

PART V

ECONOMIC AND DEVELOPMENT COOPERATION

ARTICLE 75

General Provisions

1. In accordance with Articles 34 and 35 of the Cotonou Agreement and the corresponding provisions of its successor agreement, the Parties reaffirm that development cooperation is a core element of their Partnership and an essential factor for achieving the objectives of this Agreement. The Parties agree that the provisions of Annex VI to this Agreement prevail over the provisions of this Part.

2. The Parties agree to address the developmental needs of the EAC Partner State(s) by: increasing production and supply capacity, fostering the structural transformation and competitiveness of their economies, enhancing their economic diversification and increasing added value, in order to promote sustainable development and support regional integration.

3. The Parties commit to cooperate in order to facilitate the implementation of this Agreement and to support regional integration and development strategies. The Parties agree that cooperation shall be based on this Part and the EPA Development Matrix, both subject to the provisions of Annex VI which prevail, in addition to the regional and national development strategies of the EAC Partner State(s). The EPA Development Matrix and corresponding baseline benchmarks, indicators and targets reflecting the needs identified by the EAC Partner State(s) at the time of the EU-EAC EPA signature are attached to this Agreement as Annex III(a) and Annex III(b), respectively. They shall be reviewed every five (5) years. The cooperation shall take the form of financial and non-financial support to the EAC Partner State(s).

4. The financing relating to development cooperation between the EAC Partner State(s) and the EU for the implementation of this Agreement shall be carried out within the framework of the rules and relevant procedures provided for by the Cotonou Agreement and its successor agreement and within the framework of the successive relevant instruments financed by the general budget of the EU. In this context, taking into account the new challenges deriving from enhanced regional integration and competition on the global markets, the Parties agree that one of the priorities shall be to support the implementation of this Agreement. The Parties agree that financial instruments provided for in the Cotonou Agreement and its successor agreement shall be mobilised so as to maximise the expected benefits of this Agreement.

5. For the purposes of the implementation of this Agreement, the Parties commit to jointly and individually mobilising resources, with guidance thereon provided by the specific provisions of Title X, subject to the provisions of Annex VI which prevail.

6. Consistent with the OECD Paris Declaration on Aid Effectiveness adopted on 2 March 2005, the Parties agree to use and support as appropriate nationally and/or regionally-owned delivery mechanisms, funds or facilities for channelling and coordinating resources for the implementation of this Agreement.

ARTICLE 76

Objectives

The economic and development cooperation shall aim to:

- (a) enhance the competitiveness of the economies of the EAC Partner State(s);
- (b) build up supply capacity and enable the smooth implementation of this Agreement;
- (c) transform the structure of the economies of the EAC Partner State(s) by establishing a strong, competitive and diversified economic base through enhancing production, distribution, transport and marketing;
- (d) develop trade capacity as well as capacity to attract investment;
- (e) strengthen trade, investment policies and regulations; and
- (f) deepen regional integration.

ARTICLE 77

Areas of Cooperation

Economic and development cooperation shall include the following areas, subject to the provisions of Annex VI which prevail:

- (a) infrastructure;
- (b) agriculture and livestock;
- (c) private sector development;
- (d) fisheries;
- (e) water and environment;
- (f) market access issues, including:
 - (i) SPS;
 - (ii) TBT; and
 - (iii) customs and trade facilitation in the EAC Partner State(s);
- (g) EPA adjustment measures referred to in Title IX; and
- (h) the mobilisation of resources.

TITLE I

INFRASTRUCTURE

ARTICLE 78

Scope and Objectives

1. Cooperation in the development of physical infrastructure shall include in particular transport, energy, information and communications technology.
2. The objectives in this area are to:
 - (a) increase the competitiveness of the EAC Partner State(s);
 - (b) address supply-side constraints at institutional, national, and regional levels; and
 - (c) enhance the development of public-private partnerships.

ARTICLE 79

Transport

1. Cooperation in transport shall include road, rail, air and water transport.

2. The objectives in this area are to:

- (a) improve national and regional connectivity, to deepen regional economic integration;
- (b) develop, restructure, rehabilitate, upgrade and modernise the durable and efficient transport systems of the EAC Partner State(s);
- (c) improve the movement of people and flow of goods; and
- (d) provide better access to markets through improved road, air, maritime, inland water and rail transports.

3. Subject to Article 75, the Parties agree to cooperate in the following areas:

- (a) the management of transport systems;
- (b) the improvement, development and modernisation of infrastructure at all levels, including the development of inter-modal infrastructure networks;
- (c) strengthening the institutional, technical and administrative capacities of the EAC Partner State(s) in standards, quality assurance, metrology and conformity assessment services;
- (d) technology development and transfer, innovation, information exchange and networks, and marketing;

- (e) the encouragement of partnerships, linkages and joint ventures between economic operators;
- (f) the improvement of safety and reliability of the transport sector, including meteorological forecasting, management of hazardous goods, and emergency responses;
- (g) the development of regional transport policies and the regulatory frameworks.

