

**EAST AFRICAN COMMUNITY
EAST AFRICAN LEGISLATIVE ASSEMBLY**



**REPORT OF THE COMMITTEE ON GENERAL PURPOSE ON
THE EAC SUPPLEMENTARY APPROPRIATION BILL, 2019**



Laid on Table
by the chairperson,
Committee on General
Purpose on 7th March 2019

Ahmed
SCA

Clerk's Chambers
EAC Headquarters
EALA Wing, 3rd Floor
Arusha – TANZANIA

7th March 2019

1.0 INTRODUCTION

In accordance with the provisions of Article 132 of the Treaty for the Establishment of the East African Community and Rules 66 and 75 of the Rules of Procedure of the Assembly, the Chairperson, Council of Ministers presented to the House and read for the first time the EAC Supplementary Appropriations Bill, 2019 on the 27th day of February, 2019. In the same vein, the Chairperson Council of Ministers laid on Table the Financial Statement for the Supplementary Budget for the FY 2018/2019.

Pursuant to Article 49(2)(b) of the Treaty and Rule 67 of the Rules of Procedure, the Rt. Hon. Speaker referred the Supplementary Appropriations Bill and the Financial Statement to the Committee on General Purpose for consideration. Accordingly, the Committee considered the Bill as provided for under Rule 67 and Annex 5 (f) of the Rules of Procedure, and hereby presents its report on the EAC Supplementary Budget for the FY 2018/2019 for consideration and adoption.

2.0 BACKGROUND

Rt. Hon. Speaker,

At its sitting held on 8th June 2018, in Nairobi, Kenya, the Assembly passed a total budget of **USD 99,770,716** for the East African Community for the FY 2018/2019. During the consideration and approval of the Budget, most Organs and Institutions of the EAC remained with a number of unfunded priorities due to the budgetary constraints. Over the course of the financial year, the unfunded priorities continued to affect the effective functioning of these Organs and Institutions.

The Committee was informed that the Council of Ministers in collaboration with the EAC Secretariat managed to mobilise additional resources that will be used to finance some of the unfunded priorities identified during the budget process and other emergencies that arose during budget implementation. During the 37th and 38th Extra Ordinary Meetings of the Council of Ministers, a Supplementary Budget amounting to **USD 12,919,543** was adopted to finance the a number of activities under the EAC Organs and Institutions. The funds are from the following sources: Contribution from the Republic of South Sudan for FY 2016/17 – USD

6,480,084; Burundi contribution to LVFO – USD 517,014; Reserve Fund – USD 1,431,400 and Development Partners – USD 4,251,103.

According to the Schedule of the Supplementary Appropriations Bill, 2019, the Council of Ministers proposes that the Assembly allocates the funds as follows:

Vote Number	Organ/Institution	Amount in USD
001	EAC Secretariat	5,998,394
002	East African Legislative Assembly	1,833,560
003	East African Court of Justice	499,090
004	Lake Victoria Basin Commission	2,125,749
005	East African Science and Technology Commission(EASTCO)	414,277
006	East African Kiswahili Commission	137,600
007	East African Health Research Commission	161,784
008	East African Competition Commission	97,450
009	Inter-University Council for East Africa	549,600
010	Lake Victoria Fisheries Organisation	862,094
	TOTAL	12,679,598



3.0 METHODOLOGY

During the consideration of the Supplementary Appropriations Bill, 2019, the Committee:

- i. Held a meeting with the Chairperson, Council of Ministers, the Secretary General, staff of the EAC Secretariat and Heads of the relevant EAC Organs and Institutions;
- ii. Scrutinised the Bill and the Financial Statement;

- iii. Made reference to the reports of the 37th and 38th Extra Ordinary Meetings of the Council of Ministers, the EAC Budget Act, 2008 and the Financial Rules and Regulations;
- iv. Background paper to the Supplementary Budget;

4.0 EXPENDITURE LINES UNDER THE SUPPLEMENTARY BUDGET

According to the Reports of the 37th and 38th Extra Ordinary Council Meetings held in Arusha, Tanzania, the Council of Ministers adopted, and accordingly requests the Assembly to approve the following expenditure lines under the EAC Supplementary Budget for FY 2018/2019:

