INFLUENCE OF NATIONAL INTEREST ON THE IMPLEMENTATION OF EAST AFRICA TRANSPORT CORRIDORS: A CASE STUDY OF THE NORTHERN CORRIDOR

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DECLARATION

This research project is my original work and has not been presented for examination or degree award to any other institution or examination body.

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This project has been submitted for examination with my approval as the university supervisor.

Signature………………………. Date…………………………

Dr. Oscar M. Otele

DEDICATION

To East Africa’s border tribes split by imaginary lines, the centre imagined as the periphery.

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I thank my parents Dolyrose Otiato and John Otiato for giving me life, love and inspiration. I am very grateful to Sahara Dahir for challenging me and encouraging me through my studies. I am forever indebted to Dr Oscar Otele for his patience, guidance and without whom I would not have attained the focus, discipline and determination to complete my studies.

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ABSTRACT

This study aims at finding out how national interest influences implementation of East African Corridor projects taking the Northern Corridor as a case study. It begins from the premise that in situations where state agents pursue a zero sum game in a structured setting with bargaining participants, they will chose the most beneficial option with the least possible harm and will create coalitions that are large enough to ensure they win. It is argued that national interests have undermined implementation of EAC projects where changing political and economic interest have led to alignment and re-alignment of coalitions committed to the Northern Corridor affecting viability and success of the projects. This study concludes that the current framework of project implementation within EAC that leaves each country with the responsibility of building their sections of interstate infrastructure is not working and is instead fuelling political and economic competition. The policy implications of the findings is that the region will have to set up institution to fund, own, and manage regional infrastructure rather than abandon the responsibility to each member state. The region will also have to think about not just infrastructure that excites politicians but whether the projects funded are appropriate and whether the projects will have commensurate economic benefit for the private sector in order to increase in the productive capacity of the regional economy.

LIST OF ACRONYMS

AU	African Union
BRI	Belt and Road Initiative
ECOWAS	Economic Community of West African States
CCTTFA	Central Corridor Transit Transport Facilitation Agency
CNOOC	China National Offshore Oil Corporation
CoW	Coalition of the Willing
DRC	Democratic Republic of Congo
EAC	East African Community
GDP	Gross Domestic Product
IW	Inland Water Terminal
KPA	Kenya Ports Authority
KCSPOG	Kenya Civil Society Platform on Oil and Gas
LLC	Land Locked Countries
LAPSSET	Lamu Port South Sudan Ethiopia Transport Corridor
NELB	New Eurasian Land Bridge
NCTTCA	Northern Corridor Transit and Transport Corridor Authority
OSBP	One Stop Border Post
REC	Regional Economic Communities
ROs	Regional Organizations
RW	Railway
SADC	Southern African Development Community
SGR	Standard Gauge Railway

CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

The world relies on a rather complex transportation logistics that delivers the most basic products to our door steps. Central to this system are negotiated agreements between countries that create transport corridors, which determine the cost and speed of goods transported in the international market (Arnold, 2006). There is no universal definition of transport corridors among scholars and development organizations seeking to understand the role of transport in international relations and trade. However, it is commonly understood as a combination of routes that connect centers of economic activities across adjoining countries. Youssef (2019) views transport corridors as the evolution of designated routes between two or more countries along which the corridor partners have agreed to cooperate and provide support services to facilitate regional integration. Transport corridors can be unimodal, multimodal or intermodal linking hard infrastructure; road, rail, waterways, ports and soft infrastructure; including legal framework, standards, services and ICT. International transport corridors are viewed as essential for countries seeking to engage in international trade at low prices through competitive carriers. Transport systems drive productivity through lower logistic costs, access to larger supply and labour markets and savings on inventory (Ernst & Young Global Market, 2015).

Transport corridors are not just essential for international trade but are crucial in peace and development. Beyond cost benefits analysis of direct outcomes for example saving of the time taken to travel and vehicle operating costs, there is growing interest in wider economic impacts on development, impacts on environmental quality and economic resilience as well as equity and social inclusion (Roberts, 2018). Studies by International Peace Information Services on logistic chains, conventional arms and natural resources show that one of the problematic issues across African countries has been the underdevelopment or degeneration of transport infrastructure. In fact, the 11 member intergovernmental body, International Conference on Great Lakes region signed a pact in 2006 to enhance economic development and regional integration. It targeted infrastructure development through improving infrastructure in the Northern Corridor, extension of the Northern Corridor to the Democratic Republic of Congo (DRC) and the extension of the Mombasa pipeline (Bulzomi et al, 2014) as a way of tackling peace and security.

Access to East Africa is mainly through the Central and Northern corridors linking the Land Locked Countries (LLCs) to the littoral states. The Northern corridor remains the main trading corridor with a mix of road, rail and pipeline, connecting Uganda, Rwanda, DRC, South Sudan and Burundi through Kenya's Mombasa port. The Central corridor links Tanzania's port city of Dar es Salaam with Rwanda, Burundi, DRC, Zambia and Uganda consisting of road, railways and lake transport. The corridors are coordinated through a framework of treaties that have established two authorities; the Northern Corridor Transit and Transport Corridor Authority (NCTTCA) was established in 1985 and revised in 2007 and the Central Corridor Transit Transport Facilitation Agency (CCTTFA) was established in 2007. The two corridors handle significant amount of cargo and in 2018, Mombasa handled 30.7 million tonnes (30.3 million tonnes in 2011), out of which 6.6 million tonnes of cargo was in transit to other countries was (5.6 million tonnes in 2017) according to NCTTCA. This compares with the 15.6 million tonnes (14.0 million tonnes in 2017 handled at Dar es Salaam according to CCTTFA.

EAC region under Agenda 2050 has embarked on major infrastructure upgrade in recent past under a regional framework that expects countries to finance the construction of railway, roads, waterways and pipelines from their national purses or with bilateral and multilateral partners. The region recognizes that joint investments between and among EAC members are necessary for growth and development but falls short of prescribing a practical and binding way of coordinating project implementation along the region's corridors. While progress is being made in creation of single customs territory, real time sharing of customs information, digital cargo tracking systems, one stop border posts and web based monitoring of corridor performance (Youssef, 2019) gaps continue to exist in congestion in urban areas along the corridors and relatively low investments in rail system to supplement the road network (Nathan Associates, 2011). Bulzomi et al, (2014). Construction of new projects has also led to competition as Kenya and Tanzania seek to establish new ports and develop existing corridors including the development of Lamu and Mwambani corridors ostensibly to reduce stress on the Northern and Central corridors. Further competition is being generated by oil and gas discoveries in the region opening up prospects for new supply chains and reversal of flow of goods and services in the region with Uganda boasting of huge oil finds and South Sudan seeking an alternative from Port of Sudan in the north (Anderson and Browne, 2011). It is within this context that this study seeks to examine how national interests are shaping the implementation of new projects along EAC corridors with a case study of the Northern Corridor.

1.2 Statement of the Problem

Since the turn of the twenty first century there have been concerted efforts to revive colonial transport infrastructure in the East African region. Whereas member states have implemented transport infrastructure singly, there have been attempt to implement some infrastructure like transport corridors jointly. EAC vision 2050 outlines a deliberate plan to integrate various networks including power transmission, road and railway systems, air transport and telecommunications web, appreciating the complementary nature of infrastructure in the region. The document set out priority for improving interstate road and rail links with an ambitious target of 2030. However, when it comes to implementation each member is required to go it alone in financing the project through the budget while acknowledging that joint investment is necessary.

As a result a lot of projects along the Northern corridor remain incomplete. At the end of 2018 there were 22 stalled projects under Kenya's Regional and Northern Corridor Development department alone with an estimated cost to completion of Sh798.2 billion (World Bank, 2020). Here lies the root of the problem, although it is assumed that implementation of transport corridors requires cooperation of the participating states, in reality the formation and development of these corridors are often driven by competition. Each participating state seeks to maximize its national interests exercised in terms of power capabilities such geographical location which informs the interaction between to landlocked states and littoral states, with the latter exercising power against the former. For example infrastructure is part of EAC's integration plan, however choosing which routes to build are driven by the interest of Kenya and Tanzania who collect transit fees from the infrastructure that transverses through their respective territories. The agents of each state being rational actors seek to maximize their national interet in a group set up at the EAC level. Being a zero sum game where one country's gain is at the expense of another, and there are perfect information on these choices, coalitions will be formed by countries seeking to be on the winning side (Riker, 1962) resulting in formation of frameworks along these coalitions.

LLCs need for options of accessing the sea at competitive prices and in a structure that allows formation of non-binding coalitions, exercise strategic flexibility by becoming members of both Kenya and Tanzania's transport frameworks. EAC consensus is also driven by personality of their leaders where Rwanda's Paul Kagame was not likely to cooperate with Burundi's Pierre Nkurunzinza on suspicion of cross border threats to each other and Kagame vs Museveni on similar cross border security concerns. Kenya's President Uhuru Kenyatta cozying up with Tanzania's opposition leader Edward Lowasa and Tanzania's President John Pombe Magufuli relationship with Kenya's opposition leader Raila Odinga. As EAC countries form coalitions in competition with each other fueled by leadership rivalry and as a function of strategy by LLCs, China compounds the problem by helping finance this competition. The bilateral manner in which China deals with African states has seen it approach both Kenya and Tanzania to finance and build each country's corridor as each state seeks to be the first to complete its route to solidify LLC clients before the other as a means of safeguarding its national interests, thereby posing challenge to the implementation of the joint infrastructure project. This study looks at the coalition along the Northern Corridor including Kenya, Uganda, Rwanda and South Sudan and how their economic and political interest shape the choice and implementation of projects along the corridor.

1.3 Research Questions

This study aims at understanding the following research questions.

1.3.1 Major Question

How does the national interest of member states in East Africa transport corridors influence the implementation of the Northern Corridor?

1.3.2 Specific Questions

i. How do economic interests of member states shape the implementation of Northern Transport Corridor?
ii. How do political interests of member states shape the implementation of Northern Transport Corridor?

1.4 Objectives of the Study

To achieve the answers concerning the problem identified above, the research will be guided by the following objectives.

1.4.1 Overall Objective

To find out how national interest influences implementation of East African Corridors taking the Northern Corridor as a case study.

1.4.2 Specific Objectives

i. To examine the interplay of economic interest of member state in the implementation of Northern Transport Corridor.
ii. To investigate the interplay of political interests of member states in the implementation of Northern Transport Corridor.

1.5 Justification of the Study

This section highlights both academic and policy justification.

1.5.1 Academic Justification

East Africa corridors are taking shape within the framework of regional cooperation and consultation but without specific and clear coordination. This study seeks to contribute to literature (Wissenbach, 2019, Bulzomi, A. et al, 2014, Lamarque, 2019, CPCS Transcom, 2010, Nathan Associates, 2011 & Whang 2018)focusing on implementation of joint projects in Regional Economic Communities a case of East Africa' Northern corridor. It seeks to demonstrate how local political formations and hegemonic competition as well as personalized leadership choices influence of regional frameworks that incorporate the state, and local businesses.

Students who seek a more elaborate view of African agency should especially be interested in this assessment which goes beyond definition of African agency through state and elite interest in resource structures and situates agency in policy changes that the implementation of the transport corridor) Hence it will test rational choice theory that in social situations involving a number of actors as agents for the state, in pursuit of a zero sum game or a non-zero sum game as with the case of bargaining participants will create coalitions that are large enough to ensure they win (Riker, 1962). It will demonstrate that when faced with a choice actors in international systems will come round to the most beneficial choice with the least possible harm.

1.5.2 Policy Justification

The study will help EAC member countries, development partners and civil society develop a model to restructure the financing model for the implementation of the projects along the regional corridors for sustainability and coordination. East African countries need to focus on a framework for shared infrastructure by addressing the emergent trust deficit and coordinating their strategic focus to be catered for under one arrangement. The research will also review the influential role of personality leadership that has handicapped EAC interventions and created competition rather than cooperation in hope of igniting ideas to formalize decision-making through structures rather than personalities. It also seeks to offers the policy options of public private partnership in management of regional infrastructure (EADB, 2019), to limit the influence of leadership in the choice, direction and cost of logistics in the region.

For development partners the study will help frame implementation of projects along the transport corridors as a means of tapping demographic bulges, respond to exiting economic patterns to ensure the projects are payable over time and mutually beneficial by improving Africa’s industrial manufacturing base (Ndzendze & Monyae, 2019). As opposed to the colonial model where infrastructure tended to be resource extracting outward bound or led by sea facing countries whose infrastructure are import led transit routes.

1.6 Scope and Limitation of the Study

This study will focus on the alliance formations of Northern transport corridor covering Kenya, Rwanda, Uganda, and South Sudan, and how they have influenced the implementation of projects. This study will limit itself to how national interest operationalised in political and economic interests as well as security complex have influenced the implementation of the transport corridors. The study will cover history and evolution of Kenya’s Northern corridor which has emerged through cooperation and competition among EAC member countries. The study will flesh out the national and economic interest of member states to show why the favour the Northern corridor or why they would opt for an alternative route. Hence it will offer a glimpse on LLCs manipulation of littoral countries for bargain with Uganda especially playing the key role of exercising agency and strategic flexibility as it seeks to use energy security for leverage. The study period will be between 2013 when Kenya Uganda and Rwanda formed the coalition of the willing to fast-track projects along the Northern corridor to 2020 when the second phase of the SGR to Naivasha started operations.

The major challenge the research has been securing appointments with respondents during the coronavirus pandemic that has seen limitation of movement, closure of offices, social distancing rules that have made it difficult to hold physical interviews. To address this the researcher has conducted extensive desktop research online and the Nation Media Group library relying on the East African newspaper that has extensive coverage of regional issues and reporters across the EAC member countries. The researcher also initiated contacts with the various respondents early enough to minimize delays, shared the frame of the interview guide and set up phone interviews in line with the social distancing realities.

1.7 Literature Review

1.7.1 Overview

This section grounds the study within the existing literature on East Africa transport corridors. It begins by reviewing studies on the status of East Africa corridor. The second and third section focus on the emerging literature on the potential of corridors to spur competition or cooperation in a geographical space with competing interest, we then review the national economic and political interest of EAC states in choice and implementation of regional corridors.

1.7.2 East Africa Transport Corridors

Nathan Associates (2011) found out that freight cost per kilometer in East Africa is 50 per cent higher than the USA and Europe and the LLCs transport can be as high up as 75 per cent of the value of goods exported. The railway network have been underutilized (accounting for less than 4 per cent of cargo evacuated from the port of Mombasa and 5 per cent from Dar es salaam port) and dilapidated over the years with some sections closed off for long periods. Nathan Associates study indicates that condition of the Northern Corridor railway track has led to imposition of temporary speed restrictions and in just about 20 derailments per day as well as unpredictable transit times

Bulzomi et al (2014) demonstrates that even as the current routes are riddled with inefficiencies, EAC member states are increasingly engaged in a race for becoming the leading transport hubs which has seen Kenya and Tanzania seek to establish new ports and develop corridors. There has been the development of Lamu and Mwambani corridors ostensibly to reduce stress on the Northern and central corridors. Mtwara port is also a target for rehabilitation and upgrading. The oldest East African port Tanga (1893) is also seeing a surge of activity and just close by at Mwambani bay, plans are underway to construct a deep sea port. Tanzania also signed a deal with the Chinese to develop Bagamoyo port and bay which is just a few kilometers from Dar es Salaam facing Zanzibar. These splintered attempts at establishing routes and competing corridors speak to rivalry between the sea facing states and trust deficit of the land locked countries which consider having optional routes accrues to them benefits of lower costs and political wiggle room.

Roba (2016) says that East Africa has the highest number of regionally coordinated infrastructure projects being done on the continent in over five corridors. He argues that from the studies, East African partners have identified the need for joint infrastructure to overcome supply constrains that increase the transaction costs. He reckons that joint projects have a potential to increase profitability and productivity while unlocking economic output. Roba also points out that a key impediment to the shared infrastructure has been the implantation of protocols, resolutions and directives at the national level and which has been attributed largely to the lack of functional regional structures capable of enforcing policies and laws under the EAC treaty. The infrastructure network has been designed by key local initiatives and are elaborate rather than loosely coordinated.

The Standard Gauge Railway (SGR) in the Northern Corridor was conceptualized by EAC countries through a master plan that would revamp existing lines and connect with Rwanda, Burundi, South Sudan and Ethiopia. The project was however fast tracked by Kenya and Uganda following analysis that established that the main issues affecting infrastructure in the Corridor area were related to the lack of space and other physical constrains limiting the extension of Mombasa port facilities and the poor and deteriorating level of service of the railway linking Mombasa to (Louis Berger, 2011) says they decided to develop a new port in Lamu about 300 kilometers north of Mombasa and build a standard gauge railway to replace the existing one. He said this was envisioned in the framework of the RVR and operating the line through the private concessionaire. However the privatization that took place in 2006 was not considered successful because of the financial and technical weaknesses of the concessionaire RVR.

1.7.3 Competition and Cooperation in Development of Corridors

Implementing transport corridors more often than not sparks competition among dominant powers within the area of implementation. Blah (2018) points out that corridors pursued by the China under BRI have been interpreted in the lenses of regional hegemonic rivalry with India encouraging competition rather than cooperation. BRI seeks to develop several transport corridors including China, Mongolia, Russia Economic Corridor, China- central and West Asia Economic Corridor, New Euarsian Land Bridge, China-Indo Peninsula Economic Corridor, Bangladesh-China-India-Myanmar Economic Corridor and the controversial China-Pakistan Economic Corridor. India has expressed reservations on a corridor being built over Pakistan and occupied Kashmir which is a contested territory between India and Pakistan. India sees this as an affront to its territorial integrity and a national security issue as part of a bigger plot by China to encircle its domain the Indian Ocean. India turned down offer to join BRI over these concerns and instead sought parallel initiatives including the Africa Asia Growth Corridor, the South Asia Bangladesh, Bhutan, India, Nepal initiative (BBIN), International North-South Transportation Corridor with Russia, Central Asia, Iran Afghanistan and Europe as well as consolidating access with its states facing China including five Himalayan states of Kashmir and Jammu, Uttarakhand Sikkim, Himachal Pradesh and Arunachal Pradesh.

A similar situation is evident in EAC where the competition manifests in hegemonic ambition, control of flow of goods and energy security complex that make partner states pursue a zero sum game at the expense of each other. Blah recommends narrowing the trust deficit between India and China by addressing the sticky issue of territory and moving away from unilateral enforcement of their initiatives. He offers that reviving BCIMEC where both India and China participate will enhance the level of cooperation and trust by opening up centres of trade along the border. This strengthens the argument proposed by this study calling for cooperation between Kenya and Tanzania in implementing the regional corridors and warning that the competition can be divisive and lead to a race to the bottom exacerbate already convoluted regional infrastructure policy.

Walsh (2019) postulates that China's state centric approach to projects in East Africa has been met geopolitical competition within the region, local level security concerns as well as the ability and behavior of African leaders. While China has relatively low level engagement with RECs like the Economic Community of West African States (ECOWAS) and the Southern African Development Community (SADC) it is inadvertently drawn into shaping regional hegemonies, local issues and influence of African leaders and elite interest. Regional rivalry that manifest in security dynamics and the ambitions of particular leaders greatly affect the regionalization process that occurs outside the prescribed institutional frameworks. With a focus on East Africa Walsh demonstrates the agency outside the first formal agreement with an African REC, the November 2011 China-EAC framework agreement. He shows how oil rivalry and the infrastructure to exploit it is playing onto regional geopolitical competition. He also shows how Uganda's President Museveni exercises agency on arms for security, infrastructure and oil resources against extra-regional states- China and the West. He concludes that while Beijing is unlikely to shift from its bilateral and state centric approach that focuses on respecting sovereignty and largely elite focused diplomacy lest it meets a more challenging regional security approach. This study seeks to lace these observations with the formation of infrastructure frameworks driven by not only geopolitical competition of sea facing countries but also driven by land locked countries seeking alternatives in a trust deficit scenario.

