

**EAST AFRICAN COMMUNITY  
EAST AFRICAN LEGISLATIVE ASSEMBLY**



**REPORT OF THE COMMITTEE ON GENERAL PURPOSE ON THE EAC  
SUPPLEMENTARY BUDGET FOR THE FY 2013/14 & THE EAC  
SUPPLEMENTARY BILL, 2014**

**27<sup>TH</sup> – 29<sup>TH</sup> JANUARY, 2014  
KAMPALA, UGANDA**

**Clerk's Chambers  
EAC Headquarters  
EALA Wing, 5<sup>th</sup> Floor  
Arusha, TANZANIA**

**30<sup>TH</sup> JANUARY 2014**

## 1.0 INTRODUCTION

In accordance with the provisions of Article 49 and 132 of the Treaty Establishing the East African Community and Rules 72 and 79 as well as Annex 5 (f) of the Rules of Procedure of the Assembly, I beg to present to the House the report of the Committee on General Purpose on the EAC Supplementary Budget for the East African Community for the FY 2013/14 for consideration and adoption.

### **Madam Speaker,**

On 22<sup>nd</sup> and 27<sup>th</sup> January 2014, the Council of Ministers presented a request for approval by the Assembly comprising three items namely: staff salaries and allowances and activities funded by USAID, expenditure on the EAC/WB Public Financial Management harmonization project and expenditure on the East and Southern Africa-Indian Ocean (ESA-IO) Maritime Security Project totaling to **USD2,143,960** the breakdown of which is shown below:

Vote No.	Column I	Column 2
001	The amount required in the year ending 30 <sup>th</sup> June, 2014 for the expenditure incurred on staff salaries and allowances and activities funded by USAID at the Secretariat	1,142,763USD
002	The amount required in the year ending 30 <sup>th</sup> June, 2014 for the expenditure incurred on the EAC-PFM Coordination and Harmonisation in the EAC Partner States,	497,700USD
003	The amount required in the year ending 30 <sup>th</sup> June, 2014 for the expenditure	506,497USD

	incurred on the East and Southern Africa – Indian Ocean (ESA –IO) Maritime Security Project	
	<b>TOTAL</b>	<b>USD2,143,960</b>

The Committee was informed that the Secretariat continued sourcing funds after appropriation of the Budget for the Financial Year 2013/14 and these comprised priority activities that were not funded due to shortage of funds. The basis of the request is the emergent nature of already negotiated funds that become available after the passing of the Budget.

## **2.0 Methodology**

In consideration of the above request, the Committee analysed the Supplementary Budget for the FY 2013/2014, met with DSG F & A and Officers of the Secretariat on 28<sup>th</sup> and 29<sup>th</sup> January 2014. The following documents were considered:

- (i) Background to the Supplementary Budget
- (ii) MTEF for the Supplementary Budget 2013/14
- (iii) Work plan for the Supplementary Budget 2013/14
- (iv) Financing agreements for:
  - The USAID funded Projects
  - World Bank Funded Project
  - EU Funded Project

## **3.0 Acknowledgement**

The Committee would like to express its appreciation to the following:

The Rt. Hon. Speaker for availing the opportunity for the Committee to consider the Supplementary Budget Bill, 2014 and the office of the Clerk, EALA for facilitation of the Committee.

Further, appreciation goes to the following:

1. Mr. Jean Claude Nsengiyumva, DSG F & A
2. Mr. Juvenal Ndimurirwo, Ag. Director, Finance
3. Ms. Beata Mukabaranga, EAC USAID Programmes Liaison Officer
4. Mr. Leonard Onyonyi, EAC Peace and Security Expert
5. Mr. Stephen Mwilolezi, Budget Officer

#### **4.0 Consideration of the EAC Supplementary Budget for the FY 2013/14**

The Committee on General Purpose considered the EAC Supplementary Budget for the FY 2013/14 and was informed that the details of the three components of the Supplementary request is as follows:

- i. The USAID availed more resources through additional funding for Agriculture, Customs, Trade and Institutional Strengthening;
- ii. The EU accepted to fund activities that will enhance Maritime Security in the Eastern and Southern Africa and Indian Ocean Region and contribute to global security and create favourable environment for development of the region and beyond; and
- iii. The World Bank accepted to fund Public Financial Management activities geared towards harmonization of policies that will ease the implementation of free movement of capital and facilitate the move to a Monetary Union.

The Committee was informed that the financing agreements had all already been signed with the expectation that implementation should start as soon as funds were approved by the Assembly.

The Committee was further informed that with regard to the Council's commitment to secure funding for the social sector, the Secretariat had so far secured funds for a conference on Persons with Disabilities, a conference for women in business and a diaspora conference for the youth.

The questions and respective responses are attached as **Annex I**.

## **5.0 Observations of the Committee**

- 1) The Committee expects as has been reiterated before that an implementation or progress status should be provided with regard to the approved budget as well as all outstanding commitments made by the Council of Ministers. The Council undertook to always provide a midterm review report but this has not been provided.

The Committee observes that all relevant information pertaining to the Supplementary request was not provided in a timely, appropriate and adequate manner.

- 2) The Committee takes note of the undertakings made by the DSG F & A through the EAC Secretary General with regard to secured funds for a conference for Persons with Disabilities, Women in Business and a Youth Diaspora Conference.
- 3) The Committee appreciates the position of the Council of Ministers and the Secretariat with regard to challenges posed by implementation of outstanding policy decisions including the Institutional Review and the recruitment process as well as the consequences of delays as a result of understaffing.
- 4) The Committee take note of the commitment made toward working with the Committee and the Assembly for an improved budgeting process in terms of improved content and process.

The DSG F & A, Mr. Nsengiyumva, in his submission, informed the Committee that the mid-term review was underway and the undertakings by the Council were still valid and forthcoming. The report would be tabled before the Assembly as soon as all the information is available. He further undertook to ensure that all the required information is availed in a timely manner to enable the Committee carry out scrutiny and due diligence during the budget process.

The DSG F & A, Mr. Nsengiyumva further informed the Committee that other sectors that were in need of funding form part of requests made by the Secretariat to donors as negotiations proceed throughout the year.

## **6.0 Recommendations**

The Committee on General Purpose recommends that:-

1. The mid-term review report be tabled before the Assembly during the next meeting in Kigali, Rwanda. For the future, the Committee as a principle, insists that at least a partial midterm report of the specific sectors for which a supplementary is sought and all the requisite information be attached to the request; and
2. The Committee recommends that the Council of Ministers present supplementary requests to the Assembly any time necessity arises, as negotiations continue with regard to the outstanding commitments to source funds for the social sectors, the Kiswahili Commission, sensitization on the EAC, drafting of bills among others as was previously undertaken.

## **7.0 Conclusion**

The Committee appreciates the responses given by the DSG F & A and the technical staff of the EAC who took note of the concerns expressed by the Members of the Committee and undertook to consider and work toward a smoother overall budgetary process. The Committee on its part, undertakes to follow up on all pending issues and commitments and report to the Assembly accordingly.

**The Committee, therefore presents the report on the EAC Supplementary Budget as well as the EAC Supplementary Bill, 2014 for consideration and debate by this August House and moves that the House approves the proposals made by the Council of Ministers for the EAC Supplementary**

**Budget for the FY 2013/14 while taking into consideration the adjustments made in the speech presented by the Chairperson, Council of Ministers on 29<sup>th</sup> January 2014.**

**Madam Speaker, I beg to move.**