PROJECTS AND ACTIVITIES TO BE FUNDED BY SUPPLEMENTARY BUDGET IN FINANCIAL YEAR 2018/19

Organ/Institution	Description of Project or Activity	Funding Source	Amount in USD
EAC Secretariat Office of the Secretary General	At least 12 planned Audit Engagements conducted by end of the Financial Year 2018/19	Partner States	18,600
	To convene 2 quarter meetings of EAC Audit and Risk Committee		41,325
	Consultancy operationalization of the Risk Management framework		30,000
	Provision of legal support to policy meetings of organs and institutions including those outside Arusha		28,500
	Handle litigation at the East African Court of Justice and Partner States Courts		24,000
	Convene and facilitate 2 meetings of legislative draftsman		30,050
	To convene and facilitate meetings of the East African Judicial Education Committee		14,500
	CTC to attend 4 EALA plenary Sessions		Partner States
	Evaluate the 1 st EAC communication policy and strategy	15,000	
		14,025	
	To organize media briefings , live streaming arrange media breakfast engagements for major EAC events	29,000	
	To redesign EAC logo and IEC materials / stationery and launch a campaign on the new brand identity	24,300	

	To print and distribute EAC integration publications (Treaty, Protocols and accessional publications) to stakeholders (12,400
	To Develop and distribute infomercials and programme on EAC integration for dissemination on radio, television and social media platforms		25,300
	Undertake the EAC Media Caravan mission to EAC Programmes and Projects in Partner States		15,600
	To provide administrative services to the Secretariat and EAC to provide fuel and maintenance of vehicles		85,800
	Undertake benchmarking visits to other RECs and International Organisations		15,200
	Engage a Consultant to develop an EAC Protocol Handbook		15,000
	Convene a meeting to validate EAC Protocol Handbook		57,000
	Engage URT Ministry of Lands in relation to Kisongo Plot acquisition	Partner States	9,000
	Liaising with relevant Partner States, Security and intelligence agencies to ensure appropriate security arrangements		24,100
	To improve inter-Organ/Institution/Partner States Communication by extending the benefits of TRIM to relevant offices		19,700
	To procure equipment for setting up a modern records center at EAC Secretariat to cater for all semi current records		27,400
	To improve inter-Organ/Institution/Partner States Communication by extending the benefits of TRIM to relevant offices		24,700
	To procure equipment for setting up a modern records center at EAC Secretariat to cater for all semi current records		34,400
	To submit quarterly VAT claim in Partner States		37,200
	To attend Audit Commission, F & A, Audit and		48,600

	Risk Committee, Council, EALA Committees		
	Capacity Building retreat for Finance Staff		17,800
	To harmonise accounting procedures within all Organs/Institutions		8,250
Office of the Deputy Secretary General, Planning and Infrastructure	Convene the meeting of the Sectoral Council on Finance and Economic Affairs	Partner States	17,600
	Convene the Meetings of the Monetary Affairs Committee to review the roadmap for the EA Monetary Union		14,600
	To hold meetings of the Committee on Fiscal Affairs to develop the Medium Term Convergence Programmes		12,600
	Undertake joint Tourism Promotion at the World Travel Market in London		11,000
	Undertake joint Tourism Promotion at the International Tourism Bourse in Berlin		11,500
	Production , printing and distribution of tourism promotional material		16,000
	To develop Band Manual for EAC Single Tourist Destination		75,550
	To convene a joint EAC Health and EAHRC and EAC Senior Officials to discuss the scope and mandate of the two entities and review the EAC Health Protocol and EAHRC Protocol		35,500
	To convene a regional workshop to develop investments cases and bankable projects for the 9 EAC Regional Health Sector Investment Priorities in the context of the Universal Health Coverage agenda		56,930
	To convene a regional meeting to commence negotiations on Mutual Recognition Agreement for priority Health Professions and joint inspection of Medical and Health Professionals training institutions		47,735

