



LAKE VICTORIA BASIN DIGEST

A NEWSLETTER OF THE LAKE VICTORIA BASIN COMMISSION

Investment Opportunities Unveiled



USAID | **EAST AFRICA**
FROM THE AMERICAN PEOPLE

We bring you results of the Lake Victoria Basin Investment Forum

Letter from the Editor

Welcome to the second issue of the Lake Victoria Basin Digest for the period ending March 2011! The Lake Victoria Basin Commission (LVBC) organised a successfully-concluded first-ever Lake Victoria Basin Investment Forum, held in Mwanza, Tanzania, in early December last year. This issue provides insight into the rich discussions that took place during the plenary and seminar sessions of this eye-opening event. Forum resolutions, along with a summary of abstracts, are provided for your attention and ease of reference.



The message from the Executive Secretary, Dr. Tom O. Okurut, provides synopsis of the growth, successes and challenges of the Commission during the five years of its actualisation. He provides focus on the partnerships that have been progressively nurtured as well as the projects and programmes that emerged from such relationships.

Pursuant to their oversight role, members of the East African Legislative Assembly Account Committee visited the LVBC Secretariat and made on-spot assessment of selected activities of the Mount Elgon Regional Ecosystem Conservation Programme (MERECP) in the Mount Elgon region of Kenya. In this issue, we bring you what transpired during the Committee's interaction with the LVBC staff and the beneficiaries of MERECP's activities. Our civil society partners, Vi-Agroforestry, have also provided an elaborate insight into new climate change counteracting efforts by a Kenyan agroforestry initiative.

Finally, the Commission was graced by the visits of two Deputy Secretaries General of the East African Community and USAID-East Africa's Regional Climate Change and Natural Resources Advisor to the LVBC Secretariat. We bring you stories of their interactions with us.

Enjoy your reading.

Charles-Martin Jjuuko, Editor
editor@lvbcsec.org



LAKE VICTORIA BASIN DIGEST

Editorial Committee:

Chairperson:
Samuel K. Gichere

Editor:

Charles-Martin Jjuuko

Committee Members:

Ali Said Matano
Qureish Noordin

Doreen Othero (PhD)
Jackson Muhirwe (PhD)
Mary Mwangi

Contact us: Lake Victoria Basin Commission, 6th Floor Re-Insurance Plaza, Oginga Odinga Street, P.O. Box 1510-40100, Kisumu, Kenya. Tel: +254-57-2026344/2023873/2023894, Email: editor@lvbcsec.org

Message From The Executive Secretary



Dr. Tom O. Okurut Executive Secretary, LVBC

LVBC has come a long way

This is an edited version of the speech by Dr. Okurut during the ministerial session of the 8th Meeting of the Sectoral Council of Ministers for the Lake Victoria Basin held in Kisumu, Kenya on 21st January 2011 [Editor].

A lot of developments have taken place since our last gathering here in Kisumu for the 7th Meeting of the Sectoral Council of Ministers for the Lake Victoria Basin and the Multi-Sectoral Meeting on Food Security and Climate Change. I will summarise them later in my submission.

My speech today is special to me and for the Lake Victoria Basin Commission in general because this is, probably, the last Sectoral Council Meeting I address in my capacity as the Executive Secretary of Lake Victoria Basin Commission.

The Journey

I arrived in Arusha in November 2001 after the re-constituted East African Cooperation had duly recognised the Lake Victoria Basin as a regional Economic Growth Zone in 1st the Development Strategy of the EAC, which had been completed five years earlier. This land mark decision to declare this area a

regional Economic Growth Zone elicited several important actions in the Community.

In the first place, the importance and aspects of the Lake Victoria Basin were specifically included in the "Treaty for the Establishment of the East African Community" (2000). Secondly and equally important was the establishment of a Lake Victoria Development Programme Unit at the EAC Secretariat in 2001, which I duly joined as a Programme Officer. This interim institutional arrangement was to spearhead specific functions towards the achievement of the designation of the Lake Victoria Basin as a regional Economic Growth Zone.

Looking back at the work of the Unit, I am proud to mention that I successfully spearheaded the negotiation and eventual conclusion of the legal and institutional framework envisaged in the Treaty: the "Protocol for Sustainable Development of Lake Victoria Basin" (2004). Through this Unit, we also coordinated, mapped and delivered a 20-year Shared Vision and Comprehensive Framework Strategy for the management and development of the Lake Victoria Basin. The development of the Strategy involved extensive consultations across a wide range of stakeholders within the Basin, including the civil society, local communities, as well

as national and regional officials. Overall, the LVDP Unit facilitated all the necessary interventions that eventually led to the decision of the Council of Ministers (CoM), in July 2005, to establish the Lake Victoria Basin Commission (LVBC).

The Commission

The coming into effect of the Commission, in May 2006, opened another important chapter of the Lake Victoria Basin and my role in the efforts to coordinating its sustainable development agenda. After stiff competition, I was honoured by my appointment as the first Executive Secretary of this noble institution, to champion activities related to the Shared Vision for Lake Victoria Basin, which is: "A prosperous population living in a healthy and sustainably managed environment providing equitable opportunities and benefits." With a core staff of only three individuals in May 2006, we embarked on the huge task of fulfilling the Mission provided for under the Protocol for Sustainable Development of Lake Victoria Basin: to promote, facilitate and coordinate all activities of different actors towards sustainable development and poverty eradication of the Lake Victoria Basin. A lot has since been achieved in what we set out to do in the areas of harmonisation of policies, laws, regulations and standards; promotion of stakeholders' participation

in sustainable development; promotion of security and safety on the lake, promotion of research development and demonstration, and; promotion of investment in the Basin. I feel proud to note that through our projects and programmes – with the support of this Sectoral Council – we have managed to take great strides towards the achievement of the above-mentioned objectives.

Building Partnerships that work

Let me thank the EAC Partner States that have always endeavoured to provide their annual financial contributions to the Commission. This commitment has allowed me and the team that I lead to prepare and execute work plans with the confidence that this support shall always be forwarded, as promised. However, the journey of the ongoing growth and progress at the Commission would be incomplete without the relationships we have created over the years with our Development Partners. The EAC has progressively entered into partnerships and signed agreements with governments and institutions to build synergies in the implementation of interventions in the EAC Development Strategy.

