Approved for tabling.
2/12/15

REPUBLIC OF KENYA

Paper laid
By the Hon F. Kajwang, MP, Chair, Regional Integration
on Wed 2/12/2015

THE NATIONAL ASSEMBLY

ELEVENTH PARLIAMENT – THIRD SESSION
REPORT OF THE COMMITTEE ON REGIONAL INTEGRATION ON THE CONSIDERATION OF THE REPORT OF:

1. THE GENERAL PURPOSE COMMITTEE OF EAST AFRICAN LEGISLATIVE ASSEMBLY (EALA) ON THE EAST AFRICAN COMMUNITY (EAC) ESTIMATES FOR REVENUE AND EXPENDITURE FOR THE YEAR 2015/2016
2. THE EALAS' COMMITTEE ON CCOUNTS ON THE ON-SPOT ASSESMENT OF THE INTERNAL AUDIT SYSTEMS OF THE LAKE VICTORIA BASIN COMMISSIONS, PROJECTS AND PROGRAMME
3. THE EALA'S AGRICULTURE, TOURISM AND NATURAL RESOURCES COMMITTEE ON THE ON-SPOT ASSESMENT OF THE LAKE VICTORIA WATER SUPPLY AND SANITATION PROGRAMME IN THE REPUBLICS OF BURUNDI, RWANDA AND THE UNITED REPUBLIC OF TANZANIA.
4. THE COMMITTEE OF GENERAL PURPOSE OF EALA ON THE EAC ANNUAL REPORT FOR 2012/2013 FINANCIAL YEAR

CLERK'S CHAMBERS
DIRECTORATE OF COMMITTEE SERVICES
PARLIAMENT BUILDINGS
NAIROBI-KENYA **DECEMBER, 2015**

Table of Contents

LIST OF ABBREVIATIONS

AWF	African Water Facility
AfDB	Africa Development Bank Group
CASSOA	Civil Aviation Safety and Security Oversight Agency
CAATS	Computer Aided Audit Technologies
COMESA	Common Market for Eastern and Southern Africa
EAC	East African Community
EACC	East African Competition Commission
EACJ	East African Court of Justice
EALA	East African Legislative Assembly
LVBC	Lake Victoria Basin Commission
LVFO	Lake Victoria Fisheries Organization
LVWATSAN	Lake Victoria Water Supply and Sanitation
LVWATSAN II	Lake Victoria Water Supply and Sanitation Programme Phase II
MP	Member of Parliament
NORAD	Norwegian Agency for Development Cooperation
NTBs	Non-Tariff Barriers
REGIDESO	Regle De production et de Distribution de L'eau a de L'Ectricite
RPSC	Regional Policy Steering Committee
SADC	Southern African Development Community
SMEs	Small and Medium Enterprises
SPS	Sanitary and Phyto-Sanitary
TFTA	Tripartite Free Trade Area
USAID	United States of America International Development
USD	United States of America Dollar

REPORT ON THE CONSIDERATION OF THE VARIOUS REPORTS OF THE COMMITTEES OF THE EAST AFRICAN LEGISLATIVE ASSEMBLY

1.0 PREFACE

1.1 Establishment and Mandate of the Committee

Mr. Speaker, Sir

The Committee on Regional Integration is one of the Select Committees of the National Assembly established under Standing Order 212 and mandated to, inter alia; **'enhance the role of the House in intensification and development of the integration process in the East African Community and the greater African region'.**

1.2 Committee Membership

Mr. Speaker, Sir

The Committee on Regional Integration was constituted by the House on Thursday 2nd May, 2013 comprising of the following members:

1. Hon. Florence Kajuju, MP **(Chairperson)**
2. Hon. Christopher Nakuleu, MP **(Vice Chairperson)**
3. Hon. David Ouma Ochieng, MP
4. Hon. Dan Kazungu, MP
5. Hon. Bady Twalib Bady, MP
6. Hon. Robert Mbui, MP
7. Hon. Anyanga Andrew Toboso, MP
8. Hon. Florence Mwikali Mutua, MP
9. Hon. Ogendo Rose Nyamunga, MP
10. Hon. Charles Mutisya Nyamai, MP
11. Hon. Alois Lentoimaga, MP
12. Hon. Anthony Kimaru, MP
13. Hon. David Kariithi, MP
14. Hon. Wanjiku Muhia, MP
15. Hon. Murungi Kathuri, MP
16. Hon. Ali Wario, MP

17. Hon. Eric Keter, MP
18. Hon. Mary Seneta, MP
19. Hon. Gideon Konchella, MP
20. Hon. Dido Ali Rasso, MP
21. Hon. Ann Nyokabi, MP
22. Hon. Emmanuel Wangwe, MP
23. Hon. Peter Shehe, MP
24. Hon. Alex Mwiru, MP
25. Hon. Mark Lomunokol, MP
26. Hon. Sarah Korere, MP
27. Hon. Cyprian Kubai Iringo, MP
28. Hon. Timothy Bosire, MP
29. Hon. Joseph Kahangara, MP

1.3 Committee Proceedings

Mr. Speaker, Sir,

The Committee held a total of three (3) sittings where it met with various stakeholders during the consideration of the various Reports from the East African Legislative Assembly (EALA).

1.4 Subject Matter before the Committee

Mr. Speaker Sir,

Article 65 (a) of the Treaty for the establishment of the EAC requires the Clerk of the East African Legislative Assembly (EALA) to as soon as practicable transmit to the Clerks of the National Assemblies of the Partner States copies of the records of all relevant debates of the meetings of the Assembly to be laid before the National Assemblies, by the respective Ministers responsible for East African Community affairs.

It is in furtherance of this that the following reports were tabled on 9th July, 2015 by the Leader of Majority Party and subsequently committed to the Committee on Regional Integration for action in line with its mandate:

a) **Report of the General Purpose Committee of EALA on the EAC Estimates of Revenue and Expenditures for 2015/2016 Financial Year**
b) **Report of the EALA's Committee on Accounts on the on-spot assessment of the internal audit systems of the Lake Victoria Basin Commission, projects and programmes**
c) **Report of the EALA's Committee on Agriculture, Tourism and Natural Resources Committee on the on-spot assessment of the Lake Victorian water supply and sanitation programme in the Republics of Burundi, Rwanda and The United Republic of Tanzania**
d) **Report of the General Purpose Committee of EALA on the EAC Annual Report for 2012/2013 Financial Year**

The following is a highlight on the reports:

a) **Report of the General Purpose Committee of EALA on the EAC Estimates of Revenue and Expenditures for 2015/2016 Financial Year**

The annual estimates of revenue and expenditures of the East African Community (EAC) are presented to the East African Legislative Assembly (EALA) for consideration and approval pursuant to the provisions of Articles 49(2) & 132 of the Treaty for the establishment of the East African Community as well as Rules 74, 75, 76, 77 and 78 of the Rules of Procedure of the Assembly.

The EALA's Committee on General Purpose is mandated to analyze the budget proposals and make recommendations to the Assembly. The estimates of revenue and expenditure of the EAC for financial year 2015/2016 was tabled before the Assembly by the Council of Ministers on Thursday 14th May 2015 and was subsequently referred to the Assembly's Committee on General Purpose for its consideration. The EALA

Committee on General Purpose did its report on the estimates which was subsequently tabled to the Assembly and adopted by the Assembly.

The Report of the General Purpose Committee of EALA on the EAC Estimates of Revenue and Expenditures for 2015/2016 Financial Year was subsequently transmitted by Clerk of EALA to the various Parliaments of the Partner States in line with Article 65 of the EAC Treaty. The report was tabled in the National Assembly of Kenya 9th July 2015 and was subsequently committed to the Committee on Regional Integration to review and examine the estimates of revenue and expenditures for the East African Community (EAC) for 2015/2016 financial year for consideration and action by the House.

b) Report of the EALA's Committee on Accounts on the on-spot assessment of the internal audit systems of the Lake Victoria Basin Commission, projects and programmes

According to the Rules of Procedure of the East African Legislative Assembly (EALA), the Committee on Accounts of the Assembly is mandated to:-

i) Carry out a post audit review and scrutiny of the expenditure incurred by the EAC Secretariat, the organs and the Institutions of the Community
ii) Carry out post audit review and scrutiny of the expenditure on the basis of an annual audit report of the Audit Commission, Pursuant to provisions of Article 49(2) (c) and 134 of the Treaty for the Establishment of the EAC.
iii) Carry out post audit function that encompasses the need to monitor the implementation of the budget in a manner similar to internal audit, pursuant to rule 72(1) of the Rules of Procedure of the Assembly.
iv) Present a report with recommendations to the House for debate and adoption after the on-spot assessment.

The East African Legislative Assembly's (EALA's) Committee on Accounts in its review and consideration of the East African Community (EAC) audited financial statements for

the year ended 30th June 2013 reported a number of audit queries on the LVBC among other institutions and organs of the Community.

The audit queries were largely on financial management and lack of strong internal audit unit and the inefficiency of management. It is against this background that the Committee on Accounts decided to carry out an oversight assessment of the internal audit functions of the LVBC; its programmes and projects from 1st to 6th February 2015 in Kisumu, Kenya.

The on-spot assessment of the internal audit systems of the Lake Victoria Basin Commission, projects and programmes focused on the following objectives:

i) To assess whether the internal audit unit discharges its professional duties to the commission and its projects and programmes;
ii) To establish if LVBC uses modern auditing techniques and new applied technologies to assist them in carrying out their duties;
iii) To understand any related challenges facing the internal audit systems of the LVBC;
iv) To strengthen the internal audit unit of the LVBC through appropriate internal audit policies and procedures in accordance with international standards;
v) To recommend on the improvement of the functioning of Commission, projects and programmes; and
vi) To understand the entire functioning of LVBC Secretariat; projects and programs affiliated thereto.

The on-spot assessment mainly looked into: Functioning of the projects and programmes; Functioning of the Internal audit unit with an emphasis on the following areas:

a) Role of internal audit unit;
b) Reports of the internal audit unit;
c) Reporting and structure of the internal audit unit;
d) Systems control;
e) Relationship with management;

f) Annual audit plans

g) Challenges faced by the internal audit; and

h) Any other related internal audit matters;

During the on-spot assessment, the Committee met the Deputy Executive Secretary (Finance and Administration) of the East African Community; the Deputy Secretary of the LVBC (projects and programmes); the Principal Internal Auditor; and the Officers of the LVBC.

c) Report of the Agriculture, Tourism and Natural Resources Committee on the on-spot assessment of the Lake Victorian water supply and sanitation programme in the Republics of Burundi, Rwanda and The United Republic of Tanzania

The East African Legislative Assembly's (EALA's) Committee on Agriculture, Tourism and Natural Resources undertook a five day on-spot assessment of the Lake Victoria Water Supply and Sanitation Programme Phase II (LVWATSAN II) in the Republic of Burundi, the Republic of Rwanda and the United Republic of Tanzania. This was a follow up of the previous assessment undertaken by the Committee in the year 2012.

The phase I of the LVWATSAN program focused on 10 secondary towns within the Partner States of Uganda, Kenya and Tanzania, with the support of the UN-HABITAT. The ten secondary towns included: Kisii, Homa Bay and Bondo in Kenya, Nyendo/Ssenyange, Bugembe, and Kyatera in Uganda, Bukoba, Bunda and Muleba in Tanzania, and the border town of Mutukula.

Phase II of the project was introduced to cater for new secondary towns. In the Republic of Burundi the phase focuses on Ngozi, Muyinga and Kayanza; In Kenya, it covers Keroka, Kericho and Isebania; in Rwanda it covers Kayonza, Nyagatare and Nyanza; in the United Republic of Tanzania it focuses on Geita, Sengerema and Nansio; and in the Republic of Uganda it focuses on Mayuge, Buwama-Kayabwe-Bukakata and Ntungamo. The investment plan preparation for the 15 secondary towns was supported by the African Water Facility (AWF) of the Africa Development Bank Group (AfDB),

which culminated into the support by AfDB for the physical implementation of the second phase of LVWATSAN.

The current project is estimated to cost about USD 121 million comprising of USD 108 million (89.07%) grant from AfDB and the Partner States contribution of USD 13 million (10.935). The outcome of the programme when fully implemented is to achieve 85% coverage in water supply and 80% coverage in sanitation on the target towns. It will also significantly reduce the waste entering into Lake Victoria and hence will improve the ecosystem of the lake.

1.5 Summary of the EAC Estimates of Expenditure for 2015/2016 Financial Year

Mr. Speaker Sir,

The EAC Council of Ministers requested EALA to approve an expenditure totaling USD 110,660,098 excluding Civil Aviation Safety and Security Oversight Agency (CASSOA) for the financial year 2015/2016 compared to USD 126,069,625 for 2014/2015 financial representing a reduction in the total budget of EAC and its organs by approximately 12 percent. The funds for which approval was sought are to realize the broader objectives of this year's EAC budget theme which is "Consolidating the EAC Common Market Protocol and Implementing of the Monetary Union Protocol" The summary of the total estimates and revenues for 2015/2016 financial year for the EAC is attached as Annex One (1) to this report.

Mr. Speaker Sir,

The reduction in the budget is attributable to factors such as phase out of some projects funded by Development Partners as well as revised work plans by some key development partners such as USAID, NORAD and IRCC. The following EAC Organs/Institutions have had a significant reduction in their total expenditure estimates for 2015/2016 financial year compared to 2014/2015 financial year:

(a) A reduction of expenditure estimates for the Inter University Council for East Africa by approximately 52 % from USD 9,411,320 in 2014/2015 financial year to USD 4,507,648 in 2015/2016 financial year.

(b) A reduction of expenditure estimates for the Lake Victoria Basin Commission by approximately 24% from USD 13,372,465 in 2014/2015 financial year to USD 10,137,163 in 2015/2016 financial year.

(c) A reduction of the expenditure estimates for the East African Community Secretariat by approximately 8 % from USD 76,074,052 in 2014/2015 financial year to USD 69,636,849 in 2015/2016 financial year.

(d) A reduction of expenditure estimates for the East African Court of Justice by approximately 6 % from USD 4,582,190 in 2014/2015 financial year to USD 4,301,511 in 2015/2016 financial year.

The following EAC Organs/ Institutions have had an increase in their total expenditure estimates for 2015/2016 financial year compared to 2014/2015 financial year:

(a) An increase of expenditure estimates for the Lake Victoria Fisheries Organization by USD 277,725 (approximately 10 %) from USD 2,813,772 in 2014/2015 financial year to USD 3,091,497 in 2015/2016 financial year.

(b) An increase of expenditure estimates for the East African Science and Technology Commission by USD 46,934 (approximately 7 %) from USD 679,821 in 2014/2015 financial year to USD 726,755 in 2015/2016 financial year.

(c) An increase of expenditure estimates for the East African Kiswahili Commission by USD 34,259 (approximately 5 %) from USD 772,102 in 2014/2015 financial year to USD 756,361 in 2015/2016 financial year.

(d) An increase of expenditure estimates for the East African Legislative Assembly (EALA) by USD 375,810 (approximately 2 %) from USD 15,489,836 in 2014/2015 financial year to USD 15,865,646 in 2015/2016 financial year.

(e) An increase of expenditure estimates for the East African Health Research Commission by USD 11,431 (approximately 1 %) from USD 924,067 in 2014/2015 financial year to USD 935,498 in 2015/2016 financial year.

The East African Competition Commission which was not allocated any expenditure estimates in 2014/2015 financial year has been allocated USD 701,530 in 2015/2016 financial year.

1.6 Summary of the EAC Estimates of Revenue for 2015/2016 Financial Year

Mr. Speaker Sir,

The EAC Expenditures Estimates for 2015/2016 financial year as tradition will be funded mainly from two revenue sources namely: contributions from the EAC Partner States and the development partners. The EAC expects to raise a total revenue of USD 110,660,098 in 2015/2016 financial year comprising of USD 47,566,973 (approximately 43%) as contributions from the Partners States; USD 58,555,635 (approximately 53%) as development partners support, and USD 4,537,490 (approximately 4%) as revenue from other sources.

The contributions from development partners are projected to dip significantly from USD 73,180,446 in 2014/2015 financial year to USD 58,555,635 in 2015/2016 financial year representing a decrease of approximately 20%. The decrease is attributable to the phase out of some projects and re-orientations of priorities areas by some development partners such as USAID, NORAD and IRCC. The contributions from Partners States are projected to increase marginally by approximately USD 608,700 from USD 46,958,273 in 2014/2015 financial year to USD 47,566,973 in 2015/2016 financial year representing an increase of approximately 1.3 %.

1.7 Summary of the Priority Areas in 2015/2016 Financial Year

Mr. Speaker Sir,

The EAC has prioritized ten (10) areas for funding during 2015/2016 financial year. A summary of the allocations of the budget to the ten key priority areas is attached to this report as **Annex Two (2).**

The key priority areas for implementation in 2015/2016 financial year include the following:

1. Corporate Support Services including personnel emoluments and administrative costs which has been allocated a total of USD 42,737,959.

2. Enhanced implementation of the EAC Common Market Protocol which has been allocated a total of USD 41,770,000.
3. Implementation of the EAC Monetary Union which has been allocated a total of USD 5,861,734.
4. Development of EAC Food Security Action Plan and Climate Change Master Strategy which has been allocated a total of USD 5,661,715.
5. Constitution making process for the EAC Political Federation which has been allocated a total of USD 4,855,985.
6. Consolidation of the Single Customs Territory which has been allocated a total of USD 4,059,870.
7. Development of cross border infrastructure which has been allocated a total of USD 3,777,160.
8. Transformation of the EAC into a Common Education Area and Establishment of the East African Examination Body which has been allocated a total of USD 1,099,355.
9. Implementation of the Tripartite Trade Free Area encompassing COMESA-EAC-SADC which has been allocated USD 424,000.
10. Implementation of the EAC Industrialization Policy which has been allocated a total of USD 418,320.

2.0 Committee Observations and Recommendations

Below is a summary of the Committee observations and recommendations on the Report of the General Purpose Committee of EALA on the EAC Estimates of Revenue and Expenditures for 2015/2016 Financial Year

2.1 Committee Observations

(i.) The Committee report has been submitted to the National Assembly without the records of debates and resolutions of EALA on the report contrary to Article 65(a) of the East African Community Treaty.

(ii.) The National Assembly is required by Article 65(c) read together with Article 65(a) of the East African Community Treaty to **note for information** purposes

the records of all relevant debates of the meetings of the EALA (including debates/resolutions on reports) that are be laid before it.

(iii.) The financial year of the Community that runs from 1st July to 30th June as per the provisions of Article 132(7) of the Treaty does not provide a window for participation by the Partner States National Assemblies as anticipated in Article 65 of the Treaty.

(iv.) The Committee observed that there are still very low levels of financial contributions by the Partner States to the Community and that the contributions from development partners are projected to dip significantly from USD 73,180,446 in 2014/2015 financial year to USD 58,555,635 in 2015/2016 financial year representing a decrease of approximately 20%.

(v.) The Committee observed that there is persistent failure by Member States to promptly remit their annual contributions to the Community to facilitate the activities of the Community. This delay negatively affects performance of the Council in fulfilling its mandate

(vi.) The Committee noted that there is a considerable mismatch in resource allocation with key priorities and strategic objectives. For example, *'Transformation of the EAC into a Common Education Area and Establishment of the East African Examination Body'* has been allocated a total of USD 1,099,355 representing approximately 1% of the total expenditure estimates.

(vii.) The Committee concurred with EALA that the Social Sector has been continuously underfunded despite the fact that the EAC should be "a people centered" Community.

(viii.) The Committee observed that the Council of Ministers has not concluded the EAC alternative funding mechanism which is expected to unlock other sources of revenue for the community. This delay in conclusion of the EAC alternative funding mechanism negatively affects the resource mobilization of the Community thereby leading to inadequate funding to EAC Organs and Institutions.