	To hold meetings of the EAC joint Technical Committee on the operationalisation on EAC search and rescue agreements		8,500
	To conduct an aeronautical and maritime table top joint exercise in order to implement the harmonised EAC SAR Plan		30,000
Office of Deputy Secretary General (Political Federation)	Regional Benchmarking to understand governance modalities and political dynamics, conflict management, mediation and decision making		65,100
	International benchmarking to understand governments dynamics, conflict management, mediation and decision making		78,528
	Constitution Experts retreat to develop issue paper for national consultation		92,800
	Attend two tripartite meetings		24,500
	Attend AU Summit Heads of State and Government Meetings		29,800
	Attend the World Bank Spring Session		10,000
	Attend Workshops of NEPAD and UNECA		12,600
	Attend Regional Coordination Mechanism Meetings		19,200
	Convene meetings of Sectoral Council		16,000
Office of the Director General of Customs and	Printing and Publishing Customs and Trade Instruments	Partner States	20,000

Trade	To convene post budget meetings to access implementation of national budgets after review of regional customs instruments		5,000
	To convene meetings of the Committee on Customs to consider proposals to Customs Instruments for implementation in the region		5,000
	To convene meetings of the Sectoral Committee on Trade to develop trade instruments		2,500
	Present Customs and Trade Instruments to Summit, Council and F & A		19,000
	To convene meetings of the Sectoral Council of Ministers to adopt and approve Customs and Trade Instruments		6,250
	Conduct meetings by experts and EAC Staff to develop EAC, EU, EPA and COMESA/EAC/SADC Tripartite Customs Instruments		51,400
	To conduct M & E Missions by EAC Staff to evaluate operationalisation of SCT		70,500
	To conduct meetings to roll out the integrated and centralised customs systems to support SCT processes in the region		108,250
	Convene meetings of Experts to review the laws and regulations		16,200
	Proposed amendments presented to Council for consideration		13,750
	Hold EAC Steering Committee meetings to prepare for the EAC Jua Kali Exhibition		12,200
	Hold the EAC Jua Kali Exhibition		73,200
	Facilitate quarterly meetings of the national monitoring Committees on NTBs to deliberate on the EAC Time bound programme		93,850

	Facilitate quarterly meetings of regional monitoring committees on NTBs to deliberate on the EAC time bound program on elimination of identified NTBs		34,900
	Convene national and regional workshops on selected thematic areas under TFTA		13,800
	Convene EAC preparatory meetings on TFTA and TFTA negotiations		14,175
	To hold multi stakeholder consultative meetings to consider and review the proposed mechanism for removal of restriction in trade in services		28,900
	To convene multi-stakeholder regulating bodies, private sector players and civil society organisation consultative meetings, dialogues and debates at the national, regional and international levels		30,800
	Undertake mission to gazette the harmonised standards as per the statutory requirements		10,750
	Hold regional meetings of the joint legal and technical experts to finalise the review of the EAC quality infrastructure		54,000
Sub Total	Contribution from RSS	Partner States	2,375,468
	Facilitation of delegates from the Republic of Burundi and Republic of South Sudan to participate in meetings funded by GIZ	General Reserve	81,400
	Salaries, procurement and office furniture under the 50 million African Women Speak Networking Platform Project	African Development Bank (AfDB)	91,100
	Implementation of Phase III of the EAC MRH Programme	Bill & Melinda Gates	500,000
	EAC Statistics Development and Harmonisation Regional Project	World Bank	1,017,516

	Finalise the EAC Regional Assessment of the status of integration of Reproductive Maternal New-born and Child Health and HIV/AIDs in the Partner States under the East African Community Integrated Health Programme (EIHP)	Swedish International Development Agency (SIDA)	80,000
	The Baseline Assessment to document the Prevalence, sensitivity patterns, management practices for sexually transmitted infections (STIs) in the EAC Region "EAC Boresha Huduma STI Study"	Swedish International Development Agency (SIDA)	457,950
	EAC Network of Public Health Reference Laboratories for Communicable Diseases	KfW Germany Government	514,250
	Technical Cooperation facility program estimate	European Union	439,112
	Enhance the capacity of private sector of RSS to engage with and benefit from Regional Integration	GIZ	95,813
	Support design and implementation of improved management processes to improve performance, quality and internal cooperation of the EAC Secretariat	GIZ	74,827
	Financial Sector Development and Regionalisation Project 1	WB	270,958
	Activities to be funded by contribution from the Republic of South Sudan to EAC for FY 2016/2017	Partner States	2,375,468
Total – EAC Secretariat			5,998,394
Organ/Institution	Description of Project or Activity	Funding Source	Amount in USD
EAST AFRICAN LEGISLATIVE ASSEMBLY (EALA)	To promote functional relations between the EALA and the RSS Parliament	Partner States	157,000
	Facilitate the hosting of the Annual EAC Inter-Parliamentary Relations Seminar (Nanyuki XI) in the RSS		589,960
	To undertake outreach and sensitisation activities in the RSS		304,250