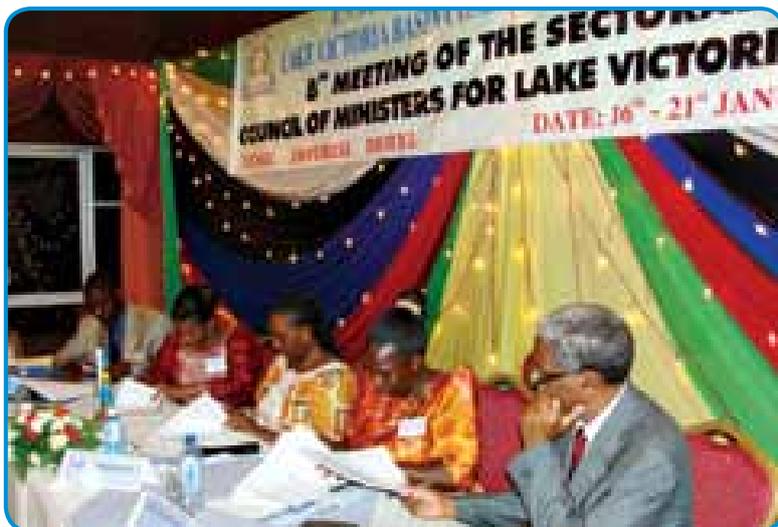
I would like to note the Partnership Agreement on Sustainable Development of Lake Victoria Basin signed between the EAC and the Governments of France, Norway and Sweden, as well as the World Bank and the East African Development Bank in April 2001. As a result of this relationship, a Partnership Fund which has played an important role in financing preparatory projects during my tenure was born. Finland joined the Partnership last year and made a substantial contribution of 2 million Euros.

LVBC Programmes and Projects:

Currently, the Commission has got the following major projects and programmes that are ongoing: The Lake Victoria Environmental Management Project Phase II (US\$252 million); The Lake Victoria Water and Sanitation Initiatives Programme Phase II (US\$ 120 million); The Maritime Communication for Safety on Lake Victoria (US\$20 million- private sector); The Mount

Elgon Regional Ecosystem Conservation Project (US\$4.8 million); The EAC/AMREF HIV&AIDS Partnership Project (US\$6.4 million); and, The Transboundary Water for Biodiversity and Human Health in the Mara River Basin Project (US\$3 million).

Three important endeavours deserve special mentioning today. Firstly, whereas the Commission commenced its activities with a modest annual budget of less than US\$100,000, the annual budget as I prepare to end my tour of duty now stands tall at close US\$15 million; this is certainly no mean achievement. One of the achievements I will remember in my tenure is the securing of a grant of 79.98 million Units of Account (equivalent to US\$120 million) from the African Development Bank to finance the Lake Victoria Water and Sanitation Initiatives Phase II programme in the five Partner States. The process that culminated in the securing of the funding from ADB involved complex negotiations and tact by staff from



Ministers sign report at the end of the 8th Meeting of the LVB Sectoral Council (Photo: Kwila Nkwama)

the Commission and the EAC Secretariat. Secondly, I am proud to note that we have concluded providing support to the Lake Shore Water Project that offered water supply services to three lake shore communities: one in Abala in Kenya; one in Mbarika in Tanzania and one in Kiyindi in Uganda.

At just about US\$15,000 each, the communities now have sustainable water supply facilities that have clearly changed the lives of hundreds of people. The Commission is grateful to the United Nations University for providing the seed money that allowed us to support this pilot project. It is my sincere hope more of such projects shall be

replicated in other communities living near the shores of Lake Victoria.

Thirdly, my team courageously organised the first-ever Lake Victoria Basin Investment Forum, which provided an avenue to share information on investment opportunities in six important sectors: Transport and Communication; Tourism Development and Marketing; Agribusiness and Fisheries; Trade and Industry; Investment-led Research and Development; as well as Mineral Development in the Lake Victoria Basin. Although challenging, this was the first time that an EAC Investment Conference was attended by subscription and I hope that it my hope that LVBC will share the lessons learned from this event with the other organs and institutions of the Community.

Conclusion:

It is on this high note, as I end my tour of duty at the Lake Victoria Basin Commission. In my mind, I have offered stewardship that has helped my team grow from a mere three staff to over fifty. Several projects and programmes have come to life and I will leave behind a Commission with a healthy relationship between the Partner States and the Development Partners. I believe we have written the name of LVBC in your hearts and not in sand or sky where waves and winds of the day wash or blow it away.

The challenge to make the livelihoods of the people who depend on the Lake Victoria Basin and the future generations has just begun.

There is a famous adage that: an arrow goes forward only after pulling it back word (or a bullet goes forward after pressing the trigger backward) meaning that every human being will get happy only after facing difficulties. In LVBC we have not been afraid to face difficulties because they push us forward. The road to where we are has not been without these difficulties including annoying or temporarily stepping on feet of some individuals. I would like to wish the incoming second Executive Secretary the best of luck and it is my belief that this person takes the Commission to even greater heights in the future!



L-R: Ambassador Mwapachu, Uganda's first Deputy Prime Minister, Rt. Hon. Eriya Kategaya, LVBC Executive Secretary, Dr. Tom Okurut and the Burundi Minister in the Office of the President in Charge of EAC Affairs and Chairperson of the EAC Council of Ministers, Hon. Hafsa Mossi, enjoy entertainment by Sukuma Traditional troupe shortly before the official opening of the Forum on 5th December 2010 (Photo: Joseph Bisonga)

LVBC concludes first-ever Investment Forum for the Basin

The Lake Victoria Basin Commission, in conjunction with the Investment Promotion Agencies of the East African Community Partner States, successfully concluded the first-ever Lake Victoria Basin Investment Forum.

The Forum took place at Malaika Beach Resort, Mwanza, Tanzania on 5th to 8th December 2010 – with the support of Sida, the EAC Secretariat, Kamanga Ferry Limited, Raj Air, Jetlink, Fly540, Kagera Sugar Limited, NIC Bank, Ecobank, Cooperative Bank of Kenya and Nation Media Group – showcased investment opportunities in six thematic areas: transport and communication; tourism development and marketing; agribusiness and fisheries; trade and industry; investment-led research and development; as well as mineral resources development in the Lake Victoria Basin.

The Forum, with the theme “Realising Socio-Economic Benefits from Investing in the Lake Victoria Basin”, was attended by 350 participants.

Participants included Uganda’s first Deputy Prime Minister and Minister for East African Affairs, Rt. Hon. Eriya Kategaya, the Burundi Minister in the Office of the President in Charge of EAC Affairs and the Chairperson of the EAC Council of Ministers, Hon. Hafsa Mossi, the Tanzania Minister of Water, Prof. Mark Mwandoshya, several assistant ministers from the host country, Tanzania, the EAC Secretary General, Amb. Juma Mwapachu, Permanent Secretaries, heads of Investment Promotions Agencies, investors and academicians from the region.

Ambassador Mwapachu hailed the “recent

coming into effect of the Common Market Protocol” as part of the long march towards transforming the EAC and the Lake Victoria Basin.

The Executive Secretary, Lake Victoria Basin Commission, Dr. Tom Okurut, said the Forum was convened by the Commission in light of its declaration as a regional Economic Growth Zone by the partner states.

