sub-IRs will work in coordination to achieve IR1.2:

Sub-IR 1.2.1: Reduced Barriers to Regional and International Trade

USAID will reduce barriers to trade through support for the development, implementation and utilization of regionally harmonized policies and standards, as well as financing mechanisms (particularly in the agricultural sector), and investment in improved hard (ports, road, rail, border posts) and soft (IT systems, processes, procedures, standards) infrastructure. USAID will support RIGOs and their member states to deepen the trade-enabling environment of regional common markets and promote the implementation of the World Trade Organization (WTO) and World Customs Organization (WCO) compliant procedures and standards that govern procedures for the clearance of goods. USAID will assist member states to build capacity to comply with commitments made during the 2013 WTO Ministerial Conference (Bali package) that equally advance regional commitments to advance economic integration, such as the removal of technical and non-tariff barriers to trade.

Sub-IR 1.2.2: Increased Private Sector Competitiveness to Access Regional and Global Markets

High transaction costs and low economies of scale discourage critical investments in technologies, market infrastructure and expertise needed to enhance East Africa's agricultural and trade competitiveness. These costs impede the region's ability to take full advantage of trade preference programs. Small, fragmented markets and bureaucratic hurdles also deter much-needed investment and access to technology.

USAID/KEA will partner with regional institutions to increase competitiveness by enabling private sector investment, utilizing regional markets and developing business linkages with regional and international firms to boost trade. USAID will assist regional institutions and the private sector in long-term strategy development and market access to take advantage of trade preferences and facilitate increased investment in capital intensive agriculture and manufacturing industries. USAID/KEA will also look to advance and invest in USAID-bilateral efforts to increase private sector investment by assisting firms with accessing broader financial markets in the region.

IR-Level Illustrative Activities

- Facilitate harmonization of standards and regulations that govern intra-regional and export trade.
- Support regional financial sector deepening through the development and harmonization of regulatory frameworks, products and systems that encourage financial integration and solutions that facilitate cross-border trade and increased access to financing for infrastructure and local entrepreneurs.
- Strengthen the capacity of regional private sector and trade associations, including women's associations, to increase members' knowledge and skills, and to take advantage of new markets and opportunities.
- Support development of opportunities, incentives and an enabling environment that will increase and expand investment in the region.
- Support research on development of policies and standards in food safety and pest and disease control.
- Support the development and scaling of and investment in technologies.
- Support increased market access and utilization of preferences under the African Growth and Opportunity Act (AGOA).

IR-Level Illustrative Indicators

- Foreign Trade Index as a percentage of GDP
- Value of new private sector investment leveraged
- Percent change in volume and value of intra-regional trade in targeted agricultural and non-agricultural commodities
- Score on the Global Competitiveness Index
- Value of AGOA exports from AGOA-eligible countries to the U.S. as a result of USG assistance
- Number of policies implemented reducing barriers to cross-border trade

IR 1.3 Regional Capacity for Power Trade and Cross-Border Transactions Increased

Energy deficiency in East Africa negatively impacts households, industries and businesses. The inadequate access to reliable and affordable energy sources limits the business-enabling environment for the region,

constrains trade, reduces export competitiveness and discourages both domestic and foreign investment. Over the next five years, USAID/KEA and Power Africa will partner with key regional institutions, East African governments and private sector and donor partners, such as the East African Power Pool (EAPP) and Independent Regulatory Board (IRB) and the Nile Equatorial Lakes Subsidiary Action Program (NELSAP), among others, to advance all three pillars of the Power Africa Roadmap. This will increase the quantity and quality of transmission and distribution services and cross-border power trade, generate cleaner power from renewable energy sources, expand access to electricity, particularly for women, and help spur long-term sustainable and more inclusive economic growth.

Increased cross-border power trade is vital to the growth of clean and renewable energy in East Africa, creating the ability for resource-deficient countries to import clean energy. USAID/KEA and Power Africa will work with host country governments, EAPP, NELSAP and EAC, among others, to complete priority regional transmission and interconnection projects in a timely manner, develop and implement a common legal, regulatory and compliance framework for cross-border trade, and strengthen the capacity of national and regional entities to engage in trade. Harmonizing policy frameworks will enable joint planning and management of an integrated system, promote greater foreign investment and help forge public-private partnerships with governments to attract additional investment capital. USAID/KEA and Power Africa will pursue the development of new financing and risk mitigation instruments to increase the deployment of renewable energy, especially geothermal power, and will improve knowledge management by sharing important lessons learned and good international practices among the countries.

Three sub-IRs will work in coordination to achieve IR 1.3:

Sub-IR 1.3.1: Cross-Border Power Trade Enhanced

The insufficient regulatory frameworks, unreliable interconnected operations and ineffective trade mechanisms must be addressed to achieve regional power systems integration and viable cross-border electricity trade. The EAPP financial management and technical expertise are insufficient to plan at the strategic level and implement its regional mandate. To address these issues, USAID/KEA and Power Africa will partner with the EAPP and IRB and its member utilities and regulators in five focus areas: (1) develop reliable system operations and asset maintenance; (2) improve institutional capability in the procurement, management and oversight of interconnection and transmission projects; (3) develop and implement a regulatory and compliance system; (4) develop and implement bilateral trade mechanisms; and (5) improve transmission and generation planning. USAID/KEA and Power Africa will also work with EAPP to prioritize transmission projects and build the technical capacities of NELSAP and national utilities to effectively manage and complete priority transmission and interconnection projects on time. Technical assistance will be provided to EAPP, NELSAP, national utilities and regulators to analyze power needs and broker near- and long-term energy trade agreements.

Sub-IR 1.3.2: Increased Renewable Energy Generation and Investment

Donor and private sector engagement and coordination will need to increase for renewable energy to be a viable solution for the energy deficit in the region. Lessons learned and best practices must be shared regionally. Further technical assistance is needed at the regional level to better support the development of geothermal power. USAID/KEA and Power Africa will engage the private sector and donor communities to operationalize renewable energy investment strategies and develop new finance and risk-mitigation instruments, work with regional institutions to improve the geothermal and overall renewable energy enabling environment and increase engagement with U.S. geothermal energy businesses for technical assistance.

Sub-IR 1.3.3: Improved Knowledge Management and Adoption of International Best Practices

Many of the barriers to renewable energy development are common to more than one country. USAID/KEA and Power Africa will promote the adoption of international best practices, foster greater regional harmonization, promote gender equality across the energy sector and promote opportunities for

collaboration and knowledge management among governments, utilities, regulators, the private sector and universities. Special attention will be placed on geothermal energy and off-grid and mini-grid power systems.

IR-Level Illustrative Activities

- Partner with key regional institutions and the private sector to foster regional power trade and accelerate implementation of requisite infrastructure.
- Provide technical and institutional support to accelerate implementation of renewable power generation projects with the potential for export or increased energy access.
- Provide technical support to bilateral USAID missions and local and regional partners to accelerate implementation of priority geothermal projects.
- Provide a platform for countries to share best practices and learning opportunities.

IR-Level Illustrative Indicators

- EAPP regional cross-border regulatory and compliance framework developed and implemented
- EAPP bilateral trade mechanisms developed and implemented
- Power traded within the region
- The number of transmission and interconnection projects completed as scheduled
- Intermediate-term regional power flow and dynamic models using a power system simulator developed and maintained by EAPP and its members
- Megawatts (MWs) generated from renewable energy sources that benefited from the development of new finance or risk-mitigation instruments

A woman sits with her son outside a health clinic in North Kivu, Democratic Republic of Congo.



DO 2: East Africans Effectively Managing Risks that Transcend Borders

DO 2: Improved Management of Risks That Transcend Borders <u>Illustrative Indicators:</u> Number of issues prioritized by member states and/or cross-border communities that are addressed by regional institutions/ mechanisms IGAD CVE Center of Excellence capacity to institutionalize CVE in East Africa Number of policies implemented that address cross-border health threats and/or strengthen regional health financing and the health workforce Number of regional policies enacted to encourage timely drought response and enhance resilience		
<p>IR 2.1: Health Policies and Systems for Marginalized and Vulnerable Populations Strengthened</p> <p><u>Sub-IRs:</u></p> <p>2.1.1: Evidence Based Policies, Regulations and Standards Adopted</p> <p>2.1.2: Cross-Border Health Systems Harmonized</p> <p>2.1.3: Strategic Partnerships for Strengthening Regional Health Systems Expanded</p> <p><u>Illustrative Indicators:</u></p> <p>Number of health policies and standards implemented to strengthen and harmonize health systems, specifically addressing the needs of cross-border/mobile populations and transboundary diseases</p> <p>Number of private-public partnerships established or strengthened that improve health systems and services for mobile, cross-border populations</p> <p>Number of scientific studies focused on transboundary infectious diseases published or conference presentations made by experts sharing best practices</p>	<p>IR 1.2: Increased Trade, Investment, and Inclusive Agriculture Sector Growth</p> <p><u>Sub-IRs:</u></p> <p>1.2.1: Reduced Barriers to Regional and International Trade</p> <p>1.2.2: Increased Private Sector Competitiveness to Access Regional and Global Markets</p> <p><u>Illustrative Indicators:</u></p> <p>Foreign Trade Index as a percentage of GDP</p> <p>Value of new private sector investment leveraged</p> <p>Percent change in volume and value of intra-regional trade in targeted agricultural and non-agricultural commodities</p> <p>Score on the Global Competitiveness Index</p> <p>Value of AGOA exports from AGOA-eligible countries to the U.S. as a result of USG assistance</p> <p>Number of policies implemented reducing barriers to cross-border trade</p>	<p>IR 1.3: Regional Capacity for Power Trade and Cross-border Transactions Increased</p> <p><u>Sub-IRs:</u></p> <p>1.3.1: Cross-Border Power Trade Enhanced</p> <p>1.3.2: Increased Renewable Energy Generation and Investment</p> <p>1.3.3: Improved Knowledge Management and Adoption of International Best Practices</p> <p><u>Illustrative Indicators:</u></p> <p>EAPP regional cross-border regulatory and compliance framework developed and implemented</p> <p>EAPP bilateral trade mechanisms developed & implemented</p> <p>Power traded within the region</p> <p>The number of transmission and interconnection projects completed as scheduled</p> <p>Intermediate term regional power flow and dynamic models using PSS/E developed and maintained on a routine basis by EAPP and its members</p> <p>MWs generated from renewable energy sources that benefited from the development of new finance or risk mitigation instruments</p>

East Africa is highly susceptible to frequent shocks and trends that, if left unaddressed, threaten to undermine development gains. These internal and external shocks and stressors take a variety of forms, such as infectious diseases, environmental changes, conflict and the growing presence of violent extremist groups. Often unanticipated, these acute shocks occur throughout the region and are difficult to manage. Furthermore, greater integration increases the movement of people, goods and livestock, which can exacerbate the spread of infectious disease, violent extremism and negative impacts on climate change.

The failure of the region's governments to address emerging needs and challenges faced by communities negatively affected by climate change and prolonged conflict dramatically stunts economic growth and

increases vulnerabilities. Similarly, conflict negatively impacts communities' adaptation to changing climatic conditions, and limited access to natural resources stresses already fragile inter-communal relationships. Climate change and environmental degradation, conflict and political, economic and food crises continue to force people to flee, resulting in a growing need for harmonized policies and regulations. Due to these factors, 9 million refugees and internally displaced persons are currently in the region. Violent extremist attacks or natural disaster-induced displacement of people and animals exacerbates public health outcomes and threatens to push millions back into poverty, making them dependent on humanitarian assistance and reducing the long-term cumulative benefits of development.

In the past, an ineffective coordination in response to recurrent shocks stunted development outcomes. Going forward, USAID will build the capacity to respond to multiple crises concurrently and from various angles. Working with regional institutions and private sector and civil society organizations and networks, USAID/KEA will advance efforts to develop and strengthen systems and policies and encourage cross-sectoral collaboration and coordination among governments and other actors to identify, prevent, mitigate and respond to identified trans-border risks. This assistance will increase regional institutions' and other stakeholders' effectiveness in facilitating policy development and coordination around the most challenging regional risks, including: climate change; violent extremism and conflict; inadequate regional cohesion in health policies and systems; limited collaboration across sectors to prevent the emergence and spread of infectious disease; and the absence of coping strategies to address the risks associated with increasing human and animal movement.

Assumptions and Risk:

The development hypothesis and results framework are informed by the following:

Assumptions

- National and local-level governments/actors will continue to show increased support of regional institutions.
- Continued national and international pressure on terrorism.
- Regional institutions and their member states prioritize and support health system strengthening, including financing and human resources for health, as an important regional development issue.
- National governments remain open to sharing climate data and information with regional organizations.

Risks

- Intra-state conflicts emerge and/or escalate, causing a large migration of refugees across borders.
- Regional inter-governmental organizations are not able to reach consensus on halting state conflicts.
- Funding for global climate finance sectors is not adequately supported by donor nations.
- Infectious disease outbreaks and threats to health, social and economic gains in the region.