	To engage a consultant to develop the EALA Strategic Plan 2019-2023 (191,650)		191,650
	Facilitate EALA Committees to interface with Committees of RSS Parliament		590,700
Sub-Total			1,833,560
EAST AFRICAN COURT OF JUSTICE (EACJ)	Sensitisation of Judges, Lawyers and NGOs of RSS	Partner States	23,250
	Establishment of the Sub-Registry in the RSS		121,490
	Recruitment of Court Clerk in the RSS		72,750
	To launch the sub-registry in RSS		117,850
	Training on case management system to the judges and lawyers of RSS		163,750
Sub- Total			499,090
LAKE VICTORIA BASIN COMMISSION (LVBC)	To undertake resource mobilisation for new Projects and Programmes	Partner States	15,300
	To purchase a new motor vehicle for LVBC Executive Secretary		80,000
	Undertake recruitment of LVBC Staff		23,475
	To organise a review workshop for LVBC resource mobilisation strategy		51,900
	To organise a validation workshop of LVBC resource mobilisation strategy		39,150
	To organise LVBC Strategic Dialogue Forum		53,050
	To organise awareness of Lake Victoria Act 2007 and its regulations		36,359
To organise awareness of regional oil spill contingency plan		42,735	
	Lake Victoria Water and Sanitation Project (LVWATSAN Programme II)	African Development Bank (AfDB)	218,250
	Planning for resilience in East African through policy, adaption, research and economic	United States Agency for International	215,530

	development (PREPARED) Programme	Development (USAID)	
Sub Total	Contribution from the Republic of South Sudan to EAC for FY 2016/2017	Partner States	341,969
	Construction of the LVBC Headquarters in Kisumu, Kenya	General Reserve	1,350,000
Total for LVBC			2,125,749
EAST AFRICAN SCIENCE AND TECHNOLOGY COMMISSION (EASTEKO)	To conduct consultation meeting with Ministries responsible for Science and Technology	Partner States	25,325
	To hold sensitisation workshops for stakeholders in science and technology		22,050
	To assess the status of science and technology policies in RSS		35,525
	To provide assistance in the government of RSS for development of tools for setting up relevant institutional framework for science technology and innovation		20,330
	To conduct a capacity building with training in RSS Science and Technology Institutions		35,250
	Implementation of the EAC Regional Science, Technology and Innovation Forum	African Development Bank (AfDB)	136,110
	Development of Innovation – Led Bio Economy Strategy for East Africa with funds from Bioinnovate Africa	Bioinnovate Africa	109,260
	Support the Development of the EAC Regional Policy for Science, Technology and innovation, with funds from UNESCO for FY 2017-18	UNESCO	
Total EASTEKO			414,277
Organ/Institution	Description of Project or Activity	Funding Source	Amount in USD
EAST AFRICAN KISWAHILI COMMISSION (EAKC)	Hold stakeholders consultative meeting to design programmes and projects aimed at developing Kiswahili	Partner States	38,000
	Conduct research on the use of Kiswahili in EAC		

	integration and sustainable development	Partner States	
	Attend stakeholder meetings that contribute to the functioning of the Commission		55,600
			44,000
Total for EAKC			137,600
EAST AFRICAN HEALTH RESEARCH COMMISSION (EAHRC)	To convene stakeholder meetings in the RSS to familiarise RSS with the EAHRC	Partner States	37,400
	To hold meetings of EAHRC expert working Groups to finalise the development of a comprehensive EAC regional cholera programme.		36,180
	To publish the book of abstracts on cholera outbreaks and the report on cholera whole Genome Sequencing and Bioinformatics Research Work		12,000
	To conduct reviews on cholera outbreaks and develop GIS based cholera Hot spots in EAC Partner States		12,000
	Staff Personal Emoluments		15,758
	Pay staff gratuity		2,563
	Pay staff consolidated allowances		29,423
Total for EAHRC			161,784
EAST AFRICAN COMPETITION AUTHORITY (EACA)	To hire consultants to develop EAC mergers and acquisitions threshold	Partner States	30,000
	To hire consultants to develop EAC Mergers and acquisitions notification filing fee regulations		30,000
	To hire consultants to develop referral regulations between EAC Competition Authority and other regional competition agencies		30,000
	Facilitate consultant undertake consultations on		7,450

	EAC merger regulations		
Total for EACA			97,450
INTER-UNIVERSITY COUNCIL FOR EAST AFRICA (IUCEA)	Conduct leadership workshops for vice chancellors	Partner States	54,420
	Hold sensitisation workshop for the media and higher education stakeholders based in RSS		36,200
	Conduct a dissemination and training workshop for Deans and Heads of Department		34,050
	Training of quality assurance officers		37,120
	Publication and distribution of IUCEA Policy and Publicity Materials		8,500
	Regional Workshops to produce regional Multi-Disciplinary Research or Project Proposals or funding		112,850
	Procure, subscribe to a research information analytics business entity to provide data on the state of research and publications in the region		60,000
	Publish manuscripts from the EAC region in support of regional scholarship and authorship		30,000
	Provide tickets to 30 students from Partner States who win scholarships to South Korea at Kyundong University Global Campus		60,000
	Hold a briefing and scholarship commissioning meeting at IUCEA for the students		26,460
	Support 12 staff on exchange programme with Kyungdong University Global campus		60,000
Support the development of higher education management information system for higher education in EAC Partner States		30,000	
Total for IUCEA			549,600
LAKE VICTORIA FISHERIES ORGANISATION (LVFO)	Conduction of workshops to introduce the LVFO Strategic Plan 2016 – 2020	Partner States	30,095
	Conduct a scoping assessment missions to RSS on fisheries and aquaculture activities and		30,658

	human resource		
	Conduct sensitisation sessions to introduce RSS to LVFO Regional Harmonised management measures strategies and guidelines		66,050
	Conduct capacity building on implementation of the operational instruments		71,050
	Development of tools for aquaculture data collection and analysis by aquaculture regional technical working group		21,030
	Undertake an assessment of the current status of fish farmers , input producers, feed producers		32,300
	Contribution from the Republic of Burundi		517,011
Sub Total for LVFO			862,094
Grand Total			12,679,598

5.0 OBSERVATIONS

The Committee made the following observations:

- i. It was noted that the Supplementary budget request of USD 12,679,598 presented to the Assembly constitutes 12% of the approved EAC Budget for FY 2018/2019. This is a departure from prudent conventional planning and budgeting practices where the supplementary budget should not exceed 10% of the approved budget for a given financial year.
- ii. The EAC Supplementary Appropriations Bill, 2019 was read for the first time on 27th February 2019 and is due for the Second and Third reading on 7th March, 2019. The time given to the Committee and Members of the Assembly to scrutinise the Bill and other relevant documents on the supplementary budget was not sufficient. The decisions arising out of such

a hastily done exercise may not necessarily be backed by concrete evidence.

- iii. It was observed that the EAC Supplementary Appropriations Bill, 2019 lacks some details of expenditure lines under each Vote which are always reflected in such a Bill. Such information is vital in guiding the Assembly in budget scrutiny and subsequent appropriation.
- iv. It was noted that the contribution of the Republic of South Sudan in FY 2016/2017 amounting to USD 6,480,084 could not be included in the EAC Budget for FY 2016/2017 because the Republic of South Sudan joined the EAC in October 2016 and there was also lack of clarity on the exact amount to be contributed until May 2018 when the Council of Ministers pronounced itself on the matter.
- v. Whereas the Committee appreciates why the contribution of the Republic of South Sudan was not included in the budget for FY 2016/2017, the failure by the Secretariat and the Council of Ministers to include it either in the Supplementary Budget of FY 2017/2018 or the Budget for FY 2018/19 was uncalled for. Such an anomaly reflects badly on our budgeting credentials.
- vi. While the Committee recognises that most of the activities under the supplementary budget for FY 2018/2019 were the unfunded priorities during the budget process, it was noted that the Council of Ministers continues to neglect some sectors or departments/offices such as Productive and Social Sectors.
- vii. Whereas the Committee commends the Council of Ministers for presenting the Supplementary Appropriations Bill to the House, the effective implementation of the planned activities therein will depend on among others, the commitment of the Republic of South Sudan to honour payment of its entire contribution of USD 6,480,084.
- viii. It was observed that as at 5th March, 2019, the total remittances from all the Partner States for FY 2018/2019 stood at 53%. This is not an impressive budget outturn with less than four months to the close of the financial year. The delayed/non-remittance of funds by Partner States continues to affect the effective implementation of the EAC planned activities/programs.

6.0 RECOMMENDATIONS

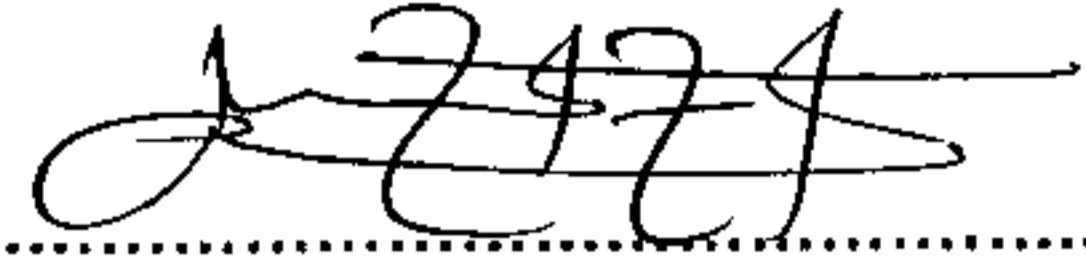
The Committee would like to make the following recommendations:

1. Urge the Council of Ministers to always present the Bills to the House in time to afford Members of the Assembly sufficient time to make appropriate scrutiny.
2. With effect from FY 2019/2020, the Supplementary Appropriations Bill should contain the relevant details and all the relevant documents be submitted alongside the Bill.
3. There is also need for the Council of Ministers to always make a clear distinction between Development and Recurrent Expenditure in the Budget Estimates and the Appropriations Bill.
4. Urge the Secretariat and the Council of Ministers to further engage with the Partner States to honour their contributions to the EAC Budget for FY 2018/2019.
5. Urge the Council of Ministers to always prepare and submit to the Assembly the approve Budget Estimates Book (amendments inclusive) with effect from FY 2019/2020.
6. The Assembly approves the supplementary budget amounting to USD 12,679,598 for FY 2018/2019 and passes the EAC Supplementary Appropriations Bill, 2019.

Mr. Speaker Sir, I beg to report.

**REPORT OF THE COMMITTEE ON GENERAL PURPOSE ON THE EAC
SUPPLEMENTARY APPROPRIATION BILL, 2019**

1. Hon. Aden Omar Abdikadir



2. Hon. Ayason Mukulia Kennedy

3. Hon. Dr. Kalinda Francois Xavier

4. Hon. Dr. Makame Abdullah Hasnuu

5. Hon. Duop Kim Gai

6. Hon. Eng. Maassay Pamela Simon

7. Hon. Gasinzigwa Oda

8. Hon. Gatkek Dut Thomas

9. Hon. Karerwa Mo-Mamo

10. Hon. Namara Dennis

11. Hon. Nduwayo Christopher

12. Hon. Nooru Adan Mohamed

13. Hon. Nzeyimana Leontine

14. Hon. Odongo George Stephen

15. Hon. Opoka-Okumu Christopher

16. Hon. Sergon Jematiah Florence

17. Hon. Maryam Ussi Yahya

18. Hon. Uwumukiza Francoise

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