Key note addresses

Experts from field relevant to the six sectors considered at the Forum made enriching key note addresses. Prof. Joseph Obua of Lake Victoria Research Initiative (Vicres) discussed the roles and challenges faced in integrating research and development (R&D) in the investment opportunities in the Lake Victoria Basin. In his paper, **The role of Research and Development**



Participants listen to a Plenary Session presentation by the East African Development Bank (Photo: Joseph Bisonga)

in Promoting Investment in the Lake Victoria Basin, Prof. Obua noted that while investment decision could be guided by R&D, this aspect ought to be a component of any investment.

Dr. Okurut, in his paper on **Safety of Navigation and Security within Lake Victoria** noted that the vibrancy of lake transport had “suffered from low investment, dilapidated infrastructure and declining market share over the last two decades.” He added that there was enormous untapped potential to expand the lake transport sector. Dr. Okurut outlined some of the security challenges on the lake as piracy, theft of fishing gear, smuggling, undocumented persons and poor communication.

Joyce Awino of the Kenya Maritime Authority elaborated the importance of domestic investments in the Lake Victoria Basin regions. In her paper, **Creating an Enabling Environment for Lake Investment: the Rules of the Game**, Awino noted that nurturing a vibrant economic environment would allow poor communities to work their way out poverty through employment or their own

businesses.

Kagera Sugar Limited General Manager, Ashwin Rana’s paper, **Investing in Large Scale in East Africa: The Case of Kagera Sugar Limited**, provided insight into opportunities for large scale agriculture in the basin. The paper recommended that investors in the sugar industry focus more on irrigation technology to reduce dependence on rain-fed cane production.

Key note titles

The key note addresses included **Fish Stocks in Lake Victoria: A Case for Investment** by Mathias Wafula, et al of the Lake Victoria Fisheries Organisation; **Investing in Rural Fish Production and Marketing: The Case of Aquaculture in Kenya** by Prof. M.J Ntiba et al; and **Trade in the Lake Victoria Basin: A Statistical Analysis** by the Director of Trade at the EAC Secretariat, Dr. Flora Mndeme Musonda.

Others included **Innovations in manufacturing: A case of Mumias Sugar Company** by Dr. Evans Kidero; **Enhancing Fish Marketing through use of ICT: The Case of EFMS Project**

by Dr. R.O. Abila et al of Kenya Marine and; **How Can Economic Policy and Social Research Guide Investment in the Lake Victoria Basin?** by Prof. F.A. Opiyo of All Saints University Lango in Uganda.

They also included **Investment in Research for Development of Lake Victoria Basin** by Prof. Z.M. Nyiira of the National Foundation for Research and Development; **Scaling-up and -out Research Outputs for Development in Lake Victoria Basin: Perspectives from Industry and Business** by Dr. Emrod Elisante of Dar es Salaam University; Science Technology and **Innovation: Adding value through Research and Development** by Prof. S.A. Abdulrazak of the National Council for Science and Technology.

The Regional Commissioner, Mwanza Region, Hon. Abbas Kandoro, expressed gratitude to the EAC for choosing Mwanza to host this event. LVBC plans to publish a book with all the papers presented during the plenary and seminar sessions as well as the resolutions of the Forum.

EALA Committee on Accounts makes on-spot assessment of MERECP activities

The East African Legislative Assembly (EALA) Committee on Accounts undertook a field trip to the Mt. Elgon Ecosystem, Kenya on 15th to 18th November 2010. The purpose of the trip was to conduct an on-spot assessment of the Mount Elgon Regional Ecosystem Conservation (MERECP) activities.

The trip was a follow up of a similar field trip undertaken earlier on to the Uganda side of the Mount Elgon ecosystem. The team was accompanied by staff from the Lake Victoria Basin Commission (LVBC) which comprised of the Executive Secretary, Dr. Tom Okurut, the Programme Development Officer, Ali Said Matano, the Regional Programme Coordinator for MERECP, George Sikoyo and the Forest Management Specialist, Mathias Chemonges.

The Kenya Government was represented by the MERECP National Focal Officer from the Ministry of Environment and Mineral Resources (MEMR). The implementers at the field level included the Kenya Forest Service Zonal Managers of Mount Elgon and Trans Nzoia District-and, Senior Warden for Mount Elgon National Park (MENP), Kenya Wildlife Service and the District Development Officers from Mt Elgon, Kwanza and Trans Nzoia West Districts. The visiting team paid courtesy calls to the District Commissioners of Mt. Elgon, Trans Nzoia West and Kwanza Districts. Further the team visited several MERECP programme target areas. These included Tuibe Community Based Organisation (CBO), Mt Elgon Guide and Porters Association, and Mt. Elgon and Kwanza Districts headquarters, respectively. The two CBOs are among the ten that are implementing the Community Revolving Funds (CRFs) under the equity and benefit sharing component of the programme.

The CRFs are a direct grant of USD 10,000 to the beneficiary 20 Community Based Organisations (10 in Kenya and 10 Uganda) certified by the District administration in Kenya. The other eight CBOs in Kenya include: Saboti/Sosio Community Forest Association, Kimothon Community Forest Association; Tingey Community Based Organization, Chepnyalil Youth Group; Mt. Elgon

guides and porters youth group, Kapkong Ecotourism Community Conservancy; Mt. Elgon Development Network (MEDNET); Cheptais Community Forest Association (Chemutei Women Group); and Chepkitale Wildlife Conservancy.



EALA members visiting Tuibe CBO Farmer Group (Photo: Mathias Chemonges)

EALA members also visited the Mount Elgon National Park (MENP), where Kenya Wildlife Service is undertaking plantation



EALA Accounts Committee members discuss MERECP issues at LVBC Secretariat in Kisumu, Kenya (Photo: Mathias Chemonges)

for livelihood improvement and forest rehabilitation and enrichment planting interventions. These interventions in the redesigned MERECP were an attempt to link improvement in livelihoods to equity and benefit sharing as well as to climate change. Under plantation for Livelihood improvement, KWS has mobilised the communities and households through the Mt. Elgon Park Community Conservation CBO bordering the 21 Km electric fence of

Mount Elgon National Park near Chorlim Park headquarters to plant trees for their needs along the community/park boundary. This is supported by the programme in which the proposed cost per hectare in the intervention is USD 500-700 per ha. These funds are channeled to the CBOs Bank account and the members have gone a step further and agreed to establish a revolving fund like their counterparts who benefited from the CRF Component of the programme.

This would allow the CBO members commence saving as well as access credit to support their day to day livelihood needs. To-date the CBOs have established a total of 25 ha comprising of mainly Eucalyptus and Grevillea species.

