



ECONEWS
AFRICA

REGIONAL ECONOMIC INTEGRATION
FOR THE NORTH RIFT ECONOMIC BLOC
(NOREB).



1 INTRODUCTION

The Kenya Vision 2030 seeks to transform the Kenyan economy into “a newly- industrialising, middle income country providing a high quality of life to all its citizens in a clean and secure environment globally.” Kenya Vision 2030 seeks to achieve these goals through three key pillars: Economic; Social; and Political Governance. The economic pillar aims to achieve an annual economic growth rate of 10%, this is expected to be sustained until 2030. The social pillar seeks to create just cohesive and equitable social development in a clean and secure environment, while the political pillar aims to realise an issue-based, people-centred, result-oriented and accountable democratic system . The establishment of the various regional economic blocs within Kenya serves to ensure that counties play a key role in ensuring the social, economic or political and governance goals of the Kenya Vision 2030 are achieved.

Regional economic blocs are implicitly encouraged in the constitution of Kenya (COK 2012) under article 189(2), where intergovernmental relations is established for effective service delivery. One advantage of regional cooperation is the economies of scale associated with collective investments and implementation of joint projects with large capital outlays that can be easily overcome by combined efforts. Several economic blocs have been established: North Rift Economic Bloc (NOREB), Mt. Kenya and Aberdare, Lake Region Economic Bloc (LREB), Jumuiya ya Kaunti za Pwani (JKP), Southeastern Kenya Economic Bloc (SEKEB) and Frontier Counties Development Council (FCDC). Mt. Kenya and Aberdare has since changed its name to Central Kenya Economic Bloc (CEREB). A challenge experienced by most counties is that they lack sufficient funds to implement viable projects on their own in a manner that can attract long term investments. Regional economic integration is important for leveraging counties with close geographic proximity for collective investments in order to accelerate economic growth potential.

This brief presents the findings of a study that sought to establish the legal policy and operational framework for NOREB, their agricultural sector priorities and policy direction and implications for engaging in multilateral/regional trading systems particularly the Agreement of the African Continental Free Trade Area.

2 LEGAL AND OPERATIONAL FRAMEWORK FOR REGIONAL ECONOMIC BLOCS

There are several laws that govern establishment of regional blocs as presented below:

Table 1: Summary of Laws Promoting Regional Cooperation

Law	Details
The Constitution of Kenya 2010	The Constitution of Kenya (COK) 2010 under the fourth schedule outlines the responsibilities of both national and county governments, furthermore, Article 189 (2) stipulates that “Government at each level, and different governments at the county level, to co-operate in the performance of functions and exercise of powers and, for that purpose, may set up joint committees and joint authorities” (The Constitution of Kenya, 2010). This section gives county governments opportunities to cooperate so as to improve service delivery, hence cooperation such as those seen under economic blocs fall in this category.
The County Government Act 2012	This Act further outlines the functions of the county governments which include agriculture, health, control of various forms of pollution, cultural activities, County transport, animal control, trade development and regulations, county planning, education (pre-primary, village polytechnics, home crafts and childcare facilities) among other activities detailed in the fourth schedule (The Constitution of Kenya, 2010).

The Intergovernmental Relations Act 2012	The Act establishes the framework for consultation and cooperation between the national and county governments and amongst county governments (The County Governments Act, 2012). Section 20(1) provide for consultations among county governments the Council of Governors (COG), where they can share experiences for learning purposes, considering matters of common interests, dispute resolution, monitoring the implementation of intercounty agreements on inter-county projects among other functions.
Public Finance Management Act 2012	The public finance management act (PFM Act (2012)) provides for the effective management of public finances for County Governments and the role of oversight bodies and various government entities in ensuring efficiency.
The County Resource Development bill 2020	The County Resource Development Bill by Senate is an important expression of the national legal framework to provide for county cooperation under the regional economic blocs, natural resource development by counties and other related issues. The Bill went through first reading in the Senate on April 14, 2020 and was committed to relevant committee .

2.1 NORTH RIFT ECONOMIC BLOC (NOREB) OPERATIONAL FRAMEWORK

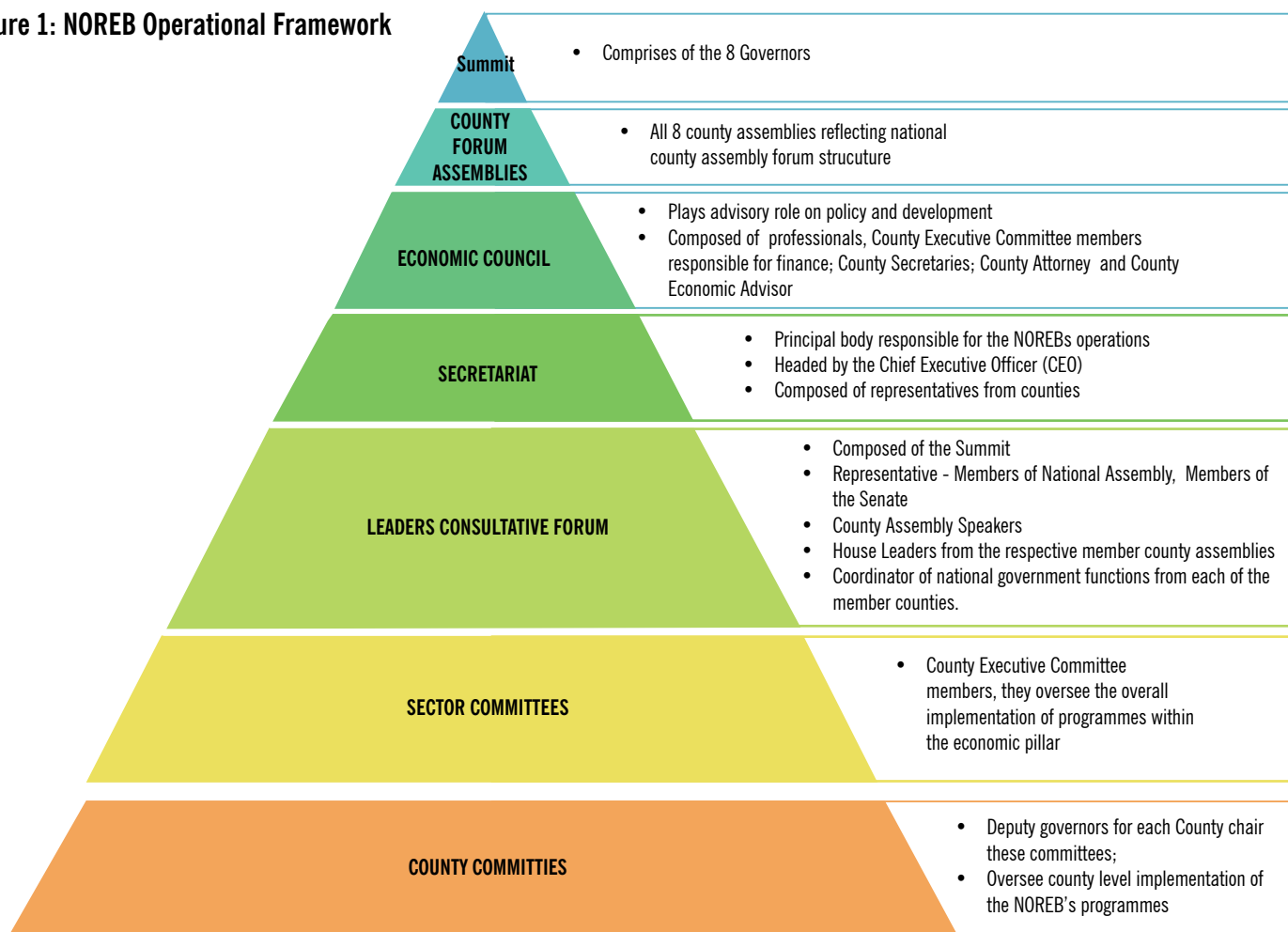
NOREB is made up of 8 counties: Uasin Gishu, Trans Nzoia, Nandi, Elgeyo-Marakwet, West Pokot, Baringo, Turkana and Samburu. It has made progress in developing framework for agreement among its eight members. The cooperation agreement presents the objectives of NOREB that enables its members to meet their obligations (Table 2).

Table 2: The Cooperation Agreement Objectives

1. Ensure the parties will at all times comply with all applicable laws, regulatory requirements and inter-county conventions.
2. Ensure that any project studied, initiated or executed under this Cooperation Agreement shall be defined by the principles of good governance, competitiveness, transparency and value for money.
3. Employ the prevailing global practices and globally recognized techniques and technology in implementing the Bloc projects and programmes.
4. Create project plans and roadmaps.
5. Develop policy and legislative frameworks to achieve the Bloc objectives.
6. Host meetings and seminars with relevance to the flagship projects and other priority projects.
7. Prioritize identified key projects in resource allocation.
8. With consensus established with other parties may use the Bloc's logo in its website and on information and marketing brochures, advertisements in print and electronic media and such other media.
9. Make contributions to the Bloc Development Fund.
10. Provide personnel to the Secretariat and the other organs of the Bloc as and when required.
11. Promote sustainable and equitable economic growth and socio-economic development that will ensure poverty alleviation with the ultimate objective of its eradication, enhance the standard and quality of life of the people of North Rift and support the socially disadvantaged through Bloc integration.
12. Promote common value systems and other shared values which are transmitted through institutions which are democratic, legitimate and effective as outlined below:
 - a) Consolidate, defend and maintain democracy, peace, security and stability.
 - b) Promote self-sustaining development on the basis of collective self-reliance, and the interdependence of member counties.
 - c) Achieve complementarities between county and Bloc strategies and programmes.
 - d) Promote and maximise productive employment and utilisation of resources of the Bloc.
 - e) Achieve sustainable utilisation of natural resources and effective protection of the environment.
 - f) Strengthen and consolidate the long standing historical, social and cultural affinities and links among the people of the Bloc.
 - g) Combat HIV/AIDS and/or other terminal and communicable diseases;
 - h) Ensure that poverty eradication is addressed in all the Bloc's activities and programmes.
 - i) Gender mainstreaming and special interest groups in the process of the Bloc are building.

The NOREB has an operational framework that involves various institutions to manage its affairs, these institutions play various roles, and they include the summit, county assembly's forum, economic council, secretariat, leaders' forum and sectors and county committees. This framework is presented in Figure 1. The operational framework is aligned to the structures of the county government administration, it is expected that the operationalization of these structures should be harmonious and well-coordinated.

Figure 1: NOREB Operational Framework



Source: (NOREB Secretariat, 2019)

The priority areas for development in NOREB are presented in Figure 2, of particular interest is the productive sector which focuses on agriculture and food security under pillar 1. The NOREB region has undertaken a value chain approach to setting the priority areas in agricultural development. This broadly involves improving crop and livestock inputs that increase crop and livestock production while reducing the incidence of disease outbreak for both crops and animals. Crop farming can be enhanced through irrigation that will augment the rain-fed agricultural production system in place.

Figure 2: NOREB Priority Areas

PILLAR I: PRODUCTIVE SECTORS	PILLAR II: SOCIAL SECTORS	PILLAR III: ENABLING SECTORS	PILLAR IV: GOVERNANCE AND COORDINATION
<ul style="list-style-type: none"> Agriculture and Food Security Trade, Investments and Industry Environment and Natural Resources Wildlife and Tourism Sports and Recreation 	<ul style="list-style-type: none"> Health Education 	<ul style="list-style-type: none"> Energy Infrastructure Development Security and Cohesion 	<ul style="list-style-type: none"> Public Service Youth and Social Development Human Resource Development ICT and Research Innovation Resource Mobilization

Source: (NOREB Secretariat, 2019)

In order to reduce post-harvest losses, the NOREB seeks to develop grain storage infrastructure through local ownership by farmer societies. There is also commitment to the development of federation of farmer cooperatives, and further build their capacities (i.e., small- and large-scale farmers), so that they can take up more productive farming. This is expected to be achieved through the adoption of new crop and animal varieties and increased technical support to farmers. Through cooperatives, farmers are expected to take up agricultural investment with increased extension services that will serve to enhance productivity.

NOREB is known as the main producer of cereals in the region and the national 'grain basket', hence it seeks to streamline and improve on the cereal and warehousing system so as to reduce post-harvest losses and the 'middle-man syndrome', which is a common occurrence and challenge in the bloc. The development of regional information and marketing systems is important for channeling crops and livestock to market at the local (outside NOREB) regional (within Africa) and international (Outside Africa) level. NOREB also seeks to develop the agro-processing industries as part of its value addition initiatives. Increased value addition will increase the region's Gross County Products, increase employment opportunities, and result in infrastructural development to meet the needs of the expanding industrial sectors.

2.2 KEY STAKEHOLDERS RELEVANT TO REGIONAL ECONOMIC BLOCS

This section identifies state actors and non-state actors and their role in working with the country regional blocs.

STATE ACTORS	
The trade and industry investment committee under the Council of Governors	<ul style="list-style-type: none"> The Trade and Industry and Investment Committee under the Council of Governors was constituted to consider all matters relating to trade development and regulations; and investment and divestiture policies . This committee is important for the county regional blocs as it provides them with a platform where they can articulate their issues on trade matters affecting them to be presented to the national government for policy action.
National Trade Negotiations Council (NTNC)	<ul style="list-style-type: none"> The Council of Governors (COG) is a member of the National Trade Negotiations Council (NTNC), which is a multi-agency council to coordinate bilateral, regional, inter-regional and multilateral trade for Kenya . One of the functions of this committee is to analyse all concluded trade agreements and advise the government on their implications to the Kenyan economy and how to take advantage of them to increase the country's external trade.
Agriculture and Food Authority (AFA)	<ul style="list-style-type: none"> AFA resulted from merging of the various regulatory institutions namely: Coffee Board of Kenya, Kenya Sugar Board, Tea Board of Kenya, Coconut Development Authority, Cotton Development Authority, Sisal Board of Kenya, Pyrethrum Board of Kenya, Horticultural Crops Development Authority. The AFA seeks to increase agricultural growth and productivity, value chains and market integration, through effective regulatory and institutional framework.
The African Continental Free Trade Area (AfCFTA) National Implementation Committee.	<ul style="list-style-type: none"> This committee seeks to implement the national AfCFTA strategy and to also coordinate the implementation of the AfCFTA agreement and all its protocols.
NON-STATE ACTORS	
Kenya National Farmers Federation (KENAFF)	<ul style="list-style-type: none"> Member organization of all farmer associations in Kenya, it represents the farmers voice and interests at all levels of governance and articulates issues affecting farmers.
Development Partners	<ul style="list-style-type: none"> They support county cooperation and integration activities: UKAID, GIZ, Route to Food Alliance and the National Sustainable Agriculture Coalition (NSAC)

Sector Associations	<ul style="list-style-type: none"> • Kenya Private Sector Alliance (KEPSA) - advocacy, capacity building and research activities for its members. • Kenya Association of Manufacturers (KAM) advocates and lobbies for manufacturers to ensure enabling operation environment.
Non- Governmental Organizations (NGOs)	<ul style="list-style-type: none"> • They have different mandates and deal with various aspects of agricultural production capacities and trade: Econews Africa, Action Aid, Oxfam International and Fair Trade.

2.3 OPPORTUNITIES AND GAPS

Opportunities

a) Collaboration for Common Interests

The county regional economic blocs bring together Counties sharing close geographical proximity and common natural resources, and this is important and necessary leverage for achieving economic growth. The adoption of joint investments and projects which enhance regional comparative advantage and economies of scale will result in accelerated economic growth by these blocs. The creation of a harmonious integrated policy and enabling environment for trade and investments as well as social sector development will not only accelerate development but also increase the level of inclusion and cohesion. The mutual agreement in sharing of cross boundary economic resources and infrastructure will enhance economies of scale resulting in more efficient production systems.

b) Strengthened and Accelerated Bargaining Power

The idea of county governments forming cooperation among themselves is a pathway to strong political and economic integration, which is an important precursor to significant economic growth and development in the regions. Individual counties have marginal influence over the economic decisions (bilateral or multilateral) made at the national level. Coming together into blocs therefore creates a strong economic and political force that they must use and leverage on to beneficially influence the national level bilateral and multilateral arrangements that affect economic sectors and functions such as agriculture that are fully devolved.

c) Presence of Stakeholders ready to build the capacity of the blocs as they establish

There are several stakeholders at various levels including trade policy, governance and even agricultural production and trade who have the interest and can be engaged to provide technical support, capacity building and awareness creation for NOREB. It is important that the bloc takes advantage and collaborate with these stakeholders for many reasons including capacity building to strengthen their ability to establish linkage with national level trade initiatives and appropriately take advantage benefits and opportunities available for blocs. Collaboration with these stakeholders will also enable the blocs to understand the impact of trade policy and negotiations carried out at the national level and create possible entry points for the blocs.

GAPS

a) Operational Frameworks not fully Developed

NOREB has a cooperation agreement and has also developed The North Rift Economic Bloc Bill, 2019 which is also still under enactment process. NOREB being strong on agriculture, it is important to note that the development of agricultural value chains and industrial base can only be sustained through a sound legal and policy and institutional framework. This is one of the main avenues for sustainable partnerships and to take up opportunities arising from regional integration happening at the national level. The lack of adequate framework is likely to hamper investment projects and opportunities that require intercounty implementation.

b) Lack of Public Consultations and Participation in the ongoings of the Blocs

Successful establishment of institutions in any economic bloc requires and extensive consultations through public participation in order to have community buy-in so that cross-boundary resources are shared. This is a concern, as it does not clear in the structures of NOREB how public participation is engrained therein. For example, without effective public engagement, the establishment of industries in one county to serve the whole bloc may be misconstrued by the public who might see that as an individual county's benefit and not the economic bloc.

c) Mechanism for financing the blocs

The weaknesses in the legal framework used to establish the economic blocs is also likely to be a big hindrance when it comes to financing of these entities. Most economic blocs seek to register their respective institutions as private companies limited by guarantee. However, financing such entities using public funds is against the public finance laws. Incurring expenditures outside the supportive financial legal framework is likely to raise audit queries.

3 AGRICULTURAL SECTORS PRIORITIES AND DEVELOPMENT INTERVENTIONS

Each the economic blocs have key priority sub-sectors in agriculture, this section will review each of them and further establish their importance, challenges faced in developing these sectors and the opportunities they have and linkages to the on-going regional integration initiatives. Table 2 presents a summary of priority crops by broad categories that are produced in the NOREB region.

Table 2: Priority Crops for NOREB

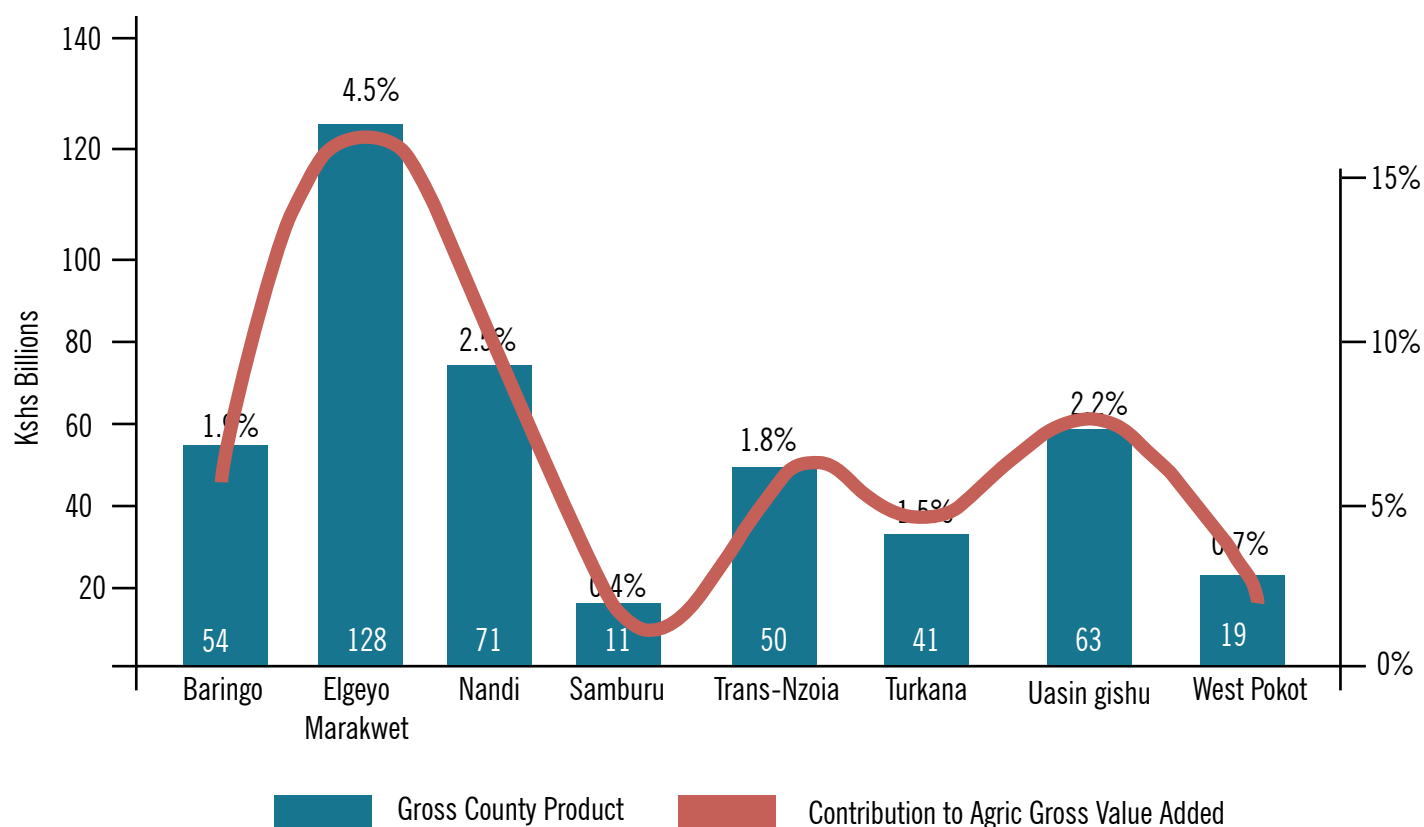
North Rift Economic Bloc (NOREB)	
Food Crops	Maize, Beans, Irish potatoes, Potatoes, Sorghum, Finger Millet
Commercial	Wheat, Barley, Cut flowers
Horticulture	Tomatoes, Seed maize, Kales, Melons, Bananas, Mangoes, Cabbages

Source: County Statistical Abstract 2015

3.1 SITUATIONAL ANALYSIS OF THE NOREB AGRICULTURAL SECTOR PRODUCTION TRENDS

According to the Kenya National Bureau of statistics report on Gross County Products (GCP), the agricultural sector gross domestic product (GDP) for 2017 was KES 2,839 billion, of which the NOREB contributed KES 438 billion which is equivalent to 15% of the agricultural sector GDP. Figure 3 presents each of the NOREB member’s contribution to the national agricultural GDP. Elgeyo Marakwet, Nandi and Uasin Gishu counties are the top agricultural producers, it follows that these three counties have higher gross county products (GCP) and hence main contributors to national agricultural value added. West Pokot and Samburu counties are the lowest producers of agricultural value added in NOREB.

Figure 3: Gross County Product and Contribution to National Agricultural Value Added 2017 (NOREB).



Source: (KNBS, 2019)

3.1.1 Crop Farming

Maize

Maize production in Kenya is estimated to be approximately 3 million metric tonnes per year, with land coverage of 1.5 million, this translates to a yield rate of 2 tonnes per hectare. The most recent statistics show that Maize production in NOREB covers 356,494 hectares of land, which constitutes 17% of total land area for total maize production in Kenya. A total of 5.1 million tonnes was produced in 2014, with Uasin Gishu county producing around 83% of total maize from NOREB with yield that is 3 times that of the region.

Table 4: Maize Production in NOREB 2014

County	Hectares	Tonnes	Yield (T/Ha)
Baringo	34,960	74,256	2.1
Elgeyo Marakwet	27,620	106,868	3.9
Nandi	66,815	176,355	2.6
Samburu	2,115	-	-
Trans-Nzoia	105,950	477,000	4.5
Turkana	-	-	-
Uasin Gishu	99,654	4,224,741	42.4
West Pokot	19,380	46,341	2.4
TOTAL	356,494	5,105,561	14.3

Source: County Statistical Abstracts (2015) (KNBS, 2015b)

Beans

Total annual dry beans production in Kenya is estimated to be 529,000, this is over a land coverage of approximately 1 million hectares, which translates to an average yield of 0.53 tonnes per hectare. The NOREB region area under beans cultivation constitutes 13% of total land under cultivation in the country. The average yield of beans is double that of the national. The top dry beans producers in NOREB are Uasin Gishu, Trans-Nzoia and Nandi, their total production equals 77% of total beans production in the region (Table 5). Uasin Gishu remains the top producer of dry beans in the region with a yield of 2.8 tonnes per hectare. Beans constitutes 6% and 5% of rural and urban food basket shares, unlike maize and its products that are largely consumed by rural households.

Table 5: Beans Production in NOREB 2014

County	Hectares	Tonnes	Yield (T/Ha)
Baringo	17,788	15,156	0.9
Elgeyo Marakwet	14,489	13,964	1.0
Nandi	36,589	29,964	0.8
Samburu	414	138	0.3
Trans-Nzoia	42,040	21,756	0.5
Turkana	-	-	-
Uasin Gishu	15,992	44,023	2.8
West Pokot	7,630	3628	0.5
TOTAL	134,942	125,047	1.0

Source: County Statistical Abstracts (2015)

Potatoes

Potato production includes sweet and Irish potatoes, it currently constitutes approximately 2% and 3% of rural and urban households' food budget share. In NOREB, the area harvested under potatoes is 18,292 hectares in 2014, producing 413,180 tonnes yielding 22.6 tonnes per hectare (Table 6). The potato yield in the region (23 T/Ha) almost doubles the national average (13 T/Ha).

Table 6: Potato Production in NOREB 2014

County	Hectares	Tonnes	Yield (T/Ha)
Baringo	2,374	34,080	14.4
Elgeyo Marakwet	11,695	196,957	16.8
Nandi	673	1,300	1.9
Samburu	-	-	-
Trans-Nzoia	1,636	17,160	10.5
Turkana	2	8	5.0
Uasin Gishu	1,132	156,230	138.0
West Pokot	780	7,445	9.5
TOTAL	18,292	413,180	22.6

Source: County Statistical Abstracts (2015)

Sorghum and Millet

Sorghum and millet are traditionally non-traded commodities in Kenya; however, its production is on the rise. Turkana and Uasin Gishu are the leading counties in the production of sorghum within the NOREB region (Table 7). In 2014, the area under sorghum cultivation was 213,520 hectares, with 177,553 tonnes being harvested and a yield of 0.8 tonnes per hectare. NOREB area harvested under sorghum constitutes 2% of total area harvested and 11% of total tonnes produced. The sorghum yield in the NOREB region is almost six times the national average.

Millet production at the national level is 126,000 tonnes, with area under cultivation being 138,829 hectares and a yield of 0.9 tonnes per hectare. The area under harvest for millet in NOREB constitutes 4% of total area at national level and 7% of total millet harvested during the same period, NOREB has a higher millet yield 1.5 tonnes per hectare. The leading producers of millet are therefore Trans-Nzoia and Uasin Gishu counties. In terms of household consumption, both sorghum and millet did not constitute a budget share of the basic needs consumption basket.

Table 7: Sorghum and Millet Production in NOREB 2014

County	Sorghum			Millet		
	Hectares	Tonnes	Yield (T/Ha)	Hectares	Tonnes	Yield (T/Ha)
Baringo	849	764	0.9	2,301	3,036	1.3
Elgeyo Marakwet	769	829	1.1	2,407	1,832	0.8
Nandi	145	131	0.9	139	133	1.0
Samburu	15	-	-	1	-	-
Trans-Nzoia	194	302	1.6	300	450	1.5
Turkana	1,438	15,486	10.8	-	-	-
Uasin Gishu	86	1,151	13.4	284	2,812	9.9
West Pokot	560	482	0.9	337	241	0.7
TOTAL	4,056	19,145	4.7	5,769	8,504	1.5

Source: Various County Statistical Abstracts (2015)

Commercial Crops

The main commercial crops produced in NOREB are wheat and barley. The total area under wheat production in Kenya is 147,210 hectares, of which NOREB covers 23,539 hectares (16% of total area). Uasin Gishu County remain the top producer of both wheat and barley in NOREB. The area under wheat is much lower than that of barley but has higher yield compared to wheat, the yield for wheat is 21 tonnes per hectare compared to barley which is 37 tonnes per hectare.

Table 8: Wheat and Barley Production in NOREB 2014

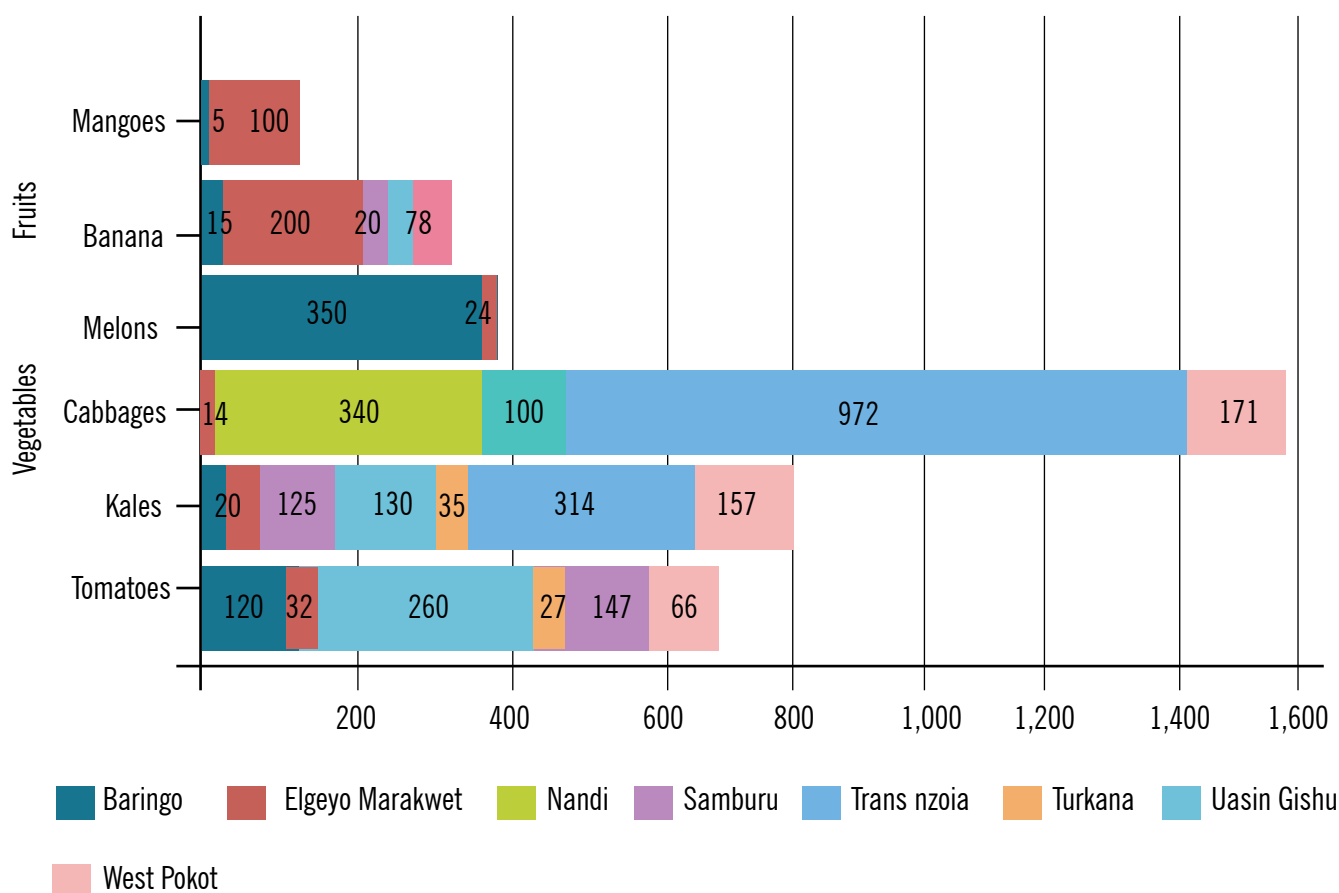
County	Wheat			Barley		
	Hectares	Tonnes	Yield (T/Ha)	Hectares	Tonnes	Yield (T/Ha)
Baringo	-	-	-	-	-	-
Elgeyo Marakwet	305	824	2.7	-	-	-
Nandi	-	-	2.3	-	-	-
Samburu	1,200	2,700	-	-	-	-
Trans-Nzoia	3,195	4,147	1.3	-	-	-
Turkana	-	-	-	-	-	-
Uasin Gishu	18,829	488,395	25.9	875	32,376	37.0
West Pokot	-	-	-	-	-	-
TOTAL	23,529	19,145	21.1	875	32,376	37.0

Source: Various County Statistical Abstracts (2015)

Horticulture

The NOREB region produces a variety of fruits and vegetable as presented in Figure 4. The most recent data available indicates that the total value of recorded vegetable and fruits for the year 2014 is KES 27.7 and 12.8 billion respectively. The fruits and vegetables grown are tomatoes, kales, cabbages, melons, bananas and mangoes.

Figure 4: Area Harvested for Fruits and Vegetables NOREB 2014 (Hectares)



Source: County Statistical Abstracts (2015)

3.1.2 Livestock

NOREB region equally produces a lot of livestock, this includes cattle, goat, sheep and camels. In 2014, a total of 199,369 tonnes of cattle was slaughtered with most of the cattle (99%) coming from Uasin Gishu, this was valued at KES. 7.6 billion and constituted 13% of the total value of animals slaughtered nationally in 2014. The value of slaughtered sheep and goat was KES 1.9 billion, which constituted 46% of the value of all slaughtered animals in the country in the same year.

Table 9: Number Livestock Slaughtered in NOREB in 2014

County	Cattle	Goat	Sheep	Camel
Baringo	15	153	17	-
Elgeyo Marakwet	2	2	3	-
Nandi	6	3	12	0
Samburu	17	519	729	58
Trans-Nzoia	71	15	52	-
Turkana	198,078	89	55	28
Uasin Gishu	627	72	210	-
West Pokot	7,630	285	75	-
TOTAL	199,369	1,138	1,151	86

Source: Various County Statistical Abstracts (2015)

NOREB economic blueprint identifies several common diseases: Rift Valley Fever (RVF), Foot and Mouth Disease (FMD), Contagious Bovine Pleuropneumonia (CBPP), Newcastle Disease, Pests des Petit Ruminants, Contagious Caprine Pleuropneumonia, Lumpy Skin Disease and Rabies. These diseases can be prevented and controlled through the NOREB Steering and Technical Management Committee on Disease Control, using the following instruments:

- Development of a transboundary livestock control policy that helps mitigate livestock disease outbreak in the region.
- Develop a disease control strategy that helps in early detection of disease, and a unified approach to treatment in order to provide for a coordinated mechanism the regional Steering and Technical Management Committees and expert groups.
- Develop a NOREB contingency plan that builds on the WHO scenarios for a pandemic situation that guides transboundary response to disease outbreak
- Communication strategy that ensures all members of the bloc have the same information on livestock related matters.

3.1.3 Fishing

The largest lake is Lake Turkana, which is found in Turkana County. The fish landed in 2014 was 5,000 metric tonnes valued at KES.421,189 million. 81% of the fish landed came from lake Turkana and at national level, Turkana County contributed 99% of the total value of fish. In Trans- Nzoia and West Pokot equally produce fish, however, this comes from ponds and private dams.

3.2 OPPORTUNITIES AND GAPS

Opportunities

a) NOREB bloc is Kenya's agriculture and food production basket

A review of the NOREB production trends shows that the priority sectors are those summarized below, and they demonstrate that key agricultural commodities and food produced in the region. Therefore, any policy towards agricultural development in the sectors should be towards the development of these crops and livestock and their respective value chain, in a manner that increases the yields of these commodities. Secondly, considering the importance of agriculture and food production, NOREB plays a role in ensuring right to food. As such the bloc's actions or inaction as individual counties or collectively as an economic bloc on agriculture becomes an important issue that require considerable attention given the significant influence and impact it has on food security, food safety and sustainable agricultural practices. NOREB has a strategic space for influencing food and agricultural policies including the protection and regulation of local agricultural production and trade for sustainable food security objectives.

North Rift Economic Bloc (NOREB)

Food Crops	Maize, Beans, Irish potatoes, Potatoes, Sorghum, Finger Millet
Livestock	Cattle, Sheep, Goats, Camels
Commercial	Wheat, Barley, Cut flowers
Horticulture	Tomatoes, Seed maize, Kales, Melons, Bananas, Mangoes, Cabbages

b) Agriculture being a County Government function

According to fourth schedule of the Constitution, agriculture is a County Government function, while the national government has the functions of agricultural policy development, quality control and capacity building. Intergovernmental coordination and cooperation is imperative, as this will ensure that agricultural policies formulated by National Government are progressive, support or align with local contexts in a manner that promotes agricultural sector development.

Gaps

a) County Governments are not fully involved in the liberalization initiatives in the agricultural Sector.

Agricultural trade liberalization without effective participation of County Governments is a serious gap considering that such policy decision will have direct impact on county economies. It is important that Counties take part in any agriculture trade liberalization to among others ensure that county regulatory space is respected, the local farmers/producers are not undermined by trade policies or agreements concluded at national level, ensure that county are aware of agricultural intellectual property and biotechnology issues as well as demand land access that sometime occur because of liberalizing agriculture. The county blocs present effective mechanism for engagement.

b) Agricultural Value Chain Development Policies not fully developed

Given that NOREB is at its formative stage in terms of policy formulation including regional agricultural sector development, the development of comprehensive agricultural sector policies that promote value chain approach from production, storage, transportation, marketing and distribution, is still lacking, yet this is an opportunity to develop regional value chains within the bloc.

4 IMPLICATIONS OF AfCFTA ON AGRICULTURAL SECTOR DEVELOPMENT

The Abuja treaty signed in 1991 by 51 African states sought to establish the African Economic Community (AEC). The first step towards the establishment of an AEC would be to create a continental free trade area, followed by a customs union and ultimately an economic community. On 17 March 2019, during the Extraordinary Summit on the African Continental Free Trade Area held in Kigali, the Agreement establishing the AfCFTA was presented for signature, along with the Kigali Declaration. The AfCFTA is made up 8 regional economic blocks in Africa . The operational phase of the AfCFTA was launched during the 12th Extraordinary Session of the Assembly of the Union on the AfCFTA in Niamey, Niger on 7 July, and on 1 July 2021, 54 countries had signed the agreement, while 37 had ratified it. The AfCFTA aims to increase intra Africa trade in goods to 50% by 2030, from the current estimate of 16-18%.

The Constitution of Kenya under article 2(5), recognizes the general principles of international law as part of the laws of Kenya. Article 2(6) further provides that treaties ratified by Kenya shall form part of the laws of Kenya. Kenya ratified the agreement establishing the AfCFTA and deposited its instruments on 10th May 2018. The general objectives of the AfCFTA are presented in Table 9 as articulated in Article 3 of the AfCFTA.

Table 9: General and Specific Objectives of the AfCFTA

Article 3

General Objectives

- Create a single market for goods, services, facilitated by movement of persons in order to deepen the economic integration of the African continent and in accordance with the Pan African Vision of “An integrated, prosperous and peaceful Africa” enshrined in Agenda 2063
- Create a liberalised market for goods and services through successive rounds of negotiations

- c. Contribute to the movement of capital and natural persons and facilitate investments building on the initiatives and developments in the State Parties and RECs
- d. Lay the foundation for the establishment of a Continental Customs Union at a later stage.
- e. Promote and attain sustainable and inclusive socio-economic development, gender equality and structural transformation of the State Parties
- f. Enhance the competitiveness of the economies of State Parties within the continent and the global market
- g. Promote industrial development through diversification and regional value e chain development, agricultural development and food security
- h. Resolve the challenges of multiple and overlapping memberships and expedite the regional and continental integration processes.

More specifically, Article 4 of the AfCFTA has specific objectives that seek to eliminate both tariff and non-tariff barriers among the State parties, this will ensure that traded goods can move freely within the African continent without any barriers to trade. The agreement equally seeks to progressively liberalize the services sector, the priority sectors being financial services, transport, telecommunications/information technology, professional services. There will be cooperation among State Parties in the areas of investment, intellectual property rights and competition policy and all all trade-related areas. In order to ensure smooth trading, in cases where there are disputes, the agreement equally seeks to establish a disputes settlement mechanism on rights and obligations. The AfCFTA has set up a secretariat based in Ghana that supports the institutional framework for the implementation and administration of the AfCFTA in collaboration with the State Parties.

4.1 POTENTIAL BENEFITS OF THE AfCFTA

The (World Bank, 2020) has estimated effects of the AfCFTA and how African economies stand to benefit from these agreements. A summary of the key findings is highlighted in Table 10. There is need to further investigate the benefits for each of the State Parties trading under the AfCFTA since the level of development vary.

Table 10: Estimated Effects of Trading under the AfCFTA

EFFECTS	ESTIMATES
Macro-Economic Effects	<ul style="list-style-type: none"> - Real income could increase by 7% which translates to approximately USD 450 billion. - The volume of total exports would increase by almost 29 %, while intra-continental exports would increase by over 81 % while exports to non African countries would rise by 9%. - Regional output and productivity would increase leading to reallocation of resources across sectors and countries. Output would increase the most in natural resources and services (1.7 %) and manufacturing by 1.2 %. - In the medium to long run, tariff revenues would grow by 3% as imports rise and as tariff liberalization is accompanied by a reduction in NTBs and implementation of trade facilitation measures.
Employment Impacts	<ul style="list-style-type: none"> - There would be a net increase in the proportion of workers in energy-intensive manufacturing. - Agricultural employment would increase in 60 % of the African countries - Wages for unskilled labor would grow faster where there is an expansion in agricultural employment. - Wages for unskilled labor would be 10.3 percent higher than the baseline in 2014. - By 2035, wages for women would increase 10.5%, compared with 9.9 % for men.

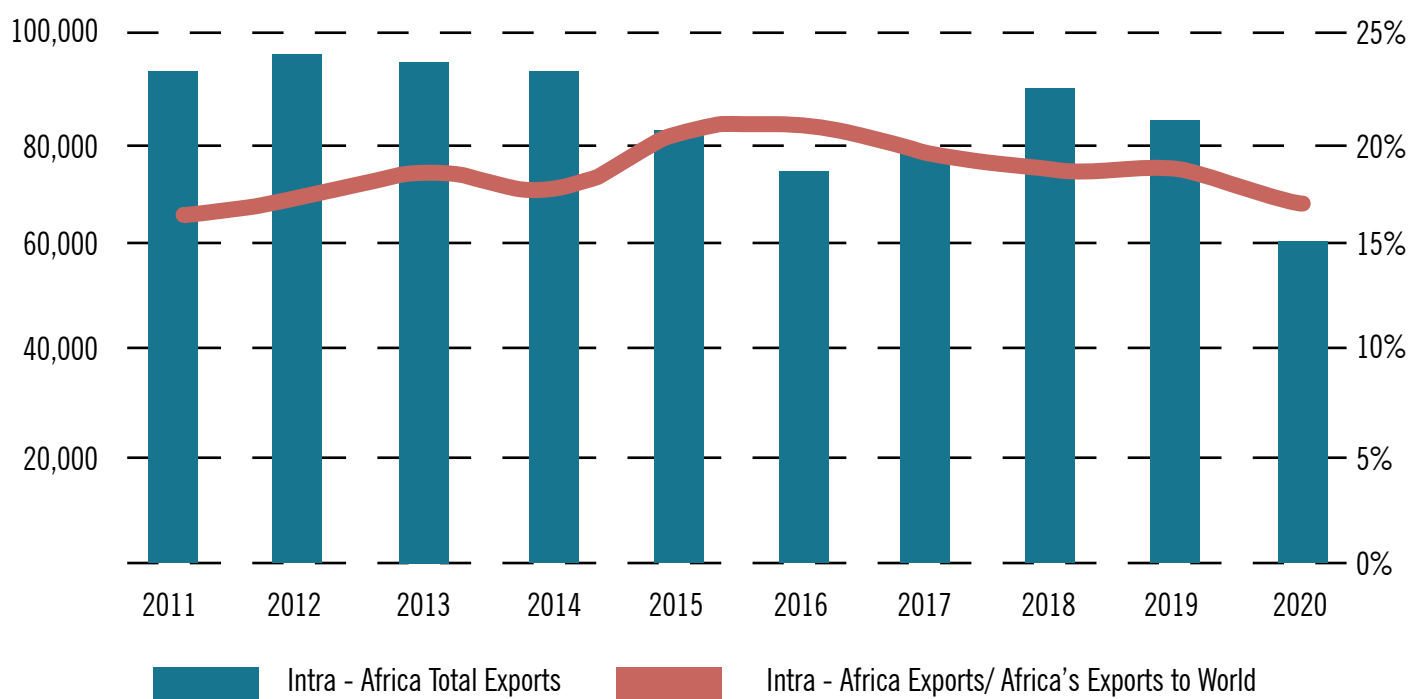
Distributional Impacts	<ul style="list-style-type: none"> -A total of 30 million people are expected to be lifted from from extreme poverty (1.5% of the continent’s population) and 68 million people from moderate poverty. - The headcount ratio of extreme poverty is projected to decline to 10.9 %
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4.2 TRENDS IN INTRA AFRICAN AGRICULTURAL TRADE

Figure 5 presents the trends in intra-Africa agricultural exports and intra-Africa agricultural exports as a proportion of Africa’s export to the world. Intra Africa trade in agricultural commodities was highest in 2012, but declined in 2020, this can be attributed to the Covid-19 pandemic that disrupted economic activities all over the world. The top three exported commodities in 2019 as presented in the trade map data base are: Essential oils and resinoids; perfumery, cosmetic or toilet preparations, Sugars and sugar confectionery and Animal or vegetable fats and oils and their cleavage products; prepared edible fats.

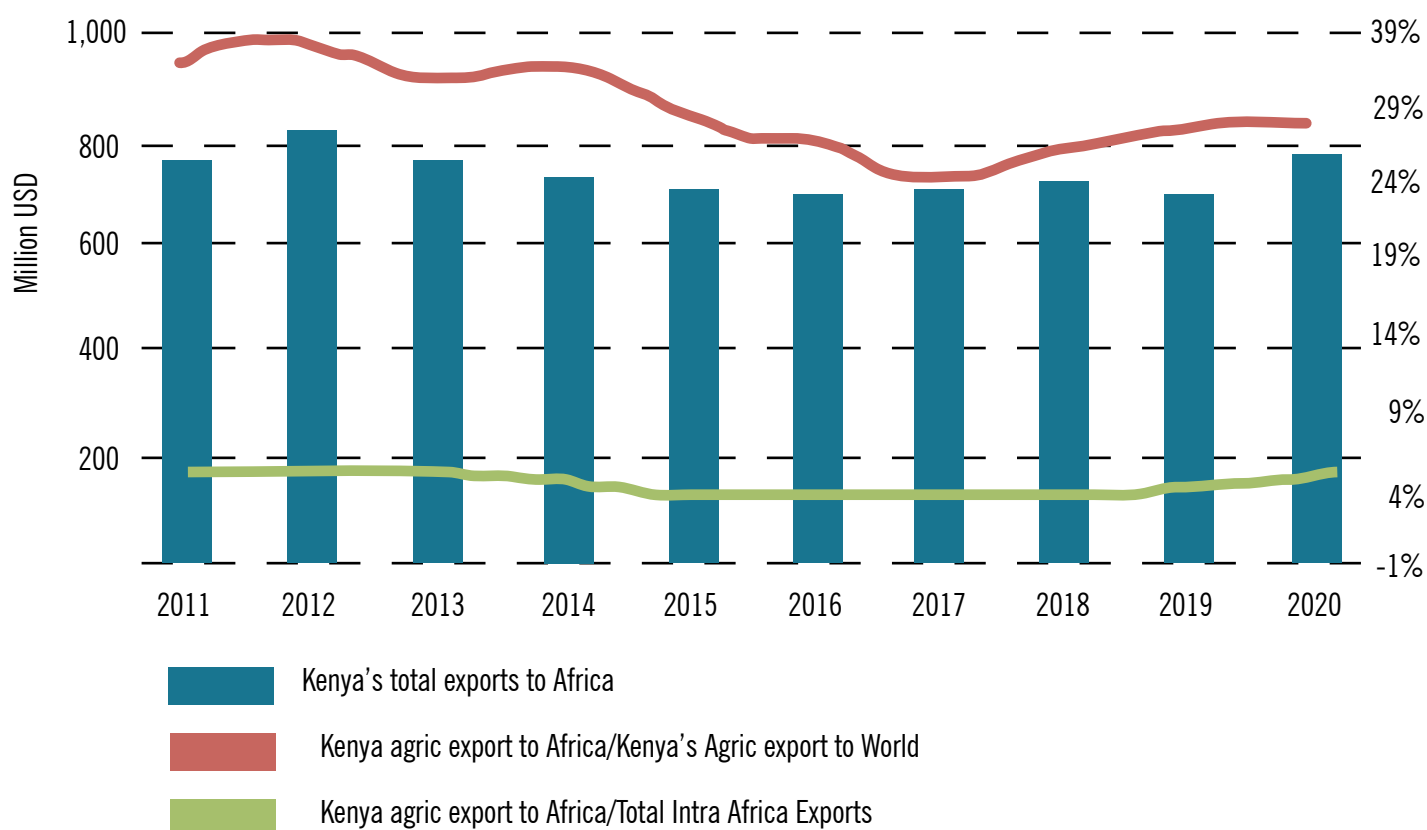
The commodities of Kenya’s interest include cereals (ranked fourth), fish (ranked fifth), vegetables (seventh) and coffee and tea (eighth). These agricultural export products as a percentage total Africa’s agricultural export in the world range from 16-21%. A review of the trade map database in 2020 shows that there are agricultural products which are actually exported within Africa, these include: Essential oils and resinoids; perfumery, cosmetic or toilet preparations; Sugars and sugar confectionery; Cereals; Miscellaneous edible preparations; Beverages, spirits and vinegar; Coffee, tea, maté and spices; Preparations of cereals, flour, starch or milk; pastrycooks’ products Products of the milling industry; malt; starches; inulin; wheat gluten; Dairy produce; birds’ eggs; natural honey; edible products of animal origin. At least 50% of these products are export within Africa.

Figure 5: Trends in Intra Africa Agricultural Exports (Million USD)



Source: Trade map database.

Figure 6: Trends in Kenya Agricultural Exports (Million USD)



Source: Trade map database.

Kenya's agricultural exports trends are presented in Figure 6, Kenya exported more agricultural commodities to Africa in 2020 even with the Covid-19 pandemic. The top agricultural goods exported to Africa are Coffee, tea, maté and spices; Animal or vegetable fats and oils; Miscellaneous edible preparations; Sugars and sugar confectionery Edible vegetables and certain roots and tubers; preparations of cereals, flour, starch or milk; pastrycooks' products and Cereals (see Annex Table 3). Kenya's agricultural exports to other African countries as a proportion of her agricultural exports to the world range between 24-32%. This is however much higher compared to Kenya's agricultural exports to Africa as a proportion of intra - Africa's export ranges from 4-6%.

Going by product line from the Trade map database in 2020, there are products that Kenya largely exports to African countries, these include: Animal or vegetable fats and oils and their cleavage products; Miscellaneous edible preparations; Preparations of cereals, flour, starch or milk; pastrycooks' products; Cereals; Beverages, spirits and vinegar; Essential oils and resinoids; perfumery, cosmetic or toilet preparations; Live animals; Preparations of meat, of fish or of crustaceans, molluscs or other aquatic invertebrates; Dairy produce; birds' eggs; natural honey; edible products of animal origin. This shows that while Kenya's overall exports to Africa are low, going by product line shows that there is increasing exports of certain products that can be exported to Africa under the AfCFTA.

4.3 OPPORTUNITIES AND GAPS FOR ECONOMIC BLOCS

Opportunities

a) Access to information

Access to information is a critical factor for successful trading especially for the opportunities arising from the AfCFTA. In order to export, information is required on various issues such as markets, prices, import procedures and formality, taxes and duty, tariffs, rules of origin, trade barriers and trade flow statistics. Several agencies play an important role in provision of information, these include export promotion agencies that play a vital role in export promotion with the expected outcome of increase export diversification and penetration. The ministry of trade and industry provide trade support that facilitate trade in the region, which included the AfCFTA.

b) National Strategy for AfCFTA implementation

Following the ratification of the AfCFTA, most countries are also in the process of developing national strategies for the AfCFTA. Kenya is currently developing one through the support of the UNECA (United Nations Economic Commission for Africa). This strategy seeks to ensure that Kenya's comparative advantage is adopted to take advantage of the opportunities arising from the AfCFTA market with a population of 1.3 billion people across Africa and a combined gross domestic product (GDP) of USD 3.4 trillion .

Gaps

a) Challenges of access to information by the blocs

The economic blocs are likely to face the challenge of lack of information on the opportunities arising from the AfCFTA given that they are still at the formative stages and the institutional framework for management of regional blocs is under development. Trading commenced on 1 January 2021, and this requires that exporting has commenced. However, the farmer federations are yet to be formed to take advantage of these opportunities, this can result in opportunities being lost.

b) Standards, Quality of Agricultural Inputs and Produce

In order to export under the AfCFTA, the exporters must meet the standard required for goods moving to the region, hence it is important that organization such as the Kenya Bureau of Standards (KEBS) and the Kenya Plant Health Inspectorate Services (KEPHIS) should be decentralized to the various economic blocs and they should provide services to the potential exporters so that they can export easily without facing the hurdles of poor standard of goods that end up being rejected resulting in losses. Currently, KEBS is setting up laboratories sanitary and phytosanitary (SPS) services in laboratories in the major import/export transit towns of Mombasa, Eldoret and Kisumu to facilitate faster testing of traders' goods.

c) Policy Framework not fully developed

There is need to fully develop the policy legal and institutional framework for the economic blocs so that there can be corporation amongst them for development and investment projects. This can facilitate sustainable partnerships that can enable economic blocs take up

5 KEY FINDINGS AND RECOMMENDATIONS

This study set out to establish legal policy, institutional and operational framework of NOREB, their agricultural sector priorities and policy direction and implications for engaging in multilateral/regional trading systems particularly the Agreement of the African Continental Free Trade Area. The following are some of the key findings from the study:

5.1 KEY FINDINGS

a) The NOREB bloc is already established but not to full capacity to implement development projects

NOREB is established but still in process of formation, with an agreement and a draft bill in place. NOREB has a cooperation agreement as the constitutive documents. NOREB has moved further develop a bill "The North Rift Economic Bloc Act, 2019", which is still under review. It has operational structures that integrate the committees within the county executive and legislative structures.

b) Legal Framework for the County Regional Economic Integration (Blocs) is Weak and Inadequate

The lack of comprehensive national framework establishing the county economic blocks is a key concern. According to Kenya Law Reform Commission, the policy and legislative framework for the regional economic blocs is critical to help address the nature of instruments of cooperation, the powers of the regional economic blocs, the financing of the economic blocs, the ownership of regional blocs' projects and the dispute resolution mechanisms to be applied in resolving disputes. Besides the National framework, it is important that even the individual blocs develop strong, effective and progressive policy frameworks that can support both the idea and their respective agenda. The sound legal and policy framework will be required for strengthening their agricultural value chains and industrial base which is also one of the key pillars for sustainable partnerships and blocs ability to take up opportunities arising from trade and regional integration at the counties as well as national level.

c) Capacity Building and Technical Support Really a Need

Capacity building for NOREB should include a) training in relation to regional and international trade and investment matters especially how the county blocs can position themselves to benefit for such regional and international trade arrangements; b) training and support to help the blocs cascade into the national level trade policy taking into account their competitive and comparative advantages; c) support in the setting up of the secretariats and formulation of the bloc policies, laws and strategies and ensure the same are aligned with the

national and international trade policy as well as national development strategies. Other capacity issues include research for learning and best practice for the blocs.

d) Lack of clear mechanism for public consultations and stakeholders' engagement on the ongoing of the blocs

It is not clear that there are mechanisms for public participation within the structures of the focused blocs. It must be noted that successful establishment of institutions in any economic bloc requires extensive consultations through public participation to have community buy-in so that cross-boundary resources are shared. The structures of NOREB does not provide a clear framework for public participation. One of the immediate risks of this for example is that without effective public engagement, the establishment of industries in one county to serve the whole bloc may be misconstrued by the public who as individual county's benefit and not the whole bloc.

e) Only a few Stakeholders focusing on County Regional Economic Integration (Blocs)

Whereas there are several non-state actors engaging the county governments at various levels of policy and implementation, only a few are keen on engaging with the regional economic blocs. More importantly, the blocs are in great need for stakeholders that can boost their capacity to constructively engage, adopt and align their policy and legal frameworks with the regional and international trade and investment policies and agreements since most of such commitments are implemented and reported at the county level.

On the other hand, this study established that there are a number of strategic stakeholders both state and non-state actors that present the blocs with important opportunity for collaboration. Some of these stakeholders include the Trade and Industry and Investment Committee, National Trade Negotiations Council (NTNC), Agriculture and Food Authority (AFA), The African Continental Free Trade Area (AfCFTA) National Implementation Committee and Kenya National Farmers Federation (KENAFF). Some of these stakeholders are involved in the agricultural production and trade arena and can be engaged to provide technical support, capacity building and awareness creation for NOREB.

f) Success of the county blocs requires effective Coordination between County and National governments

Trade and investment are a function of concurrent jurisdiction considering that regional and international commitments can only be concluded by National Government under National frameworks. However, these regional and international trade and investment agreements or commitments are implemented at the county level. This requires effective cooperation and coordination between the blocs and national government. Whereas the county blocs will have to adopt and align their policy and legal frameworks with the trade and investment commitments at the national government level, the blocs must also be involved in the national government processes leading to the signing of regional and international agreements so that such commitments promote instead of undermining or usurping their policy space.

g) Problem of Financing the Blocs

The weaknesses in the legal framework used to establish the economic blocs is also the hindrance when it comes to financing of these entities. This challenge has exhibited clearly on NOREB which seeks to register as a company limited by guarantee. However, financing such an entity using public funds is against the public finance laws. For financing and accountability purposes, incurring expenditures outside the set financial framework is likely to raise audit queries.

h) NOREB is a stronghold for agriculture and food production

This study established that the competitive and comparative advantage for NOREB is agriculture and food production. It produces food crops (Maize, Beans, Irish potatoes, Potatoes, Sorghum, Finger Millet), livestock (Cattle, Sheep, Goats, Camels), commercial crops (Wheat, Barley, Cut flowers) and horticulture (tomatoes, Seed maize, Kales, Melons, Bananas, Mangoes, Cabbages). Therefore, any policy towards agricultural development should be towards the development of these crops and livestock and their respective value chain, in a manner that increases the yields of these commodities. As a result, NOREB is important for the right to food given the significant influence they can have on food security, food safety and sustainable agricultural practices. As a result, NOREB has opportunities to export their products to the AfCFTA region.

i) Agricultural Liberalization Matters to the County Blocs

Agricultural trade liberalization without the participation of County Governments is a serious issue considering that such policy decisions will have direct impact on county economies. It is important that Counties take part in any agriculture trade liberalization to among others ensure that county regulatory space is respected, the local farmers/producers are not undermined by trade policies or agreements concluded at national level, ensure that counties are aware of agricultural intellectual property and biotechnology issues as well as the demand for land access that sometime occur as a result of liberalizing agriculture. The county blocs present effective mechanism for engagement to protect the sector from reckless liberalization that can be costly in the long term.

j) AfCFTA is an Opportunity for the Blocs to trade with rest of Africa

NOREB produces products that can be traded or exported under the AfCFTA region. Some of these products are among others animal or vegetable fats and oils and their cleavage products; miscellaneous edible preparations; preparations of cereals, flour, starch or milk; pastrycooks' products; Cereals; Beverages, spirits and vinegar; live animals among others.

There are however necessary prerequisites for the blocs to effectively benefit from the export opportunities arising from AfCFTA. The first prerequisite is access to information which is a critical success factor to exporting under AfCFTA given that information is required on various issues such as markets, prices, import procedures and formality, taxes and duty, tariffs, rules of origin, trade barriers and trade flow statistics. Second, in order to export under the AfCFTA, the exporters must meet the standard required for goods moving to the region, hence it is important that organization such as the Kenya Bureau of Standards (KEBS) and the Kenya Plant Health Inspectorate Services (KEPHIS) are decentralized to the various economic blocs and they should provide services to the potential exporters so that they can export easily without facing the hurdles of poor standard of goods that end up being rejected resulting in losses.

k) There is a National Strategy for AfCFTA implementation

Following the ratification of the AfCFTA, most countries embarked on the process of developing national strategies for the AfCFTA. Kenya is currently developing one through the support of the UNECA (United Nations Economic Commission for Africa). This strategy seeks to ensure that Kenya's comparative advantage is adopted to take advantage of the opportunities arising from the AfCFTA market with a population of 1.3 billion people across Africa and a combined gross domestic product (GDP) of USD 3.4 trillion .

5.2 Recommendations

The following are the key recommendations by objectives set out:

i. Assess the status of establishment and operationalization of the North Rift Economic Bloc (NOREB).

- a. Provide technical support and assistance to the NOREB secretariat to fully operationalize the institutional structures.
- b. Develop annual institutional progress report to establish progress, opportunities and bottlenecks.
- c. Develop a stakeholder mapping, with level of influence and areas of influence that NOREB can work with to build synergies in order to meet the financial resource gaps.

ii. Interrogate the policy, legal and institutional frameworks and instruments on which blocs are to be founded identifying policy gaps, weaknesses and incoherencies.

- a. Provide technical support to NOREB to fully develop the policies and laws that are coherent with the Constitution of Kenya 2010 and the PFM Act (2012). This will facilitate cooperation in the development of investment projects with high returns and also facilitate sustainable partnerships that can enable economic blocs take up opportunities arising regional agreements such as the AfCFTA.

iii. Assess the key economic sectors prioritized by the each of the two county regional blocs and narrow down to agricultural sector policy direction, interventions and strategies under the blocs.

- a. Develop crop production, productivity and value addition strategies for the crops identified by NOREB.
- b. Align the products to the African Market demand needs. NOREB region produces agricultural commodities that include maize, beans, sorghum, millet, fruits and vegetables. These products are exported in the African region, and they include: Animal or vegetable fats and oils and their cleavage products; Miscellaneous edible preparations. Preparations of cereals, flour, starch or milk; pastrycooks' products; Cereals; Beverages, spirits and vinegar; Essential oils and resinoids; perfumery, cosmetic or toilet preparations; Live animals; Preparations of meat, of fish or of crustaceans, molluscs or other aquatic invertebrates; Dairy produce; birds' eggs; natural honey; edible products of animal origin.
- c. NOREB has opportunities to export their products to the region and therefore require more technical and capacity building support for export market access.

iv. Assess the implications of the Agreement on the African Continental Free Trade Area on the county regional economic blocs.

- a. Raise the level of awareness on the AfCFTA to the Various state and non-state actors on the Agreement establishing the AfCFTA, providing an overview of the AfCFTA agreement, its protocols and annexes and the status of negotiations
- b. Targeted capacity building on the AfCFTA for women, youth and people with disabilities who tend to be marginalized and require more attention in awareness creation and capacity building. and the opportunities arising for NOREB.
- c. Technical support to the AfCFTA national implementation committee, the trade committee of the Council of Governors and the National Trade Negotiations Council on the AfCFTA agreement and opportunities arising.

- d. Develop training modules on standards and sanitary and phytosanitary (SPS) in collaboration with Kenya Bureau of Standards (KEBS), the Kenya Plant Health Inspectorate Services (KEPHIS) and other certification bodies for agricultural and value-added goods tailored for standard required for the African Markets under the AfCFTA.
- e. Develop a data /information portal on export information such as markets, prices, import procedures and formality, taxes and duty, tariffs, rules of origin, trade barriers and trade flow statistics. This can be done in collaboration with AfCFTA national implementation committee and the Ministry of Trade and Industry.

FOR MORE INFORMATION, PLEASE CONTACT

P.O Box 25112-00100 Nairobi, Kenya

Tel: +254 722 502 055

Mob: +254 202 473 373

Email: info@econews-africa.org