ARTICLE 80

Energy

1. Cooperation in the energy sector shall include public and private sector participation in energy generation, transmission, distribution and cross-border energy trade.
2. The objectives in this area are to:
 - (a) develop, increase and expand the region's energy generation capacity;
 - (b) increase the number of alternative sources of energy;
 - (c) develop, increase and expand networks;
 - (d) develop, increase and expand distribution and transmission;

- (e) improve the access of the EAC Partner State(s) to modern, efficient, reliable, diversified, sustainable and renewable sources of clean energy at competitive prices;
- f) enhance the production, distribution and management capacity of energy at national and regional levels;
- (g) promote power interconnectivity both within and outside the EAC Partner State(s) for maximum energy utilisation; and
- (h) support the creation of an environment conducive to attracting investment in this sector.

3. Subject to Article 75, the Parties agree to cooperate in the following areas:

- (a) production, transmission and distribution capacity of existing energy sources, in particular hydropower, petroleum and biomass;
- (b) diversification of the energy mix to include other potential sources of energy that are socially and environmentally acceptable and that reduce dependency on oil;
- (c) development of energy infrastructure, including for rural areas;
- (d) development of appropriate energy regulatory and policy reforms, including commercialisation and privatisation;
- (e) regional and inter-regional interconnectivity and cooperation in the production and distribution of energy;

- (f) capacity building in human resources, improvement in management, service standards, and institutional structures;
- (g) technology development and transfer, research and development, innovation, information exchange, development of databases and networks;
- (h) partnerships, linkages and joint ventures.

ARTICLE 81

Information and Communications Technologies

1. Cooperation in the information and communications technologies (ICT) sector shall include the development of ICT, competitiveness, and innovation, as well as the smooth transition towards the information society.
2. The objectives in this area are to:
 - (a) develop the ICT sector; and
 - (b) enhance the contribution of ICT in facilitating trade through e-services, e-commerce, e-government, e-health, secure transactions and other socio-economic sectors.

3. Subject to Article 75, the Parties agree to cooperate in the following areas:
- (a) ICT connectivity and cost-effectiveness at the national, regional and global levels;
 - (b) dissemination of new ICT;
 - (c) development of the legal and regulatory frameworks for ICT;
 - (d) technology development, transfer and applications, research and development, innovation, information exchange and networks and marketing;
 - (e) capacity building in human resources, improvement in service standards, and institutional structures;
 - (f) partnerships, linkages and joint ventures between economic operators;
 - (g) promotion and support for the development of niche markets for ICT-enabled services.

TITLE II

AGRICULTURE

ARTICLE 82

Scope and Objectives

1. Cooperation under this Title shall apply to crops and livestock, including productive insects.
2. The Parties agree that the main objective of this Title is sustainable agricultural development, which includes but is not limited to food and livelihoods security, rural development and poverty reduction in the EAC Partner State(s).
3. The other objectives of this Title are stipulated in Article 58.

ARTICLE 83

Areas of Cooperation

1. The Parties acknowledge the importance of the agricultural sector to the economies of the EAC Partner State(s) and agree to cooperate in promoting its transformation to increase its competitiveness, ensure food and nutrition security, rural development and facilitate the adjustment of agriculture and the rural economy to accommodate the effects of implementation of this Agreement, with special attention to small-scale farmers.

2. The Parties agree to cooperate in the following areas:

(a) regional integration:

improvement of access to regional and international markets for agricultural products including the development of market systems and market development strategies;

(b) enabling policies:

(i) development of national and regional agricultural policies, legal and regulatory frameworks, building of the necessary capacity and support to institutional development;

(ii) building capacities in the EAC Partner State(s) to take full advantage of increased trading opportunities and to maximise the benefits of trade reforms;

(c) sustainable agricultural development:

(i) undertaking joint activities on a regional basis, including fertiliser production, seed production, livestock development and plant and animal disease control;

(ii) promotion and strengthening processing, marketing, distribution and transportation and the handling of agricultural products;

(iii) capacity building to comply with international standards relating to agricultural production, packaging and SPS measures;

(d) agricultural infrastructure:

- (i) development of agricultural support infrastructure, including sustainable irrigation systems, water harvesting, storage and management, marketing, and grading;
- (ii) development of research and training infrastructure, storage facilities, feeder and community access roads;
- (iii) development of agri-processing infrastructure;
- (iv) establishment of an agrometeorology centre in the EAC Partner State(s);
- (v) development of modern market infrastructure for the expansion of domestic and regional markets;

(e) food and nutrition security:

- (i) capacity building of rural and urban communities for the promotion of improved livelihoods, eradication of poverty, and sustainable development;
- (ii) diversification of agricultural production and development of products that address the food and nutrition security needs of the EAC Partner State(s);
- (iii) design and implementation of programmes that lead to increased production and productivity in the agricultural sector, with special focus on small-scale farmers;