The EALA Committee on Accounts team also visited Tegaa located inside MENP where KWS has engaged Mount Elgon National Park Self Help Group, a CBO to undertake the planting and maintenance of the sites under restoration. This is under the carbon sequestration/ forest rehabilitation intervention component of the redesigned MERECP.

The carbon sequestration/ forest rehabilitation is meant to support the rehabilitation of degraded areas within the national parks and forest reserves with indigenous tree species. The cost per hectare is USD 900. A total of 400 ha is supposed to be established (200 ha for Uganda and 200 ha Kenya). At the time of the MP's visit, 37 Ha out of the proposed 70 Ha has been restored by the CBO members in Mount Elgon National Park.

Interactions between EALA members and the local communities allowed the latter to articulate the benefits of the MERECP programme, including establishment of small businesses, engagement in tree planting as well as participation in law enforcement and monitoring of illegal activities such as poaching, harvesting of timber and fires in the park. The communities gave accounts of improved relationship between with the institutions in charge of the protected areas: Kenya Wildlife Service and Kenya Forest Service.

EAC Deputy Secretaries General visit LVBC projects and programmes



Deputy Secretary General for Productive and Social Sectors, Mr. Nsengiyumva (second left), addresses LVBC staff. Deputy Secretary General for Finance and Administration, Dr. Rotich, also addressed staff during the same meeting (Photo: Charles-Martin Jjuuko)

Two Deputy Secretaries General of the East African Community on 14th February 2011 commenced a five-day visit to enhance their understanding of operations of the Lake Victoria Basin Commission (LVBC).

On the same day, the Deputy Secretary General for Finance and Administration, Dr. Julius Rotich and the Deputy Secretary General for Productive and Social Sectors, Mr. Jean Claude Nsengiyumva, attended a detailed briefing session at the LVBC Secretariat in Kisumu, Kenya. Presentations were made about the six ongoing major projects and programmes at LVBC: the Lake Victoria Environmental Management Project (Phase II); the Lake Victoria Water and Sanitation (LVWATSAN) Initiatives Phase II; the Maritime Communication and Safety on Lake Victoria (MSCLV); the Mount Elgon Regional Ecosystem Conservation Programme (MERECP); the EAC/AMREF Lake Victoria Basin HIV and AIDS Partnership (EALP) Programme; and the Transboundary Water for Biodiversity and Human Health in the Mara River Project (TWB-MRBHH).

The team was also briefed about finance and administration matters as well

as the initiative to construct the LVBC headquarters.

Dr. Rotich commended the LVBC team for its contribution to the integration process and encouraged the ongoing efforts to strengthen working relationship between the EAC and LVBC Secretariats. Mr. Nsengiyumva, on his part, thanked the LVBC Executive Secretary, Dr. Tom Okurut, for his contribution to the growth of the Commission. He noted that the EAC was one of the most dynamic Regional Economic Communities in the world and encouraged staff to enhance information-sharing about ongoing activities.

The team visited the site the LVBC headquarters will be built and urged management to expedite preparations for construction.

Several field sites were visited by the Deputy Secretaries General, including MERECP project activities in Kitale and the Mbita causeway in Kenya. On 15th February, Dr. Rotich and Mr. Nsengiyumva toured MERECP activities on the Kenya side of Mt. Elgon. They met four Community Based Organisations namely: Mt. Elgon Guides and Porters Youth Group, Tingey

Project, Kimothon CFA and Chepyalil Youth Group.

Dr. Rotich and Mr. Nsengiyumva were happy to note that the local communities were well sensitised and were working together towards preserving the Mt. Elgon Ecosystem. They noted that the success of MERECP would inform the management of other transboundary natural resources within East Africa.

On 16th February, the Deputy Secretaries General visited the Mbita Causeway, which was built to link Mbita and Rusinga Islands, to assess its environmental impact on Lake Victoria. The causeway has raised serious environmental concerns due to its interference with the natural flow of water. On the last leg of their visit on 18th February, the team visited with an assessment of the Maritime Rescue Coordination Centre in Mwanza, Tanzania.

Other officials in the visiting team from the EAC Secretariat included the Director for Productive and Social Sectors, Dr. Nyamajeje Weggoro and the Principal Environment and Resources Officer, Ms. Wivine Ntamubano.

USAID Climate Change expert visits LVBC Secretariat



Left to Right: Dr. Doreen Othero of LVBC (with back to camera), Dr. Julie Fischer and Mr. David Kinyua of USAID-East Africa, as well as Mr. Stanley Matowo and Mr. Samuel Gichere of LVBC during the briefing

The Regional Climate Change and Natural Resources Advisor at USAID-East Africa, Dr. Julie Fischer, recently paid her maiden visit to the Lake Victoria Basin Commission Secretariat in Kisumu, Kenya.

Dr. Fischer visited LVBC on 9th February 2011 for a first-hand briefing about the mandate and activities of the Commission. She was accompanied by the Regional Environment Procedures and Policies Specialist at USAID-East Africa, Mr. David Kinyua.

LVBC staff provided Dr. Fischer with detailed information about the mandate of the Commission as well as the major ongoing projects and programmes. Specific updates were provided about project progress regarding the Transboundary Water for Biodiversity and Human Health in the Mara River Basin Project, which is funded by USAID-East Africa.

Dr. Fischer thanked LVBC staff for their work on ongoing projects and programmes. She was also grateful for the extensive discussion about Climate Change issues related to the Lake Victoria Basin and East Africa.

The meeting was attended LVBC staff, including the Deputy Executive Secretary (Projects and Programmes), Mr. Samuel Gichere and the Deputy Executive Secretary (Finance and Administration), Mr. Stanley Matowo.

LVBC gets two new staff



Richard Kezimana

Mr. Richard Kezimana has joined the Lake Victoria Basin Commission as an Accountant. Mr. Kezimana, who reported in January 2011, brings extensive experience to the Commission from the World Vision International (Burundi) where he worked for nine years, five of which as the Finance Manager. He joined the World Vision in 2001 as an Accountant and progressively rose through the ranks to become the Finance Manager.

Mr. Kezimana holds a University degree in Accounting, Finance and Business Administration from the University of Burundi. He also holds qualifications in Sun-System Accounting and Grants Management.



Joshua Turinawe

Mr. Joshua Turinawe is now a member of the Lake Victoria Basin Commission (LVBC) family. He has joined the Commission as a Procurement Assistant under the Regional Project Coordination Team for the Lake Victoria Basin Environmental Management Project Phase II (LVEMPII).

Joshua has brought to the Commission a wealth of over 10 years of experience, six of which in the procurement and supply chain environment. Prior to joining the Commission, Joshua worked with the East African Community as a Procurement Consultant to support and strengthen the procurement function at the Secretariat. He also previously worked for UPHOLD, a USAID-funded Project as well as the National Social Security Fund in Uganda.

