

EAST AFRICAN COMMUNITY
EAST AFRICAN LEGISLATIVE ASSEMBLY



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**REPORT OF THE COMMITTEE ON GENERAL PURPOSE ON
THE EAC SUPPLEMENTARY BUDGET FOR THE FINANCIAL
YEAR 2018/2019 AND THE EAC SUPPLEMENTARY
APPROPRIATION (NO. 2) BILL, 2019**

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

24TH June 2019

1.0 INTRODUCTION

Rt. Hon. Speaker,

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 (2), 2019 on the 20th day of June, 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

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. In addition to this, during the 4th Meeting of the 2nd Session of the 4th Assembly held from 16th February – 8th March 2019, in Zanzibar, United Republic of Tanzania, the Assembly approved a Supplementary budget amounting to **USD 12,679,598**. During the consideration and approval of the Budget, most Organs and Institutions of the EAC remained with a number of unfunded priorities due to budgetary constraints. Over the course of the financial year, the unfunded priorities continued to affect the effective functioning of these Organs and Institutions.

During the 38th Ordinary Meeting of the Council of Ministers, a Supplementary Budget amounting to **USD 390,000** was adopted to fund some activities under the EAC Secretariat. The funds are from the following sources: Reserve Fund – USD 305,000 and Development Partners – USD 85,000.

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, and staff of the EAC Secretariat;
- ii. Scrutinised the Bill and the Financial Statement; and
- iii. Made reference to the report of the 38th Extra Ordinary Meetings of the Council of Ministers, the EAC Budget Act, 2008 and the Financial Rules and Regulations.

4.0 EXPENDITURE LINES UNDER THE SUPPLEMENTARY BUDGET

According to the Report of the 38th 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 FINANCIAL YEAR 2018/2019

Organ/Institution	Description of Project or Activity	Funding Source	Amount in USD
EAC Secretariat	Repair and maintenance of the EAC Headquarters	EAC General Reserve	305,000
	Hold Negotiations with Development Partners	Government of China	85,000
Grand Total			390,000

5.0 OBSERVATIONS

The Committee made the following observations:

- i. The EAC Supplementary Appropriations Bill (2), 2019 was read for the first time on 20th June 2019 and is due for the Second and Third reading on 26th June, 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.
- ii. It was noted that the torrential rains experienced during the month of March 2019, caused serious damage to sections of the EAC Headquarters building in Arusha. Therefore, a supplementary budget request of an amount of **USD 305,000** is being sought to undertake thorough assessment on the building and carry out repairs on the same building.
- iii. The Committee was informed that in FY 2018/2019, the People's Republic of China gave the EAC a grant of USD 200,000 under the framework agreement on technical cooperation between the EAC and government of Peoples' Republic of China. USD 115,000 of the grant provided was allocated to Transport and Works to engage Development Partners to support implementation of Heads of state infrastructure projects among others.

The Council is seeking for an approval of **USD 85,000** which was the unallocated balance of the Chinese Government grant to convene the Joint Technical Experts Meeting of TMC, Energy, Finance and EAC Affairs to agree on the Roadmap for the next ten years.

- iv. A supplementary budget is a request for additional funding and is usually occasioned by spending pressures and emergencies that arise in the course of the financial year. However, before presenting the supplementary budget to Parliament for approval, the Executive should have secured the requisite additional funds. It was therefore irregular for the Council of Ministers to present to the Assembly for approval of a supplementary budget amounting to **USD**

12,679,598 in March 2019 premised on mere anticipation. Out of the approved supplementary budget, an amount of **USD 6,480,084** was anticipated to come from the Republic of South Sudan, but to-date the money has not been remitted.

6.0 RECOMMENDATIONS

The Committee would like to make the following recommendations:

1. Urge the Council of Ministers to always present the Appropriation Bills to the Assembly in time to afford Members sufficient time to thoroughly scrutinise the budgetary proposals therein.
2. All supplementary budget requests to the Assembly must be made upon securing additional funding.
3. Urge the Council of Ministers and the Secretariat to continuously engage the Partner States to honour their contributions to the EAC Budget to enable the Community implement the approved programs and activities.
4. The Assembly approves the supplementary budget amounting to **USD 390,000** for FY 2018/2019 and passes the EAC Supplementary Appropriation Bill (2), 2019.

Mr. Speaker Sir, I beg to report.

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SUPPLEMENTARY BUDGET FOR THE FINANCIAL YEAR 2018/2019 AND THE
EAC SUPPLEMENTARY APPROPRIATION (NO. 2) BILL, 2019**

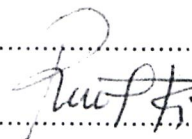
1. Hon. Abdikadir Omar Aden



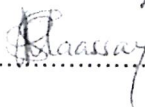
2. Hon. Ayason Mukulia Kennedy



3. Hon. Dr. Kalinda Francois Xavier



4. Hon. Dr. Makame Abdullah Hasnuu



5. Hon. Kim Gai Duop Ruot

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 Françoise