- (iv) capacity development for national and regional food safety compliance; and
- (v) design and implementation of social adjustment programmes in regions adversely affected by natural disasters;
- (f) value chain management:
 - (i) promotion of the use of sustainable agricultural technologies and supply of necessary farm inputs;
 - (ii) enhancing production, productivity and competitiveness of the agricultural sector through promoting agro-based industries;
 - (iii) enhancing value addition throughout the supply chain of agricultural products to meet the requirements of national, regional and international markets; and
 - (iv) promoting the development of activities in the areas of processing, marketing, distribution and transport of agricultural products;
- (g) early warning systems:
 - (i) capacity building in terms of assessing and disseminating information on the likely impacts of impending disasters well in advance in order to take contingent measures and early responsiveness;

- (ii) development and management of national and regional information systems;
 - (iii) development, strengthening and linking of early warning systems and contingency plans and strategies for disaster response management at national and regional levels; and
 - (iv) supporting climate change adaptation and mitigation options in the EAC Partner State(s);
- (h) production and marketing of agricultural commodities:
- (i) developing capacities to access niche markets and facilitating compliance with commodity standards to meet such market requirements;
 - (ii) diversification of agricultural production and export products in the EAC Partner State(s)
 - (iii) development of modern market infrastructure for expansion of domestic and regional markets; and
 - (iv) developing product packaging and labelling programmes which enable the producers of the EAC Partner State(s) to secure premium prices for commodity exports;
- (i) rural development:
- (i) capacity building of farmers' groups along the entire agricultural value chain;

- (ii) improving transport, communication and market facilities for marketing agricultural inputs and outputs;
- (iii) addressing socio-cultural barriers such as language differences, literacy levels, gender biases and community health, that influence the nature of farming systems;
- (iv) improving farmers' access to credit services and natural and cultural resource management; and
- (v) developing relevant policy measures to support the availability of adequate agricultural inputs to small-scale farmers on a timely basis;

(j) net d-importing countries:

addressing constraints in food production, storage and distribution in the EAC Partner State(s);

(k) livelihood security:

- (i) capacity building for developing social services for populations in rural and peri-urban areas;
- (ii) improving total household income from agricultural production through diversification, adding value, off-farm employment and the adoption of new sustainable agricultural technologies, *inter alia*, in the EAC Partner State(s);

- (iii) increasing productivity of the agricultural sector within the EAC Partner State(s); and
- (iv) increasing the use of sustainable agricultural technologies;

(l) technical support services:

the EU commits to provide adequate resources and technical assistance for capacity building to the EAC Partner State(s) in a manner that is predictable and sustainable in the following areas:

- (i) strengthening of innovation and transfer of technology, knowledge, research and development;
- (ii) developing and increasing use of mechanisation of the agricultural sector of the EAC Partner State(s);
- (iii) establishing agricultural input plants and distribution systems within the EAC Partner State(s);
- (iv) promoting and strengthening investment in agricultural research, extension services, training and links between research-extensions and farmers;
- (v) as appropriate, establishing and strengthening regional centres of excellence, including an agro-meteorology centre, biotechnology, analytical and diagnostic laboratories for crops, livestock and soils; and

(vi) improving access to services in plant and animal production, including livestock breeding services, veterinary services and plant protection services.

(m) agricultural financing services:

(i) strengthening rural financial services for small-scale producers, processors and traders;

(ii) developing regionally owned mechanisms or a fund for agricultural and rural development;

(iii) developing agricultural micro-financing institutions and insurance schemes;

(iv) facilitating access to credit from banks and other financial institutions for agro processors, traders and farmers; and

(v) supporting the financial institutions in the EAC Partner State(s) that serve the agriculture sector and facilitating access by the private sector to capital markets to raise both short- and long-term capital;

(n) geographical indications:

(i) developing policies and legal frameworks on geographical indications;

(ii) establishing regulations on geographical indications;

(iii) developing a code of practice to define products in relation to their origin;

- (iv) facilitating local organisations and institutions to coordinate local stakeholders on geographical indications and product conformity;
- (v) building capacity on identification, registration, marketing, traceability and conformity on geographical indications products; and
- (vi) developing any other area of cooperation under this heading that may arise in the future.

TITLE III

PRIVATE SECTOR DEVELOPMENT

ARTICLE 84

Scope and Objectives

1. Cooperation in private sector development shall include investment promotion and enterprise development.
2. The objectives of this Title are to:
 - (a) create an environment conducive to the promotion of investment and private enterprises, including the development of new industries, foreign direct investment and technology transfer;

- (b) enhance supply capacities, competitiveness and value addition;
- (c) improve access to investment finance from EU financing institutions such as the European Investment Bank;
- (d) build capacity and provide institutional support for private sector development institutions such as investment promotion agencies, apex bodies, chambers of commerce, associations, contact points and trade facilitation institutions;
- (e) develop and/or strengthen a policy, legal and regulatory framework that promotes and protects investment;
- (f) improve support and delivery mechanisms to the private sector from the joint ACP-EU institutions, including the Centre for the Development of Agriculture (CTA), *inter alia*, for promotion of investment in the EAC Partner State(s); and
- (g) create or strengthen partnerships, joint ventures, subcontracting, outsourcing and linkages.