2.2 Committee Recommendations

(i.) The Committee recommends that **futures report from EALA should be accompanied with the records of debates and resolutions of EALA on the report in line with Article 65(a) of the East African Community Treaty.**

(ii.) Article 65(a) of the East African Community Treaty which requires the National Assemblies of Partner States to **note for information** purposes the records of all relevant debates of the meetings of the EALA (including debates/resolutions on reports) that are be laid before it is limiting and does not provide the National Assemblies with room for ventilation and making concrete resolutions. **The Council of Ministers should propose an amendment of this Article and any other Article of the Treaty.**

(iii.) The financial year of the Community that runs from 1st July to 30th June as per the provisions of Article 132(7) of the Treaty and in line with Partner States financial year's calendar does not provide a window for participation by the Partner States National Assemblies as anticipated in Article 65 of the Treaty. **The Council of Ministers may consider a proposal to the Summit to change the financial year of the Community to run from September 1 to 31st August to allow a window for the Partner States to pass their Budgets and create adequate time for participation by Partner States Assemblies and the citizens.**

(iv.) Member States should promptly remit their annual contributions to the Community to facilitate the activities of the Community**. This can be solved by delaying the start of the financial year of the Community to run from September 1st to 31st August to allow a window for the Partner States to pass their Budgets and mobilize resources to remit to the Community.**

Below is a summary of the Committee observations and recommendations on the Report of the EALA's committee on accounts on the on-spot assessment of the internal audit systems of the Lake Victoria Basin Commission, projects and programmes:

(i.) To increase the functional coverage of the internal audit unit of the Lake Victoria Basin Commission (LVBC) the **Committee recommends to the assembly to urge the East African Community (EAC) management to recruit more staff in the audit unit.**

(ii.) The committee underscores that internal audit is a core oversight function which it's funding and independence should not be left largely at the mercy of the donors. **The committee urges that the EAC council of ministers to cause the increase of LVBC funding for sustainability and proper execution of the mandate by the internal audit unit.**

(iii.) The committee noted that the accounting system of LVBC is not automated making it difficult to undertake auditing around the computer. **The committee recommends to the assembly to urge the EAC management to provide requisite internal audit professional tools and training to LVBC.**

(iv.) The committee noted the absence of an approved risk management policy making it impossible for the internal audit unit to assess the level of risk management. **The committee recommends to the assembly to urge the EAC management to prevail over the commission to prepare a risk management policy.**

(v.) The committee noted privileges imbalance for staff members of Kenyan nationality working for the commission due to limitations of EAC in partner states due to limitations into negotiated headquarter agreement. **The committee recommends to the assembly to urge the EAC management to engage the Republic of Kenya to negotiate the provisions of the EAC/LVBC headquarters agreement so as to allow Kenyan nationals working for the commission to enjoy same status, privileges and immunities like the rest of the EAC staff.**

(vi.) The committee noted that unlike external audit reports that are submitted to the EAC council of ministers and considered by the EAC legislative assembly, the reports of the internal audit unit are submitted to the LVBC management and the EAC audit and risk committee leaving issues raised in the internal audit reports privy to the management alone. **The committee therefore recommends to the assembly to urge the EAC management to table quarterly internal audit reports to the assembly to enable execution of its oversight purposes.**

(vii.) With regard to project sustainability the committee observed the need to build capacity of all beneficiaries in specific areas for easy management and continuation. **The committee recommends the need for provision of a budget line by the local administration to build capacity of beneficiaries for project sustainability after handover by the partner states.**

(viii.) The committee also noted low absorption of funds by Lake Victoria Water and Sanitation (LVWATSAN) program with only 25% of the budget been absorbed after 80% of the programme time. **The committee recommends to the assembly to urge EAC management to evaluate LVWATSAN programme and establish challenges affecting its absorption capacity.**

Below is a summary of the Committee observations and recommendations on the Report of the Agriculture, Tourism and Natural Resources Committee of EALA on the on-spot assessment of the Lake Victorian water supply and sanitation programme in the Republics of Burundi, Rwanda and The United Republic of Tanzania

3.0 General Observations

The following are the general observations made by the committee on the implementation of the project in the three Partner States:

(i.) More sensitization sessions on proper disposal of garbage into the garbage bins needs to be done particularly at current project stage as well as sensitization of the citizens of EAC on the EAC integration process.

(ii.) The project will change positively the livelihoods of people when it is well implemented. There is need for partner states to ensure the sustainability of the project.

(iii.) The 'No objection' from African Development Bank needs to be fast-tracked with the help of partner states and LVBC.

(iv.) Water harvesting needs to be encouraged particularly for areas that are prone to long period of droughts

(v.) Governments of the EAC partner sates should learn from the project implementation for replication purposes.

(vi.) By-laws need to be put in place by the different Municipal Councils so that the deterrence of littering in towns is addressed.

(vii.) Budgetary constraints are still a major concern within the institutions of the EAC and as such, they are forced to depend on donor funding. About 70% of the EAC budget is donor funded which poses a threat to the implementation of projects. There is need for Partner States to increase their contributions towards this in order to avoid over reliance on donor funding.

(viii.) Low budget absorption rate. Along with this comes slow progress of implementation of projects-This can lead to returning of funds to donors once the anticipated project period elapses.

(ix.) Sensitization within the EAC- most citizens are not aware of regional integration initiatives within the EAC.

4.0 Recommendations

The following are the general recommendations made by the committee on the implementation of the project in the three Partner States:

(i.) Partner states should avoid unnecessary bureaucracy in the implementation of the project

(ii.) Partner states should enhance mass sensitization activities on the necessity of all the components of the project

(iii.) The implementing agencies should ensure that all EAC projects are branded as such

(iv.) Community involvement and partnership should be promoted at all levels

(v.) The house should urge all partner states to ensure that timely disbursement to allow smooth implementation

(vi.) The Cabinet Secretary for EAC should urge the EAC Council of Ministers to provide funds for the recruitment of more staff in the Audit unit of the LVBC as a matter of priority (Internal auditor and Audit assistants

(vii.) The Cabinet Secretary for EAC should urge the EAC Council of ministers to cause the increase of the LVBC funding for sustainability and proper execution of the mandate by the Internal Audit Unit.

(viii.) The Cabinet Secretary for EAC should urge the EAC Secretariat to provide requisite internal audit professional tools and training to LVBC.

(ix.) The Cabinet Secretary for EAC should urge the EAC management to prevail over the Commission to prepare a Risk Management Policy adaptation and implementation road map and start instituting those measures that can be undertaken.

(x.) The Cabinet Secretary for EAC should engage the EAC Secretariat through the Council of Ministers management to renegotiate the provisions of the EAC/LVBC Headquarters Agreement so as to allow Kenyan Nationals working for the Commission to enjoy same status, privileges and immunities like the rest of the EAC staff.

(xi.) The Cabinet Secretary for EAC through the Council of Ministers should direct the EAC Secretariat to evaluate LVWATSAN programme and establish challenges affecting its absorption capacity and act accordingly.

5.0 Acknowledgement

The Committee wishes to record its appreciation to the Office of the Speaker and the Clerk of the National Assembly for facilitation. Further, the Committee is indebted to the staff of the National Assembly. It is their commitment and dedication to duty that made the work of the Committee and production of this Report possible. Finally, I wish to express my appreciation to the Honorable Members of the Committee who sacrificed their time to participate in the activities of the Committee and preparation of this report.

Mr. Speaker, Sir,

On behalf of the Committee, It is therefore my pleasant duty and privilege, on behalf of the Committee on Regional Integration, to commend this Report on the Consideration of the Report of the General Purpose Committee of EALA on the EAC Estimates of Revenue and Expenditures for 2015/2016 financial Year for consideration and approval by the House Pursuant to Standing Order 199.

SIGNED .....

THE HON. FLORENCE KAJUJU, MP

CHAIRPERSON,

COMMITTEE ON REGIONAL INTEGRATION

DATE: 1st Dec. 2015

6.0 CONSIDERATION OF THE REPORT OF THE GENERAL PURPOSE COMMITTEE OF EALA ON THE EAC ESTIMATES OF REVENUE AND EXPENDITURES FOR 2015/2016 FINANCIAL YEAR

6.1 Background

The annual estimates of revenue and expenditures of the East African Community (EAC) are presented to the East African Legislative Assembly (EALA) for consideration and approval pursuant to the provisions of Articles 49(2) & 132 of the Treaty for the establishment of the East African Community as well as Rules 74, 75, 76, 77 and 78 of the Rules of Procedure of the Assembly.

The EALA's Committee on General Purpose is mandated to analyze the budget proposals and make recommendations to the Assembly. The estimates of revenue and expenditure of the EAC for financial year 2015/2016 was tabled before the Assembly by the Council of Ministers on Thursday 14th May 2015 and was subsequently referred to the Assembly's Committee on General Purpose. The report was tabled in the National Assembly of Kenya 9th July 2015 and was subsequently committed to the Committee on Regional Integration to review and examine the estimates of revenue and expenditures for the East African Community (EAC) for 2015/2016 financial year for consideration and action by the House.

The EAC Estimates of Expenditures for 2015/2016 Financial Year

The EAC Council of Ministers requested EALA to approve an expenditure totaling USD 110,660,098 excluding Civil Aviation Safety and Security Oversight Agency (CASSOA) for the financial year 2015/2016 compared to USD 126,069,625 for 2014/2015 financial representing a reduction in the total budget of EAC and its organs by approximately 12 percent. The funds for which approval was sought are to realize the broader objectives of this year's EAC budget theme which is "Consolidating the EAC Common Market Protocol and Implementing of the Monetary Union Protocol"

The reduction in the budget is attributable to factors such as phase out of some projects funded by Development Partners as well as revised work plans by some key development partners such as USAID, NORAD and IRCC. The following EAC Organs/Institutions have had a significant reduction in their total expenditure estimates for 2015/2016 financial year compared to 2014/2015 financial year:

(a) A reduction of expenditure estimates for the Inter University Council for East Africa by approximately 52 % from USD 9,411,320 in 2014/2015 financial year to USD 4,507,648 in 2015/2016 financial year.

(b) A reduction of expenditure estimates for the Lake Victoria Basin Commission by approximately 24% from USD 13,372,465 in 2014/2015 financial year to USD 10,137,163 in 2015/2016 financial year.

(c) A reduction of the expenditure estimates for the East African Community Secretariat by approximately 8 % from USD 76,074,052 in 2014/2015 financial year to USD 69,636,849 in 2015/2016 financial year.

(d) A reduction of expenditure estimates for the East African Court of Justice by approximately 6 % from USD 4,582,190 in 2014/2015 financial year to USD 4,301,511 in 2015/2016 financial year.

The following EAC Organs/ Institutions have had an increase in their total expenditure estimates for 2015/2016 financial year compared to 2014/2015 financial year:

(a) An increase of expenditure estimates for the Lake Victoria Fisheries Organization by USD 277,725 (approximately 10 %) from USD 2,813,772 in 2014/2015 financial year to USD 3,091,497 in 2015/2016 financial year.

(b) An increase of expenditure estimates for the East African Science and Technology Commission by USD 46,934 (approximately 7 %) from USD 679,821 in 2014/2015 financial year to USD 726,755 in 2015/2016 financial year.

(c) An increase of expenditure estimates for the East African Kiswahili Commission by USD 34,259 (approximately 5 %) from USD 772,102 in 2014/2015 financial year to USD 756,361 in 2015/2016 financial year.

(d) An increase of expenditure estimates for the East African Legislative Assembly (EALA) by USD 375,810 (approximately 2 %) from USD 15,489,836 in 2014/2015 financial year to USD 15,865,646 in 2015/2016 financial year.

(e) An increase of expenditure estimates for the East African Health Research Commission by USD 11,431 (approximately 1 %) from USD 924,067 in 2014/2015 financial year to USD 935,498 in 2015/2016 financial year.

The East African Competition Commission (EACC) which was not allocated any expenditure estimates in 2014/2015 financial year has been allocated USD 701,530 in 2015/2016 financial year.

The EAC Estimates of Revenue for 2015/2016 Financial Year

The EAC Expenditures Estimates for 2015/2016 financial year as tradition will be funded mainly from two revenue sources namely: **contributions from the EAC Partner States** and **the development partners**. The EAC expects to raise a total revenue of USD 110,660,098 in 2015/2016 financial year comprising of USD 47,566,973 (approximately 43%) as contributions from the Partners States; USD 58,555,635 (approximately 53%) as development partners support, and USD 4,537,490 (approximately 4%) as revenue from other sources.

The contributions from development partners are projected to dip significantly from USD 73,180,446 in 2014/2015 financial year to USD 58,555,635 in 2015/2016 financial year representing a decrease of approximately 20%. The decrease is attributable to the phase out of some projects and re-orientations of priorities areas by some development partners such as USAID, NORAD and IRCC. The contributions from Partners States are projected to increase marginally by approximately USD 608,700 from USD 46,958,273 in 2014/2015 financial year to USD 47,566,973 in 2015/2016 financial year representing an increase of approximately 1.3 %.

The Key Priority Areas and Major Activities for Implementation by the EAC in 2015/2016 Financial Year

The EAC has prioritized ten (10) areas for funding during 2015/2016 financial year. The key priority areas for implementation in 2015/2016 financial year include the following:

1. Corporate Support Services including personnel emoluments and administrative costs which has been allocated a total of USD 42,737,959.
2. Enhanced implementation of the EAC Common Market Protocol which has been allocated a total of USD 41,770,000.
3. Implementation of the EAC Monetary Union which has been allocated a total of USD 5,861,734.
4. Development of EAC Food Security Action Plan and Climate Change Master Strategy which has been allocated a total of USD 5,661,715.
5. Constitution making process for the EAC Political Federation which has been allocated a total of USD 4,855,985.
6. Consolidation of the Single Customs Territory which has been allocated a total of USD 4,059,870.
7. Development of cross border infrastructure which has been allocated a total of USD 3,777,160.
8. Transformation of the EAC into a Common Education Area and Establishment of the East African Examination Body which has been allocated a total of USD 1,099,355.
9. Implementation of the Tripartite Trade Free Area encompassing COMESA-EAC-SADC which has been allocated USD 424,000.
10. Implementation of the EAC Industrialization Policy which has been allocated a total of USD 418,320.

In line with the 4th EAC Development Strategy 2011/2012-2015/2016, the following are some of the major activities planned for implementation in 2015/2016 financial year:

1. Establishment of the East African Monetary Institute and the East African Statistics Bureau to support transition to a single currency.

2. Consolidating of the Single Customs Territory by developing and implementing the requisite systems and administrative mechanisms s outlined in the roadmap for the implementation of the single Custom Territory.
3. Enhanced implementation of the EAC Common Market Protocol particularly focusing on the implementation of the road map for the new generation East Africa Internationalized e-passport; and the development of the EAC Trading, Payments and Settlements Systems.
4. Implementation of the road map on Constitution making process for the EAC Political Federation.
5. Development of Cross Border Infrastructure in the respective sub-sectors including the following:
    i. Roads – Reconstruction of Arusha-Holili/Taveta-Voi; Reconstruction of Malindi- Lunga Lunga/Horohoro-Bagamoyo road; Study completion of Nyakanazi-Lusahunga-Rusumo/Kayonza Kigali road; Study completion of Nyakanazi Kasulu-Manyovu-Rumonge-Rutunga-Bujumbura.
    ii. Implementation of the vehicle load control law (sensitization coordination of the recalibration and recertification of the weight stations and development of a training curriculum for weigh bridge operators)
    iii. Implementation of the Heads of State directives prioritized projects in railways, ports, inland water ways and energy
    iv. Preparation of the implementation framework of a liberalized EAC air space (preparation of a roadmap for the implementation of the EAC upper flight information region and operationalisation of the EAC Agreements on search and rescue)
    v. Preparation of a policy and regulatory framework for international mobile communications roaming services.
6. Implementation of the EAC Industrialization Policy and Strategy with specific focus on upgrading the competitiveness of the SMEs, strengthening the collection and compilation of industrial statistics for production of biennial

industrial production reports; and strengthening regional collaboration in industrial research, technology and innovation.

7. Implementation of the EAC Food Security Action Plan and Climate Change Strategy with particular focus on the Sanitary and Phyto-Sanitary (SPS) protocol and establishment of a regional agricultural marketing information and early warning system.
8. Harmonization of higher education systems and developing a harmonized EAC Curricula for Pre-Primary, Primary, Secondary Teacher Education Training
9. Conclusion of negotiations of the Tripartite Free Trade Area Agreement encompassing the EAC-COMESA-SADC
10. Implementation of the EAC Peace and Security Initiatives.

6.2 Key Achievements of the EAC in Implementation of the 2014/2015 Financial Year

During the implementation of the 2014/2015 Financial Year, the report noted the following as some of the achievements by the EAC:

(i.) Commencement of pilot tests for clearance of goods under the Single Custom Territory (SCT) on the Central Corridor;

(ii.) Conclusion of the legally-binding mechanisms for elimination of NTBS and forwarding of the proposed legislations to the Assembly (EALA) for consideration;

(iii.) Development of the Legal and Regulatory Framework for EAC Securities Market following the adoption of the first sect of Council Directives on the EAC Security Market (EAC/EX/CM/29/Decision 17). The Council Directives include:

(a) Council Directive of the EAC on Public Offers for Equity Securities;

(b) Council Directive of the EAC on Public Offers for fixed income Securities;

(c) Council Directive of the EAC on Public Offers of Assets Backed Securities (ABS);

(d) Council Directive of the EAC on Collective Investment Securities (CIS);

(e) Council Directive of the EAC on Collective Investment Scheme (CIS);

(f) Council Directive of the EAC on Corporate Governance for Securities Market Intermediaries;

(g) Council Directive of the EAC on Regional Listings in the Securities Market; and

(h) Council Directive of the EAC on Trading and on Secondary Exchange;

(iv.) Ratification of the EAMU Protocol by all the Partner States;

(v.) Commencement of implementation of the Common Market Score Card which will assist Partner States identify areas of slow or limited progress and foster stronger peer learning to accelerate implementation of the Common Market Protocol;

(vi.) The Vehicle Load Control Bill and the One Stop Border Post Bill, both enacted in 2013 are currently undergoing assent and the Secretariat has commenced the development of regulations to support implementation of the two Acts when fully implemented by the Partner States;

(vii.) Construction of One Stop Border Posts (OSBP) which are at various stages of completion at the common borders between the Partner States.

(viii.) Resumption of the Tripartite Free Trade Area (TFTA) negotiations towards finalization of the TFTA agreement for signing by the Head of State and Government at the 3rd Tripartite Summit which was rescheduled for June 2015.

(ix.) Implementation of the EAC Industrialization policy and strategy.

(x.) The approval of the Sanitary and Phyto-Sanitary Measures (SPS); the EAC Food and Nutrition Security Policy; and the EAC Livestock Policy by the Summit.

(xi.) Agreement by the Summit to initiate a Constitution Making process for a political Federation; among others.

6.3 COMMITTEE OBSERVATIONS

The Committee made the following observations on the East African Community (EAC) overall budget for 2015/2016 financial year and the key achievements of the EAC in the implementation of the 2014/2015 financial year's budget:

(i.) The Committee report has been submitted to the National Assembly without the records of debates and resolutions of EALA on the report contrary to Article 65(a) of the East African Community Treaty.

(ii.) The National Assembly is required by Article 65(c) read together with Article 65(a) of the East African Community (EAC) Treaty to **note for information** purposes the records of all relevant debates of the meetings of the EALA (including debates/resolutions on reports) that are be laid before it.

(iii.) The financial year of the Community that runs from 1st July to 30th June as per the provisions of Article 132(7) of the Treaty does not provide a window for public participation by the Partner States National Assemblies as anticipated in Article 65 of the Treaty.

(iv.) The Committee observed that there are still very low levels of financial contributions by the Partner States to the Community and that the contributions from development partners are projected to dip significantly from USD 73,180,446 in 2014/2015 financial year to USD 58,555,635 in 2015/2016 financial year representing a decrease of approximately 20%.

(v.) The Committee observed that there is persistent failure by Member States to promptly remit their annual contributions to the Community to facilitate the activities of the Community. This delay negatively affects performance of the Council in fulfilling its mandate

(vi.) The Committee noted that there is a considerable mismatch in resource allocation with key priorities and strategic objectives. For example, *'Transformation of the EAC into a Common Education Area and Establishment of the East African Examination Body'* has been allocated a total of USD 1,099,355 representing approximately 1% of the total expenditure estimates.

(vii.) The Committee concurred with EALA that the Social Sector has been continuously underfunded despite the fact that the EAC should be "a people centered" Community.

(viii.) The Committee observed that the Council of Ministers has not concluded the EAC alternative funding mechanism which is expected to unlock other sources of

revenue for the community. This delay in conclusion of the EAC alternative funding mechanism negatively affects the resource mobilization of the Community thereby leading to inadequate funding to EAC Organs and Institutions.

7.0 CONSIDERATION OF THE EAC BUDGET ESTIMATES FOR THE FINANCIAL YEAR 2015/2016

7.1 Status of Implementation of the Past Recommendations by EALA and Partner States Assemblies

The Committee of EALA on General Purpose and Accounts observed that EALA has made various recommendations in the past to improve the budget making process. The committee re-emphasized the need for the EAC Secretariat to urgently address the following recommendations which has been made by EALA and Partner States Assemblies:

(a) A process to undertake urgently the review of the EAC Budget Act. The EALA Committee has formed a sub-committee to identify various Sections of the Act that may need to be addressed in the review process.

(b) The need to allocate resources to build the capacity of the EALA in handing the MTEF Budgeting process. This is long overdue and the capacity building needs to be extended to the Partner States Assemblies Committees charged with mandate of handling EAC and regional integration matters.

(c) The need to allocate resources to EALA to hire staff to enhance the capacity of the various committees to handle their mandate effectively.

(d) The need to clarify the roles of Finance and Administration (F and A) which is an advisory Committee of the Council.