Joshua is a full member of the Royal Institute of Purchasing and Supply of UK (MCIPS). He also holds a Bachelor of Commerce (Finance) of Makerere University (Uganda).

Lake Victoria Basin Investment Forum

Resolutions

We, the participants of the 1st Lake Victoria Basin Investment Forum held at Malaika Beach Resort, Mwanza, Tanzania, from 5th – 8th December 2010:

While;

1. **Recognizing** that the five Partner States of the East African Community (EAC) have a shared heritage and a common interest in Lake Victoria and its Basin and have designated it as an Economic Growth Zone;
2. **Acknowledging** the commitment of the five EAC Partner States to ensure proper management and sustainability of the Basin's resources for the benefit of present and future generations through the ratification of the Protocol for Sustainable Development of the Lake Victoria Basin;
3. **Recognizing** that the natural resource endowment and economic potential of the Lake Victoria and its Basin remain largely untapped yet majority of the population live in poverty;
4. **Informed** that water bodies and resources in Lake Victoria Basin like other basins are in danger of irreparable damage as a result of uncontrolled and uncoordinated management and utilization of the water bodies;
5. **Acknowledging** that the EAC Common Market Protocol became effective on 1st July 2010 and that the freedoms and rights enshrined in the Protocol have implications on investment opportunities in the Lake Victoria Basin;
6. **Cognizant** that the EAC Partner States in general and Lake Victoria Basin in particular has a major energy deficiency yet energy is key in driving socio-economic development;
7. **Recognizing** that despite the presence of many potential investors both public and private in the EAC and beyond, investment activities remain meagre in the Lake Victoria Basin despite the Basin's huge investment opportunities;
8. **Acknowledging** the key role of research in generating evidence to make Lake Victoria Basin investment-ready and investment- worthy;
9. **Cognizant** that there are budgetary constraints and allocations in support of research and development; and that there is no regional policy on research and development in the EAC region;
10. **Recognizing** that the main challenge in agri-business in the EAC Partner States is unpredictable rainfall mainly occurring as a result of Climate Change resulting into post harvest losses, food insufficiency and lack of surplus for economic benefits;
11. **Informed** that the various intra-country categories of land ownership and fundamental differences in land tenure systems in the EAC Partner States are an impediment to agri-business;
12. **Recognizing** that diversification in agri-business and fisheries is key and necessary to ensure increased productivity, expanded market and enhanced income;
13. **Recognizing** the wide range of value-chain opportunities, in agriculture for investors in the Lake Victoria Basin;
14. **Acknowledging** that the Lake Victoria Basin roads, rail, water and air transport networks are inadequate and not responsive to investment needs of the basin;
15. **Recognizing** that the tourism potential in the Lake Victoria Basin largely remains untapped, under funded and not aggressively marketed at local and regional level;
16. **Acknowledging** that there are a number of challenges in the LVB basin such as population growth, deterioration of water quality, poor watershed management, invasive weeds, water borne diseases and lack of enforcement of laws;
17. **Recognizing** that: i) access to credit by small-scale farmers is a major challenge due to high interest rates; ii) there is little attention paid to small-scale farmers by financial institutions; and iii) there is declining agricultural output in the Lake Victoria Basin;
18. **Acknowledging** that: i) aquaculture potential in the Lake Victoria basin is not fully exploited; and ii) the private sector investments in the fisheries sub-sector is negligible;
19. **Cognizant** that all EAC Partner States have immense mineral resources and gemstones in the Lake Victoria Basin and that exploitation has been minimal due to inadequate funds, technology and skills;
20. **Recognizing** that the partnership between large scale miners and small scale miners will increase capacity and income/benefits of small scale miners and hence reduce risks, pollution and conflicts in mining industry;
21. **Acknowledging** the roles and responsibilities of EAC Partner States in facilitating and promoting investment through policy formulation, regulation, Public-Private sector dialogue, advisory services, political stability and infrastructure development ;
22. **Recognizing** the need for an integrated infrastructure development plan for the basin in order to maximize on the limited available resources;
23. **Informed** that there is inadequate investment in Ship building in the region and that the demand for Ships in Lake Victoria is more than the number currently operating in the Lake.
24. **Cognizant** of the key role played by the institutions responsible for investment promotion in the EAC Partner States in fostering investment activities in the Lake Victoria Basin;
25. **Acknowledging** the significant size of the aviation industry in the region in terms of fleet size, number of service providers and supporting services and the network of airport and airstrips which can support and improve connectivity and competition to make air transport affordable;
26. **Cognizant** of the important role civil aviation plays in supporting economic activities and that itself is a business of significant contribution to the economies of the region, supporting job creation, and promoting investment and tourism;
27. **Acknowledging** the important role of maritime authorities in Partner States in the implementation of the Lake Victoria Transport Act;
28. **Recognizing** the pivotal role played by the Lake Victoria Basin Commission with respect to harnessing synergies for investment in Lake Victoria Basin and in the exploitation of its resources;



A cross section of participants of the first Lake Victoria Basin Investment Forum

Therefore agree and recommend for action by Governments, Private Sector, Financial Institutions, Investment Promotion Agencies and the EAC as appropriate to:

