



EAST AFRICAN LEGISLATIVE ASSEMBLY

REMARKS BY HON. ABDIKADIR OMAR ADEN, CHAIRPERSON OF THE COMMITTEE ON GENERAL PURPOSE- EALA AT THE EAC PRE-BUDGET CONFERENCE FOR THE FY 2019/2020

**30th August 2018- EAC Headquarters, Arusha, United Republic of
Tanzania.**

Hon. Members of EALA,

DSG F & A

Partner States Delegates,

Directors, EAC Staff, Ladies and Gentlemen

I bring greetings from the EALA

We are glad to be part of the Conference that is important in setting course and the pace of the EAC Budget Cycle.

Traditionally, the conference identifies priorities and subsequently activities from global priorities, targets and outcomes as the budget cycle begins. This will be an important learning process for the Members who took oath in December 2017.

The Fourth Assembly has come to the realization, in this short period of time that we are confronted with challenges in the integration process and these have to be remedied.

The Assembly in the fulfillment of its mandate scrutinizes very important reports and submissions tabled by the Council of Ministers periodically. These documents mirror the realities, progress, challenges and proposed solutions which Members have taken note of and are determined to face up the challenges together with all the stakeholders in the integration. However, there are realities that have to be discussed.

EAC has registered commendable milestones which should be applauded and up-scaled to greater heights and achievements;

- Challenges of Partner States remittances which affects the smooth operation of projects and programmes;
- EAC Audited Accounts give a grim picture of the EAC characterized by financial mismanagement and excesses by the EAC;
- The EAC Annual Reports are poorly prepared, with inconsistencies, errors, incoherence among others which reflects negatively on EAC staff with unserious compilation. The Assembly rejected EAC Annual reports for poor quality;
- The EAC Budget Estimates are prepared with duplication, inconsistencies and also being subjected to arbitrary rationalization and cutting by Partner States officials some of whom, I presume are present here;
- While I am on the issue of Partner States officials, there is a powerful Committee that we heard a lot about during the budget session who are an advisory arm of the Council of Ministers but have reinvented themselves into something different that has to be reconsidered. A

powerful Committee that has a role in promoting integration is better placed to advocate in the Partner States for timely remittances, among other things;

- Zero budget increments and ceilings are a serious hinderance to the Community for obvious reasons. With a growing Community, how can it this principle ever be justifiable;
- A Community that has staff with poor contractual terms, salaries and welfare benefits which you may not find in any other Regional Economic Communities. This **“uniqueness”** is something we should not be proud of: with the best human resources in the region. This contributes to some of the above mentioned problems whereby there is lack of seriousness among staff who sometimes, work haphazardly since contract terms are characterized by job insecurity, no promotions and general dissatisfaction which also contributes to the financial mismanagement cited above. We have been informed that there has been reluctance to improve terms and conditions of the EAC Staff Rules and Regulations of 2006.

I would like to inform this meeting that the Assembly is giving notice of the intention to do, among other things, the following:

- Introduce a Public Finance Management Bill that will fill all the gaps existing in the EAC Budget Act of 2008 whose provisions are continually disregarded by the Secretariat and more importantly curtain all the excesses above.

I am privileged to be a Member of the Accounts Committee of EALA which is also meeting on 1st Floor in the same building. There are serious issues of financial mismanagement for example, where an individual decides to reallocate sum of USD 1.3 million without following the proper

channels for reallocation. There are so many more instances that I could share with you of the same nature. We all have Public Finance Management Acts in our Partner States and I am moving a motion soon on the same.

- There are serious contradictions in the laws where by while the Treaty clearly states that Community law take precedence even in the Partner States of national laws when enacted, a hand book which is the EAC Financial Rules and Staff Rules and Regulations of 2006 contravene the EAC Budget Act of 2008 in terms of tabling to budget before EALA, the use of the MTEF among others and this is unacceptable.
- EALA will seriously pursue changes in EAC recruitment (transparency), Human Resource matters in the Community as well as conditions of service of the staff of the Community which fall under the mandate of the Committee on General Purpose. It is no longer business as usual where policy decisions are made at the behest and will of particular entities groups and even individuals. The Committee has shared its concern severally with the Council of Ministers and during the last session, he concurred with the Committee that there are serious issues to be addressed including among others, the EAC having become a project “wealth creation” for some individuals. We are not opposed to wealth creation but it should be a conclusion or product of hard work, integrity, prudent financial management which should be our major driving force.
- EALA will endeavor to curtail the negative non-progressive influence of the F and A Committee. We need to understand the challenges and interests of why the Committee does what it does.

- We will lay the ground for better cooperation between all stakeholders, Organs and Institutions of the Community.

I hope that this meeting will give us a chance to interact and exchange views with the F & A Committee so that we all have a clear understanding of what we need to all do to build a stronger Community together.

I thank you.