7.2 Emerging Issues in the Implementation of the Budget of the EAC

The following are some of the persistent emerging issues noted by the Committee in the budget for 2015/2016 financial year and the implementation of the previous financial year's budget:

(a) **Low levels of Partner States Contribution to the EAC Budget: -** The Community has over time relied on support from development partners to fund its activities. The Committee noted that the contributions from development partners are projected to dip significantly from USD 73,180,446 in 2014/2015 financial year to USD 58,555,635 in 2015/2016 financial year representing a decrease of approximately 20% while the contributions from Partners States are projected to increase marginally by approximately USD 608,700 from USD 46,958,273 in 2014/2015 financial year to USD 47,566,973 in 2015/2016 financial year representing an increase of approximately 1.3 %.

(b) **Delay in remittances by Partner States to the Council: -** The Committee noted that there is persistent failure by Member States to promptly remit their annual contributions to the Council to facilitate the activities of the Community. This delay negatively affects performance of the Council to fulfill its mandate. The Committee also noted that the increased delay/ non-remittance by Partner States raise uncertainties regarding the capacity of the council and the Community to survive as a 'going concern'.

(c) **Misalignment of resources allocation with priorities and strategic objectives of the Community:-**The Committee noted that there is a considerable mismatch in resource allocation with key priorities and strategic objectives. For example, *'Transformation of the EAC into a Common Education Area and Establishment of the East African Examination Body'* has been allocated a total of USD 1,099,355 representing approximately 1% of the total expenditure estimates.

(d) **Excessive travels, slow implementation on Decisions and Directives and need to progress to be made: -** The Committee noted that there continue to be a practice of excessive travels in the implementation of the activities of the Community. The Audit Commission in its audit report for 2012/2013 financial year noted a persistent over expenditure notably on international air tickets and daily subsistence allowance. The Audit report notes that some of the Commission staffs were out of office between 100 to 272 days

implying that the officers were out of the office throughout the financial year. The Committee concurs with EALA that the implementation of and adherence to directives aimed at enhancing cost effectiveness such as optimal use of video conferencing across EAC to curtail need for travel and high expenditure on daily subsistence allowance, was not being adhered to in a desirable or significant degrees.

(e) **Lack of harmonization in budget systems, unit costs on inputs particularly in the EAC Institutions;-** where costs for goods and services differ from approved rates in transfers, transport hire and daily subsistence.

(f) **Persistent underfunding of the Social Sector: -** The Committee concurred with EALA that the Social Sector has been continuously underfunded despite the fact that the EAC should be "a people centered" Community.

(g) **Significantly low absorption of the budget:** - The EALA and indeed the Committee is concerned with the low levels of absorptions of the budget by EAC and its various organs and institutions. This low absorption has been attributed to slow remittance by Partner States, delayed disbursements by the Partner States and development partners, and inflexibility of budget systems and processes among others. However, the continued low absorptions negatively reflect on the EAC and its Partner States commitment on the Community agenda.

(h) **Lack of allocation for the Office of the Secretary General for Emergencies, Mitigation of risk and to address unforeseen circumstances:** The EALA Committee was concerned that the estimates of expenditures for 2015/2016 financial year did not have budget allocation for implementation of the Community Summit Directives such as that of expanded jurisdiction for the East African Court of Justice, among others which would well be catered for by contingency fund along with any other unforeseen needs. The Committee reiterates its recommendations to the Assembly to urge the Council of Ministers to allow flexibility and provide contingency funds and/or

budget flexibility for the Office of the Secretary-General to occasionally, be able to appropriately represent the EAC during emergencies.

(i) **Need for overall strengthening the EAC Public Sensitization Policy, effective communication strategy, prioritization and funding:-** The Committee continues to underscore the vital importance of sensitization of the East Africans in the integration process and premises this on the fact that an optional measure of impact on East Africans and their involvement in the integration process still needs to be made. There is need to provide adequate funding by the Council of Ministers for public sensitization.

(j) **Need for a review of EAC Service Providers Contracts/Agreements terms vis-à-vis service delivery, efficiency and client satisfaction:-**The Committee observed that some service providers do not adhere to the terms of the contract. Concerns have also been raised about the quality of the services with regard to air ticketing, servicing of EAC vehicles and equipments as well as the outstanding issues of due overpayment on the part of AICC with regard to refund of overpayment on rented space in the AICC building. The Committee was further informed during interaction with relevant officials that the insurance contract of the EAC vehicles had actually already expired.

(k) **EAC Alternative Funding Mechanism: -** The Council of Ministers has not concluded the EAC alternative funding mechanism and this delay in conclusion of the EAC alternative funding mechanism negatively affects the resource mobilization of the Community thereby leading to inadequate funding to EAC Organs and Institutions.

7.3 Office Of the Secretary General

The following observations were made on the Office of the Secretary General:

(i.) The need to further curtail excessive travel to comply with the directive on use of video conferencing and holding meetings at headquarters. There is a slow pace of implementation of the directive on video conferencing. The Committee

recommends that the Secretary General should fast-track the directive on use of video conferencing for meeting.

(ii.) The need to strengthen and allocate adequate resources to Corporate Communications so as to increase the levels of public sensitization and citizen outreach.

(iii.) The Audit Commission should be moved to EALA where the budget of the Commission is appropriated.

(iv.) There is inadequate allocation to the EACJ despite the expansion of the jurisdiction of the Court by the Summit. The Committee calls for funding for the Summit Directives and Decisions.

7.4 Office of the Deputy Secretary General, Finance and Administration

The Committee made the following on the expenditure estimates for the Office of the Deputy Secretary General, Finance and Administration:

(i.) The Committee noted that the relevant Offices and Officers in the Secretariat and other Organs and Institutions of the Community have received some capacity building on project management including project preparations, initiation, and fund raising among others.

(ii.) Weak procurements process: - The Committee recommends that the Council of Ministers work closely with the Secretariat to strengthen the procurement process in the community including introducing to the Assembly an EAC Bill on procurement. The Committee observed that issues of procurements of goods and services, renewal of contracts based on end user satisfaction and quality of service delivery still remains a challenge.

(iii.) Status of land ownership of the EAC: - The Committee observed that there is still no clarity on the land ownership of EAC and under what provisions these properties were being utilized as well as the status of the title deeds and values of these assets. **The Committee recommends that the title deeds and ownership of EAC assets be resolved and that the Council of Ministers**

provide resources and direct the Secretariat to undertake asset valuation for all the properties owned by EAC.

7.5 Office of the Deputy Secretary General, Planning and Infrastructure

The Committee made the following observations on the expenditure estimates for the Office of the Deputy Secretary General, Planning and Infrastructure:

(i.) The Committee noted that at least 70% of the total activities in these sectors are targeted to be achieved by way of workshops, conferences and meetings despite the standing directive on the use of video conferencing and curtailing of travel.

(ii.) Lack of clear framework governing the management of consultancies in the Community: - A substantial amount of work and budget of the Community goes towards consultancy assignments. However, the Community lacks a clear framework on the management of consultancies. **The Committee recommends that the Community should be developed a clear framework on management of consultancies assignments.**

7.6 Office of the Deputy Secretary General, Productive and Social Sector

The Committee made the following observations on the expenditure estimates for the Office of the Deputy Secretary General, Productive and Social Sector:

(i.) The Committee observed that despite the Social Sector being the anchor sector of the Community, the resource allocation to the Sector has been inadequate. The EALA Committee recommended that additional resources should be provided to the Sector.

(ii.) The Committee appreciated the efforts of putting in place building blocks for critical environmental work at the Community has been put in place including the EAC Climate Change Policy 2011 and the EAC Climate Change Strategy and Master Plan.

(iii.) The Community should consider funding important areas of investments in the environmental sector by the unit including, but not limited to, developing the EAC Climate Change Bill, facilitating the accreditation of the EAC as the Regional

Implementing Entity (RIE), Capitalization of the EAC Climate Change Fund, to develop an EAC Carbon Credit Exchange Mechanism, to develop a regional Green Growth and Low Emissions Strategy, an EAC Climate Information and Knowledge Management Systems including a Climate Early Warning System, to develop a framework for coordinating work on climate change by various institutions of the Community including climate change work undertaken by the LVBC and LVFO.

7.7 Office of the Deputy Secretary General, Political Federation

The Committee made the following observations on the expenditure estimates for the Office of the Deputy Secretary General, Political Federation:

(i.) The Committee observed that pursuant to Article 59 (3) (c) of the Treaty for the Establishment of the EAC, the Council is required to present a report on progress made by the Community in the development of its common foreign and security policies. The Committee observed that it has been quite a while since any such report was tabled before EALA and Partner State Assemblies and no budget provision has been made in the budget. **The Committee recommends that the progress report of the Council in the development of the common foreign and security policy be tabled before EALA and Partner States regularly.**

(ii.) The Committee observed that there is increased funding by the Community of the budget of the Office of Deputy Secretary, Political Affairs and specifically to the peace and security sectors.

7.8 East African Legislative Assembly

The Committee made the following observations on the expenditure estimates for the East African Legislative Assembly (EALA):

(i.) The overall budget of EALA has increased by approximately 3% compared to the 2014/2015 financial year's expenditures estimates.

(ii.) Inadequate funding to the Committees of the Assembly:- This has affected the operations of the Assembly's Committees.

(iii.) EALA Public Hearings and Sensitization Role: - The Committee noted that there is still limited sensitization of the East African citizens on the activities of the Community. There are inadequate funds allocated to this activity.

(iv.) MTEF Trainings for all Members: - There is need to build the capacity of Members of the Assembly on the MTEF process to enable then scrutinize the budget.

(v.) Support of the East African Parliamentary Institute: - Parliaments of Partner States committed to adopt a one-stop shop Parliamentary capacity building institute to supports members and staffs of Parliaments of the Partner States. The Committee noted that the Council of Ministers is yet to operationalize the Act establishing the institute by providing the start up funds due to EALA worth USD 200,000 for the institute.

(vi.) Funding for car grant for EALA Members: - There is a proposal to provide funds estimated at USD 50,000 as car grants for each of the Members of EALA. The EALA Committee proposed that to make an internal reallocation of USD 1,000,000 towards the car grants.

(vii.) The need for public hearings on Council Bills: - The Committee observed that there is inadequate allocation for the Assembly to undertake public hearings for Bills introduced by the Council to the Assembly. The Partner States Assemblies have also not given adequate consideration for public participation on Community Bills.

7.9 East African Court Of Justice

The Committee noted that despite the expansion of jurisdiction of the East African Court of Justice, adequate resources have not been allocated to EACJ to undertake its mandate in accordance with the expanded jurisdiction.

7.10 Lake Victoria Basin Commission

The Committee expressed concerns over the lack of a legal framework for the operations of the Commission and proposed high level advocacy for the Bill to be expediently reintroduced before the Assembly.

7.11 Lake Victoria Fisheries Organization

The Committee noted that the legal framework for LVFO had been put in place and there are plans to include expansion of the mandate of the organization to include other water bodies. The committee is concerned that the budgetary allocation does not reflect the expanded mandate of the Organization.

7.12 Inter-University Council for East Africa

The Committee noted that IUCEA had in the course of the 2014/2015 financial year received arrears of Partner State contribution from the Partner States. However, the Committee is concerned that the IUCEA is still not receiving adequate funding to undertake its activities.

7.13 EAC Commissions and Kiswahili Council

The Committee noted that the recruitment of key personnel has commenced and is ongoing and the basic operations are ongoing.

7.14 EAC Competition Authority

The Committee observed that funds have been allocated funding to bring into operation the Commission. It is expected that the operationalisation of the Commission will go a long way in promoting fair competition and trade within the Community.

8.0 CONSIDERATION OF THE REPORT OF THE EALA'S COMMITTEE ON ACCOUNTS ON THE ON-SPOT ASSESSMENT OF THE INTERNAL AUDIT SYSTEMS OF THE LAKE VICTORIA BASIN COMMISSION, PROJECTS AND PROGRAMMES

8.1 INTRODUCTION

The East African Legislative Assembly's (EALA's) Committee on Accounts in its review and consideration of the East African Community (EAC) audited financial statements for the year ended 30th June 2013 reported a number of audit queries on the LVBC among other institutions and organs of the Community. The audit queries were largely on financial management and lack of strong internal audit unit and the inefficiency of management. It is against this background that the Committee on Accounts decided to carry out an oversight assessment of the internal audit functions of the LVBC; its programmes and projects from 1st to 6th February 2015 in Kisumu, Kenya.

The on-spot assessment mainly looked into the following:

i) Functioning of the projects and programmes;

ii) Functioning of the Internal audit unit with an emphasis on the following areas:

a) Role of internal audit unit;

b) Reports of the internal audit unit;

c) Reporting and structure of the internal audit unit;

d) Systems control;

e) Relationship with management;

f) Annual audit plans

g) Challenges faced by the internal audit; and

h) Any other related internal audit matters;#

8.2 COMMITTEE OBSERVATIONS AND RECOMMENDATIONS

The summary of the observations and the recommendations are shown in table one (1). The East African Legislative Assembly's (EALA's) Committee on Accounts made the following observations and proposed the following recommendations:

(i.) To increase the functional coverage of the internal audit unit of the Lake Victoria Basin Commission (LVBC) the **committee recommends to the assembly to urge the East African Community (EAC) management to recruit more staff in the audit unit.**

(ii.) The committee underscores that internal audit is a core oversight function which it's funding and independence should not be left largely at the mercy of the donors. **The committee urges that the EAC Council of Ministers to cause the increase of Partner States funding to LVBC for sustainability and proper execution of the mandate by the internal audit unit.**

(iii.) The committee noted that the accounting system of LVBC is not automated making it difficult to undertake auditing around the computer. **The committee recommends to the Assembly to urge the EAC management to provide requisite internal audit professional tools and training to LVBC.**

(iv.) The committee noted the absence of an approved risk management policy making it impossible for the internal audit unit to assess the level of risk management. **The committee recommends to the Assembly to urge the EAC management to prevail over the commission to prepare a risk management policy.**

(v.) The committee noted privileges imbalance for staff members of Kenyan nationality working for the Commission who do not enjoy the same status, privileges and immunities like the rest of EAC/LVBC staff due to limitations into negotiated headquarter agreement. **The Committee recommends to that the Cabinet Secretary for EAC should negotiate the provisions of the EAC/LVBC Headquarters agreement with the Council of Ministers so as to allow Kenyan nationals working for the Commission to enjoy same status, privileges and immunities like the rest of the EAC staff.**

(vi.) The committee noted that unlike external audit reports that are submitted to the EAC council of ministers and considered by the EAC legislative assembly, the reports of the internal audit unit are submitted to the LVBC management and the EAC audit and risk committee leaving issues raised in the internal audit reports privy to the management alone. **The Committee therefore**

recommends to the Assembly to urge the EAC management to table quarterly internal audit reports to the Assembly and to the Partner States Assembly to enable the Assemblies in execution of their oversight mandate.

(vii.) With regard to project sustainability the committee observed the need to build capacity of all beneficiaries in specific areas for easy management and continuation. **The committee recommends the need for provision of a budget line by the local administration to build capacity of beneficiaries for project sustainability after handover by the partner states.**

(viii.) The committee also noted low absorption of funds by Lake Victoria Water and Sanitation (LVWATSAN) program with only 25% of the budget been absorbed after 80% of the programme time. **The committee recommends to the assembly to urge EAC management to evaluate LVWATSAN programme and establish challenges affecting its absorption capacity.**

9.0 CONSIDERATION OF THE REPORT OF THE EALA'S AGRICULTURE, TOURISM AND NATURAL RESOURCES COMMITTEE ON THE ON-SPOT ASSESSMENT OF THE LAKE VICTORI WATER SUPPLY AND SANITATION PROGRAMME IN THE REPUBLICS OF BURUNDI, RWANDA AND THE UNITED REPUBLIC OF TANZANIA

9.1 INTRODUCTION

The East African Legislative Assembly's (EALA's) Committee on Agriculture, Tourism and Natural Resources undertook a five day on-spot assessment of the Lake Victoria Water Supply and Sanitation Programme Phase II (LVWATSAN II) in the Republic of Burundi, the Republic of Rwanda and the United Republic of Tanzania from 16th -19th February 2015. This was a follow up of the previous on-spot assessment undertaken by the Committee in the year 2012.

The phase I of the LVWATSAN program focused on 10 secondary towns within the Partner States of Uganda, Kenya and Tanzania, with the support of the UN-HABITAT. The ten secondary towns included: Kisii, Homa Bay and Bondo in Kenya, Nyendo/Ssenyange, Bugembe, and Kyatera in Uganda, Bukoba, Bunda and Muleba in Tanzania, and the border town of Mutukula.

The phase II of the project was introduced to cater for new secondary towns. In the Republic of Burundi the phase focuses on Ngozi, Muyinga and Kayanza; In Kenya, it covers Keroka, Kericho and Isebania; in Rwanda it covers Kayonza, Nyagatare and Nyanza; in the United Republic of Tanzania it focuses on Geita, Sengerema and Nansio; and in the Republic of Uganda it focuses on Mayuge, Buwama-Kayabwe-Bukakata and Ntungamo. The investment plan preparation for the 15 secondary towns was supported by the African Water Facility (AWF) of the Africa Development Bank Group (AfDB), which culminated into the support by AfDB for the physical implementation of the second phase of LVWATSAN.

The current project is estimated to cost about USD 121 million comprising of USD 108 million (89.07%) grant from AfDB and the Partner States contribution of USD 13 million (10.93%). The outcome of the programme when fully implemented is to achieve 85% coverage in water supply and 80% coverage in sanitation on the target towns. It will also significantly reduce the waste entering into Lake Victoria and hence will improve the ecosystem of the lake.

9.2 STATUS OF PROJECT IMPLEMENTATION

The LVBC is responsible for overall LVWATSAN phase II program supervision and coordination at regional level, especially regional level capacity building and reporting. The regional level coordination is further strengthened the existing Regional Policy Steering Committee (RPSC) composed of the sector Ministers of the five Partner States and the various technical organs of the EAC.

The implementation phase of the short term interventions of the project has started in visited countries but it noted that all countries are not at the same rate of implementation.

The following are the implementing agencies:

i) REGIDESO for Burundi, a State Parastatal under the ministry of Energy and mines, but the focal ministry is the ministry of Water, Environment, Lands and Urban Planning.

ii) Water and Sanitation Corporation under the Ministry of Infrastructure for Rwanda but now it is the Energy, Water and Sanitation Authority (EWSA).

iii) Mwanza Urban Water and Sewerage Authority (MWAUWASA) for Tanzania, under the Ministry of Water.

9.3 SPECIFIC FINDINGS: COUNTRY BY COUNTRY

The East African Legislative Assembly's (EALA's) Committee on Agriculture, Tourism and Natural Resources made the following country specific findings:

9.3.1 Status of implementation in the Republic of Burundi

The project has started but it is at its initial stage of implementation. The first disbursement was made on March 13th, 2012 and an amount of 295,000 USD was disbursed. The following activities have been implemented:

i. Procurement

(a) Procurement of a consultant to undertake feasibility studies on the implementation of the project

(b) Procurement of IT and office furniture

(c) Procurement of 4 vehicles and 3 motorcycles

(d) Procurement of 6 tractors and trailers, 64 skips, 3 waste exhausters as well as 9 mobile toilets is completed. However, the tractors were found to have technical problems and returned to supplier for replacement.

(e) Recruitment of contractors to start works on water supply was done in February 2015 as bidders were invited.

(f) Construction of 9 blocks of public toilets started on February 6th , 2015 and it will take six months to be finalized

ii. Identification of water catchments areas and space for Public toilets construction

To fast-track implementation of activities on water supply, works have been sub-divided into 3 lots, a lot on water supply by gravitation in Kayanza, a big number of boreholes in Muyinga and Ngozi and for a large number of water supply systems in Muyinga and Ngozi.

The Committee made the following observations:

(a) High citizen expectation

(b) Need for sensitization for sanitation mainly to traders

(c) There was a steering committee which was created to fast-track the project implementation

The Committee observed that the implementation of the Programme faces the following challenges in the Republic of Burundi

(a) Low absorption rate: only 5 per cent of the budget has so far been utilized with 95% still awaiting non-objection clearance for execution of physical activities.

(b) Catchment areas are located in valleys and the region is mountainous

(c) Lack of water mainly in Muyinga province

(d) Low pace of budget disbursement.

(e) Feasibility study took longer than was anticipated.

The Committee made the following recommendations

(a) There is need to work in synergy

(b) Need to fast-track implementation to meet the deadline.

9.3.2 Status of Implementation in the Republic of Rwanda

In Rwanda two sub-committees assessed the project implementation in Nyanza and Kayonza province. The following are the findings:

i. **Nyanza Province, in the Republic of Rwanda, the Committee made the following oobservations**

a) Request for African Development Bank no objection to the evaluation of bids to construct water treatment plant and others was done in August 2014.

b) Starting of contract execution for consultancy to implement hygiene and sanitation promotion would be effective in 14 months from August 2014.

c) Starting of contract execution for supply of faecal suction trucks was effective from May 15th 2014.

d) Only short-term interventions were implemented at a 100% namely sanitation in terms of availing public toilets and storm water drainage.

e) 23% of the budget was disbursed to allow implementation of sanitation and storm water drainage and works were finalized in 2014.

f) Eight neatly constructed toilets were found in Nyanza.