China's involvement in development of East African corridors is not new, having helped build TAZARA railway, Chinese companies have recently been involved in building a port in Bagamoyo, A port in Lamu as well as a railway link from Mombasa to Nairobi and linking Ethiopia through Djibouti. Anthony (2013) posits that this interest in East Africa is as a result of fringe energy deposits in a tough geological terrain becoming viable around 2000s with the rise in oil prices. He draws comparison between China's extractive infrastructure with British and German colonial enterprises to test assumptions that the Chinese have neo colonial designs. He also reviews the trend analysis that draws a relation between Chinese Indian Ocean securitization of ports around the Indian Ocean dubbed the string of pearls. He draws a conclusion that while Chinese East Africa's engagement mirrors colonial infrastructure being extractives led and conducted by state owned enterprises, contemporary situation differs in that African states are sovereign, China's rhetoric underscores non-interference and the theatre is populated with several actors on the same infrastructure corridors including rivals US, Japan, India, African states and Regional bodies. This study reflects on the African agency mentioned by Anthony by drawing out how East African states try to take advantage of funding from China and the west to fast track infrastructure corridors in pursuit of their own national interest.

1.7.4 National Economic and Political Interest

Were (2019) argues that while post-colonial African states adopted western style modernization models that sought to go it alone in developing infrastructure, EAC is an example of postmodern Pan Africanist pursuit of large interstate regional connectivity infrastructure projects. The infrastructure boom has however fired up competition and heightened investment in interstate SGRs, road networks, oil and gas pipelines, international airports, resort cities, oil refineries, sea ports and communication networks. Were argues that acrimony among member states has slowed the pace of implementing interstate projects and committing resources for instance taking up stake in a regional refinery to be located in Uganda. He also cites acrimony for the rivalry over the crude oil pipeline between the LAPSSET route and the Hoima-Tanga route whose locations were decided on vested national interest. However as he concludes this rush has led to accumulation of unsustainable debt by all the countries in the region which risks having unsustainable infrastructure and risks increasing dependency. This study reflects on the inevitable clash of national interest that has affected implementation of projects to explain the phenomena behind this regional infrastructure race posited by Were.

Anderson and Browne (2011) review the geostrategic undercurrents of oil that are reshaping the region, the overlap with security and insecurity and contract agreements with oil exploration companies. Of interest to this study is the repositioning of Uganda which has the largest discovered oil deposit and South Sudan which is looking for new transit routes to export oil at the center of these regional tectonic shifts. How this oil resource is exploited whether it will be refined and used locally or exported is shaping the conversation of pipeline infrastructure and regional corridors. Kenya which has been the primary energy source in the region through imports at the port of Mombasa and with relatively less proven oil finds bears a great risk of losing out its markets. Uganda which seeks to refine its oil looks to be the biggest winner of the oil discoveries which will likely reshape geostrategic relations in the region. Anderson and Browne however add that most of the oil finds from Somali's Sool region between Puntland and Somaliland, Ethiopia's Gambella and Ogaden regions, Ilemi triangle between Kenya, South Sudan and Ethiopia and Lake Albert between DRC and Uganda and Even Tanzania and Zanzibar are potential areas of conflict introducing a security dynamic that will test the regions capacity to cooperate or compete. This study will review the potential of developing corridors to deliver development that can address the security question in the volatile area and expand potential for the corridor to do more than just export oil but avail a backbone for industrialization.

Whang's (2018) close scrutiny of the East African Railway to situate the conflict of national interest on regional institutions in East Africa perhaps capture the most apparent push and pull in bedeviling both the old and new EAC. East Africa Railway Corporation struggled between acting as a business and rebalancing unequal economic situation through sharing benefits equitably. This hindered EARC's ability to levy viable tariffs as a business leading to the financial collapse in the years to 1977. Secondly decision making was crippled by the Idi Amin coup and Tanzania's refusal to recognize their appointed officials to the institution. As the corporation was unraveling at the seams political grandstanding and decentralization of headquarters led to the autonomy of railway in each country as Whang puts it, national policies and interest were seeking to consolidate power to the nation over the region and often to individuals over the nation Whang explains that the reconstitution of EAC in 2000 rather than solve these issues vaguely skirted around them allowing each country to determine their own policies and infrastructure development under general principles of consultation and mutual benefit. But rival national interest between Kenya and Tanzania are inevitably heating up competition. This study expands Whang's view beyond the institutions to demonstrate the centrifugal forces of national interest, play on implementing projects under the rival transport corridors in Kenya and Tanzania.

Mabera (2016) looks at Kenay's foreign policy through the different leadership personality of its Presidents Jomo Kenyatta, Daniel Moi, Mwai Kibaki and Uhuru Kenyatta and historical contexts. She also reviews Kenya's foreign policy with regards to Pan Africanism, regionalism, nationalism and multilateralism with the view of explaining Kenya's transformation from a benign regional power keen on non-interference and alignment to Western interest to a more active alliance builder in the African stage, utilizing hard power in military incursions and taking the lead in fostering regional and continental economic disposition. Kenya's pursuit of foreign policy objectives of sovereignty and territorial integrity, regional peace and integration, economic prosperity and multilateralism predisposes its newly found adventurism in the region. The successes and failures of this policies are debatable but they are central to understanding the pursuit of the promoting the Northern Corridor. Mabera argues that this stance is mainly undermined by domestic challenges like graft, ethno-political tension and incoherent counter-terrorism strategy, he fails to reflect on the clash of national interest as an emboldened Kenya pursues its interest abroad. This study draws how Kenya has aligned its national interest into a regional quest and the reaction of other countries who situate their own interest along the northern corridor or outside it impacting project implementation.

It is summed that development of infrastructure corridor offers a win-win situation for the state, private sector and the recipient communities where such corridors are established. Lesutis (2019) reviewing the case of LAPSSET disputes this by trying to situate where the true interests motivating modern day huge infrastructure projects. He points out that development corridors are pursue historically marginalized areas as places for extraction and capitalist accumulation, allow the state to exert territoriality in pursuit of both state and private security interest and lastly they are means of propagating capitalist ideals of modernization and incorporating marginalized communities into the market exchange economy. This study takes interest in his postulation of territoriality where the state seeks to re-capture empty spaces to secure them from other actors like the civil society, community bandits, and the Al Shabab to facilitate resource extraction for private companies. East Africa nascent resource industry suffers from irony where resource finds are located in severely marginalized and conflict areas and security of actors of extraction is a major concern. Pursuit of corridors hence are viewed in the ability of the state to territorialize their periphery and assure security of the infrastructure and the private interest carrying out the extraction.

Consensus over national interest and what constitutes thereof has been subject of a lot of studies which point out that national interest is actually the interest of actors within state bureaucracy as Lamarque (2019) explores the distribution of power between private, public and criminal interest in the port of Mombasa as elites compete to control Kenya's gate through controversial dry ports. He demonstrated that the gate and policy initiatives to improve it were merely a political struggle of elite distribution that sustains corruption and enable a global criminal drugs and contraband network. He demonstrates that introduction of dry private ports were introduced to decongest the port of Mombasa but are being subsidized by the Kenya Ports Authority (KPA) after lobbying. These Container Freight Stations have not resulted in significant improvements in clearance time or in the efficiency of the facilities but have acted to benefit importers at the expense of KPA and consumers who bear the additional storage costs. He demonstrates that policy along the northern corridor are captive to elite interest that determines priority projects and influence directly the implementation of projects along the Northern corridor.

1.8 Theoretical Framework

1.8.1 Overview

This study shall utilize rational theory by William Riker (1962) who identified explanatory factors that politicians are primarily opportunistic and that decisions are usually made in an institutional setting. Rational choice can be defined as a process through which we determine from a set of available options the most preferable course of action according to a consistent criteria. The concept of utility maximization grew out of 19th century thinking when philosophers linked to utilitarian thinking were seeking an objective criterion for the elusive science of government. They postulated that if policies are to be decided on the basis of attaining the greatest good to the greatest number, then there would be a need for a utility index to measure how beneficial different policies were to different people. There were other thinkers from the school of Adam Smith who were trying to refine his ideas on an economic system based on self-interest and how this idea would work in the setting of the state and its policy choices, (Levin &

Milgrom, 2004). Riker refines this theory as applicable in political science outlining that rational individuals acting as agents of states will form political coalitions in order to win. As a study seeking to focus on agency of actors including individuals, states and multilateral organization, rational choice theory offers the best lens to assesses motivations and explain the decisions taken by various actors. This study applies this theory by assessing the opportunities, challenges in an attempt at predicting likely policy choices where available information offers the best possible outcomes.

1.8.2 Assumptions of Rational Choice Theory

Rational choice theory has four key assumptions. One, is the individual who ultimately takes certain actions and not an abstract entity like the state. Individuals are self-interested and act as rational beings in pursuit for winning and hence are self-calculating and self-maximizing and the individual social actions are the ultimate source of aggregate social outcomes (Ogu, 2013). Two, there is a gain to be made or loss incurred which is either inversely proportional to another opposing individual or can be achieved through bargaining. That the individuals make the most optimal choice out of a number of preferred options, not the best action, in terms of objectives and outside judgment but actions given their individual preferences as well as opportunities and constrains they face. Third, actions of the individual are concerned entirely with his or her own welfare (Abell, 2000) and they possess of rewards for every possible course of action. Individuals and groups as self-interested with calculative ends based on cost-benefit analysis. Fourth, structures limit the array of choices an individual can make. Although structures limit exercise of rational choice model, the individual may try to find ways to exercise agency even when against norms and structures.

1.8.3 Application of Theory to the Study

To national interest we have to look at the actions and motivations of political actors, states and businesses which can be well conceptualized through rational choice theory. Political actors make rational decisions that are driven by self-interest to maximize opportunity while weighing costs, benefits, opportunities and risks. Since transport corridors transverse borders the question of funding, ownership and control come into play. Projects along the Northern transport corridor are funded by each country's budgets or by development partners. This affects the speed of implementation in terms of budgetary priorities as countries balance national interest against regional commitments for instance delay by regional countries in taking up stake in the refinery to be built in Uganda (Were, 2019). Rational choice theory also helps us understand collation of converging interests to secure collective good either for elite or the society at large. The choice of routes, diversion and variation of plans are demonstrated here. Infrastructure projects by their nature are expensive and have a slow return, to undertake them requires assurance of transit throughput which have necessitated pre-arranged commitment of use. Along the Northern corridor these commitments have not been binding and coalition formation has often changed mi-way through project implementation to serve national economic, security and political interest. In 1995 Uganda agreed to extend an oil pipeline from Eldoret to Kampala but the project has fallen back. After discovering oil with up to 30 year lifespan Uganda has been wary to route its oil pipeline through Northern corridor, wary of rent seeking characteristic of big projects in Kenya and the 2007 post-election disruptions and instead has been exploring routing oil through Tanzania's Central corridor (Anderson & Browne 2011).

1.9 Definition of Concepts

1.9.1 Northern Corridor

The Northern Corridor is a multimodal transport network consisting of roads, airports, rail, pipelines and waterways that link the port of Mombasa to markets in Kenya, Rwanda, Uganda, Burundi, South Sudan and DRC. It connects the entire EAC region to a major regional port for intra-regional trade and personal mobility, (Nathan, 2011). In 1985, Rwanda, Uganda, Burundi, DRC and Kenya signed the Northern Corridor Transit Agreement that led to the establishment of the NCTTCA, (Bulzomi et al, 2014). This study will look at two projects including the Mombasa-Nairobi-Kampala SGR and Juba Lamu oil pipeline which are the priority Greenfield projects identified under the Northern Corridor 2011 infrastructure master plan to find out the nexus of the progress with national interest of the member countries. The four projects are also heavily capital intensive and geostrategic reshaping regional alliances and coalitions in pursuit for competition and sustainability.

1.9.2 National Interest

National interest are the ends towards which a country moves or the long term continuous purpose which the state seeks to serve (Brookings Institute, 1953; Lorche & Said 1963). It may also be defined as the interest which a country seeks to achieve or protect against other sovereign states (Van Dyke, 1962). National interests are the composite parties engaging in interactions over different economic political or social interests (Chong-Han, 2017). While there are various types of national interest, this study operationalizes the concept through efforts by each partner states to accrue as much benefits as possible from a given regional infrastructure corridor in comparison with alternatives. It will focus on political and economic interests.

1.9.3 Political Interest

Traditional realist thinkers view political interest in terms of power, its distribution and balance in an international system. If the states are content about the status quo there will be no military conflict but when a challenging state seeks to upturn the existing order conflict exists (Chong-Han, 2017). In this study political interest in East Africa is an expression of hegemonic ambitions, control of flow of essential goods, energy security and external alliances.

1.9.4 Economic Interest

Economic national interest are measured by a number of components such as percentage share of the global economy, exportable capital, foreign direct investment and the mobilisation of economic activities to achieve national goals (Chong-Han, 2017). To operationalise economic interest in this study we will focus infrastructure building as a means of increasing economic activity and deriving return on investment. We will review economic considerations taken when selecting priority Northern corridor master plan projects for each of the member states in efforts to fast track their implementation. This will aid us in demonstrating why economic interest would encourage closer cooperation or competition among implementing partners of the corridor.

1.10 Research Hypothesis

The study is based on the following hypotheses.

1.10.1 Main Hypothesis

i. National interests of member countries undermine implementation of East African Transport Corridors.

1.10.2 Sub Hypothesis

i. Economic interests of member states undermine the implementation of Northern Transport Corridor.
ii. Political interests of member states undermine the implementation of Northern Transport Corridor.

1.11 Methodology

The research methodology outlines the following seven sub-topics; research approach, research design, types of data, methods of data collection, reliability and validity, data analysis and presentation methods and other ethical concerns.

1.11.1 Research Approach

This study was exploratory in nature seeking to provide insights on factors affecting implementation of projects along the Northern transport corroder, specifically the influence of economic and political interest of member countries. As such the study applied qualitative methods which help tell the stories of a particular group's experience meaning and perspective in their own words (Hammarberg, 2016), thereby providing deeper meaning to the problem under investigation. Rather than using numerical data, the study relied on narratives of specialists and policymakers who gave their views on the formulation and subsequent appraisal of Northern corridor projects and records of their pronouncement about the same.

1.11.2 Research Design

This research adopted cross sectional research design as the best in assessing attitudes and knowledge among policy makers in government and development finance institutions as well as businesses to understand how national interest plays an integral part in selection and implementation of corridor projects. This study brought out how national political and economic interest has shaped project implementation along the Northern corridor under the complex framework of EAC relations.

1.11.3 Type of Data

The research used both primary and secondary data in the form of field notes, audio recordings and transcripts to make up the main pillar of the research and was be backed by secondary data including organizational record and past research by the corridor authorities, development partners, EAC and private companies operating within the corridor. .

1.11.4 Methods of Data Collection

Document Reviews and key-informants interviews were utilized as methods of data collection.

- **Document Review**

Given the time and resource constrains and lack of access for comprehensive surveys or in-depth interview due to the coronavirus limitations on movements, the researcher relied heavily on media reports and interviews. The East African magazine has had a fairly consistent coverage of regional issues drawing on reports from journalists across the region with first hand access to policy makers and attendant to defining events. This study began with an intense period of desktop and library research conducted for four months which was continued and reinforced throughout the whole study period. The study primarily relied on media reports especially The East African coverage of salient regional infrastructure project progress both online and from the Nation Media's physical library whish were accessible to the researcher and due to limited access of other public research institutions during the coronavirus pandemic. The study also reviewed documents from development partners involved in development of the corridor including Japan International Cooperation Agency, European Union, Africa Development Bank, World Bank, Trademark East Africa and private sector including Total, Tullow, and China Communication Construction Company. Since the study deals with events that occurred in the past, the researcher also relied on documentary analysis by extracting relevant information from existing publications. Secondary data was extracted from several documents including the EAC charter, EAC strategic documents and commissioned studies. NCTTCA agreements, baseline data and periodic reports authored and published by the regional integration blocs.

- **Key Informant Interviews**

Further, due to the coronavirus limitations on movements, lockdown of Nairobi and social distancing rules, the researcher concentrated on a small but representative sample of people with inside knowledge of the policies and decisions made on the implementation of the project having worked with or interacted with implementing parties.

1.11. 5 Sampling Procedures and Sample Size

Access to key and specialized informants were done through purposive sampling method targeting ministry officials, regional experts from academia, politics and journalism. The researcher explored the respondents' knowledge by sending key information guide and making a follow up with a phone interview given the social distancing rules did not allow for face to face interviews. The restrictions on movement affected my target sample size, however I was guided by Juntunen et al. (2001) observation that in a qualitative study the ideal range of respondent is between 8 and 15 especially when data has been collected by key persons. In the case of this study, the following were interviewed, Kahenu Mwangi the Regional integration officer at the ministry of EAC, former transport Permanent Secretary Gerisho Ikiara, Zhengli Huang Research Associate at Department of Urban Studies and planning, University of Sheffield, David Owiro Founder and Principal Consultant - Africa Development Think Tank, Jibran Qureshi Stanbic Bank East Africa regional economist, Alan Olingo Daily Nation Mombasa Bureau Chief, Paul Wafula Daily Nation Business Editor, David Herbling Bloomberg News regional reporter, Dominic Omondi the Standard Business reporter and Edwin Okoth Business Daily reporter.

1.11.6 Reliability and Validity

The study faced the challenge of accessing some respondents especially from the rest of the EAC countries due to the Coronavirus restrictions on movement. To overcome this challenge, the study triangulated data via multiple sources examining data from interviews, media reports, websites and archived reports and thereby enhancing its validity. Follow up questions with target respondents enhanced the reliability of the data (Robson, 1993). The study also reviewed media reports and interviews of top officials as state representatives articulating official government position. One challenge envisaged by the study was getting biased information because some of the respondents may not share true information, to ensure reliability, the researcher counterchecked with secondary data and corroborate the events with other actors present during the actual events.

1.11.7 Data Analysis

Once the primary data was collected, the study applied thematic analysis (Miles et al., 2014) whereby commonly recurring themes were identified. In addition a combination of narrative and illustrative data extract (Braun & Clarke, 2006, p.24) were also used to understand people's views, knowledge and experiences from a set of qualitative data to assess how each variable, economic and political interest influences each country in speeding up or slowing down implementation of Northern corridor projects. For each country, the analysis will review status of northern corridor projects, implementation, political and economic interest and which is strong and why. Themes obtained from primary data were supplemented with secondary data.

1.11.8 Ethical Issues

The researcher informed the respondents that the interview was for development of an academic paper and their names and the name of their institutions will be dealt with in strict confidence. Before the interviews, the participants were assured of the confidentiality of the answers they were providing and that the answers were to be used solely for the purpose of research. The respondents were then requested to give a recorded interview and were notified when the recording began. The participants interviewed in the research agreed to be directly attributed. The researcher looked for an introductory letter from the board of postgraduate studies, University of Nairobi, which was collected after being approved by the university.

CHAPTER TWO

HISTORICAL CONTEXT OF INFRASTRUCTURAL DEVELOPMENT IN EAST AFRICA

2.1 Introduction

This chapter presents the background and historical context of infrastructure building in EAC, identifying who the actors were and how implementation of the projects was organized. This chapter helps us draw a picture of different actors across time who have made attempts at constructing transnational or interdependent infrastructure projects and how this has shaped the implementation of East Africa corridor networks as is the case of the Northern corridor.

This chapter is organized into three parts, namely; colonial infrastructure building, the post - independence infrastructure framework and reviving transnational infrastructure. The first part discusses British and German setting up of colonial networks that have determined present day corridors, the second part explores post-independence experiment by EAC countries to set up regional transport network which collapsed with the breakdown of EAC and the last part looks at attempts to rebuild transnational infrastructure to cure the post-colonial decline and inefficiencies in transit across the region that came about.

2.2 Colonial Infrastructure Networks (1886-1963)

The nature of colonial extractive economics required infrastructure that facilitated mineral and produce from Africa to Europe. Coupled with markings for territorial spheres to cordon Lake Victoria where it was believed that whoever controlled the lake could disrupt the flow of the river Nile and destabilize Egypt through disrupting agriculture (Whang, 2018), the first two railways made their way into Kenya, Uganda and Tanganyika in the 1890s to 1901. The two railways were meant to serve and protect military outposts and act as channels for economic extraction and exploitation of natural resources after the British and Germany divided the region into two spheres of influence in London 1886 (Bulzomi et al, 2014).

When the British came to Kenya they found the country was extremely hard to transverse, the waterways were not navigable and draft animals like cows and donkey pull carts, were not efficiently used because of Tsetse flies. Transport was mainly done on foot where cargo was carried on heads by slaves via few tracks that were not developed to roads and economic change was restricted to the coast. The British were hardly interested in Kenya and when they built the railway it was meant to link up with Uganda at Lake Victoria, the source of River Nile for geostrategic reason (Jedwab et al, 2014). Roads served as alternative for the railway with the Imperial British East Africa Company having constructed the first commercial road, the McKinnon Sclater Road an ox cart track from Mombasa to Uganda in 1890. The colonial administration under invested in roads to protect the railway (Jedwab et al, 2014) and were poor quality until the 1950 and linking up with the railway. Road network was sometimes complementary to the railway but most often served as competing channels (Whang, 2018) that has persisted to date with roads offering cheaper costs. Bitumisation of the road between Mombasa and Nairobi started in 1945 as roads increasingly rivaled the railway. This shaped Kenya into a transit space laying ground for future dependency when Uganda would need access to the sea. Post-colonial Kenya has since exploited this dependency to turn Uganda into its 'economic backyard' as a ready market and geostrategically exploited Uganda being landlocked constantly threatening it with an economic blockade. Uganda on its part has attempted to find an alternative outlet through Tanzania, (Okoth, 1992).

Dependency was also created as a result of colonial economy which created agricultural producers and net importers of finished goods. After the construction of the railway, British settlers needed to justify the investment. The British alienated lands along the railway for cash crop farming including tea and coffee to feed the railway with cargo. The railway also led to development of towns along the railway as Africans ostensibly came to work in white owned farms (Jedwab et al, 2014). This led to economically favouring Kenya by creating settler agriculture along the railway. Postcolonial Kenya exploited this geography by exporting finished goods to land locked Uganda making it Kenya's biggest trading partner.

The structure of colonial infrastructure also created competition between the alternative routes used by land locked countries to reach the sea. The race to reach Lake Victoria developed the two parallel railways, one in Tanzania by the Germans and one in Kenya by the British. This competition was sustained even after the First World War when German East Africa fell to the British and even at the tail end of colonial rule in 1960 when an attempt was made to unify East

African railways. The current transit routes the Northern and Central corridors developed along these colonial infrastructure development and have continued to operate in competition. Northern corridor developed following British Uganda Railway while the central corridor followed Tanganyika railway.

Colonial infrastructure also laid ground on how East Africa infrastructure was coordinated. Policy decisions and implementation were made by the colonial masters. The British who built the Mombasa Kisumu line used the metre gauge and the Germans who built the Dar es Salaam Kigoma line used the Indian railway model with the 1000mm narrow gauge (AfDB, 2013) this would make the lines incompatible and lay ground for future attempt to build a standard gauge railway across the region. After Britain took over Germany's Tanzania following its defeat during the World War I there was the first attempt to coordinate the region's transport networks and have a transnational framework of implementation. Towards the end of British rule in 1961, the corridor was consolidated with the Tanzania railway under a regional body the East Africa Common Services Organization to provide common services in transportation East African Railways and Harbors, East African Airways, Postal and Telecommunication Services (Ogola et al, 2015). To create goodwill the British ensured each country had a headquarter of the shared infrastructure with the East African Post and Telecommunication in Kampala, East Africa Railways and Harbours Corporation in Dar es Salaam and East African Airways in Nairobi.

The fragile union was to be tested, first, the challenge was that East Africa countries got independence on different years Tanzania in 1961, Uganda in 1962 and Kenya in 1963 preventing a more drastic union. At independence these had huge economic imbalance which created competition that would come to plague the Northern corridor that went through Kenya and the Central corridor that went through Tanzania (Whang, 2018). **Table 2.1** below shows the growing trade imbalance among East Africa member countries at the end of World War II in 1944 and official coordination of the three East African territories in 1948 following close coordination during the war effort, to 1960s during the independence years and formation of East African Community (EAC) in 1966. To balance Kenya's economic East Africa Development Bank was set up to provide loans at the EAC member states with more money apportioned to

Uganda and Tanzania and a transfer tax to allow a state with a trade deficit to impose taxes on the other two states goods (Whang, 2018).

Table 2.1: Inter-territorial expansion of trade in East Africa (£ million)

Year/Country	Kenya	Uganda	Tanzania
1944	1.09	1.98	0.66
1948	1.93	3.19	0.83
1960	13.77	6.69	2.33
1966	28.90	10.45	4.65

Source: King and Van Zwanenberg (1975)

This economic disparity crippled the regional framework in terms of making decisions on tariffs to be charged for transit and distribution of surplus funds (Whang, 2018). Tanzania wanted tariffs that could protect local products while the Kenyan counterparts opposed tariffs so long as imports came from cheaper markets. Whang argues that for instance the East Africa Railways and Corporation (EARC) ran on constant deficits due to inefficient tariff structure but could not be adjusted because of the interests of member states.

2.3 Post-Independence Infrastructure (1963-2000)

Just like the colonial masters postponed to open up this part of the continent, in the post-colonial era many western companies refused to build this line terming it unfeasible but China upon the request of Tanzania and Zambia agreed to fund it to consolidate ties with Africa. The first post-independence transnational infrastructure was a railway line that had been on the cards during the colonial period but had never been actioned. Tanzania managed to lay a railway after independence between 1968 and 1976 when Chinese labourers put up the Tanzania-Zambia Railway (TAZARA) line linking Zambia, a land locked country to the port of Dar es Salaam (Miller, 2020). It was the single largest overseas investment in Chinese history at the time at $570 million 1,860 kilometer railways linking the port of Dar es Salaam to Kapiri Mposhi in Zambia to transport minerals and agricultural goods and a political necessity to protect their fragile economies and weak security from threats by Southern Rhodesia (Donghai, 2012) when the white led government declared independence from Britain cutting off Zambia from the sea.

Tanzania and Zambia jointly run TAZARA which is linked to the Southern Africa network. While the railway was important in developing south-western Tanzania and north-eastern Zambia, it saw Tanzania pivot south towards the SADC bloc. It also brought together Kenneth Kaunda and Julius Nyerere, both charismatic socialist leaders closer under the influence of communist China alienating it from Kenya with more capitalist leanings.

Although the idea of political federation of East African states had begun earlier as far back as 1917, a customs union between Kenya and Uganda and inclusion of Tanzania in 1927 when the British took over, the fact that the three states shared colonial infrastructure crystalized the formation of EAC. The fact that the three countries attained independence around the same time from the same colonial master-Britain as well as indigenous communities straddling across their borders, it was anticipated that EAC would be one of the successful regional economic communities. However, managing the railway as shared community infrastructure proved difficult for post-independence East Africa. Questions of setting tariffs to run the railway as a business rather than to equitably distribute benefits to member states, bureaucratic hurdles and political squabbling between Tanzania and Uganda after the Idi Amin coup and the 1974 financial crisis due to failure to remit funds to run the railway led to the collapse of East Africa Railway Corporation (Whang, 2018). Decentralization of infrastructure to each country's capitals led to calls for increased decentralization of finances, project planning and implementation, personnel and rolling stock. This pull and push eventually led to the 1974 financial crisis that crippled EARC operations because Uganda failed to remit funds to Nairobi on forex exchange control regulations while Tanzania also raised issues about the amount to remit to headquarters and Kenya also refused to put money in the shared kitty. Although Uganda and Kenya finally paid up, seeds of mistrust that were to sputter on till 1977 when Tanzania closed the 769 kilometer border between Tanzania and Kenya ending the EAC.

The collapse is attributed to inequitable distribution of costs and benefits (economic), ideological differences (political) and personality clashes (has some elements of political and social), (Kibua & Tostensen, 2005) In the late 1960s an ideological rift emerged between Kenya and Tanzania, the two largest states in East Africa with Tanzania's Mwalimu Nyerere pursuing socialism leaning towards China and the Soviet Union while Kenya's President Jomo Kenyatta leaned towards Western capitalism. This coincided with increasing leftist influence in Somalia, Sudan and Uganda worrying Kenya of being encircled. Milton Obote's close ties with Nyerere was thus viewed as a threat to Kenya. President Obote instituted a socialist drive in 1969 to 1970 where he nationalised several companies including Kenyan based ones so Kenya welcomed his ouster by Idi Amin in the 1971 coup (Okoth, 1992).

Uganda presented a political challenge to EAC with frequent and abrupt changes in regimes that complicated decision making. Amin's strong arm tactics including territorial claims on swathes of Kenyan land that led to the mobilisation of forces in 1976 posed a great political challenge. Since seizing power in 1971, Amin was constantly at war with Tanzania who supported Obote including during an attempted counter coup in 1972 that was resolved when the two armies withdrew their forces. Their frosty relations worsened when Amin stocked the Kagera war in 1978 attacking Tanzania that led to Tanzania retaliating and pushing into Uganda allowing Obote and Museveni rebels to oust Amin. Political violence continued in Uganda and raised security risks and cross border intervention especially the success of Museveni's National Resistance Movement in Uganda, its exportation of the violence to Rwanda through Kagame's Rwanda's Patriotic Front (RPF) led to suspicions especially in Kenya which feared similar revolutionary movements like Mwakenya getting support from across the border. This would lead to clash with Kenya in 1987. Uganda Rwanda and Angola's intervention in the Congo that installed Laurent Kabila continued the tradition of intervention planting more seeds of suspicion.

EAC was also dogged with economic issues even before it was formed as British colonial policy favoured Kenya as the industrial hub that linked Uganda and Tanzania to Europe and North America through Mombasa. Such that by 1958, out of the 471 companies registered in East Africa, 404 were in Kenya and by 1962, Kenya produced 60 per cent of the entire EAC GDP in manufactured goods (Okoth, 1992). Failure to agree on trade balancing and manufacturing hubs led to each country launching separate currencies in 1965. Even after concessions were made such as a tax by Tanzania on certain Kenyan goods that enabled EAC to be formed in 1967, economic imbalance in Kenya's favour persisted as certain aspects of the treaties were ignored in pursuit of national interest. Kenya continued to dominate the region using it strategic position as the gateway with a threat of economic blockade to turn Uganda into a market for its exports especially during the Amin years of economic mismanagement. During Amin's unpredictable regime and after his ouster as Uganda changed leaders Kenya repeatedly closed its borders to punish Uganda which saw Godfrey Binaisa's regime in 1979 announce plans to link Lake Victoria to Indian Ocean through Tanzania to reduce dependence on Kenya.

After the collapse of EAC, now attention shifted to national based infrastructure. East Africa railway infrastructure dilapidated over the years due to inefficiencies during the preceding years as political instability rocked Uganda and border closures led to decline in transit trade that was sustaining the railway. During the civil unrest in Uganda for example a number of railway networks became disused including Kampala-Kasese, Jinja-Mbulamuti-Namasagali, Mbulamuti-Busembatia and Tororo-Pakwach lines (Davanture et al, 2016). Further liberation war waged against Amin disrupted transport in Uganda and partly Tanzania as well as the whole region and dislocated movements including to Zaire, Burundi and Rwanda. Collapse of global coffee prices also hit Kenya exports and locations along the railroad lost their advantages in form of transport, human capital and agriculture (Jedwab, 2014) as such viability of the railway declined. Tanzania severing its ties with the region also went through a period of economic decline that saw maintenance of its rail infrastructure decline affecting capacity. Meanwhile roads which were run under national control continued to flourish after independence as countries focused on road construction due to the lower cost of capital investment as compared to building railways. Road transport also flourished as a result political elites interest in road transport that resulted to quick agreement over road maintenance as compared to railway, primarily due to the rise of politically connected trucking lobbies in Kenya and Tanzania (Matheieson, 2016). Pipelines were also built from Mombasa for refined petroleum products which was commissioned in 1978 and the Western extension to Eldoret, Sinendet to Kisumu commissioned in 1994.

It was only a decade later that countries again made an attempt to form a coordinated framework for implementing projects when the NCTTCA came to force in 1985and later the EAC cooperation treaty in 1993 and the CCTTFA in 2007. Under these frameworks infrastructure projects have been implemented by countries and development partners by prioritizing select projects through the transnational agreements. Countries in the region made another attempt at reviving the EAC signing the East African Cooperation Treaty in 1993 which led to the new

EAC that was eventually resuscitated in 1999 incorporating the original members, Kenya, Uganda, and Tanzania. The new ambitious project sought to bring back a common currency, monetary and fiscal policies, and education and joint tourism promotion initiatives, as stated under Article 5 Section 2 of EAC treaty. The treaty also addressed itself to the transport and infrastructure question under Article 89, 90, 91, 92, 93 and 94 with the objective of building interstate road, rail, air and waterways transport reduced documentation by harmonizing requirements for operation licensing, customs and immigration regulations.

2.4 Revival of Regional Infrastructure and Expansion of EAC (From 2000)

Decline in infrastructure and lack of coordination led to increase in overall transit costs in the region. According to a World Bank study (2011), the overall costs of international transit in East and Central Africa are unnecessarily high not because there is inadequate infrastructure but due to lack of coordination between the landlocked countries and littoral neighbors. East Africa has seven countries, of which five are land locked and two have less than 15 million people creating small economies many of which are cut off from key resources and the small economies make it difficult to meet fixed costs of infrastructure developments (Ranganathan and Foster, 2011). Even as the two major corridors competed there was underinvestment due to the inability to secure sufficient cargo transit. For example, while there was a need to increase the capacity of say Kenya Railway Corporation, Kenya may be unwilling to make the necessary investment as the level of transit traffic cannot be guaranteed since Uganda may still opt to use Tanzania's corridors if Tanzania offers them an incentive. Therefore this drives underinvestment as transit countries are not confident enough to carry risk hence sharing the risks by joint participation may be necessary and desirable however, even though problems of ownership, management and control must be resolved.

The revival of infrastructure and interdependency in the region led to the expansion of the new EAC. Under Article 3, the new EAC treaty left the door open for admitting new members with geographical proximity to and interdependence with partner states that led to the addition of Rwanda and Burundi in 2007. South Sudan joined EAC in 2016 after gaining independence in 2011 as it sought to chart an alternate path to Sudan in gaining access to the sea. Recently Somalia and DRC also made bids to join the community. As it celebrated its 20th anniversary in

2019 EAC has made progress towards integration with a customs union in place since 2005 allowing free trade within partner states and charging a common tariff for imports, in 2010 a customs union came into force allowing free movement of goods, capital and labour, East Africa Legislative Assembly created a monetary institute towards single currency and the countries read their budgets at the same time and one stop border posts reducing time taken in clearance procedure crossing Malaba, Busia, Isebania, Namanga, Taveta and LungaLunga. The region however faces challenges from security and political stability in Burundi, Somalia and South Sudan, slow progress of integration especially political federation, failure to abolish work permits and non-tariff barriers (Mathieson, 2016).

The interdependence further resurrected NCTTCA in 2007 linking the land locked countries of the Great Lakes region to the Kenyan port of Mombasa. \The Northern Corridor took shape through a trunk road network connecting Mombasa to Bujumbura via Malaba and to Goma. Member states included Kenya, Burundi, Rwanda, Uganda and who were the original members and South Sudan which joined in 2012. The objective of the treaty was to promote use of the Northern Corridor as the most efficient route for land transport between the respective countries and the sea and to offer the right ot transit to signatories to facilitate movement through the respective territories avoiding delays, minimizing fraud and taxes, simplifying and harmonizing documentation and cooperating development of infrastructure. But the East Africa treaty allows for coalition formation and members of the NCTTCA also belong to the CCTTFA that links Tanzania's port city of Dar es Salaam with Rwanda, Burundi, DRC, Zambia and Uganda consisting of road, railways and lake transport.

This has seen continued competition between the rival corridors that has seen several initiatives launched to get ahead of each other. On the Northern Corridor such an attempt was made through coordinating the Rift Valley Railway established in 2006, to run the Uganda-Kenya railways that connected DRC with Uganda through Kampala and Kenya to the port of Mombasa. A private consortium was set up to run it including TransCentury, Sheltam Rail, Babcock and Brown and the ICDC Investments which got a 25 year concession to operate the line. This attempt however did not succeed after the concessionaire failed to inject much needed capital to run it resulting in the failure of the post -colonial attempt to coordinate the infrastructure (EADB, 2019).

2.5 Summary

From the foregoing East Africa is acutely aware of its reality, a difficult economic geography that makes regional approach to infrastructure development almost inevitable to attain viability for the capital intensive projects by offering bigger markets. This has seen a level of cooperation to coordinate regional infrastructure through transit corridors such as the Northern corridor. However in practice, competition between each state, land locked countries and littoral countries have led to nationalistic posturing that have derailed or slowed down the supranational infrastructure. For the littoral states, this competition has sparked a race to capture coalitions within EAC to ensure viability of their respective corridors. Hence implementation of projects along the corridors are largely dominated by national political and economic interest of the participating member states the focus of the next chapter.

CHAPTER THREE

DATA PRESENTATION, ANALYSIS AND DISCUSSION

3.1 Introduction

This chapter presents analyses and discusses two Greenfield projects along the Northern Corridor that have been crucial in securing the prominence and efficiency of the transit route. While most projects along the Northern Corridor are concentrated on either expanding or refurbishing existing infrastructure, the partner countries have sought to break new ground with the Standard Gauge Railway and the LAPSSET corridor projects to open up new frontiers and create alternative routes to the sea. Accordingly this chapter specifically analyzes the SGR and the Juba-Lamu oil pipeline project on the LAPSSET corridor because the two infrastructure projects had regional integration as their original rationale, however, this has evolved and shifted with coalition formations and readjustment of priorities among member states during implementation.

This chapter is organized into three parts, namely; data presentation, data analysis and discussions. The first part presents the overview of the Northern Corridor infrastructure projects, talks about the interests of each member states and draws out the status of select projects. The second part looks at the economic and political interest of member states involved in implementing the projects. The third part evaluates the influence of political and economic interest in the implementation of Northern corridor projects.

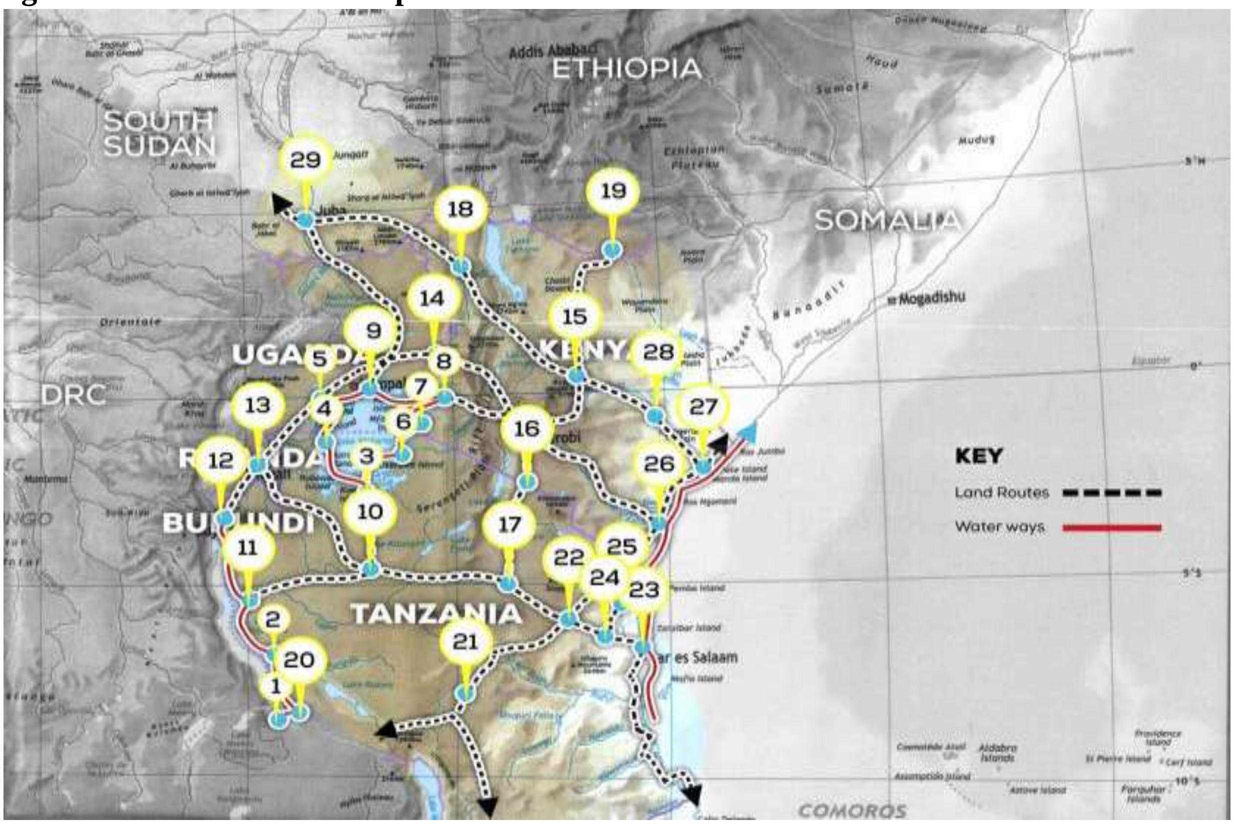
3.2 Data Presentation

This part presents the overview of the Northern Corridor infrastructure projects, outlines the national interests of member states and draws out the status of select projects.

3.2.1 Overview of the Northern Corridor

The Northern Corridor is a multimodal route linking the land locked countries of the Great Lakes region; Uganda, Rwanda, Burundi, DRC, South Sudan to the Kenyan port of Mombasa. It was founded by the governments of Kenya, Rwanda, Burundi and Uganda in 1985 and joined by DRC in 1987 and South Sudan in 2013. It covers several areas rail, road, inland waterways, ports and pipelines as hard infrastructure and customs controls, facilitation of movement, documentation and procedures as soft infrastructure to achieve seamless movement of people, goods and vehicles across the region and in turn evolve into a social economic developmental corridor (Berger, 2011). To do this the countries needed to implement joint policies, harmonize standards, establish communication systems and cooperate in investment planning for transport infrastructure including seeking joint funding. The Northern Corridor transport network includes the maritime port of Mombasa, road, rail, inland waterways, oil pipeline and inland container depots. The corridor has also been incorporated into larger EAC vision 2050 which envisions the corridor will be connected to the southern corridor from Tanzania to establish a regional seamlessly interconnected infrastructure (EAC, 2015).

Figure 3.1: Interlinked Transport Network



Source. EAC Vision 2050

EAC connections

1. Mpulungu 2. Mtakuja 3. Mwanza 4. Masaka 5. Bukoba 6. Msoma 7. Homabay 8. Kisumu. 9. Entebe 10. Tabora 11. Kigoma 12.Bujumbura 13. Kigali 14. Malaba 15. Isiolo 16. Nairobi 17. Dodoma 18. Lodwar 19. Moyale 20. Kasanga 21. Iringa 22. Morogoro 23. Dar es Salaam 24. Chalize 25. Tanga 26. Mombasa 27. Lamu 28. Garissa 29. Juba

The Northern corridor was established to move away from a decade of infrastructure decline that followed the collapse of EAC in 1977. During this period of decline, as explained in the previous chapter, implementation of infrastructure was largely nationalistic implemented by fractured actors over the years (Davanture et al , 2016). Different segments of the transit routes were in good shape while others fell apart. However salient feature of transit infrastructure projects is that by nature they are transnational, capital intensive and more often than not have low return on investments (Donghai, 2012). Hence to attract investments the region required a strategy to make the routes viable by creating a regional market and streamlining policy to make investment in infrastructure attractive. Pursuit for infrastructure project has also been necessitated by geo strategic needs by littoral states seeking to earn transit fees and landlocked countries seeking access to the sea for imports and exportation.

The menu of Northern Corridor integration projects, initiated on 25th June 2013 in Entebbe Uganda by the heads of state of the Republics of Kenya, Rwanda and Uganda, was long as Table 3.1 shows the list of 38 projects were selected that ranged from railways, roads, ports, inland water ways, airports, one stop border posts, and pipelines. The projects were classified according to priority as the Northern Corridor countries set out to implement them. However implementation has been affected by several issues over time more specifically has been the changing priorities by member countries to safeguard national interest and inadequate funding from the exchequer and bureaucratic hoops by development partners[1]. A good example has been the pipelines where the main line in the corridor was built from Mombasa for refined petroleum products which was commissioned in 1978 and the Western extension to Eldoret, Sinendet to Kisumu commissioned in 1994. During the 11th Northern Corridor Integration project summit in 2014 it was agreed that the Eldoret-Kampala-Kigali refined petroleum products pipeline be given priority. It consisted a 14 inch diameter pipe from Nairobi through Eldoret to Kampala and a spur line to Jinja as well as storage terminals at Mbarara, Kampala and Kigali at the cost of $1.5 billion but resources have not been forthcoming (Olingo, 2018).

[1]. Personal interview, Gerishon Ikiara, senior lecturer at the Institute of Diplomacy and International Studies, University of Nairobi, 17 July 2020.

Kenya had already done the upgrade between Mombasa, Nairobi and Eldoret and AfDB and World Bank had agreed to fund the upgrade of Kampala-Malaba, however this has not happened, because one, Kenya changed the course of the pipeline again by doing the Eldoret Kisumu and then funding the Kisumu jetty. Kenya's change of course again spooked Kampala because Kenya wanted to up the fortunes of Kisumu port but then it was trying to force Kampala to use the lake for evacuation of the oil product yet initially they had a deal to run between Malaba and Kampala[2]. Berger (2011) say the pipeline has been proposed from Eldoret to Kampala since 2004 has been postponed several times and viability questioned after the discovery of oil around Lake Albert in Uganda when the land locked country proposed to build a refinery which would cut its reliance on imported oil and make it a regional supplier. Kampala also sought to export part of the oil which would require a crude oil pipeline for export instead.

Thus changing national interest has a huge bearing on the implementation of Northern Corridor projects which are in different stages of completion. This study examines how national interest has affected the implementation of the projects to determine the extent to which cooperation and competition manifesting within the Northern Corridor countries. The study will focus on the implementation of green field projects along the corridor, mainly the Standard Gauge Railway and the Juba-Lokichar-Lamu oil Pipeline along the LAPSSET corridor. These are capital intensive interstate projects which are game changers among the Northern Corridor countries that also come at a time of increased competition from the Central corridor in Tanzania and geopolitical repositioning to accommodate oil resource extraction at Lake Albert on the border of Uganda and DRC. As such the study will focus on Kenya, Uganda, Rwanda and South Sudan being the primary countries affected by the two projects. Although Burundi and DRC are Northern Corridor countries, this study will not focus on them because Burundi accounts for very little traffic in terms of goods through the selected projects while DRC has not tried to influence the selected projects. Bujumbura has seen volumes of imports from Mombasa decline since 2015 after an attempted coup preferring to use Dar es Salaam mainly because goods coming through Mombasa have to come through Rwanda where relations have deteriorated (Atieno, 2019). Data from Kenya Ports Authority shows that Burundi transit traffic stood at 20,610 tonnes in 2018 while DRC throughput at Mombasa was 413,249 tonnes in 2018.

[2]Personal Interview, Allan Olingo, Daily Nation, 18 July 2020.

Table 3.1: List of priority Northern Corridor projects

Sector	Project	Location	Priority
1R	Access road to port of Mombasa	Kenya	High
2R	Eldoret bypass	Kenya	High
3R	Eldoret to Lokichogio	Kenya	High
4R	Upgrade of Juba to Nadapal road	South Sudan	Medium
5R	Upgrade Kasindi to Kisangani	Uganda/ DRC	Low
6R	Widen the Northern Corridor arterial trunk road in Rwanda and Burundi	Rwanda Burundi	Medium
7R	Upgrade Kigali crossing	Rwanda	Medium
8R	Climbing lanes along Northern Corridor main arterial or trunk road between Mombasa and Malaba	Kenya	Medium
9R	Dualization of Nairobi to Nakuru section	Kenya	Low
10R	Dualization of Jinja to Kampala section	Uganda	Low
11R	Port corridor road between Lamu and Mombasa	Kenya	Medium
12RW	Mombasa-Nairobi-Kampala meter gauge repair	Kenya, Uganda	High
13 RW	Nairobi Railway bypass	Kenya	Medium
14 RW	Railway extension Tororo -Pakwach	Uganda	High/Medium
15RW	Railway extension from Kampala to Kasese	Uganda	TBD
16RW	Railway extension from Pakwach to Kasingani	Uganda, DRC	Low
17RW	Railway extension from Kasese to Kasingani	Uganda, DRC	Low
18RW	Railway extension from Gulu to Juba	Uganda, South Sudan	Low
19RW	SGR from Mombasa-Nairobi- Kampala	Kenya, Uganda	TBD
20RW	SGR from Juba-Lokichogio-Lamu	Kenya, South Sudan	TBD
21PO	Mombasa new container terminal at Kipevu West phase 1- 2 berths	Kenya	High
22PO	Mombasa new container terminal at Kipevu West phase 2 & 3 – additional berths	Kenya	Medium
23PO	Mombasa port Master plan	Kenya	Low
24PO	Port Banana	DRC	High
25PO	Lamu Port phase 1 Oil terminal	Kenya	Medium

26PO	Lamu Port phase 2 commercial port	Kenya	Medium/Low
27IW	Revatilisation of Transport on Lake Victoria phase 1	Kenya, Uganda, Tanzania	High
28IW	Revatilisation of Transport on Lake Victoria phase 2	Kenya, Uganda, Tanzania	Medium
29IW	Improvements on navigations on Congo river	DRC	High
30IW	Rehabilitation of Kisangani port facilities	DRC	High
31IW	Navigational improvement on Kagera River	Rwanda, Uganda, Tanzania	Medium
32P	Juba Lamu crude oil pipeline	South Sudan, Kenya	TBD
33P	Lake Albert Crude oil pipeline	Uganda	TBD
34	Multimodal corridor to new container terminal at Kipevu in Mombasa	Kenya	High
35OSBP	Busia OSBP	Kenya, Uganda	High
36OSBP	Katuna Kanyaru Mpondwe and Mirama Hills	Uganda, Rwanda Burundi, Rwanda Uganda, DRC	Medium
37IS	Legal and regulatory technical assistance for PPP projects	Northern corridor countries	Medium
38IS	Participation of Large Rail shippers in procurement of rolling stock and building of sidings for RVR	Kenya, Uganda	High

Source Northern Corridor Infrastructure Master Plan Vol. 3

3.2.2 National Interests of Member States

Slow implementation of East Africa's institutional integration has partly been blamed on strong national interests. The unwillingness of states to cede essential elements of sovereignty or to subordinate national and political interests that are more immediate to rather long term regional goals are some of the biggest obstacles to regional integration (Nyaribau, 2004). National interest defined as the interest which a country seeks to achieve or protect against other sovereign states through interactions over different economic political or social interests (Van Dyke, 1962, Chong-Han, 2017) can also help us understand factors that accelerate or delay implementation of projects. This is because national interest has not only affected regional level integration, but permeates into any multilateral infrastructure in the region which are viewed through a lens of competition rather than cooperation. While partner states collaborate when conceptualizing projects, when it comes to the implementation phase, competition sets in engendering a development race among partner states in search for development financing, infrastructure location and prioritization (Were, 2019).

East Africa’s geography, characterized by two dominant littoral states of Kenya and Tanzania and five LLCs including Rwanda, Uganda, Burundi, South Sudan and DRC, largely shapes national interest along transit corridors. The economic need to export goods and earn foreign exchange and import essential goods such as oil has been key in guiding the conduct of foreign policy in the region. The LLCs overreliance on the littoral states for access to the sea has shaped the economies of the region especially imports of oil and finished goods. Whereas the land locked countries provide the littoral states with ready market, their long term aim has been to reduce or overcome status of being economic backyards. As explained in the previous chapter, this vulnerability is best demonstrated by relations between Kenya and Uganda in which Kenya has always threatened Uganda with an economic blockade which it acted upon on several occasions including 1976, 1979, 1980 and 1987 while Uganda has interfered with the flow of trade between Kenya and its other traditional markets including Idi Amin seizure of 30 oil tankers in transit to Zaire, Rwanda and Sudan in 1976 (Okoth, 1992).

Energy security in recent years has also reshaped the strategic thinking in the region as the discovery of significant volumes of oil in the hinterland has worked to change the geopolitical slant and transit route dynamics. All the oil discoveries, in Uganda, Kenya and South Sudan are in the hinterland requiring a functioning pipeline systems and choice of the most efficient routes. Uganda which has by far the most notable reserves of 6.5 billion barrels (Biryabarema, 2014) has exercised the most agency in defining the infrastructure relations within the region. President Museveni planned to refine oil and hence reverse the flow of the commodity along the transit lines to serve the East African market which are currently served by Kenya and Tanzania. Uganda also offered the alternative for exporting crude which required a pipeline to the sea that has also reshaped country’s interest in the region in determining the routes to be used through the two littoral states. Initially from an economic perspective to limit overall costs of constructions and operations, it made sense for Uganda to use the shorter Kenyan route through a joint pipeline linking Lake Albert to Hoima in Turkana and onward to the Indian Ocean. However Uganda prioritized a new route through Tanzania based on perceived security risks in Kenya, political priorities in Kampala and corporate interests of French oil company Total (Patey, 2017). Kenya has remained adamant and chosen to go it alone, but the rise of Tanzania as the second regional trade hub has fired regional competition and impetus of Kenya to secure its own transit routes as a national interest.

3.2.2.1 Kenya's National Interest

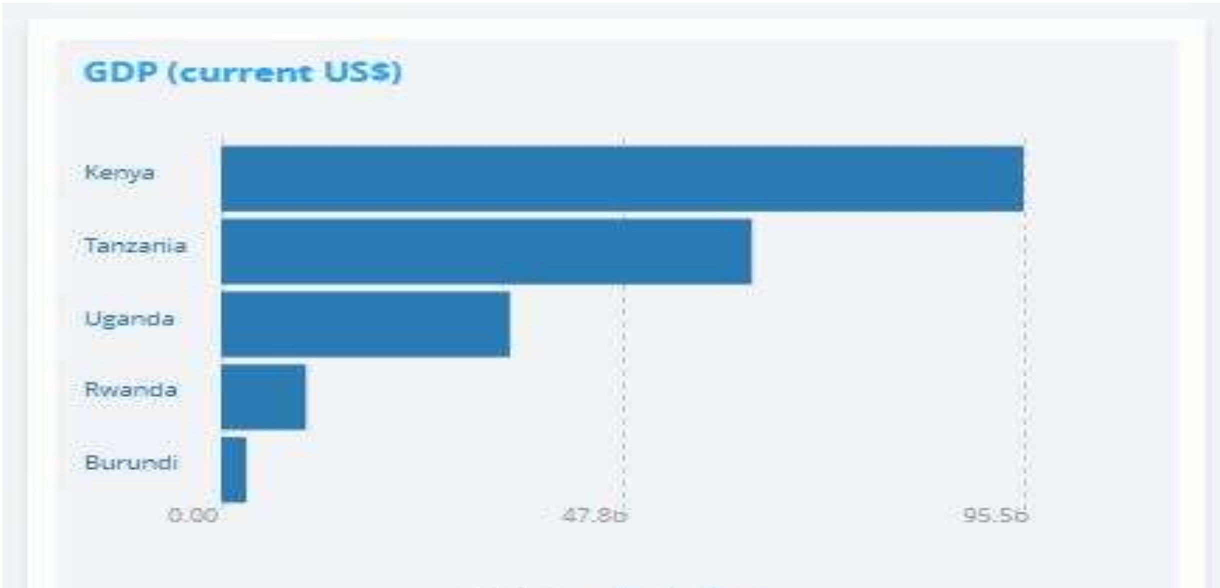
Analysis of the conduct of Kenya's foreign policy shows a clear transformation of the country from conservative and legitmatist thinking and avoiding radical departure from status quo (Mabera, 2016) into a more assertive posture willing to engage in hard power politics in the region. Kenya has moved from the days of non-interference during President Jomo Kenyatta, brokering peace deals including the Tanzania-Uganda war of 1979, Museveni-Tito Okello war of 1985, Ethiopia-Eritrea conflict of 1998, conflicts in DRC, Rwanda, Burundi and South Sudan during the President Moi days to sending troops to Somalia during President Kibaki tenure. Kenya's interest in the region has largely been influenced by the West since president Jomo Kenyatta's Western leaning faction triumphed over his vice president Oginga Odinga's communist leaning side. This then established Kenya as an important ally of the west as Tanzania adopted socialism and later Uganda decayed under Idi Amin military rule which served to reward Nairobi and cement its dominance in the region. Mamdani (1984) argues that Kenya's economic dominance is not a national economy per se, but a neo-colonial economy in which the British was the leading imperialist for the better part of the 1970's and that Kenyan interests were British interests which continues to date as noted by British ambassador to Kenya Jane Marriott who said most of Kenya's vibrant flower exports are owned by the British[3].

[3] Jane Marriott British Ambassador to Kenya tweeted 'To those in the UK we are huge consumers of Kenya's beautiful flowers. 70per cent of UK roses come from Kenya. 85 per cent of Kenya's flowers are rotting, unsold. Please buy a bunch if you can: cheers you up. Supports a vital industry (Most are British businesses), 21 March 2020.

However in the 1990 US started to engage with Uganda which stabilized under President Museveni to fight government of Sudan's Omar el Bashir who was partly blamed for 1993World Trade Centre bombing and subsequently the west backed Ugandan troops deployment in Somalia, Iraq and Afghanistan (Epstein, 2016). This strategic competition in both security and economic interests forced Kenya to make a shift and transform from a regional pacifist into a more active foreign policy player pivoting to the East towards China and playing an active security role in Soamlia.

Kenya's shift in foreign policy has mainly been led by economic designs in pursuit of consolidating regional hegemony as the biggest economy and security in the rise of the threat of terrorism. Kenya is the biggest economy within EAC and its rivalry and antagonism with Tanzania which is also a littoral state was the key reason EAC fell apart in 1977 and has been the reason for continued strained relations in the revamped EAC (Walsh, 2015). According to World Bank data, all goods and services produced in Kenya, the Gross Domestic Product (GDP), amounts to $95.5 billion compared to Tanzania's $63.1 billion GDP as at 2019. In terms of growth rate Tanzania grew at 5.7 per cent in 2019 as it raced to catch up with Kenya which grew at 5.3 per cent. Kenya which is geographically situated in the turbulent Horn of Africa, one of the most conflict ravaged sub-regions of the continent with crises in Somalia, Darfur, South Sudan, Burundi and DRC and attendant factors of refugees, cross border violence, radicalization and territorial disputes, Kenya has prioritized regional security as a foreign policy agenda (Mabera, 2016). As an anchor state Kenya has been key for western countries in securing the sea around the Gulf of Aden and has proven a stable ally remaining peaceful despite the regional turmoil. Kenya has been key in the fight against piracy a key regional concern with growing network of organized crime and money laundering.

Figure 3.2: Gross Domestic Product of EAC Member Countries



Source. The World Bank 2020

With the discovery of oil in 2012, Kenya also hoped to grow its nascent oil sector. But with only 766 million barrels of oil in reserves Kenya needed to secure joint pipeline with Uganda which had more significant finds. Since Kenya and Uganda's oil is waxy and compatible for blending as well as the need for a heated pipeline, Kenyan route an 850 kilometer line to the Indian Ocean was the most economical in construction and operation costs as compared to the 1,443 kilometers pipeline to Tanzania's port of Tanga (Patey, 2017). Uganda however opted for the Tanzanian line citing security risks along the Kenyan route.

The Kenyan oil finds lies in Turkana County a marginalized area with high level of inter community violence over resources including land and water. This already fragile area has seen political agency clamour for higher allocation of oil revenues which has been resisted in Nairobi with President Kenyatta refusing to sign the Petroleum Bill that had allocated 20 per cent of future oil revenues to producing counties and 10 per cent to local communities. In fact, local political tensions and demonstrations over employment and business opportunity saw Tullow Oil suspend operations in Block 10BB and 13T in October 2013 for several weeks. Uganda also raised concerns that the pipeline would cross the northern and coastal regions bordering Somalia which would expose the line threats from the regional militant group the Al-Shabab which has launched attacks in Lamu, Garissa and even the capital Nairobi.

Kenya's interest is also an extension of elite accumulation through patronalistic networks that have shaped design and priority of its development corridor. Kenya's efforts to decongest Mombasa Port through private deports and inland container depots in Embakasi and Naivasha has revealed efforts by elite interest in Nairobi and Mombasa to profit from inefficiencies by distributing the facilities among the politically connected class (Lamarque, 2019). Location, use and costs of these storage facilities have been met by resistance from Ugandan importers who account for more than a quarter of all the business in Mombasa, the leading cargo importer with 7.4 million tonnes of goods in 2018 (Atieno, 2019) citing corruption, delays and storage costs associated with the facilities.

Ugandans resisted the Private Container Freight Stations in 2013 saw all Uganda and Rwanda transit cargo exempted from private CFS dry ports and exclusively cleared from the second container terminal. They have also resisted the use of both Naivasha dry port and the Inland Container Depot in Nairobi's Embakasi. Elite interest has also been seen in Uganda's reluctance to use the Kenyan pipeline over concerns on land acquisition issue which is seen as the biggest impediment to rolling out the LAPSSET corridor and a key risk for the pipeline. The development corridor is supposed to help open up northern Kenya which has remained marginalized and as such help raise living standards of the area and address the security challenges. However the corridor has been viewed as a vehicle to expand Kikuyu elite interest of Nairobi with the land grabbing along the corridor seen as potential to stocking conflict within the marginalized communities in the northern and coast regions (Patey, 2017). President Kenyatta ordered the National Land Commission to reposes 500,000 acres in 2014 that was irregularly allocated to 22 private firms accounting for 70 per cent of the land in Lamu county. State House said that Land in Lamu was grabbed strategically for speculation purposes targeting the LAPSSET corridor project.

3.2.2.2 Uganda's National Interest

Uganda has come a long way from being the small EAC country to exercising considerable agency (Walsh, 2019). During the formation of EAC, Uganda's main concern was that it would be dwarfed by Kenya and Tanzania and hence resisted a centralized EAC which would consolidate power to the two bigger countries. Uganda also served as a balancing act to Kenya's capitalist leaning and Tanzania's socialism (Okoth, 1992). During President Obote's initial reign he leaned towards President Nyerere and nationalized private companies some of which belonged to Kenya much to President Kenyatta's chagrin. During the military dictatorship of Idi Amin Uganda grew completely reliant on Kenya both for transit and industrial goods and Uganda's coffee was smuggled through Kenya. After the fall of Amin during Obote II he allowed the dependency on Kenya to persist.

The rise of President Museveni marked a turning point for Uganda interest and agency in the region. President Museveni was accused by President Moi for aiding in sending rebel Kenyans known as Mwakenya to Libya to train as guerillas while Rwanda's Patriotic Front launched the guerilla war against Juvenal Habyarimana's government from bases in Uganda and took over after the genocide. Museveni has meddled in Kenya's politics, developed a troubled relationship with Rwanda's President Kagame, helped end the Burundi civil war of 1993-2005, and Tanzania partly refrains from EAC federation with reservations that Museveni is pushing it (Walsh, 2019). Uganda is also a key ally of the US who supported its hunt for Joseph Kony, the Lord's Resistance Army rebel (largely armed by Sudan) in exchange for destabilizing Sudan for its role in US terrorism (Epstein, 2016) as well as deploying troops in Somalia under Amisom.

President Museveni took over a country that was completely dependent on Kenya and was always keen on reducing this overdependence. Museveni had witnessed several economic blockades by Kenya before he ascended to power and during his early years border skirmishes in 1987 saw Kenya shut the border. This informed his desire to balance flow of trade with Tanzania. Discovery of substantial oil that made Uganda the backbone of East Africa's oil future allowed Museveni to leverage Uganda's interests. First Museveni decided that Uganda's oil should be refined in Uganda to meet its energy needs and regional demand to strategically lower its import bill and break its dependence on Kenya as the main source of petroleum products

(Patey, 2017). The fall of oil prices and cost of a refinery however created a consensus that the best way to exploit Uganda's oil would be through an export pipeline rather than a domestic refinery. Museveni then pushed Kenya towards LAPSSET by making Uganda's oil finds officially part of the plan, and then utilized *Coalition of the Willing (CoW)* Chinese funded projects to make President Kenyatta focus on the SGR, he then went against his CoW allies by altering agreed SGR links from Kigali to Juba and Uganda's oil pipeline from Kenya to Tanzania (Walsh, 2019). According to Uganda, the Tanga line will be quicker with less challenging terrain, lower security concerns, straight forward land acquisition due to government ownership and an existing port at Tanga as opposed to Lamu which is still under construction (Patey, 2017). Tanzania also proposed lower initial transit fees and agreed to invest 8 per cent in the refinery project.

3.2.2.3 South Sudan National Interest

South Sudan joined the EAC in 2016 after gaining independence in 2011 as it sought to chart an alternate path to Sudan after years of civil war. South Sudan had taken charge of substantial oil resources and was producing 325,000 barrels of oil per day with 3.5 billion in reserves. However the oil sector has since been hit with internal conflict, falling prices and transit costs of shipping the oil through Sudan as well as depleting resources in need of new investments in exploration. South Sudan's major challenge as a land locked country has been access to the sea. South Sudan breakaway from Sudan meant that it needed an alternative route to 1,600 kilometer pipeline connecting it to the Port of Sudan. This saw Kenya dangle the prospect of a refinery project in Lamu and the envisioning of the Lamu to Juba pipeline.

When they broke off in 2011 South Sudan and Sudan failed to agree on transit fees and Khartoum decided to pay itself by confiscating the oil prompting Juba to shut down oil production in January 2012 for almost a year and a half. The dispute escalated into a short border war with destruction of oil infrastructure. This overdependence forced the country into a strategic alliance with East Africa for an alternative pipeline route conducting a feasibility study in 2013 for a route to the Kenyan coast as well as Ethiopia and Djibouti. South Sudan is keen on oil infrastructure in Kenya and Uganda both of which could possibly help it transport its current and future oil to the sea. However South Sudan plans have constantly been disrupted after the outbreak of civil war in 2013 again led to closure of some oil fields led to further industry decline where production has fallen from 350,000 barrels of oil per day to 140,000 barrels of oil per day (Varadhan, 2019) and are estimated to fall to 100,000 before 2030.

3.2.2.4 Rwanda National Interest

Rwanda was not part of the original EAC, and had been on the background of regional geopolitics and was more confined with complex ethnic situations that led to the 1994 genocide. President Kagame has come to embody Rwanda's regional interest since he took over from President Pasteur Bizimungu in 2000. Kagame has been uncompromising in dealing with Democratic Forces for the Liberation of Rwanda (FDLR) the brutal rebel group operating in DRC which pose security threat to the country. This has sometimes caused friction in East Africa for instance when president Kikwete appealed to Rwanda to negotiate with FDRL Kagame publicly threatened to punch him and it took Museveni's influence to quell hostilities (Walsh, 2016). Rwanda's regional posture although small in size has been that of economic efficiency ranked 38 globally in the World Bank 2020 ease of doing business index, Rwanda is the leading country in East Africa followed by Kenya at 56. Rwanda has been pushing hard to be the regional leader in ICT launching-Icyerekezo, a satellite into orbit in 2019 and setting up Africa's first Smartphone factory.

3.2.3 Status of the Implementation of the Northern Corridor

Northern Corridor Integration Projects that sought to deal with the long time it took to move cargo to and from Mombasa was initiated in 2013 and accelerated with the entry of South Sudan in 2015. Part of the key objectives for Greenfield projects was to focus on the construction of the SGR and one common crude oil pipeline to serve the newly discovered resources in the region as well as a common refined oil pipeline to supply the region from the port of Mombasa. To achieve this, the East Africa railway project was prioritized between Kenya, Uganda and Rwanda and was supposed to start in 2014 and completed by March 2018. This was a result of formation of the CoW alliance to solidify the position of the Northern Corridor to coordinate infrastructure through building a SGR as part of fast tracking EAC integration. Under an agreement signed by Kenya, Uganda and Rwanda agreed to connect their capitals with a railway with a branch line connecting to Juba in South Sudan and DRC to turn East Africa into a continental trade hub with Mombasa as the gateway through the SGR (Miller, 2020). To boot, Uganda, under the CoW arrangement was in turn, to construct an oil pipeline through Kenya to Lamu Port (Masinde, 2016). CoW was formed as a vehicle to fast track the slow process of integration that had been hampered by the pitfalls of seeking consensus, but in essence sought to exclude Tanzania and Burundi ostensibly for dragging their feet. Deals on security, immigration, border trade were all discussed without notifying Tanzania and Burundi as Kenya, Uganda and Rwanda adopted the single visa for tourists and citizens among three countries (Kivuva, 2014).

China inadvertently helped fuel these hegemonic posturing by offering to finance and construct the projects which fell in line with their plans around Belt and Road Initiative. The west had refused to fund these adventurous projects citing viability of the initiative with a review by the World Bank in August 2013 recommended refurbishment of the metre gauge as a new SGR would be expensive and would need freight order of 20 to 55 million tons which could not be achieved according to forecast by EAC Railway Master plan and competition from the Central Corridor. This disinterest from the West drove the CoW partners to choose China. Unlike the World Bank and IFC which provided funding and risk guarantee for the Rift Valley Railway and insisted on a coordinated infrastructure ran by a private public partnership company, the Chinese sought to fund the railways through the exchequer, each of the Northern corridor countries would fund and run its own section of the railway.

Chinese engagement in Africa has been primarily on bilateral level, promoting state centric approaches in line with its dogma of national sovereignty (Tull, 2006). State to state model preferred by the Chinese has also led to a prioritization of regime favoured projects fostered on local political underpinnings, legacies and rent seeking. Applied in EAC where projects are designed on a multilateral basis but implemented by each member country, this bilateral model has tended to bring competition rather than cooperation as member states give priority to projects that secure their national interests. This has however raised the question on return on investment raising suspicion that Beijing is conducting debt diplomacy by targeting poor countries which cannot pay back the huge infrastructure loans.

Africa Star Operation, the CRBC subsidiary that runs the line says 4.3 million people took the train in its first three years of operations. But while passenger tickets often sell out, cargo volumes are a disappointment despite the fact the contract with the China Exim Bank, the Kenya Ports Authority and Kenya Railways that requires the port to provide 1 million tonnes of cargo to the railway yearly and rising to 6 million by 2024 that has forced the government to compel all domestic freight passing through Mombasa to use the rail (Miller, 2020). The feasibility has seeped into China whose response has been to scale back on the project. In October 2019, a $1.5 billion extension opened from Nairobi to Naivasha but Beijing refused to approve a loan for connecting $3.7 billion line from Naivasha to Uganda border town of Malaba after fallout of regional enthusiasm for the initiative and has also turned down Uganda's $2.3 billion application to fund its section of the railway after Rwanda pulled out citing the expense in Kenya and Uganda threatening to trade through the port of Dar es salaam rather than Mombasa (Miller, 2020).

CoW also fell apart pretty much over Uganda's pursuit for energy security which required Uganda to keep its options open for alternative alliances. It was also hampered by external forces especially energy companies in the region. Toyota Tsusho backed Uganda-Kenya Crude Oil Pipeline that was supposed to connect Kenya, Uganda and South Sudan to this artery. Total on the other hand backed the crude oil pipeline from Hoima, Uganda to Tanga, Tanzania bypassing Kenya. Africa Oil Corp. publicly stated that the only viable option was a joint pipeline running through both Uganda and Kenya, putting it and its larger partners, Tullow and CNOOC, at odds with Total and potentially Uganda, (Cannon, 2016). To wiggle out of the deal with Kenya, Uganda gave impossible conditions including that Kenya must guarantee it will offer cheaper transit fees than alternatives, Kenya is to provide security along the pipeline and there must be an agreement on financing before a joint company is formed to own and run the pipeline (Patey, 2017). Tanzania emboldened by the collapsing wooed Kigali with an alternative railway link even as Kigali-Kampala relations deteriorated. CoW fell into what Musyabai (2014) argues as attempts at constructing mega infrastructure with a state-centric logic will in effect likely to provide revisionist states the strategic flexibility to break out of their dependency while increasing their ability to bargain in the process increasing the felt sense of vulnerability among some littoral states.

3.3 Data Analysis

Having presented data on the Northern Corridor, national interests of member states and status of the implementation of the selected infrastructure projects, this parts presents analysis in response to the two study's questions: One**,** how do economic interests of member states shape the implementation of the Northern Transport? How do political interests of member states shape the implementation of Northern Transport Corridor? From the analysis of the data this section also tries to establish the weight of influence by economic or political interest that has shaped the implementation of projects so far.

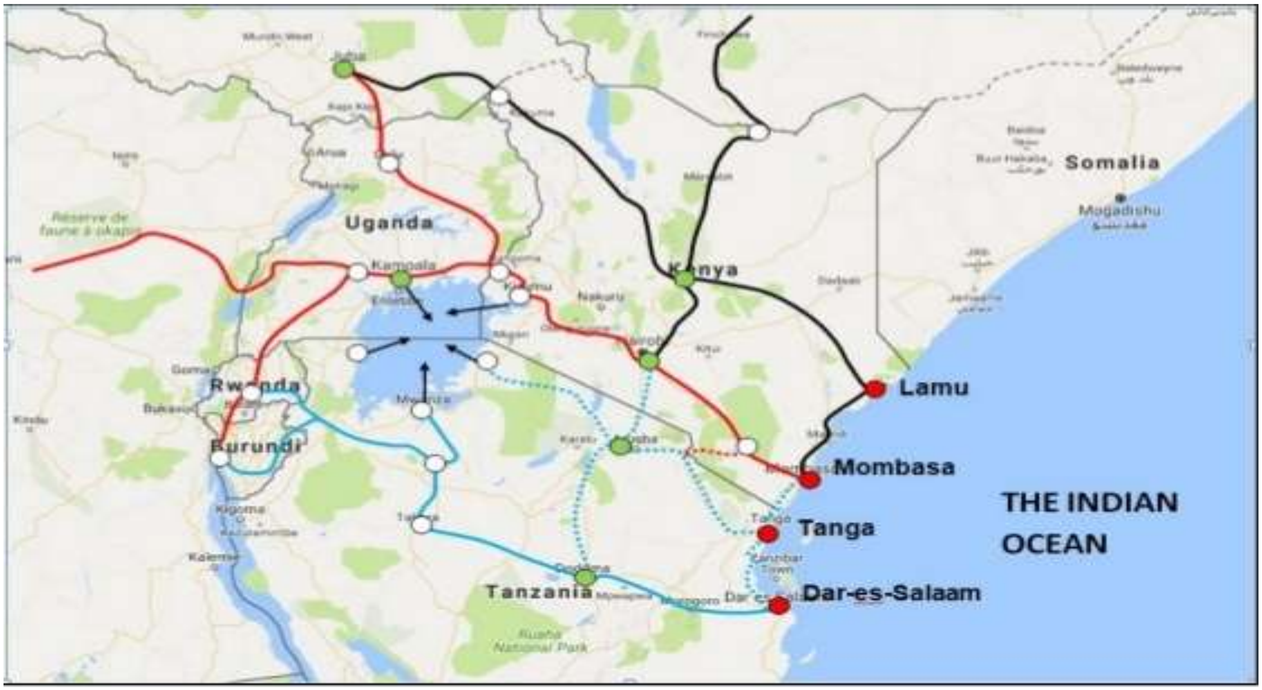
In the report of the Northern Corridor Integration Project of 2018/19 two of the major challenges have to do with the prioritization of infrastructure of rail and pipeline which have delayed since the projects were instituted in 2013. One challenge cited was the regional geopolitics that has adversely affected the implementation of the petroleum oil pipelines and other NCIP infrastructure projects. The construction of the SGR continues to present challenges of land acquisition and funding in Kenya while in Uganda the project financing is a major bottleneck. From data sources we begin to see how this derailment and delays are occasioned by the national interest of Northern corridor countries.

3.3.1 Economic Interest of Member States in the Implementation of SGR

With the backing of Rwanda and Uganda through CoW alliance Kenya was enthusiastic about realizing a joint SGR. Kenya's strategic vision is securing the regional market through strategic economic projects to ensure continued dependency on the Northern Corridor as envisioned in the *Vision 2030* to help 'Build Africa's transformative and game changer infrastructure to deliver a just and prosperous Kenya' and EAC integration agenda. Kenya was thus the first East African country to start the construction of the modern railway and has completed 670 kilometers from Mombasa to Naivasha via Nairobi. It has launched a cargo and passenger service for the routes.

All these economic projects you have to do a combination of long term and short term aspects. You want to benefit as a country you look at investments from a long term perspective, peg it to vision 2030 and general integration agenda. We have a bigger interest in ensuring that we maintain the good relations as a the country and we have a bigger stake because generally in terms of investment Kenya is still getting more from integration and benefiting a lot in that agenda so we cannot make a mistake of not strengthening our relationships[4].

Figure 3.3: The Standard Gauge Railway Route



Source. Kenya Railways Corporation (2020)

The first question Kenya sought to consider was whether the project was economically viable. Gerisho Ikiara who was the Permanent Secretary Ministry of Transport when the project was first mooted said policy makers look at the cost of transporting cargo to each country and their differential costs over all possible routes and says that the decision to invest in a particular infrastructure project is 70 per cent economical based on costs and viability of the routes. He further observed that all projects start with feasibility studies that mark the terrain, cost of land and financing. Economic variables are very critical whether you like it or not because you have to justify in parliament, many of these projects go through the cabinet, you have to write a cabinet memo as the ministry, to talk about the project justifying it from all directions and it will be thoroughly discussed with the president chairing the meeting because if they make a mistake it is the government which will be attacked. If you end up with a more expensive choice compared with the other options you get criticism from the media, from the wananchi, from

[4] Personal interview, Mwangi Kahenu, Regional Integration Officer, Ministry of East Africa and Regional Development, 9 July 2020.

parliament and so many other people you have to keep on defending yourself as a government why you chose a particular line whether it was the cheapest and the most profitable in terms of cargo[5].

According to a parliamentary report by the departmental committee on transport, the railway would add at least 1.5 per cent to Kenya's GDP during construction and operations reduce congestion in Mombasa to make it the preferred port and create 60 jobs per kilometer[6]. To the contrary Paul Wafula, the Business editor at Daily Nation argued that the project was not economically viable since inception and that initially it was planned as a Public Private Partnership (PPP) project but was moved to government to government project specifically because it did not make economic sense. If you see the first draft it actually found that it was not viable from the Kenya Railways discussions because it was supposed to be a PPP where you must present a case of viability right from the beginning so they dropped that and decided let us look for another thing that can work so they pushed it to government to government where they will start discussing that this thing is bigger for the economy, it is going to save roads and reduce accidents among other benefits[7].

Mr Ikiara says that Kenya could not finance the feasibility studies whose costs was in the billions and could not find anyone who was interested in it until China Roads and Bridges Corporation (CRBC) came forward and offered to do the feasibility study free of charge only if they were guaranteed construction of the project. So you are in a catch 22 situation. So when people say you took the expensive CRBC loans, the options you were facing is either you do or do not have an SGR, a modern railway transport system. If we did not have this SGR which many people are criticizing Mombasa road will be completely clogged it would have been impossible like what you are seeing in Malaba in many sections which will make many people move away from the Northern corridor which has been a major foreign exchange earner for Kenya over the years. Kenya Railways Corporation former Managing Director Atanas Maina however said the initial

[5] Personal interview, Gerishon Ikiara, Senior Lecturer, Institute of Diplomacy and International Studies, University of Nairobi, 17 July 2020.
[6] Report by the Parliamentary committee on Transport Public Works and Housing on the SGR, February 2014
[7] Personal interview, Paul Wafula, Daily Nation, 17 July 2020.

feasibility study that would cost Sh1 billion was abandoned because of numerous court cases filed by interested parties[8].

A report by the World Bank Africa Transport Unit compared the projected investment costs per kilometer to the anticipated freight volumes and forecasted revenue streams. The report stated that freight traffic within the entire the EAC rail network could, by 2030, reach 14.4 million tons annually but that to be viable, the SGR would necessitate a volume of 55.2 million tons annually. In other words, according the World Bank Report there was zero economic sense in building an SGR network in East Africa and a refurbished metre gauge network would have been sufficient, however, the Kenyan government ignored the advice and pressed on with Chinese MoU.Kenya's gamble was hence tied to the fate of the region as the infrastructure may only be economically viable if it gets to Uganda in the least and onwards to Rwanda and DRC to justify the huge investment in the SGR, but even this is doubtful given the trade volumes. The push for CoW was meant to guarantee a market big enough to be served by the infrastructure with a hope for sparking industrial growth to enhance future revenues. Northern corridor countries present a case of a regional market with a population of over 200 million distributed among DRC with 84 million, Kenya 50.9 million, Uganda 44.2 million, South Sudan 12.9 million, Rwanda 12.5 million and Burundi's 11.2 million (Nyarandi, 2019). But the West was unwilling to finance it and Kenya bureaucrats believed that even if they did they would be delayed by red tape and would only fund a small fraction of the loan dependant on factors such as contributions to the World Bank.

I remember sometimes we went to negotiate with the World Bank when I was with the transport ministry and the money we got was only able to do a small bit of the project on JKIA and improving the Northern corridor road. We got just a small proportion of what we needed, and the bureaucracy of processing took so long that I think we were launching the first phase of that project three years after we had been given the allocation because they go through many changes and re-evaluations. So you consider that and yet China is willing to give you loans at a

[8] Petition No 58 of 2014 in the High Court of Kenya, A. K. Maina, 6 May, 2014

commercial rate which may be seen to be more expensive than the traditional Western lenders but the loans from the West are barely able to finance big projects like the SGR[9].

This emboldened Kenya to undertake the dramatic push and borrow heavily from China which pushed Beijing into being Kenya's largest bilateral lender at Sh671.15 billion ($6.46 billion) in June 2019 more than half of which went to the railway. When Kenya sought an additional loan of Sh386 billion ($3.7 billion) to extend the SGR to Kisumu and to Malaba border with Uganda China was adamant. Economist had warned that the project was not viable but President Kenyatta had insisted that the railway had to be built to secure economic future of the country (Wasike, 2019). Now some economists were vindicated, as China had walked back on the SGR because it was not economically viable.

China shied away from the extension because they had questions about its commercial viability. The poor performance of the Mombasa to Nairobi line makes it evident Kenya "is already struggling with the SGR[10]"

President Kenyatta while flagging off the new line to Naivasha called such sentiments 'prophesy of doom' but the fact that he had averred to this sentiment expressed deeper worries within the circles of his administration. In March 2019, the Kenya National Bureau of Statistics had indicated that Kenya made Sh10.3 billion in 2018 which was lauded by the Chinese as 'close to the operating costs of Sh12 billion'. However in May KNBS revised this figure down by 44 per cent to Sh5.7 billion. This increased pressure from the government to abandon its promotional tariff that was supposed to organically attract cargo and resort to state directives to force importers to use the railway which helped the line pick revenues to 13.5 billion in 2019 against costs of Sh18 billion for a longer line to Suswa in Naivasha. Without the extension to Uganda Kenya was under intense pressure to make the SGR economically viable. Transport Cabinet Secretary James Macharia saying Kenya had decided to connect the meter gauge railway to the SGR in Naivasha to complete the connection to Uganda and indication that for the moment the line would terminate in the middle of nowhere in Suswa.

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[9] Personal interview, Gerishon Ikiara, Senior Lecturer, Institute of Diplomacy and International Studies, University of Nairobi, 17 July 2020.

[10] John Mutua an economist at the Institute of Economic Affairs told German news DW, 17 December 2019

The issue is that you have to prioritize given your immediate requirements and what is our number one priority is to ensure that the goods when they get to Naivasha they do not get marooned. What is important is to ensure that from day one we can have that connectivity. So all we are doing is actually creating transshipment point in Naivasha from SGR to MGR, because even when we do the SGR we still have to do the transshipment, it is not something we are saying either or, we are going to do both anyway[11].

The Kenyan Transport Cabinet Secretary has then tried to compel all cargo destined for Uganda, Rwanda, South Sudan, Ethiopia, Burundi and parts of the Democratic Republic of Congo to be loaded onto the SGR and moved directly from Mombasa to the Naivasha inland container depot where transporters will pick it for onward delivery is expected to drive up costs for importers. However according to tariffs by Kenya Railway Corporation, the transporting cargo using the SGR from Mombasa to Naivasha costs \$600 for a 20-feet container and \$850 for a 40-feet container of up to 20 tonnes. However, Naivasha to Kampala will cost you \$1400, returning an empty will cost \$100 from Kampala to Naivasha with an additional \$120 and local shunting at the Mombasa depot will cost an additional \$50 according to the Shippers Council of Eastern Africa. All this compared with \$1,100 cost of using trucks directly from Mombasa to Kampala, inclusive of charges of returning empty containers. Kenya is under pressure to feed the SGR with cargo under loan agreement of guaranteeing specified “minimum volumes required for consignment” that was used to secure the Sh327 billion (\$3.3 billion) SGR loan from China. Mr Macharia has remained firm that the directive will be implemented as it was agreed at the EAC Heads of State meeting held on May 12, 2020. However, Uganda's Minister for Works and Transport Gen Edward Katumba however said use of the Naivasha ICD should remain optional and that Kenya withdraws the legal notice that has made it compulsory.

[11] Transport Cabinet Secretary James Macharia spoke on KBC in 26 April 2019

Table 3.2: Cost of SGR Vs Road from Mombasa to Kampala

Container Size	20FT	
Mode Of Transport	ROAD	RAIL/ROAD
Currency	USD	USD
Msa to Kla by Road	1,000.00	
Msa to Naivasha by Rail		600
Naivasha to Kla by Road		1,400.00
Empty return Kla>> Naivasha (Road)		100.00
Empty return Naivasha>> Msa (Rail)		120.00
Empty return Kla to Msa (Road)	100.00	
Local shunting empty Msa to Depot		50.00
Gross Transport Rate	1,100.00	2,270.00

Source. Shippers Council of Eastern Africa (2020)

Kenya's economic interest have shaped the route of the SGR which was moved to Naivasha, where the country hoped to build a special economic zone in proximity of geothermal wells to ensure the infrastructure could generate a return even if it fails to crack the regional market in the short run. The Naivasha extension agreement was signed between the CRBC and Kenya Railways during a cabinet meeting chaired by President Kenyatta on September 19, 2015. This also initiated creation of a SEZ linked to the new railway. According to *The East African* the visit by Yang Jiechi, a member of the Political Bureau and director of the Office of the Foreign Affairs Commission of the Central Committee of the Communist Party of China and the special envoy of Chinese President Xi Jinping in 2019 in which negotiation to unlock more debt to finish the SGR seem impossible at this time. This shows that Kenya has hopped to wiggle itself out of this conundrum by trying to attract Chinese companies to an economic and industrial belt along the SGR to try and make the infrastructure viable.

Kenya has always been a private sector haven. All the president was trying to emphasise is that now that the government has put the core infrastructure in place, it is the responsibility of private sector to get involved in building ancillary infrastructure and the businesses that need to grow around it.[12]

It was also underscored that China has not entirely abandoned the SGR project but will only commit to it if certain conditions are met jointly with Uganda. It quotes a spokesperson of Chinese ambassador to Kenya Mr Wu Peng that China is still interested in making Kenya a part of its "Belt and Road Initiative," but will only enter into projects that are viable. China fears that if Kenya is pushed into defaults it will taint its image and give credibility to critics who claim Beijing has been pushing debt diplomacy on poor countries. According to one interviewed Chinese scholar the Chinese contractors believe or at least they hope and predict that they will come back and finish. The least expectation was they will get to Kampala because SGR in Kenya by itself will not make any economic sense. She further observed that:

Other people can make different arguments but for me it is the economic interest that is driving the Chinese companies investing in the region otherwise they would not continue investing. The key stakeholders along the SGR are the contractors whose main drivers are economic, they want to make profits from the project, to tick to the timelines and finish the project in time while delivering good quality.[13]

Uganda's Finance Minister Matia Kasaija was recently quoted as saying China has asked Kenya and Uganda to work on their respective financing modalities for the joint railway in order to receive funding for the project. SGR-Uganda project coordinator Perez Wamburu posted on the official twitter page of @SGR_Uganda in June 22, 2020 that Uganda is currently answering the three main concerns raised by China Export-Import (EXIM) bank regarding the loan application for the construction of the SGR. Despite this assurances Uganda has also embarked on restoring the old railway line at $205 million a similar move with Kenya linking Kampala to Malaba. The upgrades to the meter gauge railway is expected to boost monthly freight to 120,000 metric

[12] 'Is Kenya dropping China loans for private deals? '*The East African*, 8 September 2019, P10.
[13] Personal interview, Zhengli Huang Research Associate, Department of Urban Studies and Planning, University of Sheffield, 16 June 2020.

tonnes from the current 20,000 metric tonnes by 2026 which shows that priority for the SGR line is being downgraded.

While the SGR in the Northern corridor has been experiencing trouble, Tanzania is pushing for a parallel route through the central corridor. It has maximised on this uncertainty to seal a pact with Rwanda, Burundi and DRC. The Turkish Portuguese consortium went to Tanzania and convinced them they could do the railway better and offered a better deal. So when Uganda saw that they decided to go with Tanzania. Tanzania also saw this and given that it shares a border with Rwanda, it would be easy to woo Rwanda away from the Northern corridor to the central corridor. Rwanda could not wait for ever so in that case Rwanda could remain neutral and most likely sway towards Magufuli because that was where it was looking as more viable[14]. A review at the East African by Emanuel Onyango in December 2019 covers a significant move by Rwanda, a former CoW alliance member who signed an agreement with Tanzania to extend the SGR line from the Central Corridor from Isaka to Kigali a distance of 575 kilometres. Detailed designs and financing arrangements were already agreed. Rwanda also agreed to extend the line to Rubavu in the border with DRC which President Felix Tshekedi had appraised during a state visit to Tanzania in June 2019. Tanzania also hopes to lock in Burundi through the Uvinza-Gitega line which will link to Eastern DRC. What Dar es Salaam seems to have gotten right is financing, Tanzania is currently funding its own SGR which is being built by a Turkish Portuguese consortium and only now is the country considering Chinese financing for the remaining section. If well executed, the Tanzanian line could further raise questions about the viability of the Kenyan SGR.

One thing Tanzania is doing very differently from other regional economies is they are appraising projects more carefully and more importantly they make sure they get the best deal for that project in terms of funding. A lot of their projects are reasonably prices, that is one of the advantage they have from the word go. Kenya’s projects seem to be grossly overpriced and I think regardless of whether the project is good or not with regard to advancing the productive

[14] Personal interview, Paul Wafula, Daily Nation, 17 July 2020.

capacity for the economy, when you overpay for the project you will inherently find it takes longer for return on investment to be realised[15]

Kenya's implementation of the SGR has also raised issues of economic national interest at the EAC level when Kenya introduced the Railway Development levy in 2013. Set at a rate of 1.5 on all imports to secure funds for compensating land owners along the line and paying the Chinese loan Kenya has raised the levy to 2 per cent through the Finance Act 2019. The money was ring-fenced under the Railway Development Levy Fund (RDLF) estimated to collect on average Sh24 billion a year since 2013, and having summed up upwards of Sh92 billion ($920 million) based on the rate of growth in the value of imports, which increased from Sh1.32 trillion ($13.2 billion) in 2012 to Sh1.7 trillion ($17 billion) in 2018 according to Kenya National Bureau of Statistics data. This was supposed to give Chinese lenders comfort that Kenya could finance repayment of the loan even if revenues are not sufficient. However, when Kenya introduced the model, the move sparked controversy since it was a unilateral tax that increased business costs and was against the East Africa Customs Protocol, Part D Article 10 that stipulates 'Partner States shall upon the coming into phase of this protocol, eliminate all internal tariffs and other charges of equivalent effect on trade among them'. East Africa Business Council, a private lobby filed a complaint at the EAC council of ministers forcing Kenya to retreat from charging the levy on goods from other EAC members in March 2014. Tanzania also introduced national Railway Development Levy in 2015 at 1.5 per cent even though there is a regional Infrastructure Development Levy that was put in place in June 2014, and was adopted by Rwanda and Uganda underscoring the push for economic interests of the member states within the EAC framework (Wissenbach, 2019).

This analysis goes on to show that economic interests had a big influence on conceptualizing the project, justifying and prioritizing the rail network. But it also shows that the economic variable used changed from direct return on investment to secondary benefits like reducing congestion on the Northern Corridor and redirecting to Naivasha to spur growth of future industries. This

[15] Personal interview, Jibran Qureshi Stanbic Bank East Africa Regional Economist, 13 July 2020.

implied that other factors influenced the implementation of the project including political implications discussed below.

3.3.2 Political Interest of Member States in the Implementation of SGR

State funded infrastructure is premised on the idea that governments fundamental mission is to advance public good and not profit seeking (Osborne and Gaebler, 1992). Revamping the EAC railway infrastructure was first mooted in 2007 when CPS Transcom International was hired to conduct a study and develop a master plan that would revamp existing lines and connect with Rwanda, Burundi, South Sudan and Ethiopia. In 2009 a study by Canadian Pacific Consulting Services challenged the economics of such a move concluding the benefits of replacing the narrow gauge with standard gauge would be marginal and cost prohibitive even by the most optimistic projections (Cooksey, 2016). However in 2013 EAC leaders reached a decision to expand the railway despite this advice making a political decision rather than economic (Whang, 2018). This expansion underlined attempts at emergence of regional hegemony in so far as who controlled flow of goods from the sea, which corridor formed the winning political coalitions and how these coalitions will leverage to control of energy security amid resource discovery in the EAC region. Thus, while the goal of the SGR was to relieve congestion, accelerate freight transport and increase regional integration and connectivity its implementation was compromised by defections and regional realignments of political leaders and lack of a central planning and implementation authority (Wissenbach, 2019) at the EAC institutional level.

Capture and sustenance of political power within individual states tend to overlap with regional goals as infrastructure is viewed as development goal that gives local legitimacy to regimes while delivery of huge interstate infrastructure requires regional cooperation to justify investments. President Kenyatta was keen to have a mega project as part of his legacy, hence his push for the SGR project, despite queries on cost and viability of project[16]. The Kenyan president was elected in office in March 2013 and in November, 28, 2013 he had assembled the presidents of Uganda, Rwanda and South Sudan to launch the SGR. However when he inaugurated the first phase of the SGR in Madaraka Day in 1 June 2017[17], just weeks before seeking re-election and

[16] Personal interview, David Herbling, Bloomberg, 29 June 2020
[17] Symbolic for self rule which gave the train the name Madaraka express

in demonstrating the implicit role development infrastructure is crucial in consolidating political regime, all Northern Corridor country leaders were missing (Wissenbach, 2019). This is because the regional agenda was turned to a local political project to maintain Kenyatta's regime which dissociated it from regional considerations. The completion of the first phases of the SGR in just four years was only possible because of the centralized nature of President Kenyatta in resolving disputes, adapting to uncertainties, mobilizing state resources quickly, circumventing problems of property rights but at the expense of transparency and inability to catalyze into a coordinated and collaboration efforts with neighboring countries(Wissenbach, 2019). The result was no information sharing about SGR on timelines by partner countries and minimal collaboration between the regional railway projects on the Central and Northern corridors[18] that lost the momentum for the project that was meant to cement Kenya's role as the dominant port of entry controlling flow of goods to the LLCs.

Kenya unlike regional powers such as South Africa and Nigeria has not been able to use economic dominance to command regional hegemonic status as military and economic capacity is more evenly distributed except for Burundi, a situation that has increased the role of individual leader's agency in the region (Walsh, 2016). Regional geopolitics has been driven by the personality of the presidents who have shaped the shifting rivalry between Kenya and Tanzania for instance. President Mwai Kibaki and President Jakaya Kikwete were less antagonistic and minimized competition in the region than President Kenyatta and President John Magufuli. President Kikwete said his legacy had brought the best relations between Kenya and Tanzania since independence and assured Kenyans the policy will be sustained, that only a fool would reverse the policy[19].

President Kikwete was the Foreign Affairs minister when EAC was revived in 2000 a period that saw trade between Kenya and Tanzania rise from Sh10.7 billion exports in 2002 to Sh64.7 billion in 2014 while imports grew from Sh3.5 billion to Sh79.4 billion in 2015. However with a new administration in Nairobi in 2013 and ascent of President Magufuli in Dar es salaam in 2015

[18] Report of the East African Legislative Assembly committee on communication, trade and investments on the oversight of railway infrastructure development in East African region December, 12-15, 2016, EAC website.
[19] President Kikwete address to Kenyan parliament NTV, https://www.youtube.com/watch?v=dJrMGGCRFlI ; 6 October 2015

trade plunged to a decade low with Kenya importing goods worth Sh23.3 billion in 2017 while exporting goods worth 23.7 billion[20] . This re-ignited rivalry is at the centre of a regional geopolitical shift that saw Tanzania develop a warm relationship with Rwanda and Uganda which helped it capture the crude oil pipeline from Uganda and also lured Rwanda's SGR from Kenya. Kick starting the SGR was a political process when Kenya collated the CoW alliance into a race to consolidate regional hegemony and secure future tariffs in changing geopolitical order. Its disintegration was brought about by a change in political formation in Tanzania also making moves to establish regional dominance and offering an alternative route to hinterland countries.

It is within this rivalry that Uganda, a relatively smaller economy has been able to exact high level of influence by playing on the strategic insecurity of the two littoral states. While President Kenyatta's single minded approach has failed to carry the region along President Museveni, the longest serving president unencumbered by term limits has used his experience quite effectively to determine the regional security, political and economic direction. Museveni has particularly been good at exercising this agency, manipulating both formal EAC regionalism and incorporating China and the West to boost his regime and maintain his domestic position (Walsh, 2019). Uganda has demonstrated the ability to manipulate regional politics in its favour to secure lower tariffs for its businesses and set in motion development projects to entrench President Museveni's rule. Kenya in its part has had to play into these shifting regional machinations while increasingly desperate to retain its position which has sometimes left it at the mercy of President Museveni. President Kibaki's post-election problem saw Kenya seek Uganda's support for Vision 2030 regional projects while President Kenyatta case at the International Criminal Court saw Kenya again rely heavily on Uganda's support to fight the Hague based court (Walsh, 2016). Even as the CoW was falling apart Kenya has desperately sought Uganda's commitment to the SGR. During a state visit by President Museveni in April 2019 Kenya offered Uganda land to put up a dry port in Naivasha (Atieno, 2019) as a short term tool used to secure long term partnership for sustainable use of the Mombasa Port through facilitating clearance of goods destined for the hinterland[21].

[20] OEC Observatory of Economic complexity https://oec.world/en/profile/country/ken/
[21] 'Will Kenya's land offer to South Sudan bear fruit? *The East African,* 28 March 2019, P10.

Uganda has thus used Kenya's increasing reliance on its support to exercise immense agency including in demonstrating its options over the use of Kenya's expensive infrastructure as a means of control of the flow of goods into the region. Uganda has refused to budge when the SGR reached Naivasha and has been fighting the directive to have cargo put on the line for transshipment instead of the road. Uganda's minister for works Gen Edward Katumba asked Kenya to withdraw the compulsory order to evacuate cargo from Mombasa to Naivasha citing that the inland container depot is not ready for use and has no basic amenities to facilitate trade. The Ugandans maintain the use of SGR should be optional and only commit to encourage their local businesses community to consider the railway for its benefits (Olingo, 2019).

I would like to re-affirm the Uganda government's commitment to use the Naivasha ICD in the spirit of regional integration. On the other hand, I would like also to re-affirm that the findings of the technical team in their visit to the ICD need to be addressed to improve the facility making it more attractive to shippers.[22]

Kenya's forceful politics has in part been blamed for Uganda's reluctance to commit to the SGR as David Owiro points out that the kind of diplomacy that Nairobi has engaged in has sort of been short because Ugandans were feeling spited that they were being made to comply with certain regulation that their business men were not happy with that end up making their goods more expensive by transporting through Kenya. This saw Uganda commit then half way not commit and then all together drop out which seems that Uganda had taken on the approach of diversifying and minimizing their risk. That while majority of their products are going through Kenya and they still remain the number one trading partner for Kenya they are continually, gradually diversifying away from Kenya when it comes to transportation and importation of their products[23].

The extension of the SGR to Rwanda can also be seen as Uganda's extension of the policy of re-exports controlling flow of goods further afield. As , Regional Integration Officer, Ministry of East Africa and Regional Development Kahenu Mwangi contends, during a Northern corridor

[22] 'Uganda sustains opposition to its truckers using Naivasha port, *Daily Nation*, 6 June 2020, P7;
[23] Personal interview, David Owiro, Founder and Principal Consultant-Africa Development Think Tank, 21 July 2020.

meeting there is always consensus on the project priority because the route helps Uganda to be a transit route for DRC and the neighbouring countries. When they come through Mombasa they are able to service trade for DRC, South Sudan, Rwanda and Burundi so it is a good transit route. However, Rwanda has shown resistance in some instances to establish its own strategic flexibility.

Uganda had issues with Rwanda it also affected some of these discussions on the Northern corridor agreements. If you cannot be able to sit on the table to talk you cannot discuss anything so unless you sort out this politics it becomes difficult to deal with economic component[24].

Rwanda and Uganda have always had the markings of an uneasy political marriage that stemmed from the history of the two countries which remained interlinked and volatile. Political power in Uganda, Rwanda and DRC was orchestrated through violent mobilization across borders as refugee camps were used as bases for revolutionary warfare. President Museveni was part of the Uganda National Liberation Front (UNLF) successfully mobilized against Amin in Tanzania. During his bush war in Uganda Museveni incorporated Rwandese refugees into the National Resistance Movement in Uganda that successfully put him in power in 1986. Uganda then gave Rwanda's Patriotic Front (RPF) bases through which they organized against Juvénal Habyarimana's Rwanda and installed President Bizimungu and Vice President Kagame in 1994. Although unsuccessful, revolutionary movement Mwakenya was linked to Uganda as the exit points for rebels attending training in Libya. Uganda Rwanda and Angola's intervention in the Congo in 1996 that installed Laurent Kabila through continued the tradition of intervention that was centered around securitization of refugees. This created mistrust for neighbouring countries hosting refugees as states sought to pursue exiled communities' who had the capacity to mobilize across the border in real or imagined support from regional rivals. When Kabila turned on his allies and was accused of supporting the destabilizing rebels Uganda and Rwanda started the second Congo war in 1998 which tested their alliance and has carried on the suspicion.

[24] Personal interview, Mwangi Kahenu, Regional Integration Officer, Ministry of East Africa and Regional Development, 9 July 2020.

Uganda's power politics also revolve around its oil discoveries and ability to leverage energy security to the region where all states are net importers while roping in external alliances with the West and China to finance these ambitions. Museveni sees himself as the regional elder, enabler of Uganda'a continuous influence in the region and gravity of dealing with global powers (Walsh, 2016) and almost the patron of smaller sized Rwanda. President Kagame only became RPF leader after Museveni's long time revolutionary ally, Fred Rwegiyema died very early in the Rwandan war (Pike, 2019). However during the second Congo war Uganda and Rwanda's army clashed in Kisangani in 2000 over control of DRC territory where Rwandese forces, led by then Vice President Kagame, won decisively indicating superiority over Uganda in terms of fighting power (Eriksen, 2005). This rivalry and suspicion has shaped Kigali's strategic vision and need to reduce reliance on Uganda that would be entrenched by the SGR. The rivalry would openly play out in February 2019 when Kigali stopped vehicles from Uganda from entering Rwanda through Katuna border and accused Uganda of illegally torturing, arresting and deporting its citizens while Uganda accused Rwanda of spying and infiltrating its security forces[25].

The forgoing analysis demonstrates that when it comes to implementation, the speed and success or failure of regional projects follow political influence because inherently the projects are viewed through the lenses of regional competition and domination. Kenya wants to control the transit routes and Uganda encourages Kenya while luring Rwanda. Tanzania wants to control transit routes and Uganda and Rwanda encourage it to maintain strategic flexibility in routes to the sea. In the end Uganda draws power in manipulating the competition to have alternative corridors, competing each other at its expense.

3.3.3 Economic Interest of Member States in the Implementation of the Juba-Lokichar-Lamu oil Pipeline along the LAPSSET

Building of the Juba-Lamu-Lokichar oil pipeline as a means of resource extraction from resource rich hinterlands of East Africa was touted as a solution for the four countries, Kenya, Uganda, South Sudan and DRC who had oil discoveries around the same region. The Greenfield project would boost local capacity, spur development and offer a cost effective way of extracting and

[25] 'Museveni Speaks on Rwanda Uganda Border Closure' *The East African*, 16 May 2019 , p9

exporting oil out of East Africa through Kenya. It was included as part of the priority Northern corridor countries projects but has since suffered problems of stiff regional economic and political competition when it came to implementation. The LAPSSET corridor was dependent on Uganda, South Sudan and Ethiopia taking advantage of the antagonistic relations in the Sudan and Ethiopia's land locked stature and roping in Uganda with a quick option of getting their oil to export through Lamu's Berth 3. Ethiopia was going to be the biggest clientele of LAPSSET because it does not have a port of its own as well as South Sudan which was looking for alternatives from the Port of Sudan in the north which had become untenable over disagreements on costs and territorial conflicts. The biggest viability of this line was that it was short as demonstrated in Table 3.3 and allowed the oil producing countries to blend their waxy oil.

Table 3.3: Cost of crude oil pipeline

	Lamu-Lokichar oil pipeline	East Africa Crude Oil Pipeline	Sudan Greater Nile oil pipeline
Distance (Km)	892	1445	1600
Tariff ($) per barrel	12.5	12.2	26

Source. The East African 2020

Kenya spearheaded this new pipeline to safeguard its own economic interests especially after Uganda first discovered oil in 2006 estimated at 2 billion barrels in reserve. This put Kenya at a difficult position since it was the primary source of fuel in the region imported through the Mombasa port. To understand Kenya's anxiety one can go back to 2012 when Kenya also made its first oil find in Kodekode village, Turkana East District, the then energy minister Kiraitu Murungi boasted that Kenya had made more significant finds and sparked off the resource race to beat Uganda and be the first oil to market. Mr Murungi said the oil that was discovered in Uganda is much lower that what has been discovered in Kenya adding that over 10 similar prospects have been identified within the Rift Sub basins and these initial results are encouraging for future drilling activities[26]. He was to be proven wrong in many ways, Kenya's finds suck at 754 million barrels while Uganda's consequent appraisals brought total reserves to 6.5 billion barrels of oil.

[26] Kiaritu Murungi former energy minister, Daily Nation, 26 March 2012. Kenya Strikes Oil in Turkana

Kenya thus needed to retain the flow of oil resources through its territory and sought to rally a coalition around the project. Kenya geared up to be the first to hit the market to attract financial resources and deliver a pipeline before rival Tanzania which had also made discoveries of gas deposits and was seeking a regional coalition of its own. Kenya embarked on an adventurous plan to truck oil on trailers to deliver a largely uneconomical early oil scheme, according to Kenya Civil Society Platform on Oil and Gas (KCSPOG) transporting 2,000 barrels of oil per day that would result in a loss of almost Sh3 billion. KCSPOG estimated that if the government transported 900,000 barrels, the average cost will come to Sh6.3 billion yet the revenues if oil is sold at Sh4,600 a barrel will come to Sh3.4 billion (Wafula, 2016). According to *East African* Kenya went ahead and sold its first cargo of 240,000 barrels at $12 million in August 2019 at $60 a barrel which he noted was above the $43 a barrel break-even price set by the government. Kenya planned to float another 500,000 barrels in December before the final investment decision is made at the third quarter of 2020. The market is now aware of Kenya's crude oil and buyers are expected to put in more aggressive bids as the country's oil is among those most sought by refining plants.[27].

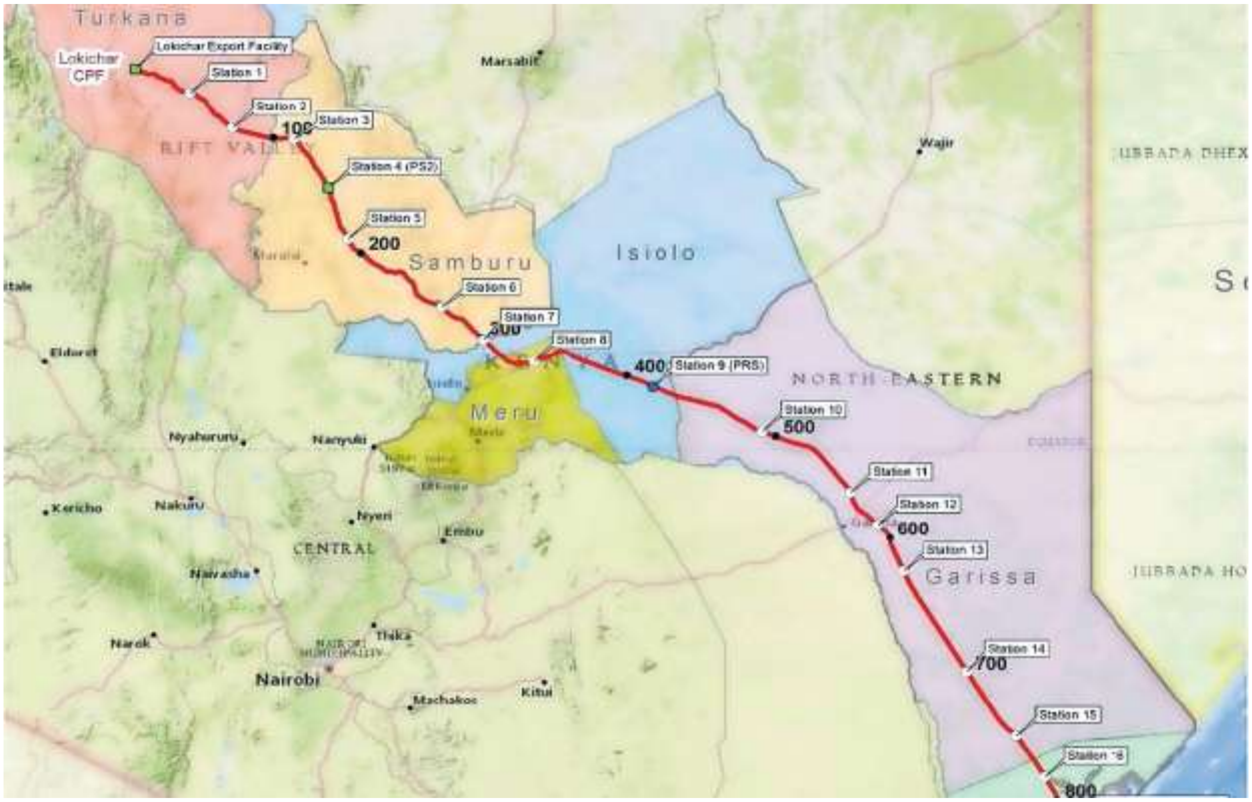
However despite the impressive figures, the project tapered out without the second auction and the contract expired having incurred a loss of $2 million. The end of the contract also left 100,000 barrels of oil at the Kenya Petroleum Refinery Limited attracting additional storage costs. The contracts were secret and it is impossible to know who bears the costs (*The East African*, 2019). The beneficiaries were three trucking companies, Primefuels Kenya Ltd, Multiple Hauliers and Oilfiled Movers whose directors remained on the shadows. The expiry of the contract ignited tensions in Turkana among villagers who had started gaining from the project in small ways.

While the early oil scheme was turning out to be a failure Uganda and Tanzania were pushing for the East Africa Oil Pipeline triggering an infrastructure race in the region. Kenya needed to find a sustainable way of exploiting the resources in hope to beat Uganda to the market. The ministry of Petroleum estimated that Kenya needed Sh1.08 trillion ($10 billion) in investments between 2018 to 2023 towards the key projects of the $2 billion 865 kilometer pipeline from Turkana to

[27] 'Kenya plans February sale for second oil shipment', *The East African*, 8 November 2019, P. 6 .

Lamu by 2021, $1.4 Lamu Isiolo pipeline, connecting Kenya to South Sudan and Ethiopia and investment in upstream oil fields (Muchira, 2018). In April 2018 during the inaugural Kenya Energy and Petroleum Capital Markets Day in London, President Kenyatta announced that the state owned National Oil Corporation (NOC) will list at the London Stocks Exchange and the Nairobi Securities Exchange to raise $1 billion. Kenya is yet to list NOC. Kenya made some strides in 2019 signing a heads of terms agreement (HoT) with Tullow Oil, Africa Oil and Total to attract Sh308. 4 billion ($3 billion) potentially beating Uganda to the market. The money would be spent on the oil pipeline from Turkana to Lamu, and development of a drilling and storage facility. Petroleum Principal Secretary Andrew Kamau said they had agreed on project information memorandum to do market sounding and source for funds and were in the process of sharing with banks to establish the size and appetite for the project (Muchira, 2019). Then Kenya increased the pace in 2020 by revealing designs for the pipeline done by British firm Wood Group Plc that estimated a cost of Sh121.4 billion ($1.2 billion). According to the designs of the pipeline that would transverse more than five counties, it will be an 18 inch 824 kilometer pipe with 16 stations ending at Lamu terminal with 1.5 million liters capacity onshore storage (Olingo, 2019).

Figure 3.4: Route of Jubal Lokichar Oil Pipeline in Final Design



Source: Daily Nation (2019)

Preparations were on course to fast-track road links to Lamu even expecting President Kenyatta to launch the first berth in Kililana, Lamu West at the end on 2019. Lamu's other two berths were expected to be ready by December 2020.According to LAPSSET Corridor Development Authority Director-General Silvester Kasuku most highways intended to serve the new port run from Lamu to Moyale and Nakodok (on the border of Kenya and South Sudan). They have be completed before the port is completed and starts operating[28]. However with plans in to gear, oil prices continued to tumble in the wake of the outbreak of the coronavirus that saw airlines grounded, industries shut down and most of the global population put under stay at home orders that slowed down demand for the product. Tullow Oil which had entered into an agreement with Kenya was not doing well even before this turn of events, now they were in deep trouble. Tullow announced staff cuts affecting all its operation including Kenya. Tullow had also hinted that it sought to sell up to 20 per cent of its 50 per cent stake in blocks 10 BA, 10BB and 13T in South

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[28] 'Rush to complete major roads with connection to Lamu port', *Daily Nation*, 6 November 2019, P. 19

Lokichar basin. According to the *Petroleum Economist*, the decision to delay Final Investment Decision (FID) indicates that the project is not running quite as smoothly as the HoT agreement suggested. Tullow turned the blame on the government which had failed to deal with local political issues that had stalled securing of water and land acquisition for upstream and pipeline development (Anyanzwa, 2019).

For Uganda although the Kenyan route would be shorter, it would be more beneficial to Kenya since it will run a long way within Kenyan territory and increase dependence on Kenya. Uganda felt that getting a new pipeline running across its country together with all the supporting infrastructure would bring would make more sense than getting a small part of the pipeline in its country and a huge chunk within Kenya. Uganda was also pushed by French oil company, Total's economic consideration for the Tanzanian route.

Total opted for the Tanzania route mostly on two grounds, one it used security in Kenya's northern frontier as an excuse but in reality Total wanted to build a package for the pipeline in terms of evacuating oil from Lake Albert basin in Uganda to Dar es Salaam and build a parallel pipeline to evacuate gas all the way to Kampala which was being mooted as the biggest client for the Tanzanian gas. So Total was just trying to kill two birds with one stone which left Kenya holding the short end of the stick because Kenya had already started developing Lamu Port of which Berth 3 was supposed to hold oil and gas[29].

Uganda fixed to have the crude oil production facility in Lake Albert area, a crude oil export pipeline to Tanga in Tanzania, a 60,000 barrels a day refinery in western Uganda and a major products terminal near Kampala to receive and distribute products from the refinery as the timeline for Uganda was set at 2022 and although there has been delays, momentum is not lost (Wachira, 2019).The delays for Uganda Tanzania line has been occasioned partly by disagreements over tariffs on the Tanga pipeline when in 2017, Dar es Salaam officials sought to revise the tariffs they had offered Uganda to lure them from Kenya's pipe. To get the line from Kenya *The East African* established that Tanzanians' threw sweeteners into the deal including

[29] Personal Interview, Allan Olingo, Daily Nation, 18 July 2020.

free land and a fair tariff of $12.2 per barrel. Later Tanzania's ministers were adamant that the country should get more revenues from the line since they had offered free land. President Museveni flew to Dar in February 2017 on invitation of President Magufuli and returned to Kampala with a major victory after securing a deal to clear the way for the pipeline (Barigaba, 2017). However the deal is not out of the woods yet, during the Oil and Gas Congress in Dar es Salaam in October 2019, Tanzania's Minister of Energy Dr Medard Kalemani told *The East African* negotiations are ongoing to finalize and evaluate modalities for compensating affected communities while the chairman of Uganda Refinery Holding Company Irene Bateeba said they were working round the clock with oil investment companies to come up with an agreement on the East African Crude Oil Pipeline project (Onyango, 2019).

But the 2022 target for Uganda is also in doubt following a row with oil multinationals over Uganda Revenue Authority's (URA) disagreements with Tullow on the amount of capital gains tax that the company should pay in sales of its stake to Total E&P and CNOOC. Tullow wanted to pay $85 million on the basis that most of the $900 million proceeds would go toward the construction of the pipeline while URA demanded for $300 million (Muchira, 2019). The Total General Manager Pierre Jessua however said the multinationals had re-started negotiations with Uganda to protect the interests of their shareholders. In December 2019 Hanns Kayezze, a communications specialist at the ministry of energy and mineral development said the government had offered the companies a deal to end the dispute without providing details (Anyanzwa, 2020).

With both pipeline facing delays, South Sudan has continued to be restive weighing its options while its bogged down by lopsided Khartoum contracts, continued insecurity and decline in production. In December 2019, South Sudan extended their oil deal with Khartoum to 2022 where Juba pays $26 for each barrel of oil. South Sudanese Minister of Petroleum Daniel Awou Chuang said there inevitable interdependencies between the two Sudans with Khartoum relying on energy facilities for power generation and refinery from the South while Juba is dependent on the North for crude export (Malak, 2019). However, in November 2019 during the South Sudan oil and gas conference in Juba, Ethiopia's State minister for mines and petroleum Koang Tutlam said if peace holds in the next two to three years Ethiopia could put up infrastructure and start importing refined oil from South Sudan to substitute expensive product from the Middle East (Maalak, 2019). This would pull away South Sudan from the Juba, Lamu Lokichar pipeline spelling a death knell for the Kenyan line.

This analysis goes on to show that economic interests has a bearing on selection of pipeline route in terms of consideration of tariff rates, oil companies needs and attracting investments. However the fact that security, distance, additional cost of heating waxy oil as well as competition to have more infrastructure in respective territory goes on to show that political interests overshoots economic consideration in implementation as discussed below. Uganda, the prize of oil future in the region seems to be able to squeeze Tanzania's tariff lower not based on economic factors but to rival Kenya and offer it competitive pricing.

3.3.4 Political Interests of Member States in the Implementation of the Juba-Lokichar-Lamu Oil Pipeline along the LAPSSET

Oil politics has formed the basis for political re-organisation in the region setting stage for countries to assert hegemonic ambitions, utilize energy security to establish external alliances and to control the flow of the resource. Politically just like in other parts of Africa, EAC's oil politics has tended to be pushed by foreign interest taking advantage of poor domestic governance and weak legal framework and policies[30] against high levels of expectation of instant riches by local communities. The region's political volatility has been magnified by the fact that oil discoveries have been made in marginalized spaces, troubled border areas and disputed territories including the Abyei sector of South Sudan, the Illemi Triangle in Kenya, Lake Albert basin in Uganda and DRC, the Ogaden in Ethiopia, the Sool region between Somaliland and Puntland and even Zanzibar and mainland in peaceful Tanzania on hypothetical royalties around the islands (Anderson & Browne, 2011) all which are marked by longstanding unresolved disputes. This has created political tensions across borders as well as within the local populations threatening peace and security and escalation of refugee crisis that has bedeviled the region.

[30] Kenya's Foreign Affairs Minister Amb. Monica Juma M giving a talk, Emergnig Security Issues in the Horn of Africa, at the Royal United Services Institute for Defence (RUSI) https://rusi.org/event/emerging-security-issues-horn-africa, 27 June 2019.

While implementing interstate infrastructure projects, local and regional politics have made significant geopolitical shifts as regime changes and realignments have repurposed commitments to some of the projects. For Kenya, the regional instability had proved advantageous attracting South Sudan to the Lamu pipeline as well as Ethiopia. Ethiopia was going to be the biggest clientele of LAPSSET because it does not have a port of its own. President Kenyatta also used the policy of offering land to neighboring countries to leverage relations and consolidate alliances. He offered South Sudan 10 acres of land at Naivasha location for the SGR to build an inland container terminal. President Kenyatta is rushing against time to lock South Sudan and Uganda on to the Northern corridor so that they don't look south to Tanzania.[31] During the talks President Kenyatta took opportunity to push for the implementation of the LAPSSET corridor. But things changed for Kenya when a new regime of Prime Minister Abiy Ahmed rose to power in Addis Ababa, Ethiopia made peace with Eritrea ending their 20 year war and giving Ethiopia access to the sea. Ethiopia has also continuously pursued strategic flexibility in diversifying access to the sea, boosting investments in different ports in Djibouti and Somalia leaving the LAPSSET exposed. Then again, following local political upheaval that ousted President Omar el Bashir from Sudan, a new opportunity presented itself for South Sudan to stick with the existing pipeline infrastructure and continue to evacuate oil north. With the change of regime in Khartoum, Kenya has been left exposed because South Sudan despite their troubles can now re-negotiate with the new friendly administration for better terms than opt for a new pipeline investment to evacuate its oil[32].

Local political agitation over high expectations of revenues from oil resources amid secrecy by governments on oil revenues has also heightened insecurity and influenced implementation of oil pipelines. It took a year for Kenya to negotiate with Tullow, Africa Oil and Total before signing a HoT agreement on commercial and fiscal terms which includes costs recovery, revenues and applicable taxes as well as the oil export pipeline, they remain secret, which is already raising stakeholder concerns even as the country awaits the FID in 2020 (Wachira, 2019). Even as opacity persist in the pipeline project local politics and stakeholder concerns have the potential to hold back the FID around an Environmental and Social Impact Assessment, land acquisition and

[31] 'Will Kenya's land offer to South Sudan bear fruit? The East African, 28 March 2019, Pg 10; quotes Tom Mboya, an international relations and diplomacy lecturer at Maseno University
[32] Personal interview, Allan Olingo, Daily Nation 18 July 2020.

water from neighboring West Pokot County. Land acquisition from the experience of the SGR shows that it can be a time consuming exercise especially when it is community land (Wachira, 2019). Already a High Court in Kitale halted compulsory land acquisitions to allow for more consultations with the county government pushing to lease land to the project rather than sell community land.

Secondly the project will need one barrel of water for every barrel of oil which is expected to be sourced from Turkwell dam in West Pokot County. West Pokot County is not included in the law protected revenue sharing formular and is now demanding a share of the petrodollars in exchange for the water. This may as well play into the violent traditional history between the two neighbouring communities of the Turkana and the Pokot. It will also set precedence for five other counties where the pipeline canvases through (Omondi, 2019). The timelines also coincide with the 2022 Kenyan elections which will further affect any investment decisions or operations since Kenyan politics are known to be disruptive and emotive with oil issues likely to come up among local political interests.

Oil discoveries are also shaping up as the geostrategic asset to propel countries to hegemonic status by promising a boost in economic power and control of crucial product in an energy deficit region. EAC region as discussed above has no dominant hegemon and operates in a fluid balance of power status where influence is mainly exercised by bigger economies. The race has shifted to infrastructure building using future oil revenues of projects such as refineries, logistical hubs, wider infrastructure network connecting to the oil sector and related industries (Walsh, 2016). This is occurring in the region that lacks the overarching institutional apparatus at the EAC level as proposed in October 1996 for a proactive regional approach (Walsh, 2016) setting the stage for heightened competition. Uganda could rise to be the third largest oil producer in sub-Saharan Africa based on the current discoveries since it is expected to reach a production of between 200,000 and 250,000 barrels of oil per day within a decade and maintain a three decade lifespan output, levels comparable to mid level producers like South Sudan, Equitorial Guinea and Gabon which are declining (Patey, 2017).

Political competition has also been driven by attempts to control flow of oil resources in the region with Uganda seeking to set up a 150,000 barrels per day refinery to service Uganda and the region's fuel consumption needs (Patey, 2017). Kenya has been at the centre of energy security in the region as a significant oil importation hub through the Mombasa port. However during the 2007/08 election violence oil supply through the Northern corridor was greatly disrupted prompting the land locked countries along the corridor to start considering alternatives. Kenya realizing that the flow of resources was about to change needed to prepare and sensed opportunity since Uganda was forced to back down on a large refinery and export instead, creating the need for a crude oil pipeline. It is against this background that Kenya has been pushing to be the main export corridor for onshore oil discoveries. Regionally the oil pipeline and LAPSSET would establish Kenya as the dominant country with access to the sea and initial inclusion of Uganda was a major boost. Uganda's 2016 move to shift to Tanzania echoed the struggle for control over access to resources and thus regional geopolitical dominance (Aalders, 2020). Despite this Kenya sees that control of crude oil from EAC region cannot be given up. David Herbling says that even though it has lost the East African Pipeline to Tanzania Kenya is not backing away and has gone ahead with plans to build the pipeline even though consensus is that Kenya does not have sufficient oil to justify the project.

Kenya, for strategic reasons, appears to be angling to stave off competition from Tanzania's Dar port as seaport of choice for region since the ripple investment opportunities from the Mombasa port help Kenya's economy. That is why Kenya has insisted on the Lamu oil pipeline even as a smaller project after Uganda went via Tanga port, citing security concerns. The timelines and scope of Lamu oil pipeline have definitely been hit by security concerns. What was a mega project had to be scaled down after Uganda chose to go via Tanga. The design will include a buried pipeline – for security reasons – and this has implications on cost[33].

However exploitation of the regional oil discoveries has been bogged down by haggling delays, opaque contracts with international oil companies, local community agitation and challenges of accessing investments, during which oil prices have collapsed.

[33] Personal interview, David Herbling, Bloomberg, 29 June 2020

The pipeline has also brought to focus apparent global geopolitical competition as countries as member states seek external alliances to finance the mega projects while offering China room to compete with the West. China's involvement in the Lamu port where the oil pipeline will dock could be regarded as an extension of the BRI even as Europe and USA have shown interest in the corridor (Aalders, 2020). Zhengli Huang Research Associate, Department of Urban Studies and Planning, University of Sheffield says China's the focus of African oil is still in Angola which is the Middle East of Africa and the biggest supplier over the last two decades and so strategically it is still very important. Then China's demand and consumption of oil is also stabilizing so there may not be a radical change since China gets enough oil from different sources. However this has not stopped the growing interest in EAC nascent oil sector including ChemChina Petrolchemical buying the first regional oil export from Kenya and CNOOC being on the forefront of buying 32.5 per cent of Tullow and Total stakes in South Lokichar Turkana that would make it the majority partner[34]. Currently British Tullow has 50 per cent of the Turkana stake while Canadian Africa Oil and French Total SA share 25 per cent each. The new shareholding would see CNOOC at 32.5 per cent, Tullow at 30 per cent, Africa oil at 25 per cent and Total at 12.5 per cent.

The oil sector in EAC is still seen predominantly as a West affair even though Chinese interests through Sinopec and CNOOC is growing but it is still small. CNOOC history in Uganda dates back a decade ago and has played a role behind exploration and actually had a big stake in the development. Its share was very small and it has only gained because of the farming down of the other players who were under cash flow crisis. There was a Chinese company in Turkana but they gave up on the prospecting because the oil finds did not satisfy their interest and so they did not insist on staying. So far the demand was supposed to come from South Sudan but the region has been very unstable making it difficult to strengthen interest there[35].

The foregoing analysis demonstrates that political interests has a bearing on implementation of the pipeline project changing the prospects of success based on existing or new regimes, regional hegemonic competition and external alliances to extract oil resources. It also demonstrates that

[34] Personal interview with Edwin Okoth, Daily Nation Business Reporter, 14 August 2020.
[35] Personal interview, Zhengli Huang Research Associate, Department of Urban Studies and Planning, University of Sheffield, 16 June 2020

local politics permeates through national level and lay claim to regional consideration on alternative routes.

The project's main proposition was national interest has undermined the implementation of East African corridor projects whereby member states national and economic interests led to alliance formation and breakdown that has delayed or derailed Northern corridor projects. This has been proven correct. This study has shown how Kenya in its pursuit for its national interest has aligned Northern Corridor projects which form part of its *Vision 2030* into a regional integration infrastructure. It has demonstrated that despite questions about the economic viability of the corridor projects Kenya still pushed for the implementation of the SGR and the Lamu Lokichar pipeline as a geostrategic means of consolidating regional dominance ahead of Tanzania. Kenya also roped in Chinese financing after Western countries proved unwilling to fund the EAC master plan projects. The basis for attracting funding was tied to the ability to construct interstate railway and pipeline. The collapse of Kenya's alliances led to reorganization of project priorities and re-routing the projects to Tanzania which have delayed the timelines for project completion and derailed the prospects of interlinked infrastructure within EAC.

Taken as a whole it would appear political interests override economic interests component of national interests because during project prioritization projects are selected based on economic viability which has to be proven in cabinet, in parliament, in public discourse and across civil society. Projects have to be accompanied by a feasibility study bearing the cost of implementation, terrain implications on costs and land acquisition. The project prioritization is also weighed against the return on investments, cost of maintenance and the multiplier effect on the economy. However political interest overrides economic consideration during implementation due to changing geopolitical environment, which in EAC is as fluid as a change in the president or the formation of new alliances within the regional framework. Since coalitions are not binding and each country implements the project in its territory political interests have emerged strongly with Nairobi losing out to rival Central Corridor transit corridor leaving the country with a huge financial burden and stalled and white elephant projects with Kenya needing Sh798 billion to complete 22 Northern Corridor projects without requisite funding[36].

[36] World Bank Kenya Public Expenditure Review, 01 June 2020 pg.62

3.4 Implications of the Findings

Whereas the study confirmed the stated hypothesis, that national interests undermined implementation of EAC projects it has opened up a granular view of specific national interests that are projected by member countries. The study offers an opportunity to explore the reasons why the regions infrastructure is in disarray despite concerted efforts to streamline the corridors' soft and hard infrastructure. Present literature notes the cost of transit in the region remains high and suggests that challenges of coordinating infrastructure in the region stem primarily from the history of collapse of the original EAC and weaknesses within the new EAC that fail to address funding and ownership of the projects. The modern EAC which allows for flexible coalitions, expects each country to fund its section of the railways and generally absence of ideological underpinnings of bipolarity, have made it necessary to seek a new approach at understanding the problems of EAC infrastructure. This study acknowledges the long running suspicions and the economic disparities that make coordination difficult. It demonstrates that the infrastructure race is part of a wider repositioning of political and economic dominance between Kenya and Tanzania as the two littoral states and LLC countries led by Uganda which leverages energy security to emerge as a dominant power.

The study also contributes to literature on competition along transport corridors when compared with other regions implementing infrastructure projects. The situation in EAC mirrors the China and India's struggles in implementing the Bangladesh China India and Myanmar Economic Corridor and the China Pakistan Economic Corridor through the BRI. India and China have struggled with the corridors and worked against each other by seeking alliances with other regional countries to set up rival corridors rather than cooperate along a unified framework. This study shows that despite EAC having closer ties historically and as a REC political competition still manifests in a big way. It thus contributes to understanding of the impact of politics in development of transport corridors so that corridors are not only viewed as development channels delivering fast and efficient economic benefits but are essentially tools for pursuit of hegemonic ambition, control of flow of goods and security complexes. This study makes a point for cooperation between Kenya and Tanzania in implementing the regional corridors and warning that the competition can be divisive and lead to a race to the bottom exacerbate already convoluted regional infrastructure policy.

In theory the study has confirmed that in social situations involving a number of actors as agents for the state will view a situation as a zero sum game where one policy is seen to benefit one state at the expense of the other. That the state agents will seek to form coalitions that are large enough to ensure they win (Riker, 1962). The study has confirmed the assumption that it is individuals who make decisions at the state level and not the abstract state where we see Presidents of the member states determine success and failure of the infrastructure projects. That these actors are rational, seeking to benefit themselves through client networks or capture and retention of state power. That despite limits of structures on possible number of choices, the state agents will find a way to exercise agency even when against norms and structures which has especially allowed member states to sign agreements and throw them out, make new commitments and revive old ones on the whim. The study has demonstrated that when faced with a choice actors in international systems will come round to the most beneficial choice with the least possible harm. However, unlike the theory suggests, the choices are not necessarily rational as the choices change with developing circumstances as well as political, social and economic variables. The study further demonstrates that in the case of states agents may still pursue a policy choice even if the coalition collapses or they have small coalitions that cannot guarantee victory.

CHAPTER FOUR

SUMMARY, CONCLUSION AND RECOMMENDATIONS

4.1 Summary

The study sought to find out how the national interest of member states in East Africa transport corridors influenced the implementation of the regional corridor projects using a case study of the Northern Corridor and operationalised through the lenses of political and economic interests. The study examined the SGR and the Lamu Lokichar Greenfield projects with Riker's rational choice theory as a means of analysis, the study undertook desktop research combined with targeted interviews with local experts and practitioners. This study contributes additional knowledge to the academic literature on Africa regional integration generally and specifically East African Community integration through infrastructure projects. It highlights the significant alliance formation within the structures of the REC driven by economic and political interests that shape interstate corridor project prioritization and implementation. The study also demonstrated that the loose alliance under the EAC framework has allowed the LLC countries a lot of leverage to choose between littoral states for alterative access to the sea. This has seen considerable agency especially from Uganda's President Museveni who has utilized energy security in form of oil discoveries to determine which transit corridors the Ugandan export will use. This study has demonstrated that the formation of infrastructure frameworks are not only driven by geopolitical competition of sea facing countries but also driven by land locked countries seeking alternatives.

4.2 Conclusion

In conclusion, this study brings forth the questions regional governments have tried to avoid in pursuit of integration and rule of consensus. Can interstate projects be implemented under a fragmented model where each country builds its own vestige in the greater mosaic? This study demonstrates that this approach may not be effective. East Africa may have missed the train owing to delays in constructing a crude oil pipeline during the oil boom that has now bolted with the crush in oil prices. East Africa may have again missed an opportunity to build a regional railway to completion during Chinese decade of capital exportation through BRI that has now dissipated with slowdown of Chinese economy and EAC countries running out of fiscal space due to huge loans with limited resources. This study underscores the need for a different approach, an opportunity to review EAC with an institutional framework that can oversee infrastructure project through private sector with equity ownership by governments rather than letting states or wholly owned state corporations build and operate interstate infrastructure.

EAC regional infrastructure remains splintered even as the countries come under tight fiscal strain that has limited capacity to complete huge infrastructure projects even as oil prices collapse before the region can begin exploiting the new resource finds.

This study demonstrates that the centrifugal forces of national interests are impacting on the implementation of EAC projects through competition between the rival transport corridors in Kenya and Tanzania. By studying the implementation of two Greenfield projects through the study period, we see that this competition has negatively impacted the implementation of the projects by shifting alliances which undermine economic viability of the projects. This study seeks to make an argument for cooperation between Kenya and Tanzania in implementing the regional corridors and warning that the competition can be divisive and lead to a race to the bottom worsen an already convoluted regional infrastructure policy. The study is cognizant of the immense potential of infrastructure corridors in delivering development that can address the security question in the volatile region and expand potential for the corridor to do more than just export oil but avail a backbone for industrialization.

4.3 Study’s Contribution to the Literature

The study contributes to the literature on international relations and political economy of EAC by revealing how regional political actors interact with economic motivations and financial opportunities to build lose alliances to justify expensive infrastructure projects economically but have struggled with implementation due to political machinations. It reinforces the international relations theory on rational choice demonstrating that regional leaders will form alliances that best suit their personal and country’s national interest acting within the structures of the REC to maximise their gains at the expense of other member countries. The study also contributed to growing literature that is unpacking African agency by demonstrating that African states are not passive recipients of transit routes but active participators in their creations and duplicity. East African states try to take advantage of funding from China and the west to fast track infrastructure corridors in pursuit of their own national interest. Kenya by drawing in the Chinese and aligning the Belt and Rod Initiative to the SGR was able to influence the direction and speed of Chinese global policy of establishing one belt one road through Asia, Europe and Africa.

4.4 Recommendations

4.4.1 Policy Recommendation

The object of setting up transport corridors is to help lower logistic costs, attain access to larger supply and labour markets and make savings on inventory. Corridors also help in opening up remote areas and unlocking dead capital to spur development. Despite the challenges associated with cost and feasibility, EAC continues to make efforts to build interstate infrastructure on a model that relies on each country to build its own section of the rail. However since there is no overarching structures at the regional level, this has fuelled competition as each state seeks to maximize their national interests. We see individual countries compete driven by national interests in terms of expression of hegemonic ambitions, control of flow of essential goods, energy security and external alliances as well as increasing economic activity within their borders and deriving return on investment being the primary considerations than cooperation to achieve Agenda 2050.

The study findings that national interests undermine implementation of infrastructure projects along EAC corridors suggest that a new framework may be needed to avoid the pitfalls in future. That political and economic interest of member countries directly affects implementation of projects needs to be addressed while planning for interstate projects in EAC and across the world. The EAC region for instance will have to set up a central institution to fund, own, and manage regional infrastructure rather than abandon the responsibility to each member state. The study recommends a coordinated approach organised from the EAC institutional level through the creation of a permanent desk at EAC to coordinate infrastructure development. This desk can be funded from an infrastructure fund appropriated through a uniform regional levy on exports which funds it must be able to control than rely on goodwill of member states.

To deal with the challenges of competing national interests, the study also recommends a joint ownership of a special purpose vehicle by each member states that can be operated privately to divorce infrastructure decisions from the heavy influence of politicians in pursuit of personal elite interests. Finally the region should think about not just infrastructure that excites politicians but whether the projects funded are appropriate and whether the projects will have commensurate economic benefit for the private sector in order to increase in the productive capacity of the regional economy Project priority and designs should packaged with strict adherence to feasibility, predictable return on investment and leveraging economies of scale of the entire region to secure the most cost effective financing. Infrastructure projects should be funded by a mix of tax, loans and equity offered in the region and abroad.

4.4.2 Recommendations for Further Studies

The study seeks to suggest new areas for further research including unpacking the renewed role of Tanzania in EAC. How the implementation of Central Corridor projects shows growing interest by Tanzania in playing a leading role in EAC integration contrary to earlier held belief that Tanzania preferred SADC to EAC. Further research would be important in unpacking Tanzania's agency when mobilizing for financing to obtain relatively lower costs than Kenya and attracting a wider range of global capital and how these has affected perceptions of corruption in Kenya's Northern corridor and attractiveness/unattractiveness to regional partners.

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LIST OF INTERVIEWEES

Kahenu Mwangi, Regional integration officer at the ministry of EAC, 9, July 2020

Gerisho Ikiara, Former transport Permanent Secretary and senior lecturer at the Institute of Diplomacy and International Studies, University of Nairobi, 17 July 2020

Zhengli Huang, Research Associate at Department of Urban Studies and planning, University of Sheffield, 16 June 2020

David Owiro, Founder and Principal Consultant - Africa Development Think Tank, 21 July 2020

Jibran Qureshi, Stanbic Bank East Africa regional economist, 13 July 2020

Alan Olingo, Daily Nation Mombasa Bureau Chief, 18 July 2020

Paul Wafula, Daily Nation Business Editor, 17 July 2020

David Herbling, Bloomberg regional news reporter, 29 June 2020

Dominic Omondi, The Standard Business reporter, 23 July 2020

Edwin Okoth, Business Daily reporter, 14 July 2020

APPENDICES

APPENDIX I: INTERVIEW GUIDE FOR KEY INFORMANTS

Serial No. 001A

Interview Guide for Key Informants

Research project on the influence of national interest on the implementation of East Africa transport corridors: a case study of the Northern Corridor

DAVIES GUGUYU OTIATO

C50/10851/2018

Part A: General Information	
Date of interview	
Job title	

Part B: Interview questions

1. What guided the design of infrastructure projects along the Northern corridor?
   (a) Political interest
   (b) Economic interest
2. How does Uganda perceive Northern corridor?
   (a) Kenyan project
   (b) East African project
3. What strategies have been put in place to implement the following projects?
   (a) SGR
   (b) Jubar-Lokichar Lamu oil pipeline
4. Why was Uganda initially interested in LAPSSET? and why did it opt out?
5. How did Kenya respond to Uganda's move?
6. Why was Uganda initially interested in Juba Lamu crude oil pipeline? and why did it opt out?
7. How did Kenya respond to Uganda's move?
8. Why was Uganda initially interested in Standard Gauge Railway? and why did it opt out?
9. How did oil potential in Uganda and gas in Tanzania inform the choice of the Tanzanian SGR and pipeline?
10. How did the above move likely to influence the implementation of projects in Northern Corridor?

APPENDIX II: SELECTED PROJECTS ON THE NORTHERN CORRIDOR

Sector	Project	Location	Status	Funding
Rail	SGR from Mombasa-Nairobi- Kampala	Kenya, Uganda		
Pipeline	Juba Lamu crude oil pipeline	South Sudan, Kenya		
Pipeline	Lake Albert Crude oil pipeline	Uganda		