ARTICLE 85

Investment Promotion

The Parties agree to promote investments within the EAC Partner State(s) in the following areas:

- (a) supporting reforms in the policies, legal and regulatory frameworks;

- (b) supporting enhancement of institutional capacities, in particular, capacity building for investment promotion agencies of the EAC Partner State(s) and institutions involved in promoting and facilitating foreign and local investment;
- (c) supporting the establishment of appropriate administrative structures, including one-stop shops, for the entry and setting up of investments;
- (d) supporting the creation and continuity of a predictable and secure investment climate;
- (e) supporting efforts of the EAC Partner State(s) to design revenue generating instruments to mobilise investment resources;
- (f) establishing and supporting risk insurance schemes as a risk-mitigating mechanism in order to boost investor confidence in the EAC Partner State(s);
- (g) supporting the establishment of mechanisms for exchange of information between investment agencies of the EAC Partner State(s) and their counterparts in the EU;
- (h) encouraging private sector investments from the EU in the EAC Partner State(s);
- (i) supporting the establishment of financial frameworks and instruments adapted to the investment needs of small and medium-sized enterprises; and
- (j) facilitating partnerships through joint ventures and capital financing.

ARTICLE 86

Enterprise Development

The Parties agree to cooperate on enterprise development within the EAC Partner State(s) through supporting:

- (a) the promotion of EAC Partner State(s)-EU private sector business dialogue, cooperation and partnerships;
- (b) efforts for the promotion and integration of micro-, small- and medium-sized enterprises (MSMEs) into mainstream business activities;
- (c) the promotion of efficient production and the marketing of businesses of EAC Partner State(s);
- (d) the implementation of private sector development strategies of the EAC Partner State(s);
- (e) the promotion of a favourable environment for the development and growth of MSMEs;
- (f) private sector organisations' capacities to comply with international standards;
- (g) the protection of innovations from piracy; and
- (h) the capacities of the EAC Partner State(s) for the exploration, exploitation and marketing of natural resources.

TITLE IV

FISHERIES

ARTICLE 87

Scope of Cooperation

Cooperation in fisheries shall cover marine and inland fisheries and aquaculture.

ARTICLE 88

Areas of Cooperation in Marine Fisheries

1. Cooperation in marine fisheries shall include:
 - (a) fisheries management and conservation issues;
 - (b) vessel management and post-harvest arrangements;
 - (c) financial and trade measures; and
 - (d) development of fisheries and fisheries products and marine aquaculture.

2. The EU shall contribute to the mobilisation of the resources for the implementation of the identified areas of cooperation at national and regional levels, which will also include support for regional capacity building.
3. Subject to the provisions of Part III and Article 75, the Parties agree to cooperate, in the following areas:
 - (a) development and improvement of infrastructure for storage, marketing and distribution of fish and fish products;
 - (b) capacity building at the national and regional levels to meet SPS/TBT/Hazard Analysis Critical Control Points technical requirements, development of monitoring control and surveillance systems of the EEZ of the EAC Partner State(s), and the introduction and management of certification schemes for specific marine fisheries;
 - (c) investment and technology transfer in fishing operations, fish processing, port services, development and improvement of port facilities, diversification of the fishery to include non-tuna species which are under-exploited or not exploited;
 - (d) joint ventures and linkages especially with MSMEs and artisanal fisheries within the fisheries supply chain;
 - (e) value addition on fish; and
 - (f) research and development on stock assessment and sustainability levels.

4. The Parties undertake to cooperate in promoting the setting-up of joint ventures in fishing operations, fish processing, port services, enhancing production capacity, improving competitiveness of fishing and related industries and services, downstream processing, development and improvement of port facilities and diversification of the fishery to include non-tuna species which are under-exploited or not exploited.

ARTICLE 89

Inland Fisheries and Aquaculture Development

Cooperation on inland fisheries and aquaculture development shall include EU contributions to the following areas:

- (a) capacity building and export market development through:
 - (i) building capacity in industrial and artisanal production, processing and product diversification that strengthen the competitiveness of the region's inland fisheries and aquaculture; for example, through the creation of research and development centres, including the development of aquaculture for commercial fishing farms;
 - (ii) building capacity for managing export market chains, including the introduction and management of certification schemes for specific product lines; and the implementation of market promotion, value addition and reduction in post-harvest losses in fisheries products;

- (iii) increasing capacity in the region through, for example, improving fisheries competent authorities, traders' and fishermen's associations in order to participate in fisheries trade with the EU Party, and training programs in product development and branding;
- (b) infrastructure through:
 - (i) the development and improvement of infrastructure for inland fisheries and aquaculture;
 - (ii) facilitating access to funding for infrastructure, including all types of equipment;
- (c) technology through:
 - (i) the development of technical capabilities, including value-adding technology promotion, for example through fisheries technology transfer from the EU to the EAC Partner State(s);
 - (ii) the enhancement of fisheries management capacity in the region, for example through research and data collection systems and contribution towards appropriate technologies on harvesting and post-harvest management;
- (d) legal and regulatory framework through:
 - (i) the development of inland fisheries and aquaculture regulations and monitoring control and surveillance systems;

- (ii) the development of appropriate legal and regulatory instruments on intellectual property rights and building capacity for their implementation in international trade;
 - (iii) the protection of eco-labelling and intellectual property;
- (e) investment and finance through:
 - (i) the promotion of joint ventures and other forms of mixed investments between stakeholders in the Parties, for example for the setting-up of modalities for identifying investors for joint venture operations in inland fisheries and aquaculture;
 - (ii) providing access to credit facilities for the development of small- to medium-scale enterprises, as well as industrial-scale inland fisheries;
- (f) environmental and stocks conservation in fisheries through measures to ensure that the fish trade supports environmental conservation, safeguards against stock depletion, the maintenance of biodiversity and the cautious introduction of exotic species for aquaculture; for example, through the cautious introduction of exotic species to be introduced only in managed/closed spaces in consultation with all neighbouring countries concerned;
- (g) socioeconomic and poverty alleviation measures through:
 - (i) the promotion of small- and medium-scale fishers, processors and fish traders by building the capacity of the EAC Partner State(s) to participate in trade with the EU;

- (ii) the participation of marginal groups in the fishing industry; for example, through the promotion of gender equity in fisheries, and particularly developing the capacity of women traders involved or intending to engage in fisheries; other disadvantaged groups with the potential to engage in fisheries for sustainable social economic development will also be involved in such processes.

TITLE V

WATER AND ENVIRONMENT

ARTICLE 90

Scope and Objectives

1. Cooperation under this Title shall include natural resources, in particular water, the environment and biodiversity.
2. The objectives of cooperation under this Title are to:
 - (a) enhance the linkages between trade and environment;
 - (b) support the implementation of international environmental agreements, conventions and treaties;

- (c) ensure the balance between environmental management and poverty reduction;
- (d) protect the environment, and enhance biodiversity conservation and genetic preservation;
- (e) promote the equitable and sustainable utilisation of natural resources;
- (f) facilitate and encourage the sustainable utilisation of shared resources;
- (g) promote public and private sector involvement in natural resource management.

ARTICLE 91

Water Resources

1. Cooperation in the area of water resources shall include irrigation, hydropower generation, water production and supply, and the protection of water catchment areas.
2. The objectives of cooperation in this area are to:
 - (a) develop the sustainable use and management of water resources in the EAC Partner State(s), so as to improve the livelihood of the population of the EAC Partner State(s);
 - (b) promote regional cooperation for the sustainable utilisation of transboundary water resources;
 - (c) develop water supply infrastructure for productive purposes.

3. Subject to Article 75, the Parties agree to cooperate in the following areas:
- (a) the development of water supply infrastructure in the region;
 - (b) the development of the relevant legal and regulatory frameworks;
 - (c) integrated water resource management;
 - (d) capacity building in human resources, improvement in service standards, water management, and institutional structures;
 - (e) creation of partnerships, linkages and joint ventures between economic operators;
 - (f) the promotion of technology development, transfer and applications, research and development, innovation, information exchange and networks;
 - (g) the development of water pollution control, purification and conservation, wastewater treatment and sanitation;
 - (h) the promotion of sustainable irrigation schemes.

ARTICLE 92

Environment

1. Cooperation in the area of environment shall include the protection and sustainable management of the environment, as well as the implementation of trade-related environmental policies.
2. The objectives of cooperation in this area are to:
 - (a) protect, restore and conserve the environment and biodiversity (flora, fauna and microbial genetic resources, including their ecosystems);
 - (b) develop industries in the EAC Partner State(s) that use environmentally friendly technologies;
 - (c) promote technology development, transfer and application, research and development, innovation and information exchange.
3. Subject to Article 75, the Parties agree to cooperate in the following areas:
 - (a) the implementation of international environmental agreements, conventions and treaties;
 - (b) strengthening and promoting equitable and sustainable utilisation, conservation and management of environment and biodiversity, including forestry and wildlife resources;

- (c) the reinforcement of institutional and legal frameworks and the capacity to develop, implement, administer and enforce environmental laws, regulations, standards and policies;
- (d) the creation of partnerships, linkages and joint ventures between economic operators;
- (e) the prevention and mitigation of natural environmental disasters and the loss of biodiversity;
- (f) the promotion of technology development and adaptation, transfer and applications, research and development and innovation;
- (g) the protection and management of coastal and marine resources, domestic and wild indigenous biological and genetic resources;
- (h) the development of alternative environmentally friendly activities and livelihoods;
- (i) the production and facilitation of trade in goods and services for which eco-labelling is important;
- (j) information exchange and networking on products and their requirements, in terms of production process, transport, marketing and labelling;
- (k) the development of infrastructure facilities on environmentally friendly products;
- (l) the integration of local communities into the management of biodiversity, forestry, and wildlife resources;

- (m) the development of waste management, and the safe disposal of industrial and toxic wastes;
- (n) the promotion of stakeholder participation in international environmental dialogue.

TITLE VI

SANITARY AND PHYTOSANITARY MEASURES

ARTICLE 93

Scope and Objectives

1. Cooperation under this Title shall include supporting and building capacity in harmonisation, zoning and compartmentalisation, conformity assessment, information exchange and transparency of trade conditions.
2. The objectives of cooperation under this Title are to:
 - (a) facilitate the Parties' inter-regional and intra-regional trade, whilst safeguarding human, animal and plant life or health in accordance with the WTO SPS Agreement;
 - (b) address problems arising from SPS measures on agreed priority sectors and products, giving due consideration to regional integration;

- (c) stipulate procedures and modalities for facilitating cooperation in SPS matters;
- (d) ensure transparency as regards SPS measures applicable to trade between and within the Parties;
- (e) promote intra-regional harmonisation of measures with international standards, in accordance with the WTO SPS Agreement, and the development of appropriate policies, legislative, regulatory and institutional frameworks in the EAC Partner State(s);
- (f) enhance the effective participation of the EAC Partner State(s) in the Codex Alimentarius Commission, the World Organisation for Animal Health and the International Plant Protection Convention;
- (g) promote consultation and exchanges between EAC and EU institutions and laboratories;
- (h) facilitate the development of capacity for setting and implementing regional and national standards in accordance with international requirements in order to facilitate regional integration;
- (i) establish and enhance the capacity of the EAC Partner State(s) to implement and monitor SPS measures pursuant to this Article; and
- (j) promote technology transfer.

3. Subject to Article 75, the Parties agree to cooperate in the following areas:
- (a) support the EAC Partner State(s) to comply with SPS measures, including the development of appropriate regulatory frameworks, policies, matters concerning the work of the relevant international standards-setting bodies, training, information events, capacity building, and technical assistance;
 - (b) as appropriate, support the harmonisation of SPS measures within the EAC Partner State(s) and the setting-up of national SPS coordinating committees, and promote the capacity of the public and private sector for sanitary control; priority areas include development and implementation of a quality programme, training, information events, the building, upgrading, modernisation and accreditation of laboratories;
 - (c) support on matters concerning the work of the relevant international standards-setting bodies; this cooperation may include training, information events, capacity building and technical assistance;
 - (d) support in the area of fisheries with the aim of developing harmonised regional rules, legislation and standards of fish products to promote trade between the Parties and within the EAC region;
 - (e) support with the aim of promoting cooperation between the SPS institutions of the EAC Partner State(s) and equivalent SPS institutions of the EU;

- (f) support the implementation of the SPS Agreement, particularly in strengthening the competent authorities, notification and points of enquiry of the EAC Partner State(s);
- (g) support information sharing and exchange.

ARTICLE 94

Harmonisation

1. The Parties shall aim to achieve harmonisation of their respective rules and procedures for the formulation of their SPS measures, including inspection, testing and certification procedures, in accordance with the WTO SPS Agreement.
2. As appropriate, the EAC Partner State(s) will develop, with the support of the EU, a program and timeframe for harmonising their SPS standards.
3. The Committee of Senior Officials shall develop modalities to assist and to monitor the process of harmonisation within the regions, as appropriate.

ARTICLE 95

Zoning and Compartmentalisation

The Parties shall recognise on a case-by-case basis designated areas which are free from pests or diseases and areas of low pest or disease prevalence as potential sources of plant and animal products, taking into account Article 6 of the WTO SPS Agreement.

ARTICLE 96

Special and Differential Treatment and Technical Assistance

1. The EU agrees to provide technical assistance and special and differential treatment in accordance with Articles 9 and 10 of the WTO SPS Agreement.
2. The Parties shall cooperate to address the special needs of the EAC Partner State(s) arising from the implementation of provisions of this Title.
3. The Parties agree that the following areas are priorities for technical assistance:
 - (a) the building of technical capacity in the public and private sectors of the EAC Partner State(s) to enable sanitary and phytosanitary controls, including training and information events for inspection, certification, supervision and control;

- (b) the enhancement of technical capacity for the implementation and monitoring of SPS measures, including promoting greater use of international standards;
- (c) the development of capacities for risk analysis, harmonisation, compliance, testing, certification, residue monitoring, traceability and accreditation including through the upgrading or setting-up of laboratories and other equipment to help the EAC Partner State(s) comply with international standards;
- (d) the support for the participation of the EAC Partner State(s) in the work of relevant international standards-setting bodies;
- (e) the development of the capacity of the EAC Partner State(s) for effective participation in the notification processes.

TITLE VII

TECHNICAL BARRIERS TO TRADE

ARTICLE 97

Scope and Objectives

1. Cooperation under this Title shall include the preparation, adoption and application of technical regulations, standards and conformity assessment procedures, as defined in the TBT Agreement.
2. The objectives of cooperation under this Title are to:
 - (a) progressively eliminate technical barriers to trade, in order to facilitate trade between the Parties and within the EAC Partner State(s);
 - (b) enhance regional integration among EAC Partner State(s) by harmonising standards, technical regulations and conformity assessment procedures applied in the EAC Partner State(s), in accordance with the TBT Agreement;
 - (c) promote greater use of international technical regulations, standards and conformity assessment procedures, including sector-specific measures;

- (d) develop functional links, joint ventures and joint research and development work between the EAC Partner State(s) and EU standardisation, conformity assessment and regulatory institutions;
- (e) enhance market access for products originating in the EAC Partner State(s), through improvements in their safety, quality and competitiveness;
- (f) promote the greater use of international best practices for technical regulations, international standards and conformity assessment procedures;
- (g) ensure that the preparation, adoption and application of standards and technical regulations are transparent and do not create unnecessary obstacles to trade between the Parties, in accordance with the provisions of the TBT Agreement;
- (h) support the development of appropriate regulatory frameworks, policies and reforms within the EAC Partner State(s), to meet internationally accepted practices;
- (i) assist the EAC Partner State(s) to implement the TBT Agreement and to comply with the TBT requirements of their trading partners in the context of the TBT Agreement.

3. Subject to Article 75, the Parties agree to cooperate in the following areas:

- (a) support for the promotion of greater use of international standards, technical regulations and conformity assessments, including sector-specific measures in the Parties' territories;

- (b) support for the capacity building of EAC Partner State(s) in the fields of standardisation, metrology, accreditation and conformity assessment procedures, including support for the upgrading and setting up of laboratories and relevant institutions, as well as the procurement of relevant equipment;
- (c) support for quality management and assurance in selected sectors of importance to the EAC Partner State(s);
- (d) support for the full participation of the standards and other technical regulatory bodies of the EAC Partner State(s) in international standard-setting bodies, and reinforcing the role of international standards as a basis for technical regulations;
- (e) support for efforts by the conformity assessment bodies of the EAC Partner State(s) to obtain international accreditation;
- (f) the development of functional links between the Parties' standardisation, conformity assessment and certification institutions;
- (g) support for the development of common understanding on good regulatory practices, including:
 - (i) transparency in the preparation, adoption and application of technical regulations, standards and conformity assessment procedures;

- (ii) the necessity and proportionality of regulatory measures and related conformity assessment procedures, which may include the use of suppliers' declarations of conformity;
 - (iii) the use of international standards as a basis for setting up technical regulations, except where such international standards would be an ineffective or inappropriate means for the fulfilment of the legitimate objectives pursued;
 - (iv) the enforcement of technical regulations and market surveillance activities; and
 - (v) the establishment of mechanisms and methods for reviewing technical regulations, standards and conformity assessment procedures;
- (h) the identification, prioritisation and support in the development of, the necessary technical infrastructure and transfer of technology in terms of metrology, standardisation, testing, certification and accreditation, to support technical regulations;
- (i) the enhancement of regulatory, technical and scientific cooperation by, *inter alia*, exchange of information, experiences and data, with a view to improving the quality and level of the relevant technical regulations and making efficient use of regulatory resources;
- (j) the development of compatibility and convergence of the respective technical regulations, standards and conformity assessment procedures;

- (k) the promotion and encouragement of bilateral cooperation between the Parties' respective organisations responsible for metrology, standardisation, testing, certification and accreditation;
- (l) the promotion of cooperation between the Parties and in the EAC in relation to the work of relevant international institutions and organisations, and fora dealing with TBT issues.

TITLE VIII

CUSTOMS AND TRADE FACILITATION

ARTICLE 98

Scope and Objectives

1. The Parties acknowledge and recognise the importance of cooperation in customs and trade facilitation matters in the evolving global trading environment.
2. The Parties agree to reinforce cooperation with a view to ensuring that the relevant legislation and procedures, as well as the administrative capacity of the relevant administrations, fulfil the objective of promoting trade facilitation.
3. The Parties acknowledge the need for proper administrative capacity to meet those objectives. They agree that the EAC Partner State(s) will need transitional periods and capacity building to smoothly implement the provisions of this Title.

4. The objectives of cooperation under this Title are to:
 - (a) facilitate trade between the Parties;
 - (b) promote the harmonisation of customs legislation and procedures at regional level;
 - (c) provide support to the EAC Partner State(s) to strengthen trade facilitation;
 - (d) provide support to the customs administrations of the EAC Partner State(s) to implement this Agreement and other international customs best practices;
 - (e) enhance cooperation between the Parties' customs authorities and other related border agencies.
5. Subject to Article 75, the Parties agree to cooperate in the following areas:
 - (a) exchange of information on customs legislation and procedures;
 - (b) development of joint initiatives in mutually agreed areas;
 - (c) support for the:
 - (i) modernisation of customs systems and procedures and reduction of customs clearance time;

- (ii) simplification and harmonisation of customs procedures and trade formalities, including those related to import, export, and transit;
 - (iii) enhancement of regional transit systems;
 - (iv) enhancement of transparency in accordance with Article 134;
 - (v) capacity building, including financial and technical assistance to the EAC Partner State(s) in this area; and
 - (vi) any other area of customs as agreed on by the Parties to this Agreement;
- (d) establishment, as far as possible, of common positions in international organisations in the field of customs and trade facilitation, such as the WTO, WCO, UN and UNCTAD;
- (e) promotion of coordination between all related agencies, both internally and across borders.
6. The Parties shall cooperate in customs matters and on rules of origin through:
- (a) the introduction of procedures and practices which reflect international instruments and standards applicable in the field of customs and trade facilitation, including WTO rules and WCO instruments and standards;
 - (b) the implementation of activities aimed at consolidating the harmonisation of customs standards and trade facilitation measures;

- (c) the application of modern customs techniques, including risk assessment, binding rulings, simplified procedures, post release controls and audit methods;
- (d) the automation of customs and other trade procedures, including electronic exchange of customs and trade information;
- (e) the training of customs officials and other relevant public and private sector officials on customs and trade facilitation; and
- (f) in any other areas that may be identified by the Parties.

TITLE IX

EPA ADJUSTMENT MEASURES

ARTICLE 99

Scope and Objectives

1. The Parties recognise that the elimination and/or substantial reduction of tariffs as set out in this Agreement will be a challenge for the EAC Partner State(s). The Parties agree that this specific challenge shall be addressed through the creation of a compensatory framework, subject to the provisions of Annex VI which prevail.

2. The Parties also recognise that the implementation of this Agreement may result in potential challenges, *inter alia* in the social, economic and environmental domain, to the economies of the EAC Partner State(s). The Parties agree that those challenges shall be addressed through economic and development cooperation actions.

3. Cooperation under this Title aims at addressing actual and potential adjustment challenges resulting from the implementation of this Agreement.

ARTICLE 100

Areas of Cooperation

1. With regard to revenue losses linked to the reduction of tariffs, the EU shall, subject to the provisions of Annex VI which prevail:

- (a) engage in an enhanced dialogue on fiscal adaptation measures and reforms;
- (b) establish cooperation modalities to support fiscal reform;
- (c) provide financial resources to cover transitionally the agreed losses of government revenue arising from the elimination of, and/or a substantial reduction in, customs tariffs.

2. To ensure that the economies of the EAC Partner State(s) take full advantage of this Agreement, the EU agrees to work with the EAC Partner State(s) to undertake appropriate cooperation activities aiming at:

- (a) improving the competitiveness of productive sectors within the EAC Partner State(s);

- (b) improving productive and professional capacities of the workforce of the EAC Partner State(s), including training of workers displaced by the closure of firms and/or equipping them with new skills for new activities etc.;
- (c) supporting measures towards sustainable environment;
- (d) building capacity to enhance macro-economic discipline;
- (e) mitigating the possible impacts affecting food and nutrition security, rural development, livelihood security and export earnings in the EAC Partner State(s);
- (f) addressing other possible cooperation areas related to the implementation challenges of this Agreement.

TITLE X

RESOURCE MOBILISATION

ARTICLE 101

Principles and Objectives

1. Recognising the EU's commitment to support the implementation of this Agreement and the efforts of the EAC Partner State(s) themselves to finance their development needs, the Parties agree to work both jointly and independently to mobilise financial resources to support the implementation of this Agreement, regional integration and the development strategies of the EAC Partner State(s).
2. The objective of joint resource mobilisation is to complement, support and promote in a spirit of interdependence, the efforts of the EAC Partner State(s) in pursuing alternative sources of funding to support regional integration and the development strategies, in particular the EPA Development Matrix in Annex III(a), subject to the provisions of Annex VI which prevail.

ARTICLE 102

Obligations

1. Subject to the provisions of Annex VI which prevail, the EAC Partner State(s) shall:
 - (a) commit resources from their financing mechanisms on a timely and predictable basis to support regional integration and the EPA-related development strategies and projects as contained in the EPA Development Matrix;
 - (b) develop their development strategies with due regard for the right of the EAC Partner State(s) to determine the direction and the sequence of their development strategies and priorities;
 - (c) establish an EPA Fund to channel EPA-related resources;
 - (d) incorporate the priorities of the EPA Development Matrix in regional and national strategies.
2. Subject to the provisions Annex VI which prevail, the EAC Partner State(s) shall formulate rules and regulations for the management of the EPA Fund, to ensure transparency, accountability and value for money in the utilisation of those resources. Without prejudice to other partners' contributions to the EPA Fund, the channelling of the EU resources will be made provisionally on a successful assessment of the EPA Fund's operating procedures by the EU.

3. Subject to the provisions of Annex VI which prevail, The EU shall commit resources on a timely and predictable basis taking particularly into account the supply-side constraints of the EAC Partner State(s) linked to the implementation of this Agreement, including financing gaps identified in the EPA Development Matrix, through:

- (a) the EU budget;
- (b) any other instrument that will be used to implement the EU's official development assistance.

4. The Parties shall jointly commit to work towards mobilising the following resources:

- (a) funds of other (multilateral or bilateral) donors;
- (b) grants, concessional loans, public-private partnerships, and specialised facilities;
- (c) any other official development assistance resources available from development partners.