The Committee observed that the implementation of the Programme faces the following challenges in the Republic of Rwanda

There was a challenge with regards to low pace in disbursement of funds, taking into account that the project is scheduled to stop by December 2016.

The Committee made the following observations and recommendations:

There was need to advocate for fast tracking of disbursement to allow finalization of the project implementation.

In Kayonza Province, the Committee noted that public toilets and water drainage system were implemented with the Kayonza youth center, a health center, a public primary school, secondary school, a market, a public playground and a church being the beneficiaries.

The Committee made the following observation

(a) Water supply activities had not begun.

(b) The lack of no objection by ADB was the cause of delay.

(c) Two tractors for garbage collection were awaited in Kayonza.

(d) Exhauster trucks were procured but yet to be delivered.

(e) Water drainage open areas needed to be covered.

(f) The water treatment plant is yet to be built.

(g) The challenge of a perimeter wall along the stretch posing danger.

(h) The entire project infrastructures were guaranteed maintenance by the municipal council.

The Committee made the following recommendations in the implementation in the Republic of Rwanda

(a) Technical staff and local authority were encouraged to invest in water harvesting by using the roof gutters.

(b) The committee recommended that a wall be constructed round the perimeter wall of the drainage system

(c) It was recommended that the technical officers liaise with AfDB offices through LVBC to follow up on the delay and subsequently come up with a way forward.

9.3.3 Findings in the United Republic of Tanzania

In Tanzania, the program is implemented in four (4) towns but the committee visited only two namely Sengerema and Geita towns. They have implemented only two components in the short term interventions involving procurement of goods, improvement of water supply and sanitation situation.

The Committee observed that the implementation of the Programme faces the following challenges in Tanzania

(a) The feasibility studies took longer to negotiate than was anticipated.

(b) Hazardous garbage littering where garbage collectors are available.

(c) Delays in disbursement of funds by AfDB.

The Committee made the following recommendations in the implementation of the Programme in Tanzania:

(a) There was need for sensitization of the users on the proper use of garbage collectors

(b) There is need for the members to plead for disbursement to allow finalization of the project before deadline.

General Observations

The following are the general observations made by the committee on the implementation of the project:

(i.) More sensitization sessions on proper disposal of garbage into the garbage bins needs to be done particularly at current project stage as well as sensitization of the citizens of EAC on the EAC integration process.

(ii.) The project will change positively the livelihoods of people when it is well implemented. There is need for partner states to ensure the sustainability of the project.

(iii.) The No objection from African Development Bank needs to be fast-tracked with the help of partner states and LVBC.

(iv.) Water harvesting needs to be encouraged particularly for areas that are prone to long period of droughts

(v.) Governments of the EAC partner sates should learn from the project implementation for replication purposes.

(vi.) By-laws need to be put in place by the different Municipal Councils so that the deterrence of littering in towns is addressed.

(vii.) Budgetary constraints are still a major concern within the institutions of the EAC and as such, they are forced to depend on donor funding. About 70% of the EAC budget is donor funded which poses a threat to the implementation of projects. There is need for Partner States to increase their contributions towards this in order to avoid over reliance on donor funding.

(viii.) Low budget absorption rate: - Along with this comes slow progress of implementation of projects-This can lead to returning of funds to donors once the anticipated project period elapses.

(ix.) Sensitization within the EAC: - Most citizens are not aware of regional integration initiatives within the EAC.

(x.) There is need for the National Assemblies from the Partner States to visit and familiarize themselves with the various projects and programmes being implemented by the EAC and its organs/Institutions.

(xi.) The implementation of the projects in the various Countries is riddled with various delays and lack of clear procurement procedures.

10.0 Recommendations

The following are the general recommendations made by the committee on the implementation of the project:

(i.) Partner states should avoid unnecessary bureaucracy in the implementation of the project

(ii.) Partner states should enhance mass sensitization activities on the necessity of all the components of the project

(iii.) The implementing agencies should ensure that all EAC projects are branded as such

(iv.) Community involvement and partnership should be promoted at all levels

(v.) The house should urge all partner states to ensure that timely disbursement to allow smooth implementation.

(vi.) EALA should fast-track the enactment of the EAC Procurement Law to provide statutory direction on procurements by the various EAC institutions/organs.

(vii.) EALA should enact legislation on ethics and integrity to guide the EAC institutions/organs in the promotion of good governance in the Community.

Table One: Summary Of Findings and Recommendations of the EALA's Committee On Accounts On the On-Spot Assessment of the Internal Audit Systems of the Lake Victoria Basin Commission, Projects And Programmes

	Issue	Finding	Recommendation
1	**Staffing**	LVBC internal audit unit is staffed with only two auditors and as such the functional coverage is still limited and the available staffs are	The Assembly to urge the EAC management to recruit more staff in the Audit unit of the LVBC as a matter of priority (Internal auditor and Audit assistants).

		stretched. This is a critical issue given the expansion plans of the Commission and projects.	This should not wait for the completion of the institutional review process.
2	**Funding**	The funds availed to LVBC by partner states are not sufficient to enable recruitment of the required staff. It was further revealed that the Partner States disburse only 10% to supplement 90% of the LVBC budget funded by development partners. This does not provide sufficient funds for project monitoring, thus the internal audit unit is left dependent on donor funds to carry out its mandate.	The Assembly to urge the EAC Council of ministers to cause the increase of the LVBC funding for sustainability and proper execution of the mandate by the Internal Audit Unit.
3	**Lack of Automated Audit software**	The Accounting system of the LVBC is not automated (Sun five Accounting Software). However, it is more effective and efficient to audit a computerized system through the computer using Computer Aided Audit Techniques (CAATS) The EAC Secretariat undertook to provide the same in the interests of standardization of the Internal Audit tools across the EAC Organs and Institutions but is yet to complete the	The Assembly to urge the EAC Management to provide requisite internal audit professional tools and training to LVBC as earlier promised.

		process	
4	**Lack of Approved Risk management Policy**	The LVBC lacks an approved Risk Management Policy hence absence of a risk register for the Commission making it impossible for the Internal Audit Unit to assess the level of risk management.	The Assembly to urge the EAC management to prevail over the Commission to prepare a Risk Management Policy adaptation and implementation road map and start instituting those measures that can be undertaken under the current year available resources.
5	**Privileges Imbalance**	Staff members of Kenyan nationality working for the Commission do not enjoy same status, privileges and Immunities like the rest of the EAC/LVBC staff due to limitations in the negotiated Headquarters agreement. The employees working for institutions of the EAC in Partner States don't enjoy similar privileges as those at EAC headquarters	The Assembly to urge the EAC management to engage the Republic of Kenya to renegotiate the provisions of the EAC/LVBC Headquarters Agreement so as to allow Kenyan Nationals working for the Commission to enjoy same status, privileges and immunities like the rest of the EAC staff. Staff privileges in the Community to be harmonized to ensure conformity with the EAC rules and regulations
6	**Reports of the Internal Audit Unit**	Reports of the internal Audit unit are submitted to LVBC Management and the EAC Audit & Risk Committee. Only external audit reports are presented to the EAC Council of Ministers and considered by the EALA. This leaves a number of issues raised in the internal audit reports privy to the management. Best practice would be ensuring the reports are shared with other stakeholders so that issues raised by external auditors	The Assembly to urge the EAC management to table quarterly internal audit reports to the Assembly for oversight

		would mitigate.	
7	**Sustainability of projects and programmes**	The need to build capacity if all beneficiaries in specific areas for easy management and continuation	The Assembly to urge the EAC Council of Ministers to cause provision of a budget line by the local administration to build capacity of beneficiaries and enable management of projects after handover to the Partner States.
8	**LVWATSAN budget absorption capacity**	The LVWATSAN programme has extremely low budget absorption capacity. After 80% of the programme time, only 25% of the budget had been absorbed hence the risk of returning funds to donors	The Assembly to urge the EAC Management to evaluate LVWATSAN programme and establish challenges affecting its absorption capacity and act accordingly

11.0 CONSIDERATION OF THE REPORT OF THE GENERAL PURPOSE OF EALA ON THE EAC ANNUAL REPORT FOR 2012/2013 FINANCIAL YEAR

11.1 Introduction

The annual reports of the East African Community are considered by the Assembly in accordance with The Treaty for the establishment of the EAC and the Rules of Procedure of the Assembly specifically Article 48(3), 49(2)(c), and 49(3) and Rules 80(f) 81(c), and (f).

The mandate of EALA is to consider the EAC Annual Report in accordance with the Treaty provisions which empower the EALA to establish Committees. The Committee on General Purpose is mandated, among others, to carry out oversight on the progress made in the implementation of provisions that address matters of general application on the EAC in relation to its roles and functions.

The EAC annual report for the 2012/2013 was tabled before the Assembly on 3rd September 2014 in Dar es Salaam during its 1st Meeting of the 3rd Session of the Third

Assembly by the Chairperson of the Council of Ministers and committed to the Committee for its consideration. The Committee on General Purpose met in Bujumbura, Burundi on 13th, 16th and 23rd March 2015 to consider the report. The report of the committee was tabled in the Kenya National Assembly 9th July, 2015 and subsequently committed to the Committee on Regional Integration to consider and report back to the National Assembly in line with its mandate.

12.0 OBSERVATIONS AND RECCOMMENDATIONS

The Committee made the following observations:

(i.) The Committee observed that the EAC Annual Report for 2012/2013 financial year was tabled before EALA in September 2014.

(ii.) The Committee observed that the EAC Annual Report for 2012/2013 contained draft financial statements as opposed to the audited accounts as have been the norm.

(iii.) The Committee observed that there is need for meaningful follow up to be made on sectors and activities undertaken by the Community. This was, however being hampered by inadequate skilled staff at the Assembly to facilitate the Committees in terms of research.

(iv.) The Committee observed that the report contained various omissions, errors and misrepresentation including: poor drafting of the report including wrong page numbering, wrongly captioned photographs, and haphazardly cut and pasted photographs and pictures.

(v.) The Committee observed that the report lacks basic information, details and statistics in line with thematic areas of the budget for 2012/2013 financial year. The theme of budget for the financial year was '*Full implementation of the EAC Common Market Protocol, establishment of the East African Monetary Union and laying a strong foundation for an EAC Political Federation*'

(vi.) The Committee observed that the challenges facing the Community have not been included in the report.

(vii.) The Committee observed that there is need to amend the EAC Budget Act 2008 to align the Act with reporting time frames so as to ensure timely preparation and tabling of reports before the Assembly.

The Committee made the following recommendations:

(i.) THAT future EAC Annual Reports should contain audited financial statements and not draft financial statements.

(ii.) THAT future EAC Annual Reports should contained detailed information including vital statistics on trade, investments and such other integration activities. The report should also provide detailed challenges in the implementation of the integration process and provide measures the EAC Secretariat and Council of Ministers is taking to address such challenges.#

(iii.) THAT the EALA should build its capacity of the staff especially in the area of budget analysis, monitoring and evaluation, and research to support the workings of EALA committees in discharging its mandates.

(iv.) THAT the EAC Budget Act 2008 be amended to align reporting timeframes for all budget related reports and documents.

EAST AFRICAN COMMUNITY
EAST AFRICAN LEGISLATIVE ASSEMBLY

REPORT OF THE COMMITTEE ON GENERAL PURPOSE ON THE EAC BUDGET ESTIMATES FOR REVENUE AND EXPENDITURE FOR THE FINANCIAL YEAR 2015/2016

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

19th May 2015

1.0 Introduction

Mr. Speaker Sir,

Pursuant to the provisions of Articles 49 and 132 of the Treaty for the Establishment of the East African Community and in accordance with Rules 74, 75 and Annex 5(F) (2) of the Rules of Procedure of the Assembly, I beg to present to the House for consideration and debate the report of the Committee on the estimates of Revenue and Expenditure of the East African Community for the financial year 2015/2016.

In accordance to the provisions of Articles 49(2) and 132 of the Treaty for establishment of the East African Community as well as Rules 74, 75, 76,77 and 78 of the Rules of Procedure of the Assembly, the Annual Estimates of Revenue and Expenditure of the East African Community in the form of budgetary proposals are presented to the Assembly for consideration and approval. The Committee on General Purpose mandated by the Rules of Procedure of the Assembly through its budgetary function to analyse the proposals and make recommendations thereof to the Assembly. The mandate is specifically premised on Rules 81 (C), (d), (e) and (g) as well as annexes 5(f) (2) (c).

The estimates of revenue and expenditure of the East African Community for the FY 2015/2016 were tabled before the Assembly by the Council of Ministers on Thursday 14th May 2015 and referred to the Committee on General Purpose.

The Council of Ministers requests approval of **USD 110,660,098** (Excluding CASSOA) for the financial year 2015/2016 compared to **USD 126,069,625** for the current financial year 2014/2015. The reduction in budget as the Committee was informed, is due to phase out of some projects funded by Development Partners as well as revised work plans by USAID, NORAD & IRCC. The Committee was informed that the funds for which approval is sought are to realise the broad objectives of this year's budget theme which is the same as the current Financial Year's theme "*Consolidating the EAC Common Market and Implementing of the Monetary Union Protocol*".

In line with the 4th EAC Development Strategy 2011/2012 – 2015/2016, the following major actions are planned for implementation:

a) Establishment of the East African Monetary Institute and the East African Statistics Bureau to support the transition to a single currency;

b) Consolidating of the Single Customs Territory by developing and implementing the requisite systems and administrative mechanisms as outlined in the roadmap for the implementation of the Single Customs Territory;

c) Enhanced implementation of the EAC Common Market Protocol particularly focusing on the implementation of the road map for the new generation East African internationalised e-passport; and development of the EAC trading, payments and settlement systems;

d) Implementation of the road map on constitution making process for the EAC Political Federation;

e) Development of Cross Border Infrastructure in the respective sub-sectors including:

(i) Roads- the Arusha–Holili/Taveta–Voi (reconstruction works) the Malindi – Lunga Lunga/Horohoro – Bagamoyo (reconstruction works); Nyakanazi – Lusahunga – Rusumo/Kayonza Kigali road (study completion); and Nyakanazi Kasulu - Manyovu – Rumonge – Rutunga - Bujumbura (study completion)

(ii) Implementation of the vehicle load control Law (sensitisation coordination of the recalibration and recertification of weigh stations and development of a training curriculum for weigh bridges operators);

(iii) Implementation of Heads of State directives prioritised projects in railways, ports, inland water ways and energy;

(iv) Preparation of the implementation framework of a liberalised EAC air space (preparation of a roadmap for the implementation of the EAC Upper Flight Information Region and operationalization of the EAC Agreement on Search and Rescue).

(v) Preparation of a Policy and Regulatory Framework for international mobile communications roaming services.

f) Implementation of the EAC Industrialisation Policy and Strategy with specific focus on upgrading the competitiveness of the SMEs, strengthening the collection and compilation of industrial statistics for production of biennial industrial production reports; and strengthening regional collaboration in industrial research , technology and innovation;

g) Implementation of the EAC Food Security Action Plan and Climate Change Strategy with particular focus on the SPS protocol and establishment of a regional agricultural marketing information and early warning system;

h) Harmonisation of higher education systems and developing a harmonised EAC Curricular for Pre-primary , Primary, Secondary Teacher Education and training;

i) Conclusion of the negotiations of the Tripartite Free Trade Area Agreement encompassing EAC-COMESA-SADC; and

j) Implementation of EAC Peace and Security initiatives.

For the Community to implement the global priority programmes, the Council of Ministers' request is as shown in Table 1 below. The table also shows the difference in estimates and revenue for the two financial years and the sources of revenue.

TABLE 1: ESTIMATES AND REVENUE FOR FY 2015/16

Planned Expenditure				
Organ/Institution	FY 2014/15	FY 2015/16	Change (US$)	%Change
EAC Secretariat	76,074,052	69,636,849	(6,437,203)	-8%
East African Legislative Assembly	15,489,836	15,865,646	375,810	2%
East African Court of Justice	4,582,190	4,301,551	(280,639)	-6%
Lake Victoria Basin Commission	13,372,465	10,137,163	(3,235,302)	24%
Lake Victoria Fisheries Organisation	2,813,772	3,091,497	277,725	10%
The Inter-University Council for East Africa	9,411, 320	4,507,648	(4,903,672)	-52%
East African Science & Technology Commission	679,821	726,755	46,934	7%
East African Kiswahili Commission	722,102	756,361	34,259	5%
East African Health Research Commission	924,067	935,498	11,431	1%
East African Competition Authority	-	701,530	701,530	0%
TOTAL	**124,069,625**	**110,660,098**	**(13,409,527)**	**-11%**

EXPECTED REVENUE				
SOURCE OF REVENUE	FY 2014/2015	FY 2015/2016	CHANGE	% CHANGE
	(US$)	(US$)	(US$)	
Ministries of EAC Affairs	41,890,538	41,890,538	0	0%
Ministries Responsible for Education	4,060,933	4,122,228	61,295	10%
Ministries Responsible for Fisheries	1,006,802	1,554,207	547,405	54%
Development Partners	73,180,446	58,555,635	(14,624,811)	20%
Other Revenue	3,930,906	4,537,490	606,584	86%
TOTAL	**124,069,625**	**110,660,098**	**(13,409,527)**	**-11%**

Compared to the FY 2014/2015 (USD 124,069,625), the budget for the Financial Year 2015/2016 reflects an overall decrease of 11%.

The sources of Revenue for the budget for 2015/16 is funded with 47.08%, USD 52,104,463 (against 41% in FY 2014/15) contributed by the EAC Partner States and 52.92% (against 59% in FY 2014/15) expected from Development Partners.

Table 2 shows budget allocation and percentage to the priorities for the FY 2015/2016.

Table 2: The allocation of the budget to key priority areas as shown below including percentage of the total budget allocated.

S/N	PRIORITY DESCRIPTION	PARTNER STATES USD	DEVELOPMENT PARTNERS (USD)	TOTAL ALLOCATION (USD)	% OF THE TOTAL BUDGET
1.	Consolidation of the Single Customs Territory	547,935	3,509,935	4,059,870	4%
2.	Enhanced implementation of the EAC Common Market Protocol	20,232,793	21,537,207	41,770,000	38%
3.	Implementation of the EAC Monetary Union	163,125	5,698,609	5,861,734	5%
4.	Implementation of the Tripartite Free Trade Area encompassing COMESA-EAC-SADC	101,100	322,900	424,000	0.40%
5.	Development Cross Border Infrastructure	473,080	3,300,080	3,773,160	3%
6.	Development of the EAC Food Security Action Plan and	222,600	5,439,115	5,661,715	5%

	Climate Change Master Strategy				
7.	Constitution Making Process for the EAC Political Federation	446,330	4,409,655	4,855,985	4%
8.	Implementation of the EAC Industrialisation Policy	65,870	352,450	418,320	0.40%
9.	Transformation of the EAC into a Common Education Area and establishment of the East African Examination Body	847,455	251,900	1,099,355	1%
10.	Corporate support services including personnel emoluments and administrative costs	29,004,175	13,733,784	42,737,959	39%
	TOTAL BUDGET	**52,104,463**	**58,555,635**	**110,660,098**	**100%**

2.0 ACHIEVEMENTS DURING THE FY 2014/2015

2.1 Budget performance and priority programmes for implementation during FY 2014/2015

The priority programmes that were planned for implementation during the last financial year 2014/2015 and the respective achievements and challenges are here below;

The planned programmes in line with the 4th EAC Development Strategy 2011/12-2015/2016 included:

a) Operationalization of a Single Customs Territory;

b) Implementation of the EAC Common Market Protocol;

c) Implementation of the Roadmap towards the establishment of the EAC Monetary Union;

d) Development of the Cross Border structure with particular focus on implementing the decisions of the Summit Retreat on Infrastructure (held in Nairobi on November 2012);

e) Implementation of the Tripartite Free Trade Area (COMESA-EAC-SADC);

f) Implementation of the EAC industrialization Policy and Strategy;

g) Implementation of the Food Security Action Plan and Climate Change Master plan;

h) Sensitization of East Africans on the integration process;

i) Implementation of the EAC strategy on Regional Peace and Security;

j) Implementation of the activities under Political Federation for the East African Community; and

k) Revitalization of the Lake Victoria Fisheries Organization.