1. Develop strategies for attracting regional and international investors and entrepreneurs to ensure competitive and coordinated exploitation of the enormous resources in the Lake Victoria Basin;
2. Invest in water resources management and utilization to ensure protection of the water bodies to prevent irreversible damage and also enhance equity in water utilization;
3. Devise mechanisms with clear incentives for attracting investors in the energy sector in Lake Victoria Basin in order to increase coverage of populations accessing energy;
4. Leverage the Common Market to increase intra-EAC trade in goods and services for the region;
5. Establish and implement sustainable funding mechanisms for research and development in Lake Victoria Basin;
6. Establish a regional centre of excellence for policy and social research to ensure quality, standards, sharing of best practices and demand driven research and development;
7. Develop a Regional Research and Development Policy to: guide coordination and harmonization of research and development activities; facilitate linkage of research to industry; and commercialize research outputs;
8. Make agriculture a viable enterprise by infusing the use of science and technology and innovation to reduce post-harvest losses and enhance production in the agribusiness industry;
9. Enhance farmers' entrepreneurship skills and understanding of the financial institutions on product process flow in agriculture to enable them access credit facilities;
10. Enhance the use of Information Communication Technology (ICT) in promoting investment and sharing information to improve marketing systems, management and trade;
11. Local Authorities to promote their areas as investment attractions through establishment of dedicated parks and industrial areas in the major towns in the Lake Victoria Basin in order to attract investors and win their confidence in investing in the region;
12. Review land policies on minimum land holding and put in place initiatives to encourage block farming in order to increase productivity to farm level and economies of scale;
13. Provide enabling environment and investment opportunities to both EAC and foreign investors to diversify tourism products and open up circuits in neglected regions/locations in the scenic Lake Victoria Basin;
14. Jointly market and promote regional tourism in the Lake Victoria Basin and the larger EAC region in order to spur local tourism and support local and national economies;
15. Put in place measures to adapt to climate variability and address various environmental challenges in the Basin;
16. Develop strategies and legal frameworks for attracting public and private investors in the transport industry in Lake Victoria Basin;
17. Create an enabling policy environment for promoting Public/Private sector partnership (PPP) to stimulate aquaculture development in the Lake Victoria Basin;
18. Devise mechanisms for establishing and strengthening partnerships between small scale and large scale miners in order to increase capacity and benefits of the small scale miners consequently maximizing on production;
19. Develop an Integrated Infrastructure Development Plan for the Lake Victoria Basin in order to guide potential investors, encourage prioritization of investments in infrastructure and maximize on the limited available resources;
20. Facilitate access to funding from financial institutions to enable ship builders in Lake Victoria Basin to access mortgage for ship building;
21. Facilitate access to Capital Markets for the development of infrastructure in the Lake Victoria Basin;
22. Undertake comparative analysis of the manufacturing sector in the Lake Victoria Basin in order to assess the status of the sector;
23. Develop sustainable data collection on a range of statistics for the Basin;
24. Support institutions in the Partner States whose mandate includes promotion of investments to identify investment policies and laws that require regional harmonization in order to strengthen collaboration;
25. Take deliberate measures to fast track the domestication of air transport market in the region for air operators' registration and certification either through a regional or international liberalized agreement and arrangement;
26. Urge Partner States to increase funding to Maritime Authorities to enable them support the implementation of the Lake Victoria Transport Act;
27. Support Lake Victoria Basin Commission to lead the planning and coordination of investment related activities in the Basin.

EAC and Finland sign 2 million Euro Agreement



Finnish Ambassador to the United Republic of Tanzania, H.E. Juhani Toivonen and the EAC Secretary General, Ambassador Juma Mwapachu, sign grant agreement



Ambassador Toivonen and Ambassador Mwapachu exchange agreement

The East African Community and the Government of the Republic of Finland on 21st February 2011 signed a Grant Agreement worth two million Euros (€2,000,000) to support the activities on the Lake Victoria Basin during the period 2011 - 2014.

The Secretary General of East African Community, Ambassador Juma Mwapachu, initialled on behalf of the EAC while the Finnish Ambassador to the United Republic of Tanzania, H.E. Juhani Toivonen did on behalf of the Republic of Finland at a ceremony held at the EAC Secretariat in Arusha, Tanzania.

Present at the signing ceremony was the EAC Deputy Secretary General in charge of Political Federation, Hon Beatrice Kiraso and other senior officials from the EAC Secretariat. The Grant

Agreement, which is to be executed by the EAC's Lake Victoria Basin Commission (LVBC), is subject to annual Parliamentary approval in Finland and the two million Euros will be released in three installments with the first one of eight hundred thousand Euros (€800,000) to be made in early 2011; up to a maximum of €500,000 in 2012; and €700,000 in 2013.

At a ceremony held at the EAC Headquarters, H.E. Juhani Toivonen said the signing of the Grant Agreement was a clear indication of Finland's interest in supporting the East African Community. He said Lake Victoria was the economic engine of the region and was one of the priority areas for Finland's support to the Community.

Amb. Juma Mwapachu said Finland is a close and dear friend of the EAC for many years

and the Community had seen a lot of positive development in the Partnership Fund under the leadership H.E. Juhani Toivonen, who is the current co-chair. He said Lake Victoria was an important and truly shared resource in the EAC and the water mass was one of the major climate influencers in the world.

The Secretary General disclosed that over 35 million people were depending on the Lake as a source of livelihood and therefore any support that goes towards its sustainability was very important not just to the East Africans but also to the whole world.

Amb. Mwapachu hailed Finland for its continued support to the EAC especially to the projects and programmes being undertaken by LVBC.



LVBC PICTORIAL

7th December 2010: Mr. Fanuel Lukwaro (centre), the Mwanza Region Zonal Manager, Tanzania Investment Centre, boards vessel for the Lake Victoria Basin Invest Forum Lake Cruise. Mr. Lukwaro's team was instrumental to the success of the Forum.



6th December 2010: A Mwanza Dance Troupe welcomes guests to the opening session of the Lake Victoria Basin Investment Forum.



7th December 2010: Uganda's First Deputy Prime Minister, Rt. Hon. Eriya Kategaya share a light moment with fellow dignitaries during the Lake Cruise of the Lake Victoria Basin Investment Forum. The Cruise was sponsored by Kamanga Ferry Limited.



8th December 2010: Participants listen to proceedings of the closing session of the Lake Victoria Basin Investment Forum.



LVBC PICTORIAL

1st November 2010: Ms. Lily Kisaka, Senior Operations Officer of the Lake Victoria Environmental Management Project Phase II (extreme right) listens to submissions of the Ghana Environmental Protection Agency (EPA). The EPA team visited the LVBC Secretariat on a five-day fact-finding mission about aquatic weeds control methods on Lake Victoria. The visit opened up new opportunities for LVBC partnerships with counterparts in Ghana.



14th February 2011: The Deputy Secretaries General for Finance and Administration, Dr. Julius Rotich and for Productive and Social Services, Mr. Jean Claude Nsengiyumva, are welcomed to the LVBC Secretariat by the Deputy Executive Secretary (Projects and Programmes), Mr. Samuel Kerunyu Gichere. The visit enhanced their understanding of the operations of the Lake Victoria Basin Commission.



24th February 2011: The LVBC Executive Secretary, Dr. Tom Okurut (centre) addresses students of the United Nations University (UNU) about the Near Lakeshore Water Project which was completed with the support of their University.



25th November 2010: The LVBC Executive Secretary, Dr. Tom Okurut, launches the inaugural newsletter of the Commission, The Lake Victoria Basin Digest, at a Press Conference held in his office. The newsletter was published with the support of USAID-East Africa to the Transboundary Water for Biodiversity and Human Health in the Mara River Basin Project.



Improving Maritime Safety and Security on Lake Victoria

By Vincent Hagono

LVBC, together with the EAC Partner States, is implementing the Lake Victoria Communications project to enhance maritime safety and security on the lake. The initiative will also facilitate access to affordable communications to communities living in the numerous remote and sparsely populated islands within the lake. A pre-investment study has been concluded with support from the African Development Bank and the International Telecommunications Union and it is now moving to the implementation phase.