Illustrative DO-Level Indicators

- Number of issues prioritized by member states and/or cross-border communities that are addressed by regional institutions/mechanisms.
- IGAD CVE Center of Excellence capacity to institutionalize CVE in East Africa.
- Number of policies implemented that address cross-border health threats and/or strengthen regional health financing and the health workforce.
- Number of regional policies enacted to encourage timely drought response and enhance resilience.

IR 2.1: Health Policies and Systems for Marginalized and Vulnerable Populations Strengthened

East African leaders and global health experts recognize the necessity of regional approaches to health system development. Diseases know no borders and efficiencies can be gained by acting collectively to address the risks posed by an increasingly mobile population. Health system development, both regionally and nationally, is dependent on sustainable solutions to entrenched health system challenges. Rapid population growth combined with a decline in the mortality and fertility rates could lead to a population structure that comprises a large working age population compared to that of the dependent population, making it critical to keep this population healthy and disease-free. As the region becomes more integrated and barriers to trade are addressed, increased movement of people, livestock and animal products will increase the risk for infectious disease emergence and spread. The migrant population, currently at 9 million, will continue to relocate due to changing environmental conditions, forced migration and employment opportunities. It is crucial, therefore, that regional health systems and policies are harmonized and adopted by national governments to protect the region's population from cross-border disease transmission. Equally important is a regional approach to develop innovative, multi-sectoral solutions to the complex associations among infectious disease emergence, population, climate change and economic growth.

The health needs across East Africa are variable but the health system challenges are universal. Pervasive and chronic challenges include: poor coordination across borders and sectors; limited public health surveillance; a limited and poorly distributed health workforce; and insufficient and unpredictable financing to provide quality services. These systemic health sector weaknesses exacerbate the region's high burden of disease and low access to quality health service, especially for women and children. To address health system challenges, USAID/KEA will prioritize support to regional organizations and partners to harmonize policies and regulations with the goal of addressing the needs of the migrant population and preventing the emergence and spread of infectious diseases across borders, as well as addressing population pressures on environmentally fragile land and equipping regional leaders to harness the demographic dividend. Technical assistance will support innovation, evaluation, capacity and advocacy for health standards, financing and policy development. Partners include the EAC, the WHO and other UN agencies and non-governmental organizations.

Since the beginning of the 21st century, the region has experienced the emergence of new infectious diseases, as well as the resurgence and re-emergence of infections previously thought to be eradicated or controlled. Tuberculosis (TB) continues to pose considerable challenges regionally and especially in mobile or migrant populations. Multi-drug-resistant TB (MDR-TB) and extensively drug-resistant TB (XDR-TB) need robust, efficient systems to locate and treat cases, especially at border-crossing sites. Weak systems for routine immunization and surveillance continue to expose children to polio, measles and other vaccine-preventable infectious diseases. The region has also witnessed the emergence of previously unknown human infectious diseases that originate from animal hosts, such as Rift Valley Fever and Middle East Respiratory Syndrome. To protect communities from the emergence and spread of infectious diseases, regional health and cross-sectoral systems must be strengthened and cross-border collaboration must increase. USAID/KEA will work with regional institutions and actors to develop policies that strengthen organizational regulations, guidelines and protocols addressing access to key health services for marginalized populations. While not explicitly addressed in this RDCS, the national and regional work of the Global Health Security Agenda complements USAID/KEA's infectious disease interventions. In addition, climate change is expected to lead to potential impacts and variability on health systems and programs that may include shifting and expansion of disease transmission zones altered seasonality, and increased activity of vectors that transmit diseases.

In line with the U.S. President's Emergency Plan for AIDS Relief (PEPFAR), USAID/KEA will strive to achieve an AIDS-free generation in East Africa. To accomplish this, USAID/KEA will take a regional approach to help combat HIV/AIDS, working along regional transport corridors and cross-border areas. Increased regional collaboration and joint action will increase access to regionally harmonized health and HIV/AIDS services at border sites and sustainably strengthen health systems. Effective regulation and policy

formation is required to facilitate health information-sharing across borders and transport corridors and to sustainably finance health systems that address management of the migrant populations.

Three sub-IRs will work in coordination to achieve IR 2.1:

Sub-IR 2.1.1: Evidence-Based Policies, Regulations and Standards Adopted

For best practices to be implemented throughout East Africa, national governments must have shared priorities that drive the development of harmonized policy. USAID/KEA will work with regional organizations to review and develop policies, regulations and standards that support sustainable health systems and to apply multi-sectoral solutions to complex health challenges. To increase commitment and facilitate an enabling environment for policy implementation, USAID/KEA will collaborate with and support advocacy work among public and private sector organizations, as well as civil society networks, that are engaged in health activities in East Africa to facilitate planning and policy interventions.

Sub-IR 2.1.2: Cross-Border Health Systems Harmonized

Unique health needs of mobile and vulnerable populations must be addressed to prevent the spread of infectious diseases across borders. USAID/KEA will promote and provide technical assistance to regional institutions for research and analysis that can bolster advocacy with national governments, civil society organizations (CSOs) and donors to promote regulatory reform. USAID/KEA will also work with regional organizations to network health systems using innovative technologies to improve access to a continuum of health care along border areas.

Sub-IR 2.1.3: Strategic Partnerships for Strengthening Regional Health Systems Expanded

USAID/KEA will expand strategic partnerships with other USG and donor agencies, as well as the private sector, to facilitate cooperation and implementation of innovative and sustainable solutions to address challenges related to vulnerable cross-border populations. USAID/KEA will support regional intergovernmental organization networks to strengthen collaboration for advocacy and policy development.

IR-Level Illustrative Activities

- Support platforms and/or instruments to strengthen prevention, detection and response to emerging and epidemic-prone infectious disease threats and cross-border health risks.
- Integrated cross-border health activities piloted and institutionalized.
- Provide technical assistance and support forums to share and disseminate innovative, proven practices in health.
- Provide technical and financial support toward transboundary cooperation and joint action to improve health systems.
- Provide technical leadership and financial support toward implementation of health research and policy development.
- Strengthen the technical capacity of regional institutions to collect data, lead dialogue and develop policies and advocacy tools for sustainable health financial systems and human resources for health.

IR-Level Illustrative Indicators

- Number of health policies and standards implemented to strengthen and harmonize health systems, specifically addressing the needs of cross-border/mobile populations and transboundary diseases
- Number of private-public partnerships established or strengthened that improve health systems and services for mobile, cross-border populations

- Number of scientific studies focused on transboundary infectious diseases published or conference presentations made by experts sharing best practices

IR 2.2: Security of Populations Vulnerable to Regional Threats Increased

Peace and stability along East Africa's borderlands, as well as a region free from violent extremism (VE), are U.S. foreign policy priorities and precursors to regional security and economic integration. The Horn of Africa continues to experience chronic violence that claims hundreds of lives, millions of dollars in economic losses and significant property destruction yearly. Violent extremism, like transboundary conflict, poses a serious threat to the region. Al-Shabaab, in particular, continues to expand the number of radicalizing venues and pathways that lead to successful recruitment of members.

IGAD has emerged as the leading regional actor in countering violent extremism and conflict. In 2015, IGAD announced the establishment of its CVE Center of Excellence for the East African region. The goal of the center is to institutionalize CVE in the Horn of Africa. The center will focus on practical and tangible outcomes that will strengthen CVE capacities and cooperation across the region. USAID/KEA will support the center to implement its mandate by helping build IGAD's technical capacity to operationalize CVE efforts and share best practices among the member states.

USAID/KEA will also support IGAD to strengthen conflict early warning and early response. IGAD's mechanism encompasses regional, national and local structures that bring together key state and non-state institutions working on these issues. IGAD collects and analyzes early warning data to mobilize regional, national and local response to violence. IGAD will deepen its focus on integrating timely early warning and response analysis into information that will inform regulations, policy and decision-makers across the region. By taking this proactive approach, IGAD will enable relevant policymakers to understand dynamics and engage before crises erupt, increasing the stability of the region. The USAID/KEA partnership with IGAD has produced numerous successful efforts, such as de-escalation of violence along borders, elevating CSOs as equal partners with governments, increasing CSO participation and setting an example for member states that refrain from cooperating with CSOs on these issues.

USAID/KEA aims to increase the security of populations that are vulnerable to complex transboundary conflicts and violent extremism. If regional institutions are able to provide effective CVE policies and conflict mitigation regulations and engage stakeholders, such as national governments, civil society and the private sector, then CVE and conflict mitigation efforts will be sustainable and capable of preventing violent extremism actions against vulnerable populations.

USAID/KEA will support the development of sustainable CVE and conflict mitigation networks. Such networks are best positioned to interrupt radicalization processes, strengthen community resilience to VE and foster social reconciliation. USAID/KEA will also take a lead role in coordinating and disseminating CVE-related information and research analysis and will play a key role in coordinating with the U.S. State Department, other USG agencies and donors to ensure that efforts are not duplicated and CVE programming supports sustainable development efforts.

One sub-IR will work in coordination to achieve IR 2.2:

Sub-IR 2.2.1: Effectiveness of Regional Prevention, Mitigation and Response to Violent Extremism Improved

USAID/KEA will partner with IGAD to advance the development and implementation of regional efforts aimed at interrupting the radicalization process and stopping terrorist groups from gaining appeal among vulnerable populations. USAID/KEA will also work to support regional institutional capacity to conduct early warning and early response to cross-border conflict, with a focus on cross-border conflicts that contribute to the rise of violent extremism or exacerbate instability. Additionally, programs will support efforts to advance coordinated national-level CVE strategy development and implementation, encourage

innovation in programming, advance development of strategic national communication plans around CVE and advance greater participation of the civil society groups and partner organizations in the CVE response. USAID/KEA will accomplish this by supporting IGAD's CVE Center of Excellence and other relevant IGAD programs and mechanisms. Under this sub-IR, USAID/KEA will also work from the demand side to support initiatives that help regional civil society actors collaborate to address targeted regional issues and strengthen CVE and conflict mitigation networks. USAID/KEA will play a key role in information dissemination within the USG and will collaborate with other interagency programs.

IR-Level Illustrative Activities

- Strengthen and support CVE Center of Excellence initiatives.
- Establish a regional CVE policy/strategy and coordination process.
- Promote sustainable, cross-border community CVE and conflict mitigation networks.
- Support regional civil society fora focused on CVE.
- Support IGAD's conflict mitigation initiatives.
- Support IGAD's capacity for conflict mitigation analysis and reports, per member state requests.

IR-Level Illustrative Indicators

- Number of policies developed and implemented through the IGAD CVE Center of Excellence that formalize a harmonized regional CVE approach
- Number of new groups or initiatives created dedicated to resolving conflicts or the drivers of violent extremism
- Percentage of targeted communities' citizens reporting increased sense of security
- Number of policy consultations/forums held with decision-makers

IR 2.3: Climate Change Adaptation and Risk Mitigation Improved

The East African economy is particularly vulnerable to the effects of climate change. Climate change impacts, from both long-term change and shorter-scale variability, threaten development gains and economic stability, yet predictive tools and preparatory systems exist to mitigate such crises. Natural disasters such as droughts, floods or extreme-temperature events have increased in recent decades. Seasonal average temperatures have risen for the last 50 years (according to the Intergovernmental Panel on Climate Change, 2014). Precipitation in Eastern Africa is characterized by a high degree of temporal and spatial variability. As a result, climate-related disasters resulting in drought will directly affect the lives of poorer populations by negatively impacting livelihoods and crop yields and indirectly through increased food prices and food insecurity. Existing disaster risk reduction mechanisms within the EAC have inadequate resources and capacity to effectively mitigate the risks of, prepare for and respond to disasters at the national and transboundary levels.

Across the region, millions of people will face increased food insecurity from impaired agricultural production systems and water shortages. East Africa faces several key challenges in adapting and managing climate- and weather-related risks, namely: inadequate institutional capacities to address climate change adaptation; limited access to climate change information for evidence-based decision-making; limited knowledge and understanding in mainstreaming climate change concerns to other sectors of the economy; and inadequate capacities to access and manage climate change adaptation and mitigation funds.

Within five years, targeted regional organizations will be stronger and more empowered to support effective climate adaptation and increased resiliency, moving the region further away from unanticipated, recurring

climate crises and reliance on humanitarian assistance. Key to effective adaptation management is a robust climate science and predictions/forecasting capability to inform decision-making at the regional level. Over the life of this strategy, USAID/KEA will partner with and focus on strengthening key institutions, such as IGAD and its specialized institution, the Climate Prediction and Applications Center (ICPAC). The partnership goals will include advancing regional climate sciences through the use of earth observations and spatial analysis/planning, creating centers of excellence for climate services and providing reliable climate information decision-support systems and products.