2.2 Key achievements during the FY 2014/2015

The Committee was informed that for the period covering the first half of the financial year the achievements were among others;

(i) Commencement of pilot tests for clearance of goods under the Single Customs Territory (SCT) on the Central Corridor;

(ii) Conclusion of the legally–binding mechanism for elimination of NTBS and forwarding of the proposed Legislation to the Assembly for consideration;

(iii) Development of the Legal and Regulatory Framework for EAC Securities Market following the adoption of the first set of Council Directives on the EAC Security Market (EAC/EX/CM/29/Decision17). The Council directives include:

- Council Directive of the EAC on Public offers for Equity Securities;
- Council Directive of the EAC on Public Offers for fixed income Securities;
- Council Directive of the EAC on Public Offers of Assets Backed Securities (ABS);
- Council Directive of the EAC on Collective Investment Securities(CIS);
- Council Directive of the EAC on Collective Investment Schemes (CIS);
- Council Directive of the EAC on Corporate Governance For Securities Market Intermediaries;
- Council Directive of the EAC on Regional Listings in the Securities market; and
- Council Directive of the EAC on Trading and on Secondary Exchange.

(iv) Commencement of implementation of the Common Market Score Card which will assist Partner States identify areas of slow or limited progress and foster stronger peer learning to accelerate implementation of the Common Market Protocol;

(v) Ratification of the EAMU Protocol by all the Partner States;

(vi) The Vehicle Load Control Bill and the One Stop Border Post Bill, both enacted in 2013 are currently undergoing assent and the Secretariat has commenced the development of regulations to support implementation of the two Acts when fully assented to by the Partner States;

(vii) Construction of One Stop Border Post (OSBP) at the common borders between the Partner States. The status of completion of the Border Posts as of November 2014 was as follows;

- Namanga (Kenya/Tanzania) 100% complete on the Tanzania side 40% on the Kenya side.
- Rusumo (Rwanda/ Tanzania) 99% complete on the Tanzania side, 85% on the Kenya side.
- Holili/Taveta (Tanzania/Kenya) 100% complete on the Tanzania side, 85% on the Kenya side.
- Mutukula (Uganda/Tanzania) 96% complete on the Tanzania Side, 70% on the Uganda side.
- Sirari/Isebania (Tanzania/Kenya) 100% on the Tanzania side and 95% on the Kenya side.
- Katuna/Gatuna (Uganda/Rwanda): 70% complete on the Uganda side;
- Kabanga/Kobero (Tanzania/Burundi) 70% complete on the Tanzania side, construction launched on 14th November 2014 on the Burundi side; and
- Mirama Hills/Kagitumba (Uganda/Rwanda): Construction works on both side ongoing (30% complete)

(viii) Resumption of Tripartite Free Trade Area (TFTA) negotiations towards finalization of the TFTA Agreement for signing by the Heads of State and Government at the 3rd Tripartite Summit rescheduled for June 2015;

(ix) Implementation of the EAC Industrialisation policy and strategy. The specific achievement herein include:

A holistic mapping of regional value chains for agri-business; renewable energy and bio-fuels and minerals: iron and ore; launching of a platform for actors in science, research, technology and innovation to, exchange of experiences and learning, as well as joint programming to enhance synergies and scale economies of technological development initiative and development of the regional plan for local pharmaceutical production to ensure access to quality and efficacy medicines;

(x) As part of the implementation of the EAC Food Security Action Plan and Climate Change Master Plan the EAC Protocol on Sanitary and Phyto-Sanitary Measures (SPS) has been approved by the Summit and is undergoing ratification in the EAC Partner States.

Other notable achievements towards implementation of the Action Plan and Master Plan include:

(i) Approval of the EAC Food and Nutrition Security Policy (FNSP);

(ii) Approval of the EAC Livestock Policy;

(iii) Finalisation of the harmonized livestock data capturing instruments and training of livestock experts in the Partner States on the use of Animal Resources information systems II (ARIS II) data management systems; and

(iv) Development of a plan of Action to prepare for and respond to climate change impacts and transform livestock keeping in dry lands in the EAC.

(xi) Review and alignment of the Regional Strategy for Peace and Security to the EAC Protocol on Peace and Security;

(xii) Agreement by the Summit to initiate a Constitution Making process for a Political Federation; and

(xiii) Implementation of the critical activities of Lake Victoria Basin Commission including:

(i) Development of harmonized regional standard for discharge of industrial and municipal effluent into public sewers and water bodies within Lake Victoria Basin; and;

(ii) Establishment of wildlife clubs in 10 Secondary School to advocate for anti-poaching of elephant and rhinos in Maasai Mara and Serengeti.

During the Interaction with DSG P & I, the Committee was informed that attainment of the above mentioned key priority programmes was influenced by several challenges which Include:

(a) A need to fill the US $100 Billion infrastructure gap for the region;
(b) Harmonisation of domestic taxes to facilitate the functioning of the Single Customs Territory;
(c) Political Mobilisation for the full implementation of the Common Market Protocol;
(d) Maintenance of the key macro-economic criteria essential for the Monetary Union;
(e) An unstable/volatile global economic outlook;
(f) Inadequate staffing, particularly delays in filling vacant positions;
(g) Limited financial resources;
(h) Long decision making and budget approval processes; and
(i) Delays in remittances of funds from Partner States to Organs and Institutions of the Community.

Strategies for mitigating the effects of the above challenges will include:

a) Elimination of the NTBs to facilitate growth of trade, thereby enhancing prosperity among the East African Citizens;
b) Implementation of the priority projects in infrastructure, especially in rail transport, energy, ports and harbours as well as inland waterways, and the critical road network required to hasten movement of goods through coordinated sourcing of funds where possible.
c) Finalisation of the Alternative Financing Mechanism for more Sustainable source of funds for implementation of Community projects and programme.

d) Finalisation and implementation of the policy on harmonization of domestic taxes (Income tax, excise tax, VAT) and simplification of tax procedures and harmonization of tax incentives to promote fair competition;

e) Increasing Investment in ICT systems for enhanced efficiency in operations and timely Information;

f) Finalization and implementation of the Institutional Review exercise;

g) Intense follow up on financial commitments and effective delivery on the Community's commitments to the people of East Africa.

3.0 METHODOLOGY

The Committee considered the following documents:

S/N	DOCUMENT
1.	Policy Statement by the Secretary General on the EAC – Budget for FY 2015/2016
2.	EAC – Medium Term Expenditure Framework (MTEF) Budget for FY 2015/2016
3.	EAC Budget Summaries for FY 2015/2016
4.	EAC – Annex to the budget for FY 2015/2016 (Detailed Budget)
5.	EAC – Budget Explanatory Notes for FY 2015/2016
6.	EAC Annual Operational Plan for FY 2015/2016
7.	EAC Procurement Plan for FY 2015/2016
8.	EAC Recruitment Plan FY 2015/2016
9.	EAC Budget Performance FY 2013/2014
10.	EAC Annual Report for FY 2013/2014
11.	31ST Extra Ordinary Meeting of Council of Ministers Report

The Committee also considered the Budget Speech delivered to the Assembly by the Chairperson Council of Ministers on 14th May 2015.

The Committee also requested for and considered MOUs between the Secretary General and the Development Partners and agreements relating to procurement of insurance, travel contracts, leases and service providers.

The Committee further considered previous recommendations adopted by the Assembly contained in the reports of the Committee on consideration of EAC Budget estimates of Revenue and Expenditure of previous Financial Years.

The Committee interacted with the DSG F & A and DSG P&I and Officers from the EAC Organs and Institutions and the EAC Secretary General. The Committee finally met with the Council of Ministers on 18th May 2015.

The Committee considered and discussed the estimates of the Departments of the Organs and Institutions of the EAC with the DSG F & A, the DSG P & I and Technical Officers of the EAC and makes observations and recommendations. The questions and issues raised by the Members and respective responses and explanations provided are herewith attached as **Annex I.**

4.0 CONSIDERATION OF THE BUDGET ESTIMATES FOR THE FY 2015/2016

4.1.1 Improvements observed in the Budget Estimates of Revenue and Expenditure for the FY 2015/2016 and in the course of FY 2014/2015

The Committee appreciates and commends the progress and continued efforts of the EAC Council of Ministers who have continued to maintain notable progress in terms of the integration agenda as well as the visibility and partnership enjoyed by the EAC on an international scale.

In general, this relationship has been improving significantly and is reflected in the steady donor support given to the Community.

The Committee appreciates and commends the role of our Development Partners. The relations between Development Partners and the EAC has been mutually beneficial to both parties. There are areas that requires improvement in this relationship in order to enhance openness, transparency, planning, coordination, productivity and accountability.

The Committee recommends to the Assembly to urge the Council of Ministers and the Secretariat to consider developing a dialogue framework to consider ways and means to enhance the effectiveness of the support the EAC receives from development partners. The framework should seek ways of incorporating the principles of effectiveness of aid including learning from the implementations of the Paris Principles of Aid Effectiveness, Accra Agenda and the Busan Agreement on Developmental Aid.

The Committee would therefore like to register its appreciation to all the Development Partners of the Community who have in many ways contributed to the progress enjoyed by the EAC to date.

The Committee observes that the funding to core sectors is still insignificant in several cases. The Committee would like to encourage and urge the Partner States to increase allocations and significantly improve funding to the social and security sectors as will be elaborated in part 4.2 of this report.

The Committee notes that the Assembly has made various recommendations in the past to improve the budgeting process and reiterates that the following need to be addressed urgently.

a) A process to review the EAC Budget Act needs to be undertaken urgently. The Committee has established a sub-committee to identify various important

elements that need to be addressed in the review process. The sub-committee may include in its recommendations a draft amendment bill to amend the Budget Act.

b) Given the acute need to build the capacity of the Assembly in handling the MTEF budgeting process, and the fact that the request for such capacity building has been pending for the last two years, the Assembly should consider allocating resources for this important activity.

c) The General Purpose and Accounts Committees are charged with the responsibility of assisting the Assembly in matters relating to the scrutiny, appropriation, expenditure and audit of Community resources. These responsibilities require certain technical competencies and capacity. The committee has at various times requested and recommended the hiring of a least two technical persons (one for each committee) to enhance the capacity of handling their statutory obligations. The Committee recommends to the Assembly to facilitate the hiring of the said technical persons.

d) In the past financial years and budgeting processes the role of Finance and Administration (F and A) committee which is an advisory mechanism to the Council, has been questioned by the committee. The Chairperson of the Council of Ministers had promised to clarify their role, particularly in the context that some Members of the Committee had even claimed they were an "Organ of the Community".

The Committee recommends to the Assembly to urge the Council of Ministers to clearly define the role and responsibilities of the finance and administration advisory committee including its terms of reference, the nature of advice it can give the Council and the source and extend of powers allocated to it if any.

4.1.2 A need to budget in alignment with priorities and strategic objectives

The Committee notes a mismatch between the priorities of the Community in the financial year, strategic objectives and respective budgeting within specific sectors. An example in point is priority number 9 which is "Transformation of the EAC into a Common Education Area and establishment of the East African Examination body with corresponding allocation of 1% of the budget. It becomes challenging for consensus to be reached by the Partner States on a Common Education Area if requisite actions and meetings are not adequately funded. The Committee resolved to reallocate funds to some unfunded priorities as will be detailed under the Office of DSG PSS in Part 4.5 of this Report.

4.1.3 A Need to further curtail excessive travel, slow implementation on Decisions and Directives and need for progress to be made

The Committee appreciates that for the past three financial years the Community has invested substantially in the E-conferencing facilities in order to enhance communication, increase efficiency in consultations and/or decision making, reduce costs associated with travel and meetings etc.

The Committee notes that implementation of and adherence to directives aimed at enhancing cost effectiveness such as optimal use of video conferencing across EAC to curtail need for travel and high expenditure on DSA, was not being adhered to in a desirable or significant degree. The Committee being aware of a Decision on criteria of meetings earmarked for use of video conferencing, observes that meetings in this category are still budgeted for in the budget estimates across all Organs and Institutions. The Committee was informed that over 30% of meetings had been earmarked as per the directive and insists that all departments adjust their budgets reflecting the implementation of the directive on video conferencing. There is need to develop guidelines on video conferencing given that the Committee was informed that the system in place does not have the capacity to run all the meetings the Community holds.

The Committee recommends the development of guidelines on the use of the video conferencing system.

In addition, the Committee observed a considerable backlog in implementation of and consistency in budgeting for such decisions leading to intermittent postponement or rescheduling of activities. Examples, includes JAMAFEST which should be held every two years that has received less than 23% of the required funds and a special meeting on Oil and Gas to implement a Summit Directive to convene a special meeting on Oil and Gas for Ministers that has received 0 funding.

The Committee therefore recommends to the Assembly to urge the Council of Ministers to ensure that all their Directives and Decisions be adhered to challenges faced be clarified and measures taken to ensure optimal use of the video conferencing system as well as implementation of all other Directives and Decisions.

The Committee recommends to the Assembly to make prayers to the Summit to complete the process of putting in place an alternative funding mechanism for the Community in order to secure predictable, adequate and sustainable steams of funding for the Community to alleviate such shortages in funds in specific sectors.

The Committee observes that there is still lack of harmonisation in budget systems, unit costs on inputs particularly in the EAC Institutions where cost for goods and services differ from approved rates in transfers, transport hire, DSA, quarter per diems and conference package. This is particularly the case with the IUCEA as it was last Financial Year. IUCEA was required to revise their estimates in conformity with approved EAC rates.

The Committee recommends that costing of goods and services be uniformly applied/harmonised across board and standards and consistency maintained.

Slow implementation is observed with regard to legal instruments such as protocols, tabling of community bills and processes including the Institutional Review which need to be fast tracked.

The Committee recommends to the Assembly to urge the Council of Ministers to institute measures for adherence and implementation as pointed out above.

4.1.4 Chronic/Perpetual underfunding of the Social Sector

The Committee regrets the perceived impression particularly by Partner States officials that the social sector is a "soft" sector that is perpetually underfunded to an extent that is lamentable. The Committee bearing in mind that the Community is people centred, unanimously agreed to effect some reallocation to the extent possible to restore some activities to the sector to allow implementation of activities in addition to what has been budgeted for.

The Committee therefore recommends to the Assembly to urge the Council of Ministers to effect reallocation as will be shown in the recommendation by the Committee. (Annex II)

4.1.5 Significant low Budget performance during the course of the FY 2014/2015

While the Committee was informed of the reasons for the significant low budget performance in the EAC, including slow remittances and delayed disbursements by Partners, inflexibility of budget systems and processes among others. However, the Committee continues to express concern over the continual decline/decrease in performance that may negatively reflect on the East African Community and downward decline that may at a given point in time denote inefficiency or ineffectiveness in real terms. During interaction with the DSG Planning and Infrastructure, the Committee was

assured that the decrease in the budget does not reflect a decrease in activities but given the gross underfunding of particular sectors, the Committee remains concerned.

The Committee further notes that the reasons given could be remedied or reversed by strategic planning, implementation and institutional transformation in the short run and is concerned that this ought to be reflected in the estimates under review. This, in the Committee's view implies business as usual with no intensions for capacity development and reforms.

The Committee is of the view that reallocation be effected if in the opinion of the Committee, output:

(i) Does not reflect value for money;

(ii) Is not based on identified priorities for the year;

(iii) Does not contribute sufficiently to the integration process;

(iv) Has made poor or little returns from resources allocated in previous financial years including budget performance;

(v) Is a hindrance to the integration process; and lastly if it is perceived that;

(vi) Previous recommendations by the Assembly and agreed upon by the Council of Ministers have been disregarded or have not been implemented.

The Committee as a response to point 4.1.4 above recommends that balances of unutilised budgets/funds be reallocated to under-funded sectors and proposals presented to the Assembly be considered and effected through due procedure of retrieval of balances from the Reserve Fund of the EAC.

The unutilised funds eventually transferred to the Reserve Fund at the end of the current Financial Year should be earmarked for the Departments in the Productive and Social Sectors among others (as is annexed to this report)

and as such the respective departments should be directed to prepare the requisite MTEF to be forwarded to the Council and subsequently to the Assembly for consideration as a supplementary request. The Committee further recommends that the Assembly sets up a Select Committee to investigate reasons for the low absorption capacity of Organs and Institutions.

4.1.6 Lack of allocation for the Office of the Secretary General for Emergencies, mitigation of risk and to address unforeseen circumstances

The Committee was concerned that the Estimates for FY 2015/2016 did not have budget proposals for implementation of Summit Directives such as that of expanded jurisdiction for the East African Court of Justice, among others which would well be catered for by a contingency fund along with any other emergent needs confirmed after the preparation and approval of Budget Estimates.

The Committee continues to observe a disregard for budget needs given the prevailing situation in the region namely among others threats of terrorism, natural and manmade disasters as well as emerging situations with refugees. While allocation in terms of security provisions may be possible, the Committee is concerned that a Chief Executive Officer of a regional body is not facilitated to contribute even symbolically in circumstances such as these described above. The Committee reiterates its recommendation to the Assembly to urge the Council of Ministers to allow flexibility and provide contingency funds and/or budget flexibility for the office to occasionally, be able to appropriately represent the EAC during such times.

The Committee recommends to the Assembly to urge the Council of Ministers to allow within the Financial Rules and Regulations such facilitation and discretion.

4.1.7 Need for overall strengthening of EAC Sensitisation Policy, effective communication strategy, prioritisation and funding

The Committee continues to underscore the vital importance of sensitisation of East Africans in the integration process and premises this on the fact that an optional

measure of impact on East Africans and their involvement in the integration process still needs to be made. While the Committee has previously recommended strengthening the Corporate Communication Department to be able to coordinate and spearhead the process, the Committee is of the considered view that efforts have to be enhanced and funding increased to facilitate Organs and Institutions optimally participate both jointly and as entities, in the sensitisation of East Africans. The need is reinforced by the fact that national budgets regrettably, do not adequately fund sensitisation and joint efforts as needed.

The Committee therefore recommends to the Assembly to urge the Council of Ministers to increase funding for sensitisation.

4.1.8 The Need for a review of EAC Service Providers Contracts/Agreements terms vis a viz service delivery, efficiency and client satisfaction

The Committee premises this on the quality of service offered to the EAC beneficiaries that leaves a lot to be desired. The Committee after studying the contracts observes that some service providers do not adhere to terms of the contracts and yet nothing is done about it by EAC Management. AAR services, for example have not been satisfactory to staff and EALA Members but nothing has been done to address these issues. Another case in point is the official vehicle of the Speaker, EALA, that was involved in an accident and EAC is still in negotiations with the provider who does not want to meet terms of the contract.

Concern has also been raised about the quality of service with regard to air ticketing, servicing of EAC vehicles and equipment as well as the outstanding issue of due overpayments on the part of AICC with regard to refund of overpayments on rented space in the AICC Building. The Committee was further informed during interaction with relevant officials that the insurance contract on EAC vehicles had actually already expired. The Committee wonders then how EAC vehicles continue to operate under

such circumstances. Gaps in supervision, monitoring and evaluation of goods and services should be filled.

The Committee recommends that the Assembly urges the Council of Ministers to direct for a review of all service providers and consultants whose services are not up to expected standards and as measures are taken to rectify the problems, new service providers be sought where no improvements are registered. Where necessary procurement policies should be revised to enhance service delivery.

4.1.9 Urgent need to finalise pending processes that are delayed by lack of consensus and yet have immense negative implications on the integration process

The Committee premises this observation on the progress up to date of the Institutional Review process that has delayed for a long time and the failure to recruit adequate staff due to freezing of posts awaiting the same review. All the above delays lead to repeated and repeatedly annulled interview processes, lack of consensus and unclear disputes with recruitment resulting in inconsistencies and delays. In the meantime, staff are overworked and as a result, underperforming on departmental budgets.

In previous financial years, the Community has allocated resources to the Institutional review process. In the considered opinion of the Committee, this process has taken too long and consumed a lot of resources and consequently is impacting negatively on the affairs of the Community.

The Committee recommends to the Assembly to urge the Council of Ministers to ensure that the Institutional review process is completed in the shortest time possible in this coming financial year and no further resources are allocated over and above what is contained in this budget. Further, the Committee recommends to the Assembly to urge the Council of Ministers and the Secretariat to introduce an Institutional Transformation Programme that

may start to implement some of the urgent reforms identified by the institutional review process.

4.1.10 The Need to improve salaries, conditions of service, emoluments for the EAC

The Committee observed that while the EAC suffered from understaffing as pointed out in 4.1.10, the same staff were expected to deliver reasonably on their assignments yet there was need to improve salaries, conditions of service such as enable promotions, giving priority to serving officers and staff during recruitment among others.

The Committee is concerned that while considering the EAC Budget every financial year, inadequate staffing particularly delays and failure to fill vacant positions is cited among the key challenges faced by the Community; there is neither apparent emphasis on measures to correct the problem nor consideration for the Institutional memory, growth and development of the EAC for the long term. It was further observed that the contractual conditions in the EAC were unlike any other RECs and international organisations.

The Committee is very concerned that a critical mass of members of the Secretariat are due to retire and/or complete their tenure of service with the Community within the current MTEF that is by 2017. The following aspects are important for the consideration of the Assembly –

a) That some of the departments. Directories or sections may lose all its staff members at once.
b) That many of the established offices are not yet filled due to either hiring freeze or institutional review etc.
c) The Committee is not aware of any plans to secure institutional memory and/or facilitate smooth and proper hand-over.

d) That the budgetary estimates do not adequately provide the hiring and orientation of new staff members.

e) Based on the above facts, among others, there exist a high risk that services offered by the Secretariat may be affected and the effectiveness of the Secretariat diminished during that period.