Fishing is one of the predominant economic activities on the lake and is a source of livelihood to about 200,000 fishermen. It is estimated that up to 5,000 people lose their lives annually in the lake due to the hazardous environment in which they work and remedial measures are necessary.

In view of this, the project is addressing all aspects of activities on the lake with a unified objective to raise the level of safety and minimize the number of accidents on the lake including the improvement of safety culture, standards of seamanship, boat design, availability of life saving equipment and establishment of search and rescue organization.

The EAC/LVBC carried out investigations into safety issues for Lake Victoria in 2006 and subsequently promoted an innovative approach of using GSM mobile technology for maritime safety and security. Three private actors in the telecommunications industry believed in the idea and mobilized resources to implement the connectivity component that was commercially viable.

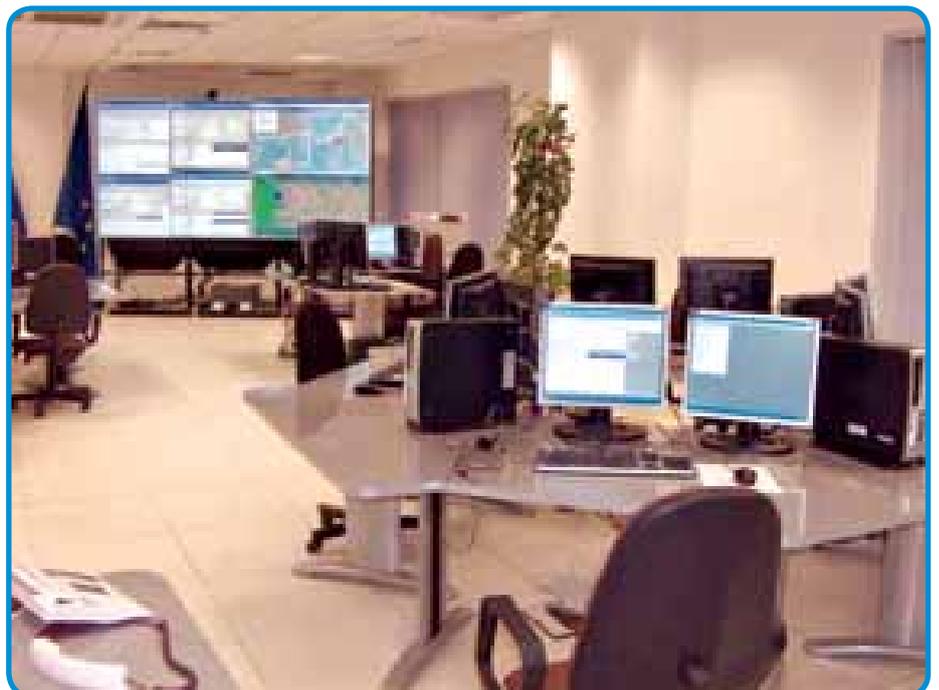
Their initiative was completed in 2010 and resulted in extending the mobile



Eng. Vincent Hagono

communications coverage up to 20 km into the lake where 80% of fishing activities take place. It has improved the socio-economic situation of the Lake Victoria basin communities and is a solid foundation for establishment of an effective maritime safety system.

Building on the work already done by the private sector, the safety and security programme being implemented by LVBC will comprise three key components: (i) extending the coverage of maritime communications



Impression of the Maritime Rescue Coordination Centre in Mwanza, Tanzania.

networks further into the lake by a combination of both mobile technology and HF radio, (ii) establishing one maritime rescue coordination centre for Lake Victoria in Mwanza, Tanzania, and (iii) implementation of search and rescue organisations.

Extending communication coverage over the lake would help to save many lives each year, enabling the fishermen in distress to be in contact with each other as well as with emergency rescue service. Emergency rescue service will comprise the coordination

centre, rescue stations and designated boats. The HF radio network will serve commercial shipping plying routes in the middle of the lake where mobile communication is not feasible.

The rescue coordination centre in Mwanza, supported with three national sub-centres each responsible for coordinating the operations of rescue stations in its territory, will also disseminate weather alerts to lake users. The 16 rescue stations to be provided around the lake will be the focal point for changes of safety

awareness, attitudes and behaviour through training and education.

The long-term interplay between the fishing populations and the search and rescue organisation is envisaged to create a new safety culture that is critical in reducing the number of accidents and enhancing survivability.

About the author: Eng. Vincent Hagono is the Project Coordinator, Maritime Communication and Safety on Lake Victoria Project

ADB approves US\$108 million for LVWATSAN Project implementation

The African Development Bank (AfDB) has ratified the funding of the implementation of the physical infrastructure of the Lake Victoria Water and Sanitation (LVWATSAN) Project to the tune of US\$108 million. The request was approved during a meeting held in December 2010 approved a 90% and 10% grant and government contributions, respectively, based on the consideration of the project as a Regional Public Good (RPG). ADB agreed to revise funding contributions from US\$82 million to US\$110 million.

Disbursement of funds is expected to commence in April 2011 while the procurement process has commenced. Initial procurements will be for Consultants that will supervise Short Term Interventions and execute designs for Long Term Interventions before supervising the same.

The Project

LVWATSAN Project is one of the regional development projects being implemented within the framework of the Sustainable Development of the Lake Victoria Basin. It was initiated with the aim of achieving the Millennium Development Goals (MDGs) for water and sanitation in the secondary towns

within the Lake Victoria Basin and the associated catchments in Rwanda and Burundi.

The project is in line with the Protocol for Sustainable Development of Lake Victoria Basin and fits in the coordination mandate of LVBC in the context of the Shared Vision and Strategy Framework for Management and Development of the Lake Victoria Basin. The project comprises an integrated package of interventions, including water supply and sanitation improvements, solid waste management, drainage improvements in key areas, as well as capacity building and training.

The principal objective of this project is to meet the MDG targets in water and sanitation in the project towns and to ensure the long term sustainability of the physical interventions. The project covers 15 secondary focal towns, with three towns from each EAC Partner State including: Muyinga, Ngozi and Kayanza of Burundi; Kericho, Keroka and Isebania of Kenya; Nyagatare, Kayanza and Nyanza of Rwanda; Geita, Sengerema and Nansio of Tanzania; and, Mayuge, Kayabwe and Ntungamo of Uganda.

The Journey to Implementation

The programme was jointly prepared by Lake Victoria Basin Commission and the participating countries since November 2007 through the support of the Africa Water Facility (AWF). The investment study was completed by April 2010.

The preparation study and outcome is informed by community surveys undertaken at the grassroots level. The study has also involved numerous consultation/workshops at local, national and regional level. At the regional level, the study was under the oversight of the Regional Policy Steering Committee (RPSC) composed of the sector ministers from each Partner State, LVBC and the UN-HABITAT. Several development partners such as WSP, EIB, KfW, AFD, UNEP, JICA, and GTZ were consulted during preparation and appraisal and at the programme donors' conference, convened in Nairobi, Kenya.

The program has fully taken on board the lessons learnt from the implementation of the Phase I LVWATSAN programme and other similar small towns' projects in the EAC countries.

Charcoal making in a time of climate change



Coordinator John Ouma (Photo by Johanna Liljenfeldt)

Making charcoal might not be the first thing that comes to mind when thinking about counteracting climate change, but that is exactly what the cooperative Rafdip in Central Oyoma, Kenya, is doing. The underlying thought for this idea is that almost 90 percent of the population in Kenya is dependent on firewood and charcoal for cooking.

The large demand for wood and coal is satisfied through collection of branches or by trees being cut down – either to be used as firewood or to be processed into charcoal. This course of events is one of the biggest reasons today to why Kenya's forests are disappearing.

The problem also leads to degradation of soils and to losses of plant and animal species, as well as emissions of greenhouse gases. As a counterweight to this, Rafdip

is now trying to produce charcoal in a more sustainable way which also will give charcoal of a higher quality.

Rafdip – a group of groups

Rafdip was formed out of a number of groups who came together to create a bigger umbrella organisation. Rafdip stands for Rarieda agroforestry development initiative project and today Rafdip has about 540 members, divided into 20 working groups with the majority being women and youth.

The umbrella is led by an elected chairman, a secretary and a group coordinator. These persons visit all of the sub-groups to consult with them and to see if the groups have any challenges. Once a month representatives from all of the groups also get together for a meeting and there is an annual meeting that all members can attend.

"We got in touch with Vi Agroforestry in 2004 and asked for their services even though we were not in the areas where the programme was working by then. Since then Vi Agroforestry has always come to assist us if need has been there. More intensive work concerning charcoal production started in 2006," explains John Ouma, the group coordinator in the umbrella.

Mr. Ouma notes that, for charcoal, the group focuses on two native, fast-growing, species: *Acacia Polyacantha* and *Acacia Xanthophloea*. These are harvested for charcoal burning after four to six years and have high calorific values which allow the charcoal to last longer. "The *Polyacantha* grows slightly faster and the *Xanthophloea* gives slightly better charcoal," says Ouma.

According to Rafdip, the group has a



New type of kiln with better efficiency (Photo by Ylva Nyberg)

common nursery where seedlings are raised for 2-3 months before transplanting. "The members plant the trees in woodlots with a spacing of three by three metres, but intercrop with crops during the first three years," says Ouma. Rafdip buys tree seeds from Kenya Forest Research Institute (KEFRI) while establishing a seed bank at the same time. KEFRI is also helping Rafdip with a long-term plan for the production and in the design of the kilns. The Kenya Forest Service (KFS) is also providing assistance with land for the nursery "and are using our project as an example for the rest of Kenya," says Ouma.

Charcoal production

What makes Rafdip's way of making charcoal more sustainable than the traditional way of doing it has to do with the raw material being used and the production method. The raw material in this case is wood from a continuous production of trees that the group members themselves grow on their farms and replaces with new ones after harvesting. In this way, a closed loop will be formed where carbon emissions from wood and coal burning will be captured by the new trees that are established hence sustainable production. With the help of the tree plantations, the pressure on the natural forests also reduces and the soil fertility is improved since the tree coverage is continuous and species chosen are fixing nitrogen.

Concerning the production method, the group has invested in a new technology which will decrease carbon emissions from the charcoal burning process at the same time as there will be more coal produced from the wood used and the coal produced will be of a higher quality.

As a result, the "new" charcoal can be sold at a higher price at the market than the traditional charcoal. Furthermore, with the new technique, one can produce tar which generates extra income. Mr. Ouma adds: "A local way

of producing charcoal has an efficiency of between one to 14%; our kiln here which has an efficiency of about 40%. Our group has the letter of origin for our charcoal and also a movement permit so that we can sell the charcoal, [for example] in Kisumu. Through KFS, we also got the authority to give those permits to the members."

Apart from the charcoal production, members are also engaged in bee-keeping, different enterprises, saving and loan groups, planting trees for other purposes, using wood-saving devices and the youth are having drama groups about HIV/AIDS.

The Carbon Project

During the last two years Rafdip has also participated in Vi Agroforestry's pilot activities with agricultural carbon sequestration. With the help of the agroforestry methods that Vi promotes it is possible both to decrease carbon emissions from agriculture, capture carbon in the atmosphere and store it in the ground at the same time as the added carbon assists the farmers through improved fertility and reduced erosion.

The vision has been that these methods would be tied to the global carbon market and that the farmers thereby would be able to get an extra source of income at the same time as the climate gets a push in the right direction. On 3rd November 2010, the vision became reality.

This was when the World Bank and Vi Agroforestry signed an agreement to do exactly that. This means that the members of Rafdip, from 2011, will be getting an extra reward for adapting their everyday lives in a more climate friendly direction – something that all of us should be doing!

About the author: Ylva Nyberg is a Programme Technical Adviser at Vi Agroforestry

The Mara River Threat from a scholar's perspective

By: Amanda L. Subalusky



Image taken at the new Mara Bridge in February 2009

Once again, the Mara-Serengeti ecosystem has been going through a very dry season the very existence of this major world tourist destination. The Florida University and friends in conservation have been closely monitoring the water levels in the basin and reported widespread fish die-offs happening again this year.

Mr. William Deed from the Mara Conservancy recently took pictures at the New Mara Bridge, just north of the KE-TZ border, and the river is remarkably low as compared to a picture taken from the exact same spot in February 2009, during the Low Flow Environmental Flows Assessment study.

In February 2009, the Florida University measured the flow at 1.1 cubic meters per second, which was half of the minimum flow level (for dry seasons during drought years) recommended by the EFA. This flow level is also near the Q95 level for this site that point WRMA uses to denote reserve flows (which refers to the flows exceeded 95% of the time). Simply by comparing the two pictures, we can deduce that the river is even lower now than it was in 2009, meaning it is likely below both sustainable and legal levels.

About the author: Amanda Subalusky is a Doctoral Student, Ecology and Evolutionary Biology, at Yale University



Image taken in March 2009

EAST AFRICAN COMMUNITY LAKE VICTORIA BASIN COMMISSION SECRETARIAT



Appreciation to Sponsors of the First Lake Victoria Basin Investment Forum

Management of the Lake Victoria Basin Commission Secretariat would like to immensely thank the partners listed below for honouring the first-ever Lake Victoria Basin Investment Forum held in Mwanza City, Tanzania, with sponsorship.

Without your support and commitment to this noble event, held at Malaika Beach Resort on 5th – 8th December 2010, it would not have successfully materialised. We look forward to your support and commitment to future similar endeavours.



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