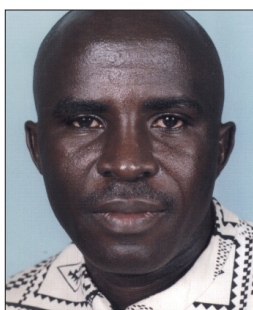


# Destination Lake Victoria

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It is with pride that we reflect on the close cooperation around Lake Victoria between Sweden and the East African Community (EAC). Lake Victoria is the world's second-largest freshwater body, and its shores and the surrounding area sustain a large number of people who are dependent on its resources for their livelihood. However, it is also the final recipient of human, industrial, and agricultural waste. The lake is a shared natural resource for the partner states of the East African Community: Burundi, Kenya, Rwanda, Tanzania and Uganda. It is here that the five countries meet – countries with a common history and a number of shared institutions and traditions.

Sweden has shown a special interest in the sustainable development of Lake Victoria since the mid-1990s. Sweden is a long-term partner in development with Kenya, Tanzania and Uganda.

The genesis of this cooperation can be traced to a special initiative that was taken at the World Summit for Sustainable Development in Johannesburg in 2002. At an open, high-level meeting, the Heads of State and Government of Kenya, Tanzania, Uganda, and Sweden agreed to cooperate on implementation of summit resolutions on Lake Victoria. The EAC countries pledged to give continued priority to sustainable development efforts in the region, while Sweden undertook to contribute financial support and share experience gained from participation in Baltic Sea cooperation.

This event contributed to making the already existing cooperation around Lake Victoria known to the wider international community. Already in 2001 a Partnership Agreement on Sustainable Development of Lake Victoria basin was signed by the EAC with the governments of France, Norway, and Sweden, along with the World Bank and the East African Development Bank (EADB). This agreement and the subsequent Partnership Fund has contributed immensely to the growth and strengthening of cooperation in the Lake Victoria basin.

The focus of Swedish development cooperation is on poverty reduction and economic growth. It is not possible to talk about development without taking the environment into account. Development goals must be defined and specified, and development and protection of the environment must be regarded as two sides of the same coin. Sweden believes that development and environmental conservation in industrialised countries

cannot serve as a norm. Each development effort must be seen in its own context.

## **An economic growth zone**

The Lake Victoria region has been designated an economic growth zone by the EAC on the basis of proposals and recommendations outlined in a study funded by the Swedish International Development Cooperation Agency (SIDA). The EAC document based on the study highlights the region's economic growth potential and identifies a number of investment opportunities. The report refers to the region's rich resource base and to the potential for setting up processing industries to serve the agricultural sector and other industries. It also points out that infrastructure is being improved, although not continuously, that the education system is being strengthened, the democratisation process is being deepened, and awareness of the measures needed to alleviate the impact of HIV/AIDS and widely prevalent diseases like malaria and tuberculosis is growing. It further states that the role of the government should be to create conditions conducive to stable growth and an enterprise-friendly environment characterised by cohesive legislation and an active civil society. The vital role of the financial sector is underlined, as is the importance of investment in production and marketing in the private sector.

The EAC report also draws attention to a number of factors inimical to private sector investment. Chief among these is inadequate infrastructure; reference is made to the crucial role of small, passable roads in linking urban and rural areas and primary sector produce and markets. Other growth-inhibiting factors cited are limited financial resources at local government level and non-enterprise-friendly local and regional legislation. Corruption is also a major problem.

It is important to understand the socio-economic context of Lake Victoria, a resource shared by some of the poorest countries in the world: half of the 35 million people in the basin live in poverty. The EAC has sought to reduce poverty through economic growth. These efforts are bearing fruit, and paving the way for a range of increasing economic activities there such as fisheries, agriculture, mining etc. This has come with a price-tag in terms of depletion of fish stocks, natural resources, and pollution. To manage this development sustainably is a real challenge. Protecting the environment and economic

growth must go hand in hand with poverty reduction; this is the political and economic reality of the lake.

### **The partnership agreement**

The first partnership that contributed to the growth and strengthening of cooperation in the development of the Lake Victoria basin was established through the Partnership Agreement on Sustainable Development of Lake Victoria basin signed by the EAC with the governments of France, Norway, and Sweden, the World Bank and the EADB in April 2001.

The Partnership Fund established under this agreement has played the biggest role in the Lake Victoria Development Programme and in the conclusion of several building block projects. Examples include the finalisation of the Lake Victoria Protocol, including the establishment of the Lake Victoria Basin Commission (LVBC), the establishment of the resource centre for the Lake Victoria basin; and the study on maritime communications on Lake Victoria, which has now attracted investment funding from the African Development Bank. Others include awareness and confidence building measures among fishermen – the result of which is a significant reduction of fishery-related conflicts; a hydrographic survey of access to three ports on Lake Victoria, and the stakeholder consultative processes on the legal regime of transport on Lake Victoria – the Lake Victoria Transport Act. Several short-term preparatory projects have received funding. To date, several have been completed; the most current and significant of which is the setting up of the Lake Victoria Resource Centre. Support from this partnership has provided the confidence to the relevant governments and other stakeholders on the benefits of cooperation to develop the shared resource of the Lake Victoria basin, thereby providing the necessary environment for investment.

### **LVEMP II**

The Lake Victoria Basin Commission has grown in leaps and bounds. From a small department under the EAC secretariat in Arusha into a fully-fledged commission, this has been an example of phenomenal growth. The commission has, without doubt, exhibited its potential in coordinating sustainable development in the Lake Victoria basin by successfully coordinating the preparatory process of a major regional project – the Lake Victoria Environmental Management Project (LVEMP II), a successor to LVEMP I, which was implemented under a Tripartite Agreement signed by the three partner states in 1994 before the signing of the EAC Treaty in 1999. The preparation of the second phase has also benefited from Swedish funding. Sweden is also providing grant support towards the implementation of regional activities under LVEMP II.

LVEMP II is geared towards the realisation of the

EAC's Vision and Strategy Framework for management and development of the Lake Victoria basin. LVEMP II, launched in early 2010, focuses mainly on: (i) establishing a cooperative framework for the sustainable management of the shared transboundary natural resources of the Lake Victoria basin; and (ii) supporting mitigation and prevention measures required to reverse environmental degradation and improve the livelihoods of communities living in the basin. The project comprises four main components: (i) Strengthening institutional capacity for managing shared water and fishery resources; (ii) Point sources pollution control and prevention; (iii) Watershed management; and (iv) Project coordination and management.

From an investment perspective, we believe that LVEMP II is an important opportunity for building the necessary blocks towards realising the economic potential of the Lake Victoria basin. The realisation of the goals of LVEMP II will enable the East African countries to enhance and exploit the business potential of the Lake Victoria basin. In this regard Sweden has committed to supporting the LVBC in its efforts to coordinate the implementation of regional issues identified during the LVEMP II preparatory process. It is another project that further cements our cooperation with the EAC around Lake Victoria, along with our support for various regional civil society organisations and other regional institutions such as the Nile Basin Initiative and the Lake Victoria Regional Local Authorities Cooperation (LVRLAC).

### **Conclusion**

Sweden believes that strong regional institutions are important for economic integration and poverty reduction. Efforts that have gone into addressing the problems bedeviling Lake Victoria are in furtherance of the vision and strategic framework of the East African people on sustainable development. Increased investment in this region will help reduce poverty and also strengthen sustainable development. The road ahead is visible; reaching our objectives will require the joint efforts to which we all committed ourselves during the Johannesburg Summit in 2002.

These efforts should be seen in light of the other developments at the broader EAC level – the establishment of a customs union, political federation etc – as they all pull in the same direction. The protocol on the EAC customs union is an important step in the development of a regulatory framework aimed at facilitating trans-boundary trade and investment. The EAC should play a key role in continued harmonisation work, thereby helping to promote trade between the countries. Efforts have to be made to enhance the ability of the EADB to actively promote regional investment in infrastructure and other areas. **F**

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