1. The Committee, therefore, recommends to the Assembly to urge the Council of Ministers working closely with the Secretary General to develop an exit and hiring plan that will offset the risks mentioned. The Council should consider developing a transition period that will allow for extension or limited extension of current contracts to allow for continued effective operations of the Secretariat and proper hand over. Further, the Council of Ministers should consider staggering of future hiring of staff members of the Secretariat and develop institutional succession plans.
2. The Committee recommends to the Assembly to urge the Council of Ministers to consider the review of terms and conditions of the Staff of EAC and develop competitive packages for all members serving the Community. The Committee observed that the Community has challenges to motivate and retain its staff particularly those of the professional cadre.
3. The Committee recommends to the Assembly to urge the Council of Ministers to develop the EAC staff development and staff retention strategy.

4.1.11 The Need to review the role of F & A Committee as well as composition of Partner States delegations to EAC Meetings

The Committee recommends to the Assembly to urge the Council of Ministers and the Secretariat to open up aspects of the budgeting process that have been outside the parliamentary scrutiny for example the recommendations

and justifications of the Finance and Administration committee. There have been complaints that the Finance and Administration Committee have been making recommendations on cutting or reducing budgets proposals, removing components of proposed budgets, re-allocating of budgets etc. without providing feedback, advice and/or justification for their actions. The Committee observes that there should not be aspects of the budgetary process that is immune or outside parliamentary oversight.

The Committee observes that there is also undue frequency for Partner States delegations to comprise the same government officers in several sectors whose competencies and expertise could not possibly be in all the fields that all EAC Meetings cover. The Committee is concerned that this does not serve the purpose of optimal participation and outputs as would be achieved only with the relevant desk officers or experts in that particular sector or field.

The Committee recommends to the Assembly to recommend to the Council of Ministers to ensure adequate supervision of the F & A Committee and of delegations sent to attend EAC Meetings which should be composed of relevant officers/experts for efficiency and attainment of objectives.

4.2 OFFICE OF THE SECRETARY GENERAL

Given that the Office of the Secretary General is the centre of operations and provides guidance on policy implementation, the Committee makes the following observations and respective recommendations:

(i) The need to further curtail excessive travel to comply with the directive on use of video conferencing and holding of meetings at the Headquarters as pointed out in the general recommendations. While the Committee appreciates that the directive is under implementation, it was observed that a faster pace of implementation is expected and should be supervised by the Office of the Secretary General.

The Committee recommends to the Assembly to urge the Organs and Institutions of the Community to ensure only those activities that cannot be held at their headquarters and/or premises/offices be held in other venues and/or are allocated resources, daily subsistence allowances or other forms of facilitation. A clear objective criteria and guidelines for holding activities out of office/premises and out of station should be developed and implemented vigorously including by establishing accountability lines.

The Committee recommends to the Assembly to recommend to the Council of Ministers that the directive be complied with in the shortest time possible.

(ii) The need to further strengthen the Corporate Communications Department

The Committee observes that there is need in terms of staff, funding, strategy and outreach as pointed out in the general recommendations.

(iii) Under Internal Audit, the budget proposals for **USD 34,500** for the Audit

Commission for presenting the audit report to Council should be moved to EALA where the budget for the Audit Commission is. The Committee recommends that this be transferred to the Audit Commission cost centre.

(iv) Under Legal and Judicial, the Committee considering previous recommendations on the matter of extension of jurisdiction of the EACJ as approved by the Summit and also considering that the budget proposals do not provide for the same, the Committee calls for funding for such Directives and Decisions that arise after budget approval and appropriation.

The Committee recommends to the Assembly to urge the Council of Ministers to provide funds for such Directives in addition to what may later comprise a supplementary request so that implementation is not unduly delayed.

4.2.2 OFFICE OF THE DEPUTY SECRETARY GENERAL, FINANCE AND ADMINISTRATION

The Committee appreciates that relevant offices and/or officers in the Secretariat and other Organs and Institutions of the Community have received some capacity building on Project Management including project preparations, initiation, fund raising and so on. By the admission of the Secretariat, much more needs to be done.

The Committee recommends to the Assembly to urge the Council of Ministers to consider putting more effort and resources that are directed at building the capacity of staff members to initiate and manage projects and programmes for the Community. These efforts will be designed to address challenges of fundraising, management, monitoring and evaluation, learning, reporting and so on.

The Committee observes that the procurement processes requires improvement.

The Committee recommends to the Assembly to urge the Council of Ministers to work closely with the Secretariat to strengthen the procurement processes in the Community including by introducing to the Assembly an EAC Bill on procurement.

The Committee observes that issues of procurements of goods and services, renewal of contracts based on end user satisfaction and quality service delivery still remains a challenge, service providers to the EAC are not properly scrutinized and poor service delivery has been tolerated as pointed out in general recommendation 4.1.9.

It should be a requirement for end user satisfaction to determine contract renewals with regard to services such as air ticketing, health insurance, servicing of vehicles, delivery of goods and equipment, security services among others.

The Committee recommends to the Assembly to urge the Council of Ministers to ensure adequate supervision of service providers in accordance with contract terms and conditions and ensure optimal service delivery.

The Committee further observed that there was need for clarity on the land ownership of EAC and under what provisions these properties were being utilised as well as the status of title deeds and value of these Assets.

The Committee recommends that status matters of land and Assets of the EAC be made clear.

4.2.3 OFFICE OF THE DEPUTY SECRETARY GENERAL, PLANNING AND INFRASTRUCTURE

The Committee noted that at least 70% of the total activities in these sectors are targeted to be achieved by way of workshops, conferences and meetings despite the standing directive on the use of video conferencing and curtailing of travel.

The Committee observes that in any financial year the Community issues various consultancies that collectively constitutes a large portion of the budget.

The Committee recommends to the Assembly to urge the Secretariat to develop proposals for developing an EAC framework governing the management of consultancies in the Community.

The framework should have high and competitive standards and should be able to be used for even international bidding. It should also allow for transfer of critical technology, skills etc. particularly in case of international consultants. The Community may consider working with professional associations from partner states to develop opportunities for learning and internship as part of that framework.

The Committee observes that the Council of Ministers and the Secretariat have in the past underscored the importance of monitoring and evaluation as a critical ingredient in the integration process and in the planning, management and delivery of Community activities and processes. The Committee observes with appreciation the introduction of the performance score card that is designed to demonstrate progress made on the implementation of the decisions of the Summit. The Committee observes that largely the EAC Monitoring and Evaluation Unit remains under-funded, without adequate staffing levels and is not properly facilitated to carry out its mandate. Given the

importance of monitoring and evaluation the Committee recommends to the Assembly to allocate adequate resources to the Unit and urge the Council of Ministers to lend to the EAC Monitoring and Evaluation Unit the necessary support and facilitation to deliver on its mandate. Further, the Committee recommends to the Assembly to recommend that all Organs and Institutions of the Community to enhance their internal monitoring and evaluation capacities.

4.2.4 OFFICE OF THE DEPUTY SECRETARY GENERAL PRODUCTIVE AND SOCIAL SECTORS

As was referred to under general observations, the Committee is gravely concerned that the Social and Productive Sectors are the back bone of the livelihoods of East Africans and yet it is a chronically underfunded sector. The Committee is of the view that the sector is erroneously regarded as "soft" sector which is disregarded to the extent that is quite alarming. The Committee therefore unanimously agreed as recommended in part 4.1.5 of the general recommendations that funds from the Reserves be presented to the Assembly as a supplementary request to fund additional activities as shown in **Annex II.**

The Committee appreciates that building blocks for critical environmental work at the Community has been put in place including the EAC Climate change Policy (2011) and the EAC climate change Strategy and Master Plan. We also commend the important mandate, roles and responsibilities given to the EAC Climate change unit. We observes the resources allocated to this unit is not at all sufficient to deliver on its critical functions. Given the importance of addressing the complications arising from climate change and their impact on critical sectors such as agriculture to the Community, the committee recommends to the Assembly to urge the Council of Ministers to –

a) Allocate adequate resources to the office;

b) To consider to place the EAC meteorological unit within the Environment docket in conformity with best practices in the world;

c) Consider funding important areas of investment in the environmental sector identified by the unit including, but not limited to, developing the EAC Climate Change Bill, facilitating the accreditation of the EAC as a Regional Implementing Entity (RIE), the Capitalization of the EAC Climate Change Fund, to develop an EAC Carbon Credit Exchange Mechanism, to develop a regional Green Growth and Low Emission (LED) Strategy, an EAC Climate Information and Knowledge Management Systems including a Climatic Early Warning System, to develop a framework for co-ordinating work on climate change by various institutions of the community including climate change work undertaken by the Lake Victoria Basin Commission, Lake Victoria Fisheries Organisation etc.

The Committee recommends to the Assembly to allow the EAC Bill on Disaster Risk Reduction and Management Bill to be re-introduced and transacted by the Assembly given the long delays.

The Committee further asserts its position that it is unlikely that the underperforming departments, would utilise the balances in this one or so months remaining in the financial.

The breakdown of the departments to be supplemented is attached as an Annex for the Agriculture and Food Security, Energy, Environment and Natural Resources, Tourism and Wildlife Management, Education, Culture and Sports, Gender and Social Development.

The Committee therefore recommends to the Assembly to recommend that a supplementary budget comprising of the total amount from the reserves be presented to the Assembly as soon as possible.

4.2.5 OFFICE OF THE DEPUTY SECRETARY GENERAL, POLITICAL FEDERATION

The Committee observes that pursuant to Article 59 (3) (c) of the Treaty for the Establishment of the East African Community, the Council is required to present a report to the Assembly on progress made by the Community in the development of its

common foreign and security policies. However, it has been quite some time since any such report was tabled before the Assembly and no budget provision has been made in the budget under review for any such process. The Committee raised the matter with the Council of Ministers who made a commitment to find funding and present the said report.

The Committee recommends that the progress report of the Council in development of the common foreign and security policy be tabled before the Assembly regularly. The Committee further notes that this statutory obligation is as important as the budgetary function of the Committee on General Purpose and the Audit function of the Committee on Accounts and should be accorded the respective facilitation.

The Committee observes and appreciates the increased funding by the Community of the budget line of the Office of Deputy Secretary Political Affairs and specifically to the Peace and Security Sectors.

The Committee recommends to the Assembly to urge the Council of Ministers to consider prioritising this sector and allocate more resources to fast-track the operationalization of the various components of the EAC Peace and Security architecture and its institutional infrastructure including the Early Warning and Early response mechanism.

The Committee agreed with the relevant officer in charge the description of activities arising from repeated activities and **recommends that activities S06 and C04 to convene a meeting of regional Political Federation Experts and the Ministerial Committees on development of the EAC Federation Constitution and training of Youth Ambassadors platform and youth from the region on principles of democratic governance and regional integration.**

The Committee recommends that the above changes be effected due to the relevance of the activities.

4.2.6 EAST AFRICAN LEGISLATIVE ASSEMBLY

The overall EALA Budget increased by a factor of 3% over the previous year budget. The Committee was informed that the percentage increment was dictated upon the Assembly and other Organs and Institutions by the Council due to budgetary constraints and funding of critical activities in Partner States. As a result of the limited increment a number of the projected Assembly activities will not be planned for. Suffice to note that all the previous year's increments that the Assembly was able to achieve all earmarked for additional sitting days. As a result, there has been limited growth in other Assembly activities. Committees and departments and the situation will not be any different in the next financial year.

In addition, to the Council not concluding the EAC alternative funding mechanism that means that the negative effect of subject EAC Organs and Institutions to minimal budgetary growth is set to continue for as long as the funding mechanism is on the Council's agenda and not resolved.

The Committee therefore recommends that the Council concludes the negotiations on the funding mechanism by the end of the financial year under consideration. This will then translate into meaningful budgeting for the EAC.

(i) Committee Operations

An effective Parliament relies on the effectiveness of its Committees. It is however noted that the Council continues to avail meagre resources for the Assembly Committees. This has manifested in fewer days approved for Committee activities. As a result, the Committees form sub-groups which themselves are seriously affected by time as they seek to cover much ground in all Partner States. It was observed that the practice is strenuous and curtails Committee operations as well as the quality of their work.

The Committee recommends that the Council avails additional resources to increase Committee days from 5 days per activity to 7 working days. The

Council should also set aside specific funds to coordinate Committee activities. Annex III represents the indicative budget for the additional days.

(ii) Inter-Parliamentary Games

The Inter-Parliamentary Games serve as an avenue to reach out to citizens of East Africa as well as promoting inter-parliamentary relations. However, it is noted that while additional activities have been incorporated, the funds approved by the Council do not match them.

The Committee therefore recommends that more funds are sourced from the Partnership Fund to cater for the funding gap (as per Annex III (b) (c) and (d).

(iii) EALA's Public Hearing and Sensitisation Role

The Treaty places a lot of emphasis on a people-centred approach to integration involving citizens of East Africa in shaping their own destiny in the EAC integration process will strengthen the fabric of our integration agenda. However, limited sensitisation, a lot of what is being done or said will turn out to be a rhetoric and of less consequence to the citizens. This can however, be addressed through a sensitisation/Public Hearing process involving the Assembly which is best placed to sensitise citizens on its role.

However, of concern to the Committee is that there is a serious funding gap for this activity.

The Committee therefore recommends that the Council avails an adequate budget for this noble activity by souring support from the EAC Partnership Fund. (The gap is reflected in the attached as Annex III (a).

(iv) MTEF Training for all Members

The proposal to train the General Purpose Committee Members and the Committee Chairs on MTEF is a welcome idea. It will go a long way in improving the EAC Budget

analysis. The Committee has however severally recommended that the Assembly be brought on board since all Members equally analyse the budget.

The Committee recommends that the MTEF training covers all Members of the Assembly. (The indicative budget is attached as an Annex III (a).

(v) Top Up for Sponsored Activities

EALA Members benefit from a number of sponsored activities where they represent the EAC in general and EALA and its Committees in particular. It is however, noted with concern, that most of the sponsored activities are not commensurate with the terms and conditions of service of Members of EALA and in most cases these are below the minimum standards for subsistence allowance and it is therefore important for the Council to uplift the status of the EAC's MPs.

The Committee recommends a top-up mechanism in the EALA Budget to cater for subsistence allowance and tickets.

(vi) Support for the EALA Select Committee on Genocide

The Committee was informed that the Treaty and Rules of Procedure of the Assembly empowers the Assembly to establish select and other Committees to undertake specific assignments on behalf of the Assembly. Such Committees are funded through supplementary budgets since they are usually approved long after the budget process. It is on this account that the Assembly established a Select Committee on Genocide matters whose budget is not within the budget framework. For the Select Committee to commence operations, the Council is required to avail funds to it.

The Committee recommends that the Council provides funds to cater for the operations of the Select Committee. The indicative budget is attached as an Annex III (e).

(vii) Support for the East African Parliamentary Institute

The Parliamentary Institute is a cost saving measure for the training of EALA and other Parliamentarians in the EAC. It is for this noble reason that the EALA and EAC National

Parliaments adopted a proposal to have a one-stop parliamentary centre. It is however noted with concern that the Council is yet to operationalize the Act let alone providing the start-up funds due for EALA worth $200,000.

The Committee therefore recommends that the Council urgently operationalizes the Act including publication of the operationalization date to serve as a cost saving measure for EALA and the EAC National Parliaments; and to earmark funds for the start-up in the next financial year.

(viii) Increasing number of Members on EALA Delegations

Adequate representation of EALA by its Members is key to the practices and procedures of EALA. The current framework of making provision for only two Members to participate in international meetings and conferences denies Members the opportunity to benefit and improve their knowledge arising from the dynamism of topics being discussed. It also denies the Assembly the advantages of equity in Partner States representation.

The Committee recommends that the Council earmarks more funds to EALA to cater for additional 3 Members to increase the number of delegates from two to five per delegation. (Annex III (a).

(ix) Funding for a car grant for EALA Members

The purchase of vehicles for Members to undertake Community work is a necessity in their quest to reach out to East African citizens. It should be noted that this is facilitation and not part of the terms and conditions of the service of Members. A decent car capable of reaching out to all corners of East Africa is estimated at $50,000, which is the proposed value of the grant per Member. Upon discussions with the Ministers responsible for East African Community Affairs, the principle was agreed to, provided that funds are available to meet the indicative budget for car grants as proposed by the EALA Commission.

Following a scrutiny of the various funding sources within the EAC, it was observed that a top up funding for this cause could be secured through the EAC General Reserve and Interest earned from gratuity since EALA has for over the years contributed to the same funds. EALA has proposed to make internal reallocation of USD 1,000,000 towards the Car Grant.

The Committee therefore recommends to the Assembly to urge the Council of Ministers to direct the Secretary General to provide for a deficit amounting to USD 1,250,000 from the above mentioned sources as follows:

1. **Funds from General Reserve - $ 750,000**
2. **Funds from interest earned from Gratuity - $ 500,000**

(x) Conflict of Interest that requires to be rectified

The Committee observed and was concerned that the procurement function in EALA was being performed by the Serjeant – At-Arms who was also the investigation officer for the Assembly. This being so, the Committee is of the view that it creates incompatibility and a conflict of interest and directed that the function be forthwith assigned to another Officer.

The Committee therefore recommends to the Assembly to instruct the Clerk, EALA to assign the procurement function to an officer with whom no related issues arise.

(xi) Need for funds for Public Hearings on Council Bills

The Committee observes that the Council of Ministers does not allocate resources for Public Hearings for Bills introduced by the Council to the Assembly. This limits the participation of the public in law making and limits the powers of the Assembly. This creates two processes for handling bills in the Assembly. The Committee holds the view that all proposed bills introduced should have the same process.

The Committee recommends to the Assembly to urge the Council of Ministers to consider including the provision of a component for public hearings in most of the bills it may bring before the Assembly for consideration. (Annex III represents the MTEF for one activity by Committee to undertake Public Hearings on Bills.

The Committee further recommends to the Assembly to develop a mechanism that tracks the costs and time spent in developing all bills. The mechanism should have the capacity to make recommendations to reduce the gestation period and costs of developing bills.

(xii) Under Audit Commission, the Committee observes that the proposed budget only allows Members of the Audit Commission to be present only for 9 days while the Committee on Accounts is meeting.

The Committee recommends that 5 additional days be funded to allow the Audit Commission be present throughout the activity of the Committee until presentation of the report. (Annex III (a).

4.2.7 EAST AFRICAN COURT OF JUSTICE

The Committee noted with concern that the East African Court of Justice's budgetary needs have not been fully met and aspects of its budgetary proposals removed without proper consultations or even justification. We recommend to the Assembly to re-allocate resources from other budget lines to cover at least two important areas/budget lines namely continuing education for both judges and staff members and resources to make preparations to implement the expanded jurisdiction of the Court. The Committee notes that the East African Court of Justice (EACJ) and the Assembly should be handled with the due diligence and care consistent with their jurisdictions and mandates.

The Committee recommends to the Assembly to insist that the budgeting process should ensure upholding and respect for the autonomy and independence of the Organs of the Community.

4.2.8 LAKE VICTORIA BASIN COMMISSION

The Committee noted with appreciation that the Commission's activities are progressing well with regard to Community outreach, participation and interactive engagement. The activities that are all inclusive and Community driven reflect a degree of gender mainstreaming by involving women associations and include Community Conservation and Programs on Family Planning, Maternal, Newborn and Child Health Projects. The Commission also has plans to further expand toward operating issues to cover in Lake Tanganyika encompassing of sanitation, health, nutrition, etc.

The Committee however expresses concern over the lack of a legal framework for operations of the Commission and proposed high level advocacy for the Bill to be expediently reintroduced before the Assembly.

The Committee recommends to the Assembly to reintroduce the Bill or urge the Council of Ministers to provide a status of the Bill and a way forward.

The Committee is however concerned about clear efforts at concealing excessive travel within the budget to the point that there is no official travel budgeted for the Executive Secretary yet it is clear that he/she needs to travel in execution of his/her duties.

The Committee recommends that all such concealed travels be made clear for transparency.

4.2.9 LAKE VICTORIA FISHERIES ORGANISATION

The Committee noted the legal framework for the Organisation had been put in order to include all five Partner States and plans to include expansion of mandate are underway. The Committee was concerned that the plans to expand mandate to other water bodies needed to be reflected in the budgetary estimates.

The Committee therefore recommends to the Assembly to urge the Council of Ministers to ensure that the LVFO receives sustainable funding to be able to fulfill its mandate.

4.2.10 INTER-UNIVERSITY COUNCIL FOR EAST AFRICA

The Committee noted with appreciation that the IUCEA had in the course of the Financial Year received payments on arrears from the Partner States. This being the case, the Committee observed that this would enhance the capacity for growth and as envisaged by the IUCEA Amendment Bill 2012, and the amended Protocol to build capacity to accredit universities on a regional level.