USAID/KEA will continue to support the conceptualization and implementation of a regional climate information network (CIN) that functions as an interactive forum to share products and adapt tools tailored to the needs of decision-makers. Continued climate change research will be vital in strengthening and building the capacity of the CIN analysts, decision-makers in government and civil society groups to translate geospatial and Earth observation data into policy, planning, management, programming and communication efforts. Targeted research for enhanced learning and application of climate science transboundary ecosystems will be promoted and nurtured to strengthen cross-border learning, exchange and programming.

Three sub-IRs will work in coordination to achieve IR 2.3:

Sub-IR 2.3.1: Climate Science and Decision-Support Systems Enhanced

USAID/KEA will support the establishment of regional decision support systems such as integrated knowledge management systems, meta-databases, portals, clearinghouses and related protocols that will enhance analysis, dissemination and decision-making at the regional level. USAID seeks to further support the development of targeted user-tailored tools and products developed to meet decision-makers' needs in areas such as agriculture, water, weather, climate, disaster risk management, land-use planning and ecosystems management. Through partnerships between regional institutions, such as ICPAC and the Regional Centre for Mapping of Resources for Development (RCMRD), enhanced networking and coordination in the production of data and related tools and products will result in credible information being applied by regional and national decision-makers. Information-sharing platforms will be strengthened within the region and among bilateral missions.

Sub-IR 2.3.2: African Research Capacity Advanced

The USAID Forward reform agenda emphasizes use of the best available science and technology to address critical development challenges, as well as increased investment directly to local partners. USAID/KEA will stimulate and promote research, development and production of future adaptation technologies by strengthening regional technology development and cooperation. Cooperation among regional research entities and select institutions will be strengthened. USAID/KEA seeks to promote research, data and information exchange for all key sectors impacted by climate change, as well as support joint research initiatives on how future climatic scenarios play out for key sectoral priorities. USAID also seeks to promote the implementation of research findings and their linkages with policy formulation.

Sub-IR 2.3.3: Access to Climate Finance for Climate-Sensitive Sectors Promoted

Climate finance mechanisms are necessary in addressing the effects of climate change. Significant financial resources from the public and private sectors are expected to be channeled toward climate activities. Adequate institutional and financial mechanisms must be in place so that resources are efficiently directed toward both national and regional climate and development priorities. Identifying this need, USAID/KEA supported the accreditation of the EAC Regional Implementing Entity (RIE), which created a mechanism to access international climate change adaptation and mitigation funds. Throughout the life of this strategy, USAID/KEA will provide technical support to the preparation and submission of national and regional proposals to receive international climate change funds utilizing the RIE. To inform the EAC and other RIEs, reliable climate information and services will be required to inform strategies and focus efforts. USAID/KEA will also work with IGAD's Climate Prediction and Applications Centre to advise on

methodologies and approaches for mainstreaming climate change in key socio-economic sectors based on expenditure analysis and costs of proposed sectoral response measures and key information to RIEs.

IR-Level Illustrative Activities

- Improve the availability and quality of climate science information relevant to decision makers.
- Support mainstreaming of climate change strategies into sectoral and regional development plans and policies through integration of climate science and knowledge.
- Establish and foster new collaborative public-private partnerships to reduce climate risks in key sectors.
- Improve capacities of analysts and decision-makers to translate climate information into sectoral policy, planning and management processes.
- Establish RCMRD and ICPAC as sustainable regional service providers of climate data, analysis, tailor-made products and tools, outreach, dialogue and training for more resilient regional development.

IR-Level Illustrative Indicators

- Number of regional and national institutions with improved capacity to assess or address climate change risks.
- Number of laws, policies, strategies, plans or regulations that address climate change (mitigation or adaptation) officially implemented.
- Amount of investment mobilized for climate change adaptation.
- Number of ecological regions served by early warning systems or other climate information systems.
- Number of institutions with improved capacities to integrate climate information in decision-making.

A woman walks home with her monthly rations in Bambasi Refugee Camp, Ethiopia.



DO 3: Strengthen East African Institutions' Leadership, Policies and Learning

DO 3: East African Institutions' Leadership and Learning Strengthened <u>Illustrative Indicators:</u> Percent score of combined areas of organizational capacity among partner regional institutions Number of institutions/organizations undergoing capacity/competency strengthening Number of collaborating, learning, and adapting (CLA) development plans produced and implemented Number of countries paying membership fees to RIGOs Number of national policies implemented and supporting regional policies		
IR 3.1: Institutional Governance and Accountability Strengthened <u>Sub-IRs:</u> 3.1.1: Strengthened Management Systems of Regional Institutions 3.1.2: Strengthened Strategic Planning and Analysis Capacity <u>Illustrative Indicators:</u> Percent Organizational Capacity Assessment scores of combined areas of organizational capacity among implementing partners Number of regional institutions/organizations undertaking capacity/competency strengthening Number of institutions/organizations with regional action/implementation plans linked to M&E	IR 3.2: Technical and Coordination Capacity of Regional Institutions Strengthened <u>Sub-IRs:</u> 3.2.1: Strengthened Technical Capacity of Regional Institutions to Develop and Promote Regional Policies 3.2.2: Strengthened Capacity of Regional Institutions to Coordinate Programming Across the Region with Member States, Donors and Other Partners <u>Illustrative Indicators:</u> Number of agriculture and non-agriculture enabling environment policies completing the following processes/steps of development as a result of USG assistance Number of national policies supporting regionally agreed-upon policies for which a national-level implementation action has been taken as a result of USG assistance Number of organizations who have received USG-supported training	IR 3.3: Innovative and Evidence-Based Policies and Solutions Fostered <u>Sub-IRs:</u> 3.3.1: Leadership and Change Agent Capacity Supported 3.3.2: Research, Knowledge Management, Science and Technology Advanced at the Regional Scale <u>Illustrative Indicators:</u> Number of policies amended through research, innovation, and dissemination Number of communication linkages and collaboration initiatives created Number of information platforms and data sharing sites/mechanisms improved Number of primary research publications released Person hours of training to build action-oriented research agendas

Regional challenges are not limited by national borders or local perspectives and are best addressed by indigenous organizations and approaches that are able to achieve economies of scale. East African institutions, having been created to address the collective needs of their member states, are positioned to address these challenges as they promote integration and urge individual countries to implement policy reforms. Regional institutions must take a leadership role to ensure the long-term sustainability of these reforms and be informed and capable of responding to emerging trends. To address the challenges and sustain reforms, institutions must build technical capacity and strengthen their governance to coordinate and promote evidenced-based policies.

Many development challenges facing East Africa are complex and are not specific to one member state. Rather, many are regional in nature and require collective action among several countries. Some progress has been made by regional institutions, but these institutions have yet to realize their full potential. By strengthening the leadership, governance and policy development of these organizations, regional partners will be able to boost cooperation, build on strengths and pool limited resources. As demonstrated in recent strategic planning documents across the major institutions, East African leaders are committed to advancing

and deepening integration to address a variety of challenges, compete in global markets, apply innovative and multi sectoral approaches and capitalize on improved access and use of shared resources. Regional institutions continue to mature and emerge as credible advocates for change and development.

Over the life of this strategy, USAID/KEA will assist East African institutions/organizations (associations, private sector, academia, research centers, CSOs/non-governmental organizations [NGOs] and regional intergovernmental organizations) to meet shared goals and fulfill their mandates to lead the regional development agenda. Specifically, USAID/KEA will provide assistance to enhance regional institutions' governance structures; promote increased transparency; ensure more equality in the fulfillment of their mandates by engaging with and meeting the needs of marginalized or vulnerable populations, such as women, youth, people with disabilities, and lesbian, gay, bisexual, transgender and intersex (LGBTI) persons; and support the development of policies and services based on evidence and learning.

Assumptions and Risk:

The development hypothesis and results framework are informed by the following:

Assumptions

- Strengthened institutional leadership and learning will lead to increased member state participation and increased financial contributions.
- As regional institutions take an increased, visible leadership role, the institutions will receive increased donor and public support.
- Recommended changes to institutional structure will be supported by member states.
- Corruption within regional institutions will reduce with increased institutional capacity.

Risks

- Member states' own vested national interest may impede adoption of regional approaches.
- Undefined rationale and expected benefits of institutional strengthening can lead to high expectations on the part of the regional institutions that, if unmet, may spoil relationships.
- Focus on short-term activities and outputs may hinder longer-term results.
- Partnerships between the RIGOs and the USG, which have historically been built on personal relationships rather than a more coordinated, corporate approach, may not be sustainable given the high level of staff turnover.

Illustrative DO-Level Indicators

- Percent score of combined areas of organizational capacity among partner regional institutions
- Number of institutions/organizations undertaking capacity/competency strengthening
- Number of collaborating, learning and adapting (CLA) development plans produced and implemented
- Number of countries paying membership fees to RIGOs
- Number of national policies implemented that support regional policies

IR 3.1 Institutional Governance and Accountability Strengthened

Strengthening institutional governance requires organizations to make the management changes necessary to internal structures and systems within the organization to be more effective and efficient in strategic planning and daily operations. Strengthening institutional accountability requires that the organization be more responsive, transparent and service-oriented to member countries. By demonstrating improved institutional governance and accountability, leading regional institutions will be positioned to secure additional member state buy-in and increased financial support for the development, approval and implementation of policies that promote integration and sustainable, inclusive development. Additionally, improved strategic planning will enable institutions to better direct resources to shared-priority areas. The sustainability of the institutions will be increased and their ability to achieve their mandates will be enhanced.

Although East African institutions are maturing and emerging as leaders of the regional development process, many are hindered by inefficient institutional governance — particularly in operations management, financial management, strategic planning, M&E and resource utilization and mobilization. The challenges are exacerbated by weak accountability systems that impede the achievement of development results and undermine resource mobilization, putting sustainability of the institutions at risk. The absence of strong governance systems and resources has often resulted in disjointed and inefficient management of a clear strategic direction. Regional institutions often suffer from limited financial resources and human capacity, an absence of clear mandates in specific areas and poor organizational structures. These institutions have mixed results in holding partner states accountable for the domestication of harmonized policies and providing the requisite support and incentive structures to ensure national-level implementation. Challenges related to financial management, M&E and human resource efficiencies must be addressed.

USAID/KEA will expand and strengthen relationships with leading regional institutions. This approach is designed to ensure the sustainability of an African-led integration agenda. USAID/KEA, along with other donors, is conducting comprehensive organizational risk assessments in close cooperation with selected regional institutions to identify gaps in governance and accountability systems and inform future institutional capacity assistance. Targeted capacity assistance will strengthen governance and accountability systems, enabling institutions to effectively plan, implement, control and monitor programs and promote institutional sustainability. Networking with bilateral missions in the region will promote adoption of policies at the national level and stimulate demand-driven agendas.

Two sub-IRs will work in coordination to achieve IR3.1:

Sub-IR 3.1.1: Strengthened Management Systems of Regional Institutions (Including Financial Management, Human Resources and Information Technology Systems)

USAID/KEA is partnering with three key regional institutions (COMESA, EAC and IGAD), as well as other institutions across the full range of technical areas (agriculture, trade, resilience, health, environment and governance). USAID/KEA's experience over the past several years in working with RIGOs and other regional institutions has identified organizational capacity areas, particularly in financial management and M&E, as barriers to fully achieving the desired results of the partnerships. USAID/KEA will provide targeted technical assistance to address these challenges.

Sub-IR 3.1.2: Strengthened Strategic Planning and Analysis Capacity of Regional Institutions

USAID/KEA undergoes an annual planning process with regional institutions to ensure alignment of the Mission's support with their strategic plans along shared priority areas and expressed needs of East African leadership. USAID will provide technical assistance to strengthen the strategic planning and analysis capacity of key institution partners to promote and enhance East African leadership of the development agenda.

IR-Level Illustrative Activities

- Provide training and technical assistance for administrative and financial management monitoring and evaluation, strategic planning and diversification of funding.
- Facilitate annual institutional strengthening plans.

IR-Level Illustrative Indicators

- Percent of organizational capacity assessment (OCA) scores of combined areas of organizational capacity among implementing partners
- Number of regional institutions/organizations undertaking capacity/competency strengthening
- Number of institutions/organizations with regional action/implementation plans linked to M&E

IR 3.2 Technical and Coordination Capacity of Regional Institutions Strengthened

Many development actors are working on regional integration and trans-border risks from various vantage points, but inadequate coordination and insufficient technical leadership has resulted in missed opportunities, lost synergies and wasted efforts. To ensure sustainable, efficient coordination and technical leadership, this process must be led by East African institutions. However, many institutions lack the capacity to fulfill this role effectively. Implementation of programs, regulations and strategies developed by the regional institutions often progresses at a slow pace. The institutions charged with providing leadership and coordination to the development agenda suffer from inadequate organizational structures that hinder the ability to meet their mandates effectively. Regional institutions must regularly coordinate meetings for their member states to make decisions and adopt regional policies. Holding member states accountable for the domestication of regionally harmonized policies and providing the requisite support and incentive structures to ensure national-level implementation has met with mixed results. Without buy-in and support from member states, implementation of regional strategies and policies at the national level may be delayed or not take place.

Regional institutions must be capable and empowered to provide technical leadership and overall coordination to development challenges to ensure that member states, as well as development actors, work in harmony to address barriers to sustainable inclusive economic growth and resilience. Regional institutions must also be enabled to operationalize their gender programming and priorities. Targeted assistance will enhance the ability of regional institutions to fulfill the role of leading the development agenda.

Two sub-IRs will work in coordination to achieve IR 3.2:

Sub-IR 3.2.1: Strengthened Technical Capacity of Regional Institutions to Develop and Promote Regional Policies

The shortage of appropriate technical staff limits the capacity of organizations to provide assistance to member states, as necessary to facilitate implementation of policy and programs. Over-reliance on short-term consultants to carry out the work may result in inadequate continuity, institutional memory, stakeholder involvement in policy formulation and effective coordination. The problem is compounded by the shortage of evidence-based analysis that would clarify the benefits to be gained from member state buy-in. USAID/KEA will strengthen the technical capacity of regional institutions to enhance their ability to develop and promote regional policies, and to address staff limitations and gaps on a long-term basis.

Sub-IR 3.2.2: Strengthened Capacity of Regional Institutions to Coordinate Programming Across the Region with Member States, Donors and Other Partners

An ongoing challenge for East Africa institutions is how to translate policies and strategies into national and local-level regulations, laws, administrative procedures and programs to provide tangible development

impacts. USAID/KEA will strengthen the capacity of regional institutions to coordinate programming and secure the buy-in and support of member states and other key stakeholders

IR-Level Illustrative Activities

- Provide technical support to enable institutions to effectively engage with member state institutions and other stakeholders on the development and implementation of policies, standards and regulations.
- Facilitate systems of mutual accountability between governments, the private sector and civil society in creating and implementing policy.
- Provide technical support to inform planning and decision-making by regional institutions.
- Facilitate development of communities of practice around specific technical issues.
- Assistance with planning/organizing regional forums involving member states to maximize impact.

IR-Level Illustrative Indicators

- Number of agriculture- and non-agriculture-enabling environmental policies completing the following processes/steps of development as a result of USG assistance (analysis, stakeholder consultations/public debate, drafting or revision, approval, full and effective implementation)
- Number of national policies supporting regionally agreed-upon policies for which a national-level implementation action has been taken as a result of USG assistance
- Number of organizations that have received USG-supported training

IR 3.3 Innovative and Evidence-Based Policies and Solutions Fostered

Due to the dynamic nature of the challenges facing East Africa, institutions are constantly revisiting and re-evaluating risks, assumptions and constraints for development assistance. For these institutions to effectively lead the development agenda, they must improve the capacity for organizational learning. Institutions will require sustained commitment through a phased approach to establish centers of excellence, foster communities of practice, cultivate change agents, increase the number of women meaningfully engaged and stimulate other avenues for leadership and learning. Through improved collaboration, learning and adapting, East African institutions will improve their effectiveness and impact by using an evidence-based approach that integrates innovative processes and solutions. The result will be East African institutions' leadership and learning strengthened by an improved ability to make evidence-based decisions, integrate science and research into policies and programming, use gender-sensitive approaches and drive innovative solutions to development challenges.

USAID/KEA will support regional institutions in the advancement of research, science and technology. However, the regional institutions are just one part of the learning agenda; academic institutions, international NGOs and other regional stakeholders all have critical roles. Centers of excellence, communities of practice and other learning forums will be supported to share best practices, challenge assumptions and create an innovative space for new approaches. Fostering individual change agents who can drive the development agenda and turn learning into effective decision-making is equally important. Research, science and technology must be advanced at the regional scale. Multidisciplinary, integrated research is needed to tackle pressing development challenges. USAID will encourage innovative solutions by supporting new endeavors in science and technology. Support for data quality, management and sharing will ensure that these innovations and best practices are disseminated to communities of practice. Given that CVE is a key regional priority, USAID/KEA will prioritize strengthening coordination among bilateral USAID missions, support their efforts to develop CVE-related strategies and projects and advance regional research and best practice sharing in the field of CVE.

Two sub-IRs will work in coordination to achieve IR 3.3:

Sub-IR 3.3.1: Leadership and Change Agent Capacity Supported

Leadership and capacity development are often seen as vague and amorphous. To be more focused in its support, USAID/KEA will identify the problem that capacity development needs to address and determine if the problem is related to the broader institutional environment, insufficient technical skills or inadequate resources, and examine how the drivers of change can be supported.

Sub-IR 3.3.2: Research, Knowledge Management, Science and Technology Advanced at the Regional Scale

Promotion of good practice guidelines, research findings and use of the latest technology promoted by NGOs and donors often has limited authority or influence. USAID will work with regional institutions and support them to publish and promote ideas, best practices, gender integration and use of technology that have been grounded in evidence. Such work will lead to regional scaling-up of best practices and technologies, as well as increased national policy formation and legislation.

IR-Level Illustrative Activities

- Advance the capacity of regional centers of excellence to foster multi-national and multi-sectoral learning and regional-scale understanding of complex development challenges.
- Use science and technology as a common language for enhanced regional engagement that strengthens the scientific and research community.
- Support regional-scale, multidisciplinary, multi-sectoral, gender-sensitive and integrated research focused on key questions or assumptions within this RDCS and more broadly.
- Drive innovation by supporting new endeavors in science and technology.
- Foster communication among partner organizations and partner USAID missions through learning networks, coalitions and alliances in all technical areas.
- Systematize sharing of relevant information and data, including best practices and lessons learned.
- Support adaptation of learning into effective decision-making.
- Convene diverse stakeholders for regional strategic planning, policy formulation and activity implementation.
- Explore opportunities to partner with other regional institutions, such as Association for Strengthening Agricultural Research in Eastern and Central Africa, to advance shared development agendas.

IR-Level Illustrative Indicators

- Number of policies amended through research, innovation and dissemination
- Number of communication linkages and collaboration initiatives created
- Number of information platforms and data-sharing sites/mechanisms improved
- Number of primary research publications released
- Person-hours of training to build action-oriented research agendas

Rhinoceros graze together in a Kenyan conservancy.



E. MONITORING, EVALUATION, AND LEARNING PLAN

In support of its commitment to ground programing on sound, evidence-based results and to ensure continued accountability of development outcomes, USAID/KEA will implement a robust gender-sensitive monitoring, evaluation and learning system as part of the RDCS. The system will be guided by the Mission's Performance Management Plan (PMP), which will lay out the indicators, monitoring mechanisms, evaluation plan and learning agenda in detail. This section provides an illustrative overview of that system.

Monitoring

The monitoring system of the RDCS will provide useful and timely access to performance information. It will serve as a tool to inform decision-making, resource allocation and project adaptation. The first fundamental aspect of the monitoring system is that it will track two types of indicators — those that measure performance toward meeting the development objectives and the context in which those development objectives are taking place.

Progress Toward Development Objectives

As this cooperation strategy is developed at the regional level, some fundamental differences exist between its monitoring of DO performance and that of a country-level strategy. While country-level programming focuses more on people and biophysical-level results, USAID/KEA's regional-level activities will concentrate efforts on direct engagement with regional and intergovernmental partners. Activities such as institutional capacity building, policy dialogue and technical assistance will form the backbone of much of the RDCS programming.

Given this strategy, performance monitoring will emphasize the achievement of discrete objectives, including passage of specific policies by member states, adaptation of strategies by RIGOs or harmonization of policies across different countries. A focus will be on improved cooperation between governments, institutions and systems. The Mission will develop custom indicators across sectors that are more relevant to regional programs, being sure to include all relevant USG-wide indicators, as well as those specific to the various presidential initiatives.

It is well known that East African regional organizations and implementing partners (IPs) have, in general, limited monitoring capacity. As such, the Mission will continue ongoing efforts to improve both the partners' and its own monitoring performance.

Contextual Environment

For this monitoring strategy, USAID/KEA will track context indicators and game-changing trends as part of its regular and continuous monitoring. This is especially important in East Africa, as the region has been prone to rapidly evolving development challenges such as instability, conflict, natural disasters and macroeconomic fluctuations, all of which have the possibility to alter the course of programs.

Indicators that are deemed most important to the successful realization of results will be selected, linking the specific results potentially affected by the conditions that the indicator is tracking to the indicators themselves. In particular, context indicators will be selected to measure the critical assumptions and risks that have been identified. When selecting relevant context indicators, the Mission will engage local and diverse/inclusive (i.e., women, youth, LGBTI, people with disabilities) thought leaders and those with deep contextual knowledge and experience, seeking advice on determining specific metrics and data collection methods.

As development hypothesis assumptions and risks are not static, the Mission will review its indicators and other emergent risks during semi-annual portfolio review and other learning occasions. This will provide an

opportunity to revisit its position inside the operational environment and determine if the critical assumptions and contextual indicators are still valid or if refinements need to be made.

Evaluations

Evaluations will form the fundamental part of the Mission’s accountability, learning and adaptive management opportunities. The findings and recommendations arising from evaluations will guide program design and mid-course corrections. Through the development of this RDCS, the Mission has identified specific high-priority evaluation questions. Table 1 presents several proposed evaluation questions for the RDCS, delineated by DO. These are indicative questions that will be refined further and included in the evaluation plan of the Mission’s regional PMP.

TABLE I. ILLUSTRATIVE EVALUATION QUESTIONS

Development Objective	Evaluation Question
DO 1. Sustainable regional economic integration enhanced	What is the impact of regional integration on food security and/or resilience?
	What would be the expected economic benefits from enhanced economic integration? Are these equitably distributed between genders, poverty quintiles?
	Anecdotal evidence points to increasing resilience of East Africa to economic and natural disaster shocks. Is this true, and if so, to what extent is this resiliency or the activities that support it sustainable?
DO 2. Improved management of risks that transcend borders	Are there specific transboundary risks that are more suited to a regional approach than others? What sorts of tactics are most suitable to address these risks?
	What is the role of regional intergovernmental institutions in addressing transboundary risks?
DO 3. East African institutions’ leadership and learning strengthened	What approaches would be most effective for building sustainable long-term technical and governance capacity needs of regional institutions?
	To what extent are regional institutions addressing the leadership and learning agenda for the region and in adaptively managing programs?
	What has been regional institutions’ influence over regional and global development agendas?

Collaborating, Learning and Adapting

By its very nature as a regional cooperation strategy, the RDCS will benefit from an explicit focus on inclusive learning. Research and collaboration are integral parts of every development objective and intermediate result. This reflects the goal of leveraging the Mission’s convening influence as a regional body to facilitate

collaboration with and learning between intergovernmental organizations, bilateral missions and other regional-level stakeholders. Through its emergent collaboration, learning and adapting (CLA) agenda, the Mission will be intentional in its application of the latest learning techniques to advance development in the region.

One technique that will be pursued is the elaboration of strategy-level learning questions. Such questions will inform the development of the PMP and attempt to test assumptions underlying development hypotheses, identify and adapt to potential game-changing scenarios and strengthen the overall evidentiary base of the portfolio. Through its role as a regional Mission, USAID/KEA is well placed to draw on the resources and experience of its bilateral missions and other regional stakeholders to solicit information on existing knowledge gaps or uncertainties. These partners also provide USAID/KEA with a wealth of resources and expertise. The monitoring systems and evaluation findings of USAID/KEA and its partners will be of primary importance in producing evidence to address strategy-level learning questions. The illustrative evaluation questions presented previously, for example, provide direct links to strategy-level learning through exploring development hypotheses and monitoring game-changing scenarios. Where appropriate, learning will be supported through other types of research and analysis outside of typical M&E channels.

USAID/KEA will also have an explicit focus on strategic collaboration. This collaboration will include seeking experts to provide in-depth knowledge-based evidence and experiential learning, to review the development context, provide recommendations and advice and perform periodic reviews of emerging issues. Collaboration will also entail, where appropriate, a focus on integrated programming between technical offices. One lesson USAID/KEA has learned from the development of its bilateral CDCS is that integrated programming works best when incentives come from all sides to promote buy-in. Moving forward, these lessons will be applied to streamline technical office integration. Collaboration will foster relationships with other donors. During the project design process, opportunities for strategic collaboration with donors implementing relevant programming will be identified and partnerships that capitalize on combined strengths will be developed.

A third technique will be to internalize pause-and-reflect processes at key junctures. Foremost among those junctures will be portfolio reviews, which reviews provide an opportunity for in-depth discussion on the analysis of the performance of indicators, implementing partners and development objectives, as well as any contextual factors contributing to them. After-action reviews and discussion of evaluation recommendations are additional pause-and-reflect junctures that will be integrated into program operations. These will highlight underlying obstacles or opportunities and encourage discussion on improvements in project design and implementation. There will be a midcourse RDCS stocktaking, allowing the Mission to engage in a candid “big-picture reflection.” The overarching questions would address whether or not the strategy is still valid and what adjustments, if necessary, could be made to implementation.

Lastly, the Mission will explore innovative mechanisms to incentivize the use of and capacity for CLA. Currently, crisis modifiers provide a percentage of an activity’s overall funds to be used beyond the ceiling amount if certain unanticipated circumstances arise. Perhaps, using a similar mechanism, learning could be incentivized. Such a mechanism might leave aside a certain amount of project funds that would be utilized only when learning had identified a previously unplanned opportunity to improve the activity’s impact. Building support for adaptive and flexible management into contracts and cooperative agreements could also lead to better enabling conditions for CLA, specifically adaptive management. Examples of this could include requirements for joint work planning among implementing partners or allowing for the simple redesign of activities based on new information. Additionally, expanding the capacity of implementing partners through mandating the onboarding of a CLA advisor would increase its utilization. Staff specialized in CLA would be better placed to recognize and take advantage of opportunities for CLA.

Overall, USAID/KEA’s goal is to proactively engage its operating units, partners, bilateral missions and other stakeholders in the process of CLA. The results of this process will ensure the RDCS is implemented to maximize development impact.

A woman measures grain at
Mwanza town market, Tanzania.



ANNEX I: REGIONAL INSTITUTIONS' STRATEGIC PRIORITIES

RIGO	Strategy	Regional Priorities
East African Community (EAC)	4th EAC DEVELOPMENT STRATEGY (2011/12 – 2015/16) (New strategy currently under development)	<ul style="list-style-type: none"> -Consolidation of the benefits of a fully fledged Customs Union -Full implementation of the Common Market and Single Customs Territory -Establishment of the East African Monetary Union -Laying the foundation for a political federation -Development of regional infrastructure -Development and strengthening of the regional productive sectors -Strengthening of EAC organs and institutions -Wide stakeholder participation: public and private sector, CSOs; local, regional, continental and international levels
Intergovernmental Authority on Development	IGAD Regional Strategy 2016-2020 (draft)	<ul style="list-style-type: none"> -Promote attainment of food security -Promote sustainable management of the environment and natural resources -Promote regional economic cooperation, integration and social development -Promote good governance, peace, security and address humanitarian crisis' -Enhance the corporate capacity of IGAD to effectively deliver its mandate
Common Market for Eastern and Southern Africa (COMESA)	COMESA 2016-2020 Medium-Term Strategic Plan	<ul style="list-style-type: none"> -Strengthening market integration -Attracting increased investments -Enhancing resource mobilization -Optimizing utilization of resources -Harnessing the benefits of strategic co-operation -Strengthening formulation, facilitation, harmonization and coordination of conducive policy and regulatory mechanisms -Ensuring regional and Secretariat readiness -Strengthening regional capacity and exploiting ICTs

ANNEX 2: GLOBAL CLIMATE CHANGE RISK ASSESSMENT

USAID/Kenya and East Africa Regional Development Cooperating Strategy Climate Change Annex

PART I: CLIMATE RISK

1.1 Introduction and Context

Climate Change in USAID strategy (ADS 201) states that “the goal of climate risk management is to render USAID’s work more resilient to climate change risk and to avoid maladaptation-development efforts that inadvertently increase climate risks.”

USAID/Kenya and East Africa (USAID/KEA) often works in areas that are being impacted and/or will be impacted by climate change because in many cases, climate risk may exacerbate development needs. USAID/KEA will support East African leaders as they harmonize policies and standards in: trade, investment, and agriculture; energy transmission and generation; environmental and natural resource conservation and management; and health care. The regional strategy will support African leaders to: increase security and resilience; adapt and reduce risks due to climate change; and to increase inclusive democratic governance. In addition, this strategy seeks to strengthen the technical and institutional capacity of regional institutions and to encourage them to seek innovative and evidence-based solutions.

Climate risk screening consists of broad consideration of current and future climate risks and opportunities early in the development decision –making process. It helps flag and prioritize risks that should be considered in order to promote resilient development and ensure the effectiveness of USAID program investments. It also identifies elements that may require a more in-depth assessment particularly when designing projects and activities.

The screening process started on November 18, 2015. The Mission was assisted by a virtual team from USAID/Washington. The key sources of climate information included available country specific Vulnerability Assessments, country climate change factsheets, country climate change profiles, and country Greenhouse Gas (GHG) profiles. A significant source of the information was from the East Africa climate change fact sheet that summarized the key climate change information for eleven countries, including Burundi, Djibouti (including Eritrea, which is no longer part of the EA), Ethiopia, Kenya, Rwanda, Somalia, South Sudan, Tanzania and Uganda. The countries missing from this fact sheet were Democratic Republic of Congo (DRC) and the Central African Republic (CAR). Other sources of reference include National Adaptation Programs of Action (NAPA), UNFCCC National Communications (All the countries under this RDCS except Somalia have previously submitted their INCs over the last 10 years), Climate Change Adaptation in East Africa Factsheets, and Multilateral Development Banks climate change analysis and sector specific studies in the region.

The change in “current” climate change parameters is a thirty year average of variables based on a threshold of the 1960/1970 time period. The projected shift in climate change is for the period ranging from the 2030 to 2060 time period. The climate change variables include the changes in temperature, precipitation, drought, sea rise and storm surge, winds, and other storms in the East African.

1.2 Method for Climate Risk Screening

To conduct the analysis, USAID/KEA chose to use the option1 screening tool (<https://programnet.usaid.gov/library/climate-risk-screening-tool>). The other two options included; (a) screening conducted by USAID/Washington, or (b) use of another climate screening tool, use of existing country-level analysis, or another approach.

Potential impacts, adaptive capacity and opportunities under a changing climate were identified and socialized with the RDCS design team that consisted of all sector leads. A Washington based team from AFR Bureau GCC supported the process virtually. The findings of the screening are summarized in the provided matrix (Tables 1 and 2).

Since most of the data is country specific, the screening adopted the lower and higher limits of climate change factors, especially where projects and programs will likely be implemented. For example, temperature is expected to increase in the future by 0.7^o C in Rwanda by 2060 and as high as 2.7^o C in DRC. Similarly, Kenya is projected to have precipitation changes ranging from -4 % to as high as 26 % in the next 30 years.

The screening process took into account how a specific sector, e.g. agriculture is currently affected by the climate change, and rated that impact as Low, Moderate or High. Future changes in climate factors and their effects on each sector were assessed and rated in a similar fashion. The rating reflects the interaction between the sector supported by the strategy with the projected climate change data in a defined regional scope. While the strategy is for 5 years, the long-term goal of the benefits is likely to last much longer, although this has been hard to quantify for most capacity building and policy improvement arenas. The available climate change data is for 30 year periods with the baseline being the 1960/1970s period. The “current” period ranges from 1990/2000 to 2030. The future impact considerations projects to 2060 and to 2090 in some cases.

The screening adopted a five year time frame for the screening for all the sectors. This was in recognition that the RDCS strategy is designed for five years, which offers an opportunity to test the hypotheses and assumptions. Moreover, the majority of the activities under the RDCS focus on policy development and capacity improvement in regional institutions. There is no general rule for the length of time for screenings related to the general policy development cycle. The climate change impacts and possible timeframe will be revisited at the project design stage when more details regarding a sector will be available. The climate change risks in the sectors screened are likely to grow in the longer term and the Mission’s interventions relating to policy/capacity building will effect change over this longer time period.

The screening results show that the current climate change impacts on all the sectors planned under the RDCS range from LOW to MODERATE. However, the potential future impacts on almost all the sectors screened are likely to be MODERATE to HIGH.

One of the key challenges faced by the screening team was the size of the target geographical region, the wide variability in climate change data, and the potential differing climate change impacts. In addition, the eleven countries under the RDCS have widely differing adaptive capacity and generalizing climate change impacts for the entire region would not be practical. To deal with the climate change disparities and potential impacts, a more specific analysis of the potential climate change impacts at the Project Approval Document (PAD) level will be useful to inform. The Mission will conduct a regional wide climate change vulnerability assessment focusing on key target sectors and regions.

The potential impacts of climate change for all DO 1 and 2 activities are rated MODERATE. Potential impacts for activities under DO 3 are rated LOW as their major focus is institutional strengthening and capacity building. Table 1 of the Annex shows how the strategy has addressed the moderate risks and the planned next steps.

1.3 Risk-Screening Analysis

USAID/KEA’s programs, since the 1990s, have supported regional economic and trade integration, regional policy reforms, greater food security, regional information systems for climate change, regional/transboundary environmental management, and regional peacekeeping initiatives. The programs under the regional operating unit (OU) are cross-border and transcend national boundaries. For example the Economic growth activities have traditionally focused on cross-border trade policies designed to increase trade in a particular zone. Historically, this has been the Northern corridor running from the Indian Ocean

through the Kenyan port of Mombasa, Uganda, Rwanda and Burundi. Agricultural sector activities have historically supported policies and strategic partnerships with regional entities to achieve food security (e.g. with Association of Strengthening Agriculture in East and Central Africa, EAC, COMESA, etc.). The activities are focused in specific geographical areas where key priority interventions are implemented.

The screening was done for 5 sectors which included Agriculture, Economic Growth, Health, Environment and Governance. The full analysis is attached.

Table 1 shows the climate risks, how they have been integrated in the narrative of the strategy, required next steps, and accepted risks.

1.4 ADDRESSING CLIMATE CHANGE RISKS IN THE RDCS

TABLE A2-1: CLIMATE RISKS IN THE STRATEGY

Development Objective or Intermediate Result	Risk of DO, IR or Supporting Sectors. <i>Categorize the potential impact of each DO and/or IR as high, moderate, or low and describe the adaptive capacity (for moderate/high risk if known). Indicate the decision timeframe applied in the analysis</i>	Integration into Strategy (Not Required for Low Risks) <i>How does the strategy address the risks?</i>	Next Steps (Not Required for Low Risks) <i>Is monitoring and/or further analysis of risks needed to inform project planning, design, and implementation? What needs to be done at the PAD and/or mechanism levels to address the risks?</i>	Accepted Risks <i>What climate risks does the Mission accept and why?</i>
DO 1: Sustainable Regional Economic Integration Advanced				
<u>IR 1.1 Conservation and management of natural capital improved</u>	Potential impacts to conservation and management of natural capital: HIGH. Adaptive capacity: LOW Timeframe: 0-5 years	Institutional capacity strengthening to address climate change impacts, (IR 1.1, page 21) and landscape approach to biodiversity management to include climate change adaptation	Specific Vulnerability Impact Assessments on how climate change affects the target ecosystems will inform programming and specific adaptation measures	Reduction of water availability due to degradation of major watersheds especially in the high mountains. This may indirectly affect the planned outcomes, especially where climate change is not the focus of the program.
<u>IR 1.2 Increased trade, investment, and inclusive agriculture sector growth</u>	Potential impacts on agriculture sector: MODERATE. Potential impacts on trade: MODERATE. Potential impacts on investments: MODERATE. Adaptive capacity: LOW Timeframe: 0-5 years	Promote access to high-quality agricultural inputs; support research at the regional level on emerging threats, including those related to pests and diseases, as well as climate change	Specific PADs will explore ways of building GCC adaptive capacity (and mitigation planning in agricultural sector) in specific sectors	GCC likely to lead to increased crop pests and diseases expanding to new geographical regions affecting the underlying causal linkages between agriculture and trade.

Development Objective or Intermediate Result	Risk of DO, IR or Supporting Sectors. <i>Categorize the potential impact of each DO and/or IR as high, moderate, or low and describe the adaptive capacity (for moderate/high risk if known). Indicate the decision timeframe applied in the analysis</i>	Integration into Strategy (Not Required for Low Risks) <i>How does the strategy address the risks?</i>	Next Steps (Not Required for Low Risks) <i>Is monitoring and/or further analysis of risks needed to inform project planning, design, and implementation? What needs to be done at the PAD and/or mechanism levels to address the risks?</i>	Accepted Risks <i>What climate risks does the Mission accept and why?</i>
<u>IR 1.3 Regional capacity for power trade and cross-border transactions increased</u>	Potential for regional capacity for power trade: HIGH. Cross border transactions: MODERATE Adaptive capacity: LOW Timeframe: 0-5 years	Mission will promote policies that will lead to investment in green and renewable energy including solar, wind, and geothermal. The Mission will provide technical support to bilateral Missions in the region and their local partners to accelerate implementation of priority geothermal projects and increase the number of MWs from green energy sources	Energy related PADs will focus on cleaner energy that will move away from biomass dominated energy dependence and diversify from the hydro-generated power. Further information on how cleaner energy generation will be impacted by the climate change will be researched further	The region depends on hydropower generation. CC may lead to extreme variations in hydropower generation, affecting the planned regional energy trade.
DO 2: East Africans Effectively Managing Risks that Transcend Borders				
<u>IR 2.1 Health services and systems for marginalized and vulnerable populations strengthened</u>	Potential impacts to health systems strengthening: MODERATE. Adaptive capacity: LOW Timeframe: 0-5 years	Cross-Border health systems harmonized; enhance cross-border disease prevention; develop a climate change information management system to enable policymakers to better plan for climate change	The regional program is not focusing on Malaria prevention. However, further information on how climate change may impact targeted infectious diseases, including TB and HIV, is planned.	Reduced immunity of populations may lead to a reduced capacity to cope with climate change impacts, counteracting the planned outcomes.

Development Objective or Intermediate Result	Risk of DO, IR or Supporting Sectors. <i>Categorize the potential impact of each DO and/or IR as high, moderate, or low and describe the adaptive capacity (for moderate/high risk if known). Indicate the decision timeframe applied in the analysis</i>	Integration into Strategy (Not Required for Low Risks) <i>How does the strategy address the risks?</i>	Next Steps (Not Required for Low Risks) <i>Is monitoring and/or further analysis of risks needed to inform project planning, design, and implementation? What needs to be done at the PAD and/or mechanism levels to address the risks?</i>	Accepted Risks <i>What climate risks does the Mission accept and why?</i>
<u>IR 2.2: Security of populations vulnerable to regional threats increased</u>	Potential impacts to vulnerable populations: MODERATE (droughts, flooding and reduced nature based resources often exacerbate underlying conflict factors) Adaptive capacity: LOW Timeframe: 0-5 years	Promote cross-border community and CVE mitigation networks	The extent to which droughts and degradation of natural resources drives conflict will be assessed in target areas	Increased droughts and flooding in the Horn of Africa is likely to be an underlying factor in the region, and a continuing contributing factor to migration and regional security threat.

Development Objective or Intermediate Result	Risk of DO, IR or Supporting Sectors. <i>Categorize the potential impact of each DO and/or IR as high, moderate, or low and describe the adaptive capacity (for moderate/high risk if known). Indicate the decision timeframe applied in the analysis</i>	Integration into Strategy (Not Required for Low Risks) <i>How does the strategy address the risks?</i>	Next Steps (Not Required for Low Risks) <i>Is monitoring and/or further analysis of risks needed to inform project planning, design, and implementation? What needs to be done at the PAD and/or mechanism levels to address the risks?</i>	Accepted Risks <i>What climate risks does the Mission accept and why?</i>
<u>IR 2.3: Climate change adaptation and risk mitigation improved</u>	Potential impact to NRM: HIGH; Adaptation and risk mitigation: LOW Adaptive capacity: LOW Timeframe: 0-5 years	The Mission will develop a climate change information management system to enable policymakers to better plan for climate change; strengthen the regional level data bases for sharing key climate change data and information, and best practices. The Mission will improve capacity of regional institutions involved in climate change research and support, support climate science and decision-support systems, targeted research and tailor made earth observation, including climate data tools and technologies will be applied across all three DOs and the Mission will target to improve african research capacity.	Advances in climate decision-support in the regional organizations and specific sectors will be assessed. Targeted research for enhanced learning and application of climate science in key regional transboundary ecosystems will be considered.	Increased extreme weather events such as drought and flooding in the region will likely continue to be a factor in the region, affecting the planned outcomes and impacts.
DO 3: Strengthen East African institutions' leadership, policies and learning				
<u>IR 3.1 Institutional governance and accountability strengthened</u>	Potential impacts on institutional governance and accountability: LOW Adaptive capacity: LOW Timeframe: 0-5 years			

Development Objective or Intermediate Result	Risk of DO, IR or Supporting Sectors. <i>Categorize the potential impact of each DO and/or IR as high, moderate, or low and describe the adaptive capacity (for moderate /high risk if known). Indicate the decision timeframe applied in the analysis</i>	Integration into Strategy (Not Required for Low Risks) <i>How does the strategy address the risks?</i>	Next Steps (Not Required for Low Risks) <i>Is monitoring and/or further analysis of risks needed to inform project planning, design, and implementation? What needs to be done at the PAD and/or mechanism levels to address the risks?</i>	Accepted Risks <i>What climate risks does the Mission accept and why?</i>
<u>IR 3.2 Technical and coordination capacity of regional institutions strengthened</u>	Potential impacts to coordination capacity and institutions strengthening: LOW Adaptive capacity: LOW Timeframe: 0-5 years			
<u>IR 3.3 Innovative and evidence-based policies and solutions Fostered</u>	Potential impacts to innovative policies: LOW Adaptive capacity: LOW Timeframe: 0-5 years			

PART II: GREENHOUSE GAS (GHG) MITIGATION

TABLE A2-2: GHG MITIGATION

Greenhouse Gas Sources	Mitigation Strategy
<p><u>Regional emissions</u></p>	<p>GHG emissions in Eastern Africa (Burundi, Rwanda, Eritrea, Ethiopia, Djibouti, Kenya, CAR, DRC, Tanzania and Uganda) totaled 718¹ MtCO₂e in 2012 (without data from Somalia and Southern Sudan). This was equivalent to 1.58 percent of the total global emissions. This was an estimated increase of about 41 percent from 1993 baseline year. The largest GHG contributions came from DRC at 208 MtCO₂e followed by Tanzania at 171 MtCO₂e and Ethiopia with 143 MtCO₂e</p> <p>In Eastern Africa land use change and the forestry sector are the greatest contributors of GHG emissions. The sector contributes about 47% of the total GHG emissions</p> <p>Agriculture sector was the second largest contributor with about 33 percent</p> <p>Energy sector contributes about 10 percent of all the emissions, with transportation contributing 20 percent of that. The largest emitter in energy is “other fuel combustion” composing 60 percent of the energy sector emissions</p>
<p>a) <u>Planned Programs</u></p>	<p>a) USAID/EA’s RDCS main focus is policy support/institutional capacity building and not activities on the ground. The planned activities including supporting and promoting renewable energy, away from the biomass dependent energy sources in the region, will lead to reduced emissions. Additionally, the Mission will support information management system to enable policymakers to better plan for climate change; strengthen the regional level data bases for sharing key climate change data and information, and best practices and improve capacity of regional institutions involved in climate change, which is likely to reduce the emissions related to agriculture and land use in the region.</p>
<p>b) <u>Opportunities to reduce emissions</u></p>	<p>b) In the energy sector, USAID/KEA will focus on clean and renewable energy including solar, wind, and geothermal which will cause a reduction of emissions currently experienced from thermal and biomass dependence. In the agriculture sector, USAID will work with regional organizations to promote access to high quality agricultural inputs (seeds and fertilizer) and sharing of best practices. In the forestry and NRM sector, USAID will promote institutional capacity strengthening of regional institutions and focus on a landscape approach to biodiversity management. The management will not have a regional program to reduce emissions in agriculture</p>
<p>c) <u>Opportunities to reduce emissions associated with USAID activities</u></p>	<p>c) USAID/KEA’s focus is on regional partnership collaboration with a few on-the-ground activities that may lead to a decrease in GHG emissions.</p>

Greenhouse Gas Sources	Mitigation Strategy
<p><u>Actions to reduce GHG in the RDCS:</u></p>	<p>The RDCS's key focus is to advance sustainable and resilient growth in the region, which is highlighted in the goal statement. IR 2.3 focuses on advancing select African Institutions to improve resilience of the region to the impacts of climate change and to ensure land use management reduces greenhouse gas emissions. In addition, IR 1.3's main focus is on power/energy trade, primarily renewable energy sources, which would lead to reduction in biomass energy dependence by the of the population (currently 80 percent). The end result would be increased electricity connectivity that would promote an expansion in economic diversification and reduce GHG emissions from land use and primary agricultural production.</p> <p>DO3 key focus is to promote African leadership in development by supporting institutional strengthening, capacity and innovative evidence based policies and solutions. This provides an opportunity for the regional organizations to take leadership in addressing climate change related risks in the region. Specific potential actions will be detailed in the PAD development phases.</p>
<p><u>Next Steps</u></p>	<p>More detailed PAD level analysis, including vulnerability analysis, will help identify opportunities for incorporating technologies and approaches geared toward GHG emissions reduction. USAID/KEA will conduct a vulnerability assessment to compile regional level climate change information. The assessment will focus on compiling existing studies and bilateral assessments.</p>

PART III: ADDITIONAL REQUIREMENTS FOR MISSIONS RECEIVING GCC FUNDS – ADAPTATION TO CLIMATE CHANGE

3.1. Climate Change in the Region

How is climate change a current stressor?

The RDCS's development context highlights the importance of building resilience to the impacts of climate change in the region. Climate change projections indicate further increased pressure on the natural resource base of the region, which is further exacerbated by high population pressure, degradation, and overexploitation of natural resources. The strategy indicates that a projected increase in global warming of just 2 degrees Celsius could result in permanent reductions in per capita income of between 4-5 percent. Climate variability and change will heavily impact agriculture, natural capital/assets (e.g. forests, wildlife and tourism sub sectors), water resources, energy, and trade. As a result of existing vulnerabilities in populations and ecosystems, the region is likely to face water shortages, causing serious impacts on food security, access to safe drinking water, and sanitation. Agriculture is an important driver of sustainable development in the region and is largely rain-fed. Climate data indicates that the region is getting drier and warmer, coupled with high inter-seasonal rainfall variability, especially in marginal agricultural areas. These trends are causing a reduction of arable land, shifts in agro-ecological zones, decline in agricultural productivity, affecting trade and livelihoods. The Horn of Africa is a particularly vulnerable region, where populations must build resilience to more frequent and severe droughts, floods and other disasters for their very survival. The section on Agriculture and food security discusses the current food security challenges in the region, mainly due to changing climate and extreme events like drought. Emergency food aid has become commonplace in the semiarid and arid areas of Kenya, Ethiopia, and Uganda. Poverty and malnutrition rates are high and many

areas experience chronic food insecurity and a growing dependence on humanitarian assistance. Food insecurity is likely to be exacerbated as a result of global climate change, political instability, and unreliable access to quality inputs.

How is climate change projected to be a stressor?

The projected climate change will lead to increased temperatures between 1.8-4.3° C, and increased precipitation of about 2- 2.5 percent, coupled with increased variability, drought and other extreme weather events. Since the agriculture and food security sector is dominated by rain-fed agriculture, climate change will disproportionately affect the poor and marginalized groups in East Africa who have a lower capacity to adapt. Changing weather patterns are already occurring with increased frequency and severity. The impact of drought coupled with increasing temporal and spatial variability of rainfall and temperatures in semiarid and arid areas of East Africa is having considerable negative impact on crop and livestock production, even in areas with historically high rainfall. In the drylands, the frequency of drought has increased significantly over the past decade.

3.2 Studies and Analysis Done to Inform Strategic Planning around Adaptation

The table below summarizes the studies and analysis done to inform the RDCS surrounding climate change adaptation. In addition, the mission is considering having a region wide climate change vulnerability assessment. This will look at the existing bilateral studies and compile a regional assessment with data on climate change predictions, vulnerable sectors, and programming opportunities.

Studies and Analysis Done for RCDS: Environment and Climate Change		
Title	Publisher	Year
Adapting to climate change through land and water management in Eastern Africa: Results of pilot projects in Ethiopia, Kenya and Tanzania	FAO	2014
Climate Change 2014: Impacts, Adaptation, and Vulnerability: Regional Aspects: Africa	Intergovernmental Panel on Climate Change	2014
Status of African elephant populations and levels of illegal killing trade in ivory	IUCN	December 2013
Planning climate adaptation in agriculture: Meta-synthesis of national adaptation plans in West and East Africa and South Asia	CGIAR	2013
Country Program Annual Reports for Tanzania and Uganda	WaterAid	2013
Potential impact of climate change on resilience and livelihoods in mixed crop-livestock systems in East Africa	World Bank	2013
Climate Change and Agriculture in East Africa	IFPRI and ASARECA	2013

Studies and Analysis Done for RCDS: Environment and Climate Change

Title	Publisher	Year
EA Gender Assessment for Agriculture & Climate Change	DevTech Systems	March 2012
EA Regional Climate Change Profile	USAID	February 2012
Climate Change Country profiles for Rwanda, South Sudan, Tanzania, Uganda, Ethiopia, DRC, and Kenya	USAID	
Climate Change Fact Sheets for East Africa, Ethiopia, Kenya, Rwanda, Tanzania, and Uganda	USAID	2012
Climate Change Vulnerability Assessments for Burundi, CAR, Ethiopia, Kenya, Rwanda, Tanzania, and Uganda	USAID	
Key Considerations and Opportunities for a USAID Climate Change Program in the East Africa Region: Implications of the costs Imposed by Climate Change in Three Ecoregions of East Africa	International Resources Group	2011
Review of current and planned adaptation Action: East Africa (Burundi)	International Institute for Sustainable Development	2011
GHG Factsheets for East Africa region	World Resources Institute	2012
Review of current and planned adaptation Action: East Africa (Somalia)	International Institute for Sustainable Development	2011
Country Strategies for Tanzania and Uganda	WaterAid	2011
Water point mapping in East Africa: Based on strategic review of Ethiopia, Tanzania, Kenya, and Uganda	WaterAid	2010
Gender, climate change and REDD+ in the Congo Basin forests of Central Africa	International Forestry Review Vol.13(2), 2011	2011
Tackling climate change may lessen Central African Republic conflict risks – scientists	Forest News	2013
Climate Change and Conflict: An Annex to the USAID Climate-resilient Development Framework	USAID	2015
IGAD/ICPAC Atlas for Climate Hazard Risks and Food Security	IGAD	2015

Studies and Analysis Done for RCDS: Environment and Climate Change		
Title	Publisher	Year
Potential Impact of Climate Change on Resilience and Livelihoods in Mixed Crop Livestock Systems in East Africa	Report of a World Bank study by International Livestock Research Institute (ILRI),	2011
Africa's Climate Opportunities: Adapting and Thriving	African Development Bank	2015
The Impacts of Climate Change on Regional Water Resources and Agriculture in Africa	The World Bank Development Research Group	2007
IPCC Expert Meeting on Climate Change, Food, and Agriculture, Dublin, Ireland, 27-29 May 2015	IPCC	2015
East African Community Climate Change Policy	East African Community	2011
East Africa Vulnerability, Impacts and Adaptation Assessment (VIA) Report	East African Community (with support from USAID/KEA)	2016

3.3 Adaptation Plan of Action for the Regional Bodies

The Regional Strategy addresses multiple countries in the Eastern Africa region, yet, a regional climate change strategy or plan does not exist. Most East African countries have, however, submitted the Intended Nationally Determined Contributions (INDC) which cover mitigation and adaptation, and include information on greenhouse gas emissions, mitigation options, vulnerability assessments of key sectors, potential adaptation measures, and the policy and institutional context for responding to climate change. National governments have also submitted National Adaptation Programs of Action (NAPA) that identify the most vulnerable sectors to climate change and the needs of the country to adapt to climate change. NAPAs recommend relevant stakeholders, policies, programs, and projects that can help address the impacts of climate variability. All the East African countries under this RDCS signed (or are party to, in the case of Somalia) the Paris Agreement in New York on April 22nd.

At the regional level, the African Ministerial Conference on the Environment (AMCEN), promotes a common African position on climate change and highlights continent-wide concerns about the impacts of climate change on marine and coastal ecosystems. The Nairobi Declaration on the African Process for Combating Climate Change (2009) addresses the impacts on resources on coastal communities. The Bamako Declaration on the Environment for Sustainable Development (2010) urges African states to prepare national adaptation plans, adopt and implement ecosystem-based approaches, accelerate implementation of the Hyogo Framework for Action and implementation of the African regional strategy for disaster risk reduction (2005-15). AMCEN also provides a regional legal framework and coordinates the actions of Eastern and Southern African member states to develop programs that strengthen their ability to protect, manage, and sustainably develop their coastal and marine environments and resources.

Common Market for Eastern and Southern Africa's objectives include: developing a shared African vision on climate change and a common African platform for international climate negotiations; fostering regional and national cooperation among a wide range of stakeholders; supporting integration of climate change

considerations into regional and national policies, sectoral planning, and development and budgeting; capacity building; and expanding scientific and technical knowledge base to inform decision-making processes.

African Ministerial Conference on Water seeks to promote greater cooperation among African countries on water resource issues through policy and activity coordination, finance review and mobilization, and monitoring the implementation progress of major regional and global water initiatives.

The EAC published its East Africa Climate Change Policy in 2011, following a directive from the Heads of States Summit in 2009. The purpose of the policy is to assist Partner States and other stakeholders on the preparation and implementation of collective measures to address Climate Change while ensuring sustainable social and economic development.

In 2015, Intergovernmental Authority on Development (IGAD) launched the preparation of a Regional Climate Change Strategy, which covers the next five years (2016-2020). The strategy was a recognition of the need to coordinate and harmonize responses to the threat of climate change induced vulnerabilities.

The USAID /KEA adaptation plan is targeted at strengthening and empowering regional organizations to support effective climate adaptation and increased resiliency, moving the region further away from constant climate crisis and humanitarian assistance. USAID/KEA and the USG will focus on institutional strengthening of key RIGOs, such as the IGAD Climate Predictions and Applications Centre (ICPAC) and the Regional Centre for Mapping of Resources for Development (RCMRD), in order for them to become centers of excellence for climate services. Support will increase the ability of selected African institutions to apply geospatial technologies in societal benefit areas identified by Global Earth Observations (GEO), to ensure land use management reduces greenhouse gas emissions. Development decisions based on more accurate information will lead to more resilient outcomes in agriculture, trade, health, disaster risk management, water resources, and land use. These activities are designed in alignment with the regional adaptation priorities through the RIGOs.

3.4 Future Climate Change Impact on Planned Programs

The key activities for USAID/KEA are policy support, technical assistance, institutional capacity building and strengthening, knowledge management, coordination of policies, strengthening research capabilities, promotion of policies and standards, and information sharing. Although these activities are sector specific, and will likely impact on activities affected by climate change, they are unlikely to be adversely impacted by climate change themselves. These activities are designed to advance integration and strengthen regional institutions to carry out their mandates. The programs are designed to address transboundary challenges and complement bilateral activities that are more likely to have “on-the-ground” activities. The nature of the planned activities excludes them from direct adverse climate change impacts. On the other hand, the planned activities are designed to integrate climate change impacts, mitigate, and advance the course of adaptation on the target sectors.

USAID/KEA often works in areas that are being impacted and/or will be impacted by climate change. USAID/KEA will support East African leaders as they harmonize policies and standards in the areas of trade, investment, agriculture, energy transmission and generation, environmental and natural resource conservation and management, and health care. The regional strategy will support African leaders in efforts to increase security and resilience, adapt and reduce risks, and increase inclusive democratic governance. In addition, the strategy seeks to strengthen the technical and institutional capacity of regional institutions and to encourage them to seek innovative and evidence-based solutions.

ANNEX 3: FEED THE FUTURE

USAID/Kenya and East Africa Regional Development Cooperation Strategy (RDCCS) – 2016-2021

Feed the Future East African Context

East Africa's agro-ecological zones form a complex patchwork of high and low potential areas of agricultural production. Roughly 16.7 percent of East Africa is composed of arable lands (World Bank, 2013). The World Bank estimates that East Africa produces enough food to feed its people, but underperforming regional markets and trade barriers prevent food moving from areas of surplus to deficit, limiting the potential market-based response to food insecurity. Instead, chronic food shortages regularly require humanitarian assistance, largely due to issues of distribution: inefficient markets, borders, and policies that restrict movement of staple foods and exacerbate drastic fluctuations in prices.

On a continuing basis, an estimated 14.9 million people in East Africa face “stressed” to “crisis” levels of food insecurity. Emergency food aid has become commonplace in the semi-arid and arid lands of Kenya, Ethiopia and Uganda. Across the region, poverty and malnutrition rates are high and there is a growing dependence on humanitarian assistance. In the drylands, frequency of drought has increased significantly over the past decade. The emergence of Maize Lethal Necrosis (MLN) is threatening to decimate small-holder production, and the persistence of serious health threats caused by Aflatoxin fungus in food supplies, both pose major regional threats to food production if left unchecked.

At the Malabo Declaration in 2014, recommitted African states to the principles and values of the Comprehensive African Agriculture Development Program (CAADP) by setting goals of tripling intra-regional agricultural trade and halving poverty by 2025 in order to achieve greater food security and enable agricultural sector growth. Malabo reaffirmed Partner States' commitments to agriculture growth as a key driver of the economies in the region to stimulate growth, decrease poverty, and improve food security. Inclusion of women and youth in future agriculture sector growth was also stressed.

With the population expected to double by 2050, growing urbanization will require a move toward industrial development across the region, with agriculture continuing to significantly impact the economy and employ the largest share of the population. Greater advancement in commercial agriculture and related agribusiness is necessary to keep up with the growing and increasingly urbanizing population. Farming must become a more viable vocation, and more attractive to youth and investment, in order for the regional supply of staple foods to meet the growing demand. The agricultural sector must also overcome constraints related to depleted ecosystems, poor infrastructure, unreliable market information, insufficient access to quality inputs, and poor policy coordination.

There is also a distinct inadequate access to improved varieties of seeds, fertilizers, as well as knowledge on management practices for crops, livestock, soil, and water. This compromises productivity and stymies competitiveness. Agricultural inputs face particular regulations and restrictions when crossing border point, such as differing labelling standards and seed certification, and insufficiently harmonized and under-enforced standards for inputs creates new barriers to trade as countries implement separate standards and rules.

Food insecurity is likely to be exacerbated as a result of global climate change. Since the sector is dominated by rain-fed agriculture, climate change will disproportionately affect the poor and marginalized groups in the greater East Africa region who have a lower capacity to adapt. Changing weather patterns due to climate change are already occurring with increased frequency and severity. Maize yields in the region is 40 percent below the global average of four mega-tons per hectare. The agriculture sector is underfunded with

3 to 6 percent of national budgetary allocations. Arable land is shrinking and the region lacks appropriate capacity to spur sustainable agricultural productivity.¹⁹

With a population poised to double by 2050, improvements in commercial agricultural and agribusiness, market access, and trade are critical to incentivize farmers and food processors to increase production to achieve a more food secure East Africa.

Development Hypothesis and Approach

The East African region has numerous agricultural trade and production-related issues that cut across borders, and therefore demand regional solutions. Partnering with African regional institutions to develop, design, and implement those solutions is a top priority for the U.S. Government. A core objective of both our East African regional partners and USAID's East Africa regional Feed the Future strategy is to reduce barriers to trade and encourage investments in regionally integrated markets, significantly improving regional food security, reducing poverty, and improving nutrition.

The USAID/Kenya and East Africa Regional Development Cooperation Strategy (RDSCS) will support the development of seamless cross-border supply chains that will catalyze increased regional trade and food production, promote regional food security and food safety, and encourage greater regional integration. USAID/KEA will improve regional food security and nutrition by building structured regional markets that will significantly expand opportunities along selected staple food value chains for smallholder farmers, farmers' organizations, traders, storage and warehouse operators, processing firms, and transporters. Increased volume and value of intra-regional trade will have a direct impact on expanded access, availability, and utilization of the prioritized staple foods.

Opportunities

Over the next five years, USAID/KEA and its partners will work to advance the factors necessary to achieve sustainable economic integration in the region. Growth needs to be agricultural-based, private sector led, and trade-driven. USAID/KEA will promote regional approaches for improved access to high quality agriculture inputs (seeds and fertilizer), regionally integrated value chains through investment, more efficient trading platforms for both formal informal trade, and regional trade policies that enhance the quantity and quality of agricultural production. This approach will support climate smart agriculture by sustainably increasing agricultural productivity, adapting and building resilience of agricultural and food security systems, and reducing greenhouse gas emissions from agriculture.

Agricultural goods face particular non-tariff barriers and regulations that restrict the sector's growth and ability to contribute to regional food security. Through investment in regionally harmonized policies and standards, USAID is contributing to an improved enabling environment for trade in both agricultural inputs and production. Recent examples include COMESA's regionally gazetted policies on biotechnology/biosafety and seed, the African Union InterAfrican Bureau for Animal Resources (AU-IBAR)'s Standard Methods and Procedures for Animal Health, and the EAC's Food Security and Nutrition Strategy, harmonized standards for 22 staple foods, and common pest lists.

Key regional leverage points for Feed the Future, based on the principles of regional comparative advantage, are as follows:

- Support the East African Community (EAC), the Common Market for Eastern and Southern Africa (COMESA), the Intergovernmental Authority on Development (IGAD), and their agencies to accelerate their own agendas to promote free trade and improve the enabling environment for agricultural trade and market access. Support will be focused on harmonizing policies and regulations

¹⁹ USAID PREPARED Vulnerability Impacts and Adaptation (VIA) assessment, March 2016.

to de-bottleneck trade in the targeted staple commodities, and to get them implemented and enforced at the national level. This support will help strengthen regional organizations themselves.

- Support the design and implementation of streamlined procedures and systems to reduce the time and cost of moving commodities across key border points on the northern and central transport corridors, as well as more broadly to reduce the transaction costs of moving commodities from surplus to deficit areas served by those corridors.
- Support regional trade associations, regional seed industry associations, and private sector firms to improve facilities and services for market access and structured trade in both the target commodities and the inputs required to increase productivity, including support for a regional seed alliance.
- Support regionally coordinated research in agricultural science to make improved technologies and knowledge available to partners that have the capacity to transfer them to farmers and other users along the priority value chains.
- Support policies and regulations that will improve nutritional quality and safety.

Partnerships

A. Regional Intergovernmental Organizations (RIGOs)

RIGOs have been USAID's key partners in East Africa over the last decade in elevating the regional integration agenda and advancing regional policy formulation and harmonization. The Mission undergoes an annual planning process with each of these organizations in order to ensure alignment of support with strategic plans of the RIGOs along shared priority areas and expressed needs of East African leadership. Past support has ranged from strategic planning and institutional development, to activities focused on particular policy processes, trade facilitation, gender integration and ending drought emergencies, in direct alignment with the RIGOs' strategic priorities.

The USAID/KEA RDCS aligns with COMESA and the EAC's support for the Comprehensive Africa Agriculture Development Program (CAADP) compacts and investment plans where applicable, as well as efforts to further integrate markets through the Agreement Establishing a Tripartite Free Trade Area among COMESA, EAC, and the Southern African Development Community (SADC).

USAID/KEA is changing the way it does business with RIGOs. This new approach recognizes the leadership these organizations must play in regional integration and their role as USAID's regional intergovernmental counterparts, in the same vein that a national government would serve as USAID's counterpart for a bilateral strategy. USAID/KEA's relationship with the RIGOs will mature to reflect the leadership role of the RIGOs and USAID's commitment to partnership in achieving shared integration and growth priorities. This approach is critical to the sustainability of the integration agenda and fostering East African leadership for increasing food security in the region.

B. Regional Stakeholders

USAID/KEA will collaborate with East African private sector associations to ensure regional integration efforts are aligned with business interests. The project will work with value-chain actors and sector specific associations to promote an enabling environment for agricultural trade in the region. It will also partner with associations in East Africa and the U.S. to develop sector-specific strategies, and deliver business development and business-to-business matchmaking services to their members.

Anticipated private associations with which USAID/KEA will collaborate include:

- East African Grain Council (EAGC)

- East African Farmers' Federation (EAFF)
- African Seed Trade Association (AFSTA)
- East Africa Business Council (EABC)
- African Cotton Textile Industries Federation
- African Fine Coffee Association

Activity Objectives

1. Increased Implementation of Regionally Harmonized Agricultural Policies and Standards

The overarching East Africa Feed the Future strategic approach and development hypothesis recognizes the necessity of advancing the implementation of uniform policies and standards throughout East Africa as a means to increase the volume and value of food staples produced and traded from areas of production (surplus) to areas of consumption (deficit). In addition, policy associated with the trade of high quality inputs to increase productivity and production of farmers is critical. COMESA has advanced policies to harmonize the seed trade in the 19 COMESA countries. Implementation of these policies will allow more efficient movement of the seed and improve seed quality available to smallholder farmers thereby contributing to improved household incomes for resource-poor farmers.

In addition, Feed the Future programs will address regional and country-identified policy constraints to trade and investment is paramount. While the policy framework is becoming more favorable and the trends are improving, much remains to be done to facilitate trade in food staples. In particular, specific technical issues include sanitary and phytosanitary standards (SPS), biosafety rules and standards, harmonized quality grades and standards, harmonized customs regulations, simplified rules of origin, standardized financial regulations, and a range of other reforms needed to facilitate investment.

Livestock trade is currently constrained by disease outbreaks, differing animal health requirements among the Horn of Africa countries, uncoordinated disease surveillance and control programs, and unjustified livestock trade bans by importing countries. Clear, standardized procedures for disease control programming in exporting nations and for entry of livestock into importing nations removes barriers and obstacles, stabilizes and facilitates trade, reduces probability of unpredictable decision making, and builds confidence between exporters and importers. A regional Standard Methods and Procedures (SMP) framework provides a stable foundation for both live animal trade and livestock commodity based product trade within the Greater Horn of Africa ecosystem, Eastern and Southern Africa region and for international trade to destinations outside the region. The SMP will realistically address and accept already existing disease surveillance, prevention, control, and laboratory testing programs, as well as protocols being used by national Departments of Veterinary Services programs with the goal of coordinating these into a regionally coherent system. Additionally, it will be designed to accept growth and revision as new technologies and/or improved disease control strategies become available.

In the area of cutting-edge biotechnology, countries in the region are at different levels of developing usable products and uptake pathways. The two leading countries in research on genetic modification are Kenya and Uganda, with Kenya advancing knowledge on tolerance to drought and Uganda reaching the stage of confined field trials on critical banana and cassava diseases. Additionally, Sudan, as well as Kenya and Uganda, have started field-testing transgenic cotton. Linkages between the National Agricultural Research Systems' biotechnology work is uneven and past activities have focused on capacity building with national agricultural research systems (NARS) and biosafety policies. In the past, USAID has partnered with ASARECA, but the decision to continue this partnership will depend on the results of a World Bank investigation into the organization.

Tangible results and progress going forward will require domestication and implementation of regional agreements at the national level. The USAID/KEA RDCS represents a shift in focus from supporting policy formulation to policy implementation, which will require working with regional institutions (to develop policy implementation plans, interface with member states, and follow through with regular mutual accountability reviews), national governments (to formalize in legal processes, gain traction for implementation, and develop the appropriate capacities and tools to properly execute the policies), and the private sector.

USAID/KEA will increase implementation of harmonized agriculture policies and standards through the following illustrative activities:

- Facilitate harmonization of laws and regulations that govern intra-regional and export trade, with particular attention to support implementation for agricultural inputs and animal health products
- Promote gender-sensitive programming through promotion of agriculture trade investment to factor in gender challenges, with particular emphasis on women involved in agriculture and the informal sector
- Provide technical support to decrease non-tariff barriers (NTBs) and technical barriers to trade for agricultural (including livestock) and non-agricultural goods
- Strengthening the capacity of government officials, trade associations and their members to address trade procedures and requirements

2. Improved Implementation of Bilateral and Multilateral Trade Commitments

Much success has been achieved thus far in harmonizing and elevating trade commitments to a level of world best practice, incorporating regional standards, procedures and policies to reduce technical and NTBs to trade. Building on progress attained in support of integration in the EAC, USAID/KEA will continue to support the development and implementation of coherent laws, policies, and practices that facilitate agricultural trade. In particular, this will involve supporting the EAC to engage with national governments through the ministries in charge of agriculture, trade, industry, and EAC affairs with the view of accelerating the full implementation of the EAC Customs Union and the Common Market Protocol and ensure the alignment of formal support systems with sound business practice.

USAID/KEA will improve implementation of bilateral and multilateral agricultural trade commitments through the following illustrative activities:

- Provide technical support for the implementation of regional and international agreements, including the USG-EAC Cooperation Agreement on Trade Facilitation, SPS and Technical Barriers to Trade (TBT), and the WTO Trade Facilitation Agreement
- Facilitate implementation of the U.S.-EAC Regional Investment Treaty
- Support the USG's pursuit of future trade negotiations with RIGOs
- Support development of the tripartite agreement between COMESA, the EAC, and SADC

3. Enhanced Implementation of Trade Facilitation Procedures

To build on the successes achieved so far in harmonizing SPS and other standards through RIGO agreements, and to ensure that harmonized standards foster rather than impede trade, national regulations need to be aligned with regional SPS protocols, designated laboratories need to be accredited, and East Africa needs to adopt a harmonized format for production and recognition of Certificates of Conformity with required standards.

USAID/KEA will enhance implementation of agricultural trade facilitation procedures through the following illustrative inputs:

- Facilitate implementation of harmonized agriculture commodity standards
- Promote regional transit bonds for transporters
- Promote pro-agriculture simplified trade regimes
- Provide technical support for the development and implementation of national export strategies that promote agriculture trade

4. Increased Business Linkages to Regional and International Opportunities

An improved trade policy enabling environment will promote transparent, efficient trade and facilitate investment in the movement of agricultural commodities along value chains from the farm gate to final retail markets at the regional and international levels. A key service is timely, reliable market information so that traders and buyers know the prices being paid in markets, guiding decisions of when to buy or sell and what a fair price should be. Rapid advances in cell phones and other information technology systems are making real time information widely available. The Regional Agricultural Trade Intelligence Network (RATIN) system and other price market information systems improve linkages between farmers and buyers for staple foods.

The agriculture and fisheries sectors employ, directly and indirectly, nearly 80 percent of the population of East Africa,²⁰ the majority of whom are poor, with a high proportion of women. Creating regional market linkages will help increase farm incomes and jobs in the sector as well as help moderate prices for customers. This area would focus on providing appropriate transport linkages between farm gate and consolidation hubs and the creation/upgrading of appropriate infrastructure to provide for temperature controlled storage and the creation/upgrading of market infrastructure.

USAID/KEA will coordinate closely with USAID bilateral Missions to identify opportunities to incorporate regional opportunities and extend gains made in 22 staple food value chains through regional economic integration.

USAID/KEA will increase business linkages to regional and international opportunities through the following illustrative inputs:

- Strengthen the capacity of national export promotion agencies, or their equivalent, or other relevant agencies
- Support development of, and participation in, trade fairs, buyer missions, and other exposure events
- Facilitate the harnessing of U.S. private sector skills, capital, and technologies to address constraints in key economic sectors in East Africa, including agriculture and livestock
- Facilitate networking between East African and U.S. businesses for mutual benefit
- Support strategic interventions of the COMESA Business Council and East Africa Business Council
- Facilitate increased access to regional and international markets of African agricultural and horticultural goods and livestock.
- Facilitate development of regional communities of practice to combat SPS threats (aflatoxin and Maize Lethal Necrosis) that limit production and intra-regional trade access

²⁰ EAC's Agenda for Agriculture, October 2015.

- Support development and adoption of commodity trading platforms for staple foods, livestock, and livestock products that are able to effectively address constraints related to mobile telecom interoperability across borders

5. Increased Investment in the Agriculture Sector

The U.S. Strategy toward Sub-Saharan Africa balances expanded opportunities for African countries to access local and global markets while encouraging American companies to seize trade and investment opportunities. It positions the U.S. to support East African economic growth through investment and trade, while building East Africa's capacity to take greater advantage of the open access to U.S. markets. This approach is mutually beneficial, promoting aid for trade; building the ability of African companies and countries to more fully participate in the world trading system; and promoting U.S.-African private sector partnerships.

Increased investment in agriculture will stimulate economic growth, employment, and transform the EAC into a vibrant trading partner that is connected to both regional and global markets. Economic growth can be catalyzed through investment and trade by reducing this information asymmetry, and supporting the reduction of investment risk while building the investment supply chain; and contributing to the development of sustainable and responsible businesses that are involved in or have the potential to be involved in trade across sectors with an emphasis on agriculture. Private sector partnership, particularly with the U.S., in deploying technologies, resources, and expertise transferred through investments, joint ventures, licensing, partnerships, and distribution agreements, have significant potential to increase East African businesses' productivity and competitiveness.

USAID/KEA will strengthen investment in the agriculture sectors through the following illustrative inputs:

- Promote integrated policies and strategies to attract capital and investments
- Strengthen the capacity of investment promotion agencies to provide key information to potential agricultural and non-agricultural investors
- Facilitate the leveraging of investments in the agriculture sector through partnerships with private sector companies
- Leverage USAID investments to raise private sector invest in agriculture trade related companies in East Africa
- Strengthen the capacity of National Statistics Agencies to collect and analyze trade data in order to provide key information to agricultural investors

6. Coordinated Technology Development and Accelerated Commercialization of Regional Priorities

The diverse patchwork of agro-ecological zones makes it difficult for under-funded national research and extension systems to meet the range of needs and demands for technologies, many of which are similar to those faced in neighboring countries. Similarly, small firms lack the capital to invest adequately in research and development and must collaborate with like-minded partners to bring the adequate resources to bear.

Past USAID/KEA support to specific research areas has been highly relevant and focused, with impact from delivery of improved crop technologies and methods derived from networks in the earlier half of the decade auguring well for the newer activities. Examples of past successes include new bean varieties that yield up to 40 percent more and are being grown by millions of small farmers (most of them women); new varieties of potato multiplied through improved seed systems being grown in seven countries with benefits to small-scale farmers, seed producers, and food processing firms; orange-fleshed sweet potato varieties for vitamin A nutrition being produced by farmers in five countries; cassava and banana disease-management methods being used in six countries; and quality protein maize being grown in four countries so far. However, some of these technologies and innovations are still well below their potential adoption rates.

USAID/KEA will support product development to adoption sequences for aflatoxin biocontrol that begins with the collection of crop samples to identify the regional atoxigenic strains for formulation of products for each country. Subsequently, the products will be tested in farmers' fields to generate efficacy data which will be used to register the product. Additionally, USAID/KEA will address the urgent need for coordinated MLN surveillance and information dissemination in the region. Critical elements of MLN surveillance and monitoring would include comprehensive and flexible data management and information dissemination systems, as well as MLN risk maps.

USAID/KEA will support coordination of technology development and accelerated commercialization of regional priorities through the following illustrative inputs:

- Support development and implementation of programs in food safety and aflatoxin control
- Encourage investment in innovative agriculture companies to increase accessibility and adoption of improved technologies, inputs, and best practices
- Encourage investment in agriculture input suppliers and companies involved in food production and processing to promote food safety and aflatoxin control
- Strengthen regional coordination and capacity of National Agriculture Research Institutes, including increased accessibility and adoption of improved technologies, inputs, and best practices
- Support research at the regional level on emerging agriculture threats, including those related to pests and diseases, as well as climate change
- Support research to identify the appropriate Aflasafe strains for eleven African countries
- Support seed companies to imbed the technical and analytical skills necessary for evidence-based analyses to produce MLN tolerant seed