The Committee however noted that there were still budgeting challenges with the estimates of the IUCEA and required that these be rectified.

The Committee recommends to the Assembly to urge the Council of Ministers to direct the Secretariat to assist and enhance the capacity of staff of the IUCEA, specifically the Internal Audit function and Human Resource Management.

4.2.11 EAC COMMISSIONS AND KISWAHILI COUNCIL

The Committee was informed that recruitment of key personnel has commenced and is ongoing and the basic operations are ongoing and observed with appreciation that this was a positive development.

The Committee recommends that the Commissions build capacity to absorb the start-up funds allocated to create strong basis for achievement of objectives to fulfil their mandate(s).

4.2.12 EAC COMPETITION AUTHORITY

The Committee applauds the commencement of operations of the Authority and commends the Council of Ministers for the development that will greatly enhance the overall performance of the Community in the area in trade and related matters.

5.0 ACKNOWLEDGMENTS

The Committee would like to acknowledge and express its appreciation to the Rt. Hon. Speaker for facilitation to the Committee; the Hon. Secretary General of the EAC, the

Office of the Clerk, EALA and all the Executive Staff, and Officers of the Organs and Institutions of the East African Community who interacted with the Committee from 27th April to 7th May 2015. The Committee would like to thank the Council of Ministers who also met with the Committee on 18th May 2015.

6.0 CONCLUSION

The Committee appreciates and recognises the significant efforts of the Council of Ministers and all the Executives and Staff of the EAC that deserve credit for their efforts and hard work. The Committee further effected reallocations and recommended for allocations in some sectors as attached.

The Committee recommends to the Council of Ministers to reallocate and find funds for the unfunded priorities that are indicated in the Annexes.

The Committee therefore presents for consideration and debate its report and recommendations to this August House and moves that the House approves the proposals by the Council of Ministers for the revenue and expenditure of the EAC for the FY 2015/2016 taking into consideration the amendments by the Committee and the necessary adjustments as a result of the budget speech presented to the House by the Chairperson of the Council of Ministers on 14th May 2015.

Mr. Speaker Sir, I beg to move.

REPORT OF THE COMMITTEE ON GENERAL PURPOSE ON THE EAC BUDGET ESTIMATES FOR REVENUE AND EXPENDITURE FOR THE FINANCIAL YEAR 2015/2016

1. Hon. Dr. Odette Nyiramilimo .....
2. Hon. Dr. Martin Nduwimana .....
3. Hon. Hafsa Mossi .....
4. Hon. Emerence Bucumi .....
5. Rt. Hon. Margaret N. Zziwa .....
6. Hon. Susan Nakawuki .....
7. Hon. Bernard Mulengani .....
8. Hon. Angela C. Kizigha .....
9. Hon. Maryam Ussi Yahya .....
10. Hon. Charles M. Nyerere .....
11. Hon. Dr. James Ndahiro .....
12. Hon. Valerie Nyirahabineza .....
13. Hon. Amb. AbuBakr Ogle Abdi .....
14. Hon. Abubakar Zein Abubakar .....
15. Hon. Nancy Abisai .....

EAST AFRICAN COMMUNITY

RESPONSES TO ISSUES RAISED BY HON. MEMBERS OF EALA COMMITTEE ON GENERAL PURPOSE DURING THE CONSIDERATION OF THE EAC BUDGET – FINANCIAL YEAR 2015/2016

PART I: BROAD OBSERVATIONS

1. The previous recommendations by the Committee on the necessity of reviewing the Budget Act and adopted by the Assembly have not been taken up by the Council of Ministers. The Committee should consider setting up a sub-committee to develop proposals for amendments of the Budget Act.

   - *An internal review of the Budget Act in relation to the EAC Financial Rules and Regulations 2012 was done and a Proposal was submitted to the Management for review and endorsement before its submission to the Council for consideration. The Management will look at the proposed amendments and submit the write up to the next Council in August2015.*

2. The proposal to hold a capacity building session for the Assembly on the MTEF is also pending two years down the line. The Committee should consider setting aside resources for this important activity meant to increase the capacity of members of the Assembly knowledge and skills of understanding and handling the MTEF process.

   - *The Management has noted with concerns the need for a training to all members of EALA on the EAC MTEF Budget Process; a bBudget was set aside to cater for that, but due to Budget constraints; the provisions was reduced only to cater for the members of the General Purposes Committee and the Chairpersons of the other Committee just as a starting point for the financial year 2015/2016.*

3. During the pre-budget process, the participants proposed changes which were verbally accepted by the Secretariat. The Secretariat promised to submit an updated version of the priority list and proposed an activity which was not done. Did the Secretariat update the priority list in line with the recommendations of the conference? If yes can the updated document be submitted? If not, why not?

- *Members need to know that after the pre-budget conference sectors amended their interventions in line with the recommendations of the conference. Thereafter, the same was considered by the 29th Council and approved with amendments. A copy of the updated version will be provided to the members.*

4. In the last two Financial Years, during the budgeting process, the Committee made recommendations in strengthening the Community's monitoring and evaluation processes. Specifically, the committee recommended the building of the capacity and adequately fund the M and E unit. Could the Committee be furnished with details on the capacity of the M and E unit including – the financial resources allocated to the unit, the number persons employed in the unit, number of reports produced by the unit and to whom or to which office or offices those reports were directed.

   - *The M&E unit has one established staff(SM&E) as provided in the structure which is due for revision in the ongoing institutional review that will provide guidance in terms of staffing and reporting framework*
   - *GIZ for the last three years has been supporting the M&E with two technical experts on a short term basis*
   - *The Funding the M&E unit has not improved due to budget ceilings (Zero budget increases) and as such the unit does more of desk monitoring based on performance reports submitted by. the respective sector heads with limited follow up and verification of performance data due to lack of resources*
   - *The Unit regularly produces the following performance reports. Bi annual activity implementation reports and submitted to the Sectoral Council of EAC Affairs and Planning and*
   - *EAC Annual Reports considered by EALA, Periodic reports on the status of implementation of Council and Summit decisions and Directives and submit to the Council and Submit.*

5. What is the status of the EAC Climate Change Fund?

- *The EAC Climate Change Fund was established by the 20th EAC Council of Ministers, held on 26th March 2010 in Arusha, Tanzania (EAC/CM 20/Decision 30). The Council further directed the Secretariat to work with Partner States' experts to develop modalities for operationalizing the Fund and submit the document to the Council for consideration. The Operational Modalities for the EAC Climate Change Fund prepared and approved by the 27th Meeting of the Council of Ministers held on 31st August 2013 held in Arusha (EAC/CM 27/Decision 28).*

- *EAC Partner States are highly encouraged to make contributions to the EAC Climate Change Fund which is yet to be capitalized by funds from various sources including from the public, private sectors, development partners and other innovative sources. As part of EAC's efforts to mobilize financial resources and capitalize the EAC Climate Change Fund to address climate change mitigation and adaptation in the region in accordance with the EAC Climate Change Policy, Strategy and Master Plan, EAC has embarked on a process to seek for accreditation as Regional Implementing Entity (RIE) under the International Climate Change Financing Mechanisms governed by the United Nations Framework Convention on Climate Change (UNFCCC), specifically the Adaptation Fund (AF) and the newly established Green Climate Fund (GCF) that has so far received financial contributions in excess of US$10 billion.*
- *EAC Secretariat is working in close collaboration with the East African Development (EADB) in this venture. EAC is also is in the process of developing the EAC Climate Change Bill that seeks to legally establish the EAC Climate Change Fund and establish and appropriate institutional framework for climate change at the regional level.*

6. What is the status of the EAC Development Fund?
   - *The EAC development fund bill was referred to the Sectoral Council of Finance and Economic affairs for technical input.*

7. When is the Institutional Review coming to an end? Are the Consultants delivering? Are they within their terms of reference? Will the Council of Ministers and the secretariat consider introducing the programme for institutional transformation? The committee should consider re-allocating all the funds allocated to this budget line to more deserving sectors.

- *The Council at its sitting at its 30th Meeting held on 28th November, 2014, revised the roadmap towards the finalization of the Institutional Review with a view to receiving the final report in April, 2015. The report was presented by the Consultant and a Validation Workshop was held on 21st – 22nd April 2013 to consider the Draft Report. The objective of the workshop was to validate the draft report and forge a way forward that would inform appropriate recommendations to the Council. During the workshop, the Consultants presented an overview of the Draft Report upon which participants made both general and specific comments. The general observations are was that the report was still lacking in a number of areas .The comments given by the participants were incorporated in the final report is yet to be considered.*

- *The Council noted that, the matter of the Institutional Review has been on the Council's Agenda for a long time without a clear decision on the way forward. The Council noted that the Institutional Review exercise was on several occasions referred to Experts with no results. Time has come for the Ministers to take charge of the process as where it has reached requires policy decisions and not technical experts. The Council therefore established a Sub-Committee of Ministers Responsible for EAC Affairs to consider the Institutional Review Report to conclude the exercise and Report to the Council at its 32nd Meeting (EAC/CM 31/Decision 35).*

- *Whatever the decision the Council reaches, whether to overhaul the institution or apply incremental changes it will have a cost implication and it*

is thus prudent to let the funds allocated for such conclusive review meetings remain.

8. The Committee should consider re-allocating resources from areas that in the opinion of the Committee –
   i) Does not reflect value for money.
   ii) Is/are not based on the identified priorities for the year.
   iii) Does not contribute sufficiently to the integration process.
   iv) Has made poor or little return from resources allocated to them in previous financial years.
   v) Are a hindrance or an obstacle to the integration process etc.

   - *The Resources have been allocated to areas identified during the Pre-budget Conference, hence agreed upon by all stakeholders.*

9. The Committee observes and commends that the EAC Partner States have increased the funding of the Community's budget. We would like to encourage and urge the Partner States to continue expanding these allocations particularly in the social and security sectors.

   - *The Secretariat has taken note of the EALA General Purposes Committee appreciation to Partner States.*

10. The Council of Ministers in its 31st Extra Ordinary Meeting held at Arusha between the 9th and 13th March 2015 in Arusha, Tanzania the budget proposals included priority labelled (H) which read –

    -(H) Transformation of the EAC into a common higher education area and establishment of an East African examination body.

    This priority area is missing from the policy statement for EAC budget for the financial year 2015/2016 submitted by the Secretary General of the Community.

- *It should be noted that one of the Key Priority Interventions approved by the 29th Meeting of the Council of Ministers in September 2014 is "(h) harmonisation of higher education systems and developing a harmonised EAC Curricula for Pre-Primary, Primary, Secondary Teacher Education and Training"*
- *However, to accommodate this statement in the Budget Management System, which has a limited number of fields, it was necessary to rephrase this particular Key Priority Intervention as follows:- "Transformation of the EAC into a Common Education Area and establishment of East African Examination Body"*

11. Have the hosting agreements for the new institutions of the Community completed?

- *Negotiations for the HQ agreement for the East Africa Science and Technology Commission have been concluded and the agreement signed. For the Kiswahili Commission and East Africa Health and research Commission the negotiations are ongoing. However, the recruitment process for all three Commissions have been completed and appointments done by the Council at its 31st Ordinary meeting.*

12. The relations between Development Partners and the EAC has been mutually beneficial to both parties. There are areas for improvement in this relationship in order to enhance openness, transparency, planning, coordination, productivity and accountability. The Committee should consider recommending to the Assembly that a dialogue framework be developed to consider ways and means to enhance the effectiveness of the support the EAC receives from development partners.
    - *The Secretariat is in support of the idea which, we believe if accepted, will enhance the way the EAC does its business.*

13. The EAC is involved in a Visioning and Planning process to Develop proposals for the Vision 2050 and the 5th EAC development Plan. As part of this process, a review, reflection and evaluation process of the fourth development plan requires to be undertaken. Are adequate resources set aside for this two processes?

- *The formulation of the EAC Vision 2050 is provided for in the current budget 2014/15 and the process is underway. And the formulation of the 5th EAC development strategy is provided for in the 2015/16 budget.*

14. For the past 3 Financial Years the Community has invested substantially in the Tele-conferencing facilities in order to enhance communication, increase efficiency in consultations and/or decision making, reduce costs associated with travel and meetings etc. What is the status of the e-conference project? Have the objectives of the project been met?

- *Currently, the VC system is operational and a number of meetings are being convened using this facility. However the facility currently cannot handle two or more meetings in parallel.*

- *The Secretariat is in agreement with the GPC on the need to review the performance of the VC before the next Financial Year in order to determine the capital and accessories requirements for its expanded use.*

15. What is the status of the project to establish the EAC Television/media outlet? Are there resources set aside for this project in this MTEF for 2015/2016 and 2016/2017?

- *According to the Operational Plan for the EAC Communication Policy and Strategy approved by the 25th Meeting of the EAC Council of Ministers, one of the prioritized/planned activities for the period 2017/2018 is setting up a*

Radio and TV Afrika Mashariki (with national boosters). The Secretariat will prepare a project proposal for sourcing funds from Donors for this activity as the minimum estimated Budget for its establishment amount to US $ 1 million.

16. The EAC through its Partner states participated in the committing and delivering the Millennium Development Goals and are preparing for making commitments and delivering on the Proposed Global Sustainable Goals. Are adequate resources set aside for reviewing our participation in the MDGs and preparing the region for participation and delivering on the proposed SDGs?

- *One of the recommendations from the 2nd Annual SG's Forum held in September 2014 was that "the EAC needs to develop a regional framework relevant to all Partner States that will review the progress made on the achievement of MDGs and prioritize on targeted development interventions". This should involve the integration and harmonization of existing and future visions (Kenya Vision 2030; Uganda's Vision 2040; Rwanda's Vision 2020; Tanzania Vision 2025; Africa Union's 2063) the EAC development strategies and the Sustainable Development Goals (SDGs).*

- *The MDGs as we all know cut across many sectors of development and therefore almost all sectors implementing EAC programmes -be it Health, Agriculture and Food security, Education, environment, Gender and Community development, resource mobilization and planning sectors needed to include a budget for the review of MDGs and the implementation of post MDG era- the SDGs which will be captured under the new EAC Development Strategy of the EAC to cover the period 2016-2021 and the be integrated in the draft EAC Vision 2050.*

- *There is no budget and resources that have been set aside to prepare the EAC for the Post-2015 Development Agenda and implementation of the SDGs and this situation will be addressed under the 2016/2017 FY budget*

PART II: SPECIFIC OBSERVATIONS

OFFICE OF THE SECRETARY GENERAL

PG.7 Book I

QUESTION:

Are the development objectives in line with the EAC development strategy?

- *The SG's activities are more of policy-implementation and resource mobilization. Efforts have been made to relate them as close as possible to the development objectives in line with the EAC development strategy.*

QUESTION;

Why 6 forums and not 5? Because we are 5 Partner States – there is a saving of 1 forum that needs to be saved. We need clarity on this and if not then we need saving 3,100 USD

- *The additional Forum is a general forum (All Partner States) to discuss and firm up the recommendations of the 5 forums.*

QUESTION:
The projection is 36,000, why?

- *The Community is becoming more private sectors driven. A private sector is now coming in to the activities of EAC, and the year 2016 is deemed to be the year of the private sector hence the reason for doubling of the SG CEO Forums.*

QUESTION:
Number of days of travel is 14 days, why is there no projection for civil society?

- *At the moment the Private Sector and Civil Society forum is 90% funded by the GIZ.*

QUESTION:

Why is it doubled from 128,500/256000? Find the number of days SG will be travelling. He will be travelling for 6 days therefore we need an explanation for the advert.

- *The recent Summit decision to have two ordinary Summit in a year comes with Budget Implications. The Projections for 2016/17 will be adjusted accordingly based on our expenditure for the years 2015/16. The SG is required to travel at least 6 days in advance to the venue of the Summit. This is for him to attend any Ministerial meetings that precede the Summit. He also receives the heads of States, facilitate the Informal discussions with the Summit on the eve of the Summit, attend the Summit and see off the Presidents then travel back to Arusha the day after the Summit.*

QUESTION:

For the ordinary Summit he has 6 tickets, there is no perdiem for the SG therefore how is he going to survive?

- *This is usually a pooled amount. Allocation is usually by appointment by the executive. This is also a tradition of the different sectors funding their travel to the Summit through their sector budgets.*

QUESTION:

Tickets for staff show that staff will be away for 6 days per diem for staff is provided.

- *Only Summit in Uganda, Rwanda and Burundi and Dar es Salaam require tickets. Perdiem is a pooled amount and will be shared across the board as allocated by a decision of the executive.*

Summary MTEF PG 8

EAC integration objectives widely understood and supported internationally

QUESTION:

SG will attend 4 meetings and will be away for 16 days. The budget here needs to be clarified whether its full or quarter perdiem.

- *All visits to International organization are full DSA.*

QUESTION

DSA, why should they have to get quarter perdiem in Arusha while still working?

- *No Quarter Perdiem has been budgeted for and will be awarded for meetings in Arusha.*

Summary MTEF PG8 Detailed MTEF Pg 13

QUESTION:

SG is going to be away 20 days, SG is buying 4 tickets and staff 2 tickets yet they are going together.

- *We note the shortage, which may be covered by internal reallocation.*

QUESTION:

How many meetings are they planning to go for but the same number of days? There is an irregularity.

- *This will be 4-5 meetings internationally, depending on the number of days each, 5 days on average, including travel time.*

Detailed MTEF: PG 14

QUESTION:

SG 6 days, STAFF 2 Tickets and SG 1 Ticket (saving of 1000 usd resulting from a ticket)

Why is there no budget in interacting with Somalia?

- *There has been no feedback from the Federal Republic of Somalia to our response to their earlier interest to join the EAC for the Past 3years. There is therefore no need to hold funding for this activity. In case of need for Funds the Secretariat through Council will source for funds from other Sources to fund the activities, and present a request for Budget reallocation or supplementary.*

Pg 15 DMTEF

INTER-ORGAN AND INSTITUTION

QUESTION:

Clarify Business class tickets for 10 people and economy class tickets for 5 people

There is no allowance for staff.

- *The 10 Tickets are for 5 Executive Staff for Two meetings annually. Two Staff (CDC + CTC) will be required to attend this event.*

SG is away for 14 days (8+6) if it is an area 800 usd can be saved.

- *In the future, the Description of Input and Unit Cost will be improved.*

Holding high level negotiation

QUESTION:

Need clarification on how many high level meetings they are going to do, how many people are travelling and for how many days.

- The 30th Meeting of the Council decided that Partner States delegates for negotiations with the Republic of South Sudan be increased from 3 to 4 per Partner State (EAC/CM 30/Directive 14).

Two meetings to be held in next FY 2015/16:

i. A 3 day Meeting at technical level; and
ii. A 5 day Meeting, of which 3 days at Technical and 2 days at Ministerial level.
iii. Assumption that Ministers will be directly facilitated by the respective Partner States
iv. Similar sessions for the first two of the 4 clusters as approved by the Council to be held during FY 2014/15.

Proposed Budget for Meetings in FY 2015/16

1.	2 Technical experts meetings of 3 days each for 4 delegates per Partner State One Ministerial for 2 days	DSA	2*20*4 nights @ 350$ per night = 56,000 USD	56,000
		Tickets for 20 Experts for 2 meetings @ 500 per ticket	(20*2) *700 = 20,000$	20000
2	Conferencing (including 20*2 experts from RSS	40 experts @35$ For 8 work days	: 40*8* 35$ = 11,200 $	11200

Disaggregate lamp sum (pg16)

QUESTION:

Where is the meeting going to take place because SG is away for 5 days and staff for 5 days?

- (Pg 18 DMTEF) To attend 5 consultation missions to Partner States and 5 of functions invited by EAC Heads of State.

QUESTION:

The tickets are not commusive with the staff.

The SG is away for 25 days so is the staff

- *From Past experience the SG visits each EAC head of State at least 3 times in a year. On average, each trip takes approximately 1-2 days each. He is usually accompanied by his Chef de Cabinet, 1 technical officer who may a director, One Security officer and Driver, who may at times travel in advance for accreditation purposes.*

QUESTION:

SG attends at least 3 statutory meetings to Partner States and 5 official functions invited by EAC Heads of State. SG is travelling with 2 staff and will be away for 4 days.

This is Partnership Fund. We can take away 1 ticket and DSA of 1 staff (1000 + 700 = 1700) saving 1700 usd

- *SG is usually invited by the heads of State to independence days and other ceremonial functions around the Partner States. He is usually accompanied by his Chef de Cabinet and One Security officer and Driver at times who may at times travel in advance for accreditation purposes.*

QUESTION:

SG will be away for 10 days implementing at least 100% of EALA decisions and resolutions.

There is a wrong description of the activity. It is not implementing its attending

- *Activity Description will be improved.*

Tickets to attend EALA sittings

QUESTION:

They are budgeting for more days we don't sit for plenary and his staff 84 days in a year. There is need to save 34.400 usd from 1 staff and SG also never sits for 14 days.

- *Proposed budget will be adjusted as followed.*

  DSA SG 1x450x12 days x6=$32,400

  DSA 3 Professional Staff (CTC, PLD, CDC) 3x350 x 12 days x6 = $75,600

  DSA 2 general Staff (Secretary SG and CTC) 2x250x11 days x5=$27,500

  Air Tickets for SG will be 1000x6 =$6,000

  Air Tickets for Staff should be 5 Tickets x500 x 6 Penuries= $15,000

  Total= $156000

QUESTION:

8 business class tickets but Defense Liaison Officers are 5, 1 per partner state. Why budget for 8? Clarity

- *The budget is for 5 DLOs making two trips each to the two Sectoral Councils total 10 business class tickets.*

QUESTION:

For how many days?

- *Each Sectoral Council expected to last 5 Days as it commences with a Defence Experts on Operations and Training (2Days),progress to Sectoral committee (1*

Days), escalate to Consultative Committee (1 Day) and eventually the Defence Sectoral Council (1 Day) total Six.

LEGAL DEPARTMENT

Pg 16 small MTEF Legal and judicial

To convene and attend meetings to harmonies and approximate laws

QUESTION:

How many days? How many meetings? How many people?

- *Harmonisation and approximation of national laws in the EAC context is carried out by the Sectoral Council on Legal and Judicial Affairs. This Sectoral Council established long ago a Sub-Committee on Harmonisation of National Laws which comprises of Chairpersons of National Law Reform Commissions. The work of the sub-committee is initiated by a task force comprising of 3 Legal Experts per Partner State from the Ministry responsible for EAC Affairs, the Attorney General's chambers and the Law Reform Commission respectively. Depending on the area of law to be harmonized, there may be need for a fourth legal expert specialized in that area. For example, harmonization of intellectual property laws requires participation of an expert in intellectual property law.*

- *We usually hold at least 4 meetings per year. Each meeting comprises of two parts. The first part is a meeting of the Task force which takes 4 to 5 days which is followed by a meeting of the Sub-committee for 2 to 3 days. Each of the 4 meetings therefore goes for 7 days and is attended by 3 delegates per Partner State. EAC usually facilitates the meetings of the Task Force. We budget for 12 delegates since the delegates from the Country where the meeting is held are not paid a per diem. The Chairpersons of the Law Reform Commissions fund their participation in the meetings of the Sub-Committee.*

Clarify on the DSA for delegates

Against the foregoing, DSA for delegates has been calculated as follows: 350 USD x 12 delegates x 4 times x 7 days = 117,600 USD

QUESTION

Who is the consultant?

- *There is no consultant budgeted for. This is the way the MTEF formulates this budget line.*

To provide legal advice

QUESTION:

1. It's among the priorities, MTEF objective 2.4 but no money WHY?
2. There are leaving behind the legal mind

- *Generally at the Secretariat, it was decided that since legal advice is a support service to other departments, the latter should budget for participation of a lawyer whenever they feel the need for legal advice.*

- *We however still need money to provide legal advice to institutions outside Arusha such as the Civil Aviation Safety and Security Oversight Agency, LVBC and others as and when we are called upon to do so and as such we also need to have some money for this exercise within the Legal budget. Similarly, we need to have sufficient funds within legal budget to attend to litigation which is also on the increase.*

Pg 40 big MTEF

QUESTION:

1. Clarification on the number

Pg 41 big MTEF to provide legal support to policy meetings of organs and institutions

QUESTION:

Justify the 18 /9 people/personnel in legal? Clarification

- *There are 6 lawyers who facilitate the Sectoral Council on Legal and Judicial Affairs. They are generally supported by about 3 general staff which makes it 9 staff from the Secretariat. We generally hold 2 ordinary meetings of that Sectoral Council. The meeting usually starts with a drafting session of a week, then follows the session of the Sectoral Committee for about 3 to 4 days, a session of Solicitors General/Deputy Attorneys General for 2 days and a session of Attorneys General for 1 day. This is how 9 people come up and the 18 presupposes that the attendance of two meetings*

OFFICE OF THE DSG (F&A)

HUMAN RESOURCE MANAGEMENT & DEVELOPMENT

Implementation of the EAC Institutional Review. What is Honoraria? How many people are involved and clarify category.

QUESTION:

Is Institutional Review exercise over its term for Consultations? Category i.e. representation of Organs and Institutions in the implementation.

- *The term of "honoraria" should be replaced by consultant fees.*

QUESTION:

Who is the Consultant who gets per diem?

- *The Consultant is called WYG. In real terms, it is "reimbursable" rather than perdiem. This fee will be paid to him while called for a meeting beyond the TOR.*

QUESTION:

Staff are 17. There is need to clarify how many people how are many are paid.
Saving of $2,000 idle DMTEF Page 72

- *17 Staff from EAC organs and Institutions plus 5 (1 delegate per Partner State) plus a consultant will be invited in the meeting.*

QUESTION

Airport transfer is high. $100 to $150 page 73 DMTEF.

- *The figure will be reviewed to 100$ as Airport transfer.*

QUESTION:

Clarity of the number of days , 4 or 2?
Payment shows two days but the meeting is for 4 days. If they sayd is 4 days budget doesn't support if they say is for 2 days description of 4 days is therefore wrong.
Need clarity $1,250.
Page 75 DMTEF untaken leave: Clarity

- *This has been budget as per Regulation 71 (3) of EAC Staff rules and regulations that stipulates that "The Secretary General may authorize*

payment of cash in lieu of annual leave to a member of staff provided such member of staff is requested in writing to forfeit annual leave due to exigencies of duty".

QUESTION:

Page 76 DMTEF: Recruitment plan doesn't match the budget i.e. accommodation in the DMTEF is conferences.
How many people have been interviewed?

- *The recruitment to be conducted will be done through video-conferencing. The candidates will not travel to Arusha for interviews.*

QUESTION:

Page 77 DMTEF: Life insurance have been repeated. Are they categorized staff in terms of Life Insurance? Clarification needed.

- *The life insurance is present in several areas because the classification of staff in the budget has been done per category (established staff and project staff).*

QUESTION:

Medical Insurance Cover agreements
When people have problems?

- *Through the open competition, EAC Secretariat recruits a medical insurance provider. Among the requirements, the provider is expected to indicate the cover and ceiling. The current medical cover is AAR. She has been appointed as Staff Medical Service Provider following a tendering process done in August 2014 where three companies presented their offer (Jubilee, AAR and Resolution Insurance. The contract between EAC and AAR mentions clearly the*

services to be rendered to principal member and dependant. The Contract will be provided.

QUESTION:

Disability allowance documents

- *The group life insurance covers also disability. In case an insured staff may become disable, the compensation is paid according to the disability level of a member as approved by the doctor who treated the patient.*

QUESTION:

Uniform: who uses it?

- *The Uniform is for Security Assistants, Drivers and Office Attendants.*

QUESTION:

Life Insurance

- *The group life insurance covers the member of staff, EALA member and Judges. The insurer is Liberty Ex-CFC*

Medical Cover

- *The medical insurance covers members of staff, EALA members and EACJ Judges and four dependants under 24 years old . Currently the insurer is AAR.*

QUESTION:

Page 78: DMTEF: what does the Consultant for Human Resource Systems Administrator short term do for $42,000?

- *The Human Resource and Development department is using software called "Inspiro People" that helps to handle human resource information. The system has several modules. Till now the department is using few modules because of lack of skills in managing this system. The Consultant will come to assist to customize and make the system fully operational.As the HR Systems Administrator he/she will be responsible for the configuration and ensuring that systems are integrated and configured to support HR policies and processes as well as resolving maintenance issues as needed. He or she will assist in configuration support; administration and data integrity assurance for the new modules that we want to operationalise and see how they interface with other IT systems eg. the Sun system.*

QUESTION:

Page 23 SMTEF
Page 82: DMTEF: Give us the Council Directive.

- *Before the Council makes a decision on the matter that has the finance and administration implication refers first the issue to the Finance and Administration Committee for further analysis and make appropriate recommendations. The two extra-meetings of Finance and Administration are planned to cater for the above issues.*

QUESTION:

Page 82 and 83: DMTEF : What is MASE Project?

- *MASE is Maritime Security Project*

QUESTION:

Numbers of Project Staff: And their names. For how long have they been here? Salary lists?

- *Currently, the project does not have any staff. EAC is recruiting the staff to fill the vacant positions*

QUESTION:

Page 5 SEC QRT3 Budget Performance Page 5 9% budget performance. $2,327, 848.

- *The project does not have staff, and hence relies only on EAC established staff to implement the activities. The project will be soon adequately staff and budget execution will improve.*

QUESTION:

Page 23 SMTEF: Project staff lists.

- *The list of staff under APSA has been provided. IRC and MASE do not have staff. EAC is in process of recruiting the staff.*

QUESTION:

Generally in the performance projects when they are under performing where do they get the monies for salary?

- *The performance appraisal of project staff is done annually and the results are submitted to Human Resource Advisory Committee. Based on the performance, the Committee recommends to the Secretary General either to extend the contract or to terminate it.*

QUESTION:

Partnership Fund Project Staff
Payroll: UNFPA and USAID are not in performance.
The money is developmental money.
Salary budget not developmental budget. Performance is below average.

- *The list of Project staff has been provided.*

QUESTION:

Page 24 SMTEF: Who is the Consultant? What is he going to achieve? Why can't it be done inhouse?

- *The Consultant will be an expert in corporate governance who will assist to implement the EAC Corporate Governance Policy and Strategy. To have a good document, it requires external skilled and experienced person to assist to develop the policy.*

QUESTION:
Staff lists and payroll: DMTEF 102

- *The list of staff under APSA has been provided.*

QUESTION:
No MOU for AU Democratic Government

- *All MoUs have been provided in hard copies.*

QUESTION:

Page 25 SMTEF and

Page 104 DMTEF: How does is this meeting conducted and where are the members from?

- *With the introduction of Performance contract by the Council, SG has put in place anevaluation team headed by Director General of EADB. Other members are coming within the EAC Organs. The team meets twice a year. As the Chair is in Kampala, he called the meeting to be held in Kampala once ayear. Today, it is only Professional Staff within the Secretariat who are signing the Performance Contract. For the next Year, the Secretariat plans to enroll the system to EALA, EACJ and 4 Institutions which are based out of Arusha. This will require sessions with staff to explain. The evaluation Committee will travel to those institutions. This activity will require also the funding for next financial year. This system is good tool for the management because it is based on results.*

QUESTION:

Page 25: We want to look at the Service Provider Contract. Ask them how they handled the specific issue.

Page 109: DMTEF

What is the progress on Staff Privileges 110 DMTEF

- *The protocol has been signed by the Council and awaiting for the ratification by Partner States.*

QUESTION:

Salary scale of Drivers. They promised to increase their salaries in the last budget.

- *The salary scale was considered by Council in February 2014, where a 3% increment was granted to all staff categories. Further salary review will be done after the conclusion of the Institutional Review.*

PROCUREMENT

QUESTION:

Service providers of the Community AAR Insurance

- *Annex 3: contract availed in hard copy.*

QUESTION:

Who are the service providers:

- *Annex 3 list availed*

QUESTION:

What are the details of service provision are we passing this budget for people to go and implement?.We require them to bring us other contracts before we pass this budget. Other services will include **photocopiers**:

- *Annex 4*

QUESTION:

What are the terms of service providers?

- *Are normally laid in the tenders, TORs, their proposals/quotations and contracts/LPOs*

Travel component per sector,

QUESTION:

The money that we have the mandate to shift is Partner States money. Donor's money can only be shifted within the same activity and travels have always been a continuous issue in the Community.

- *Draft policy annex 6*

QUESTION:

What is it meant to attain page 27 SMTEF Page 113 of DMTEF?

- *Market Rates: Budget preparation requires estimated rates to be used in the development of the budget. These are attained through market surveys in the major capitals in the Partner States.*

QUESTION:

And for what product?

- *A bigger number of the items or products we use in EAC.*

QUESTION:

Facilitate specialized training for procurement unit. Air ticket, airport transfer why $500?

- *Airport transfers are meant to facilitate from and to other airports other than KIA*

QUESTION:

Where is the training going to be done?

- *Ghana, Malawi or South Africa or Turin depending on availability or priority to management.*

QUESTION:

To process procurement $80,000.

- *This is for short term experts.*

QUESTION:

Why contract a consultant to process procurements? Page 27 Page 114 DMTEF

- *To help procurement put the Unit in order.*

QUESTION:

Page 114: Where is the Review is taking place?

- *Outside EAC offices for maximum concentration*

QUESTION:

Page 114: Clarification of Number of People.

- *Twelve (12) people drawn from key units like Administration, finance, legal, EALA, EACJ and HR.*

ESTATES MANAGEMENT

QUESTION:

Regular Services: what do they do in service?

- *Before responding to the question what technicians do in servicing? Under normal circumstances Technical Specifications of the Manufacturers of security and safety equipment most of which are mechanically driven normally contain the aspect of regular serving.*

Coming to the question at hand, in servicing our security and safety equipment to mention but a few, we need to have the following done:

(1) <u>Scanning Machines;</u>

i. Replacing the vacuum tube that is the source of X-Rays

ii. *Testing for Radiation leakages*

iii. *Replacing conveyor belt depending on the frequency of the usage*

iv. *Adding oil to the reservoir*

v. *Replacing the UPS which is in most cases susceptible to the effects of power fluctuations.*

(2) Cameras

i. *Examining supporting brackets and towers for signs of corrosion and damage.*

ii. *Checking physical condition of cameras and housings for signs of deterioration due to rain, dust and dirt.*

iii. *Checking that field of view is correct.*

iv. *Checking that all camera bracket fittings and clamping bolts are tight.*

v. *Checking that lenses are correctly focused.*

vi. *Checking operation of auto-iris lenses as appropriate.*

vii. *Cleaning housing windows as necessary.*

viii. *Checking that washer bottles are full, refilling if necessary.*

ix. *Checking operation, blade condition and parking position of wiper unit, adjusting stop position if necessary.*

x. *Check condition of pan / tilt unit, adjusting position of end stops and presets where applicable.*

xi. *Check operation of infrared units.*

(3) Monitors

i. *Checking physical condition and cable connections.*

ii. *Check operation of controls and adjust for best picture.*

(4) Controls

i. *Wiring is well shielded and protected. Visual inspection of all major components (including cabling and connections) for signs of deterioration or damage and rectify as necessary.*

ii. *Checking physical condition and cable connections.*

iii. *Checking operation of switchers and multiplex controllers including external alarm interfaces when fitted.*

iv. *Check time / date settings and adjust if necessary.*

(5) Video / (DVR) Digital Video Recording Devices

i. *DVR system monitoring (checks for system errors, video loss, network connection failure, and other system alerts)*
ii. *DVRs are well connected and configured for optimal recording experience. Configure motion based or continuous recording options. Data is recorded and stacked so that new data is never overwritten.*
iii. *Checking hours run indicator and recommend for removal for service as appropriate.*
iv. *Checking condition and operation controls as necessary.*
v. *Check time / date settings and adjust accordingly*

(6) Retractable Bollards

Retractable bollards are susceptible to environmental demands and susceptible to oxidation or rusting in high-salt (seaside) environments, as well as areas where street de-icing chemicals and compounds are frequently used. The major mechanical features of these bollards are enclosed below the ground, making them susceptible to dust and dirty engaging with critical components. These bollards require routine maintenance and cleaning to keep them in optimal working condition, and such maintenance is demanded more often in significantly dusty or dirty areas.

QUESTION:

What are the systems of security that need maintenance all the time to warrant $60,000 per year?

- *It has to be noted that the amount of $ 60,000 was not meant to cater for maintenance only. In our Annual Operation Plan for 2015/2016, the Target Description provides for Procurement, Repair and Maintenance of Security and Safety Systems.*

As for procurement, the intended target includes but not limited to:

i. *Fire-fighting Gears (including smoke masks, firefighting clothes, firefighting boots, Hand Held Public Address Systems, Protective Eye Glasses, Heavy Duty Hammer, Heavy Duty Axes, Chain Saw and Whistles.*

ii. *Input/ Exit Rollers for the two Baggage Scanning Machine at the VIP and Public Entrances.*

iii. *Safe for keeping fire arms surrendered at the Security Desk*

iv. *Re-installation of Access Control and CCTV Systems at our offices located at Kilimanjaro Wing on the 5th and 6th Floor.*

v. *Electronic Access Control Cards.*

As for Maintenance and Services many aspects are involved. These include, fixing any sort of mechanical or electricaldevice should it become out of order or broken (known as repair, unscheduled, or casualty maintenance). It also includes performing routine actions which keep the device in working order (known as scheduled maintenance) or prevents trouble from arising (preventive maintenance).

- *It should be borne in mind that in all financial years, the budget for maintenance and servicing of security and safety systems has always been omitted despite the inclusion the same in our proposed Annual Operation Plans. As a matter of fact, this has led to the total malfunctioning of the*

security systems installed in Kilimanjaro Wing thereby necessitating the need for reinstallation of the same.

- *It should also be noted that, security systems installed at our new Headquarters have never been serviced or maintained since the year 2012 when they were installed, reason being omission of budget for that purpose despite the inclusion of the same in our Annual Operation Plans.*
- *Should the omission exercise push through in the next financial year, the security and safety systems at the EAC Headquarters complex will succumb to the same fate as those in Kilimanjaro wing which in essence defeats the purpose for which they were procured.*
- *Due to lack of service and maintenance for such a considerably long period*
- *(2012 to date), some of the security and safety systems in place for instance smoke and heat detectors are faulty.*
- *All in all, even the proposed amount of $60,000 in reality cannot suffice the needs for the current prevailing situation.*

MANAGEMENT INFORMATION

Request for clarity by EALA General Purpose Committee :

QUESTION:

EAC Secretariat to unpack the Budget Estimates of the Management Information for FY 2015/2016.

Cost Centre: Management Information

Cost Centre Number : 0120107

Organ: EAC Secretariat

Office: Deputy Secretary General Finance and Administration

Directorate: Human Resources and Administration

- *Subscription to Newspapers, Magazines and Periodicals :*

This activity services six EAC Executive Staff(one copy each) and two copies for EAC Library; a total of 8copies.

Two leading English Newspapers from each Partner State (Tanzania: Daily News and Guardian; Kenya: Nation and Standard; Uganda: New Vision and Monitor; Rwanda The Times; Burundi yet to provide 1) i.e
(8pcs X 8copies) x 1.50usd @ = 96 usd X 365 days = 35,040 Usd per annum

Weeklys : The East African @1.70 usd, Time Magazine@ 6.50 usd, The Economist@ 3.50usd; one copy each for six Executives and two copies for the Library i.e
(8pcsx1.70+ 8pcsx6.50+ 8pcsx3.50) x 52 weeks = 4,867.2 Usd per annum
TOTAL = 39,907Usd p.a. Against 40,320 Budgeted

Number of Average Dispatches/ Letters/Parcels/Units by EAC Secretariat	Unit Cost as per TNT Rates , Weight 500gms & below	Average Expenditure in USD	Comment
17 units per day	30 USD@	510 USD per day	This are average estimates but there are high and low seasonse.g outrageously heavy documentation before, during and after Coucil of Ministers or Heads of State Summit meetings.
17units X 21 days = 360 units per month	30 USD @	10,800 USD per month	
360unitsX 12 Months =4,320 units per year	30 USD@	129,600 per year Against 129,600 Budgetted	
NB: See table below for price list for different zones.			

1. *ostage and Courier Services:*

2. *Membership fee and Subscription to Professional Bodies:*

   This is membership to the East and Southern Africa Branch of International Council on Archives (ESARBICA). ESARBICA brings together Institutions and individuals concerned with the creation, use, preservation and management of

Price list for 500 gms. And below	*Domestic within Tanzania*	*Region al (EAC)*	*Rest of Africa*	*Outside Africa*
TNT Diamond Express	*Tshs. 14,690*	*USD 18 KE*	*USD 35 S. Africa*	*USD 48 China*
		USD 21 UG	*USD 35 Others*	*USD 46 Australia*
		USD 31 BR & RW	*USD 46 Mozambique*	*USD 43 USA*
				USD 37 UK

   recorded information regardless of the medium. It fosters exchange of professional ideals and expertise in the management of Records and Archives as well as implementing the aims and objectives of International Council on Archives.

   Zimbabwe is hosting this year's ESABICA General Conference slated for 8th to 12th June 2015.

   *The Budget stands at **USD 2,400** to cover fees as well as attending the conference.*

3. ***To provide Documentation to Statutory Meetings held outside Arusha:***

   On occasion there are urgent confidential mails to Partner States State Houses which require travel by the Records Office to hand deliver the said mails, or reports/protocols for urgent signature by the concerned offices.

   The budget breakdown is USD (500 x 12person trip)= 6,000 for Air tickets; and USD (350 x 20person nights) + (250 x 40 person nights)= 17,000 .

   Total 23,000USD Against 23,000 Budgeted.

Overall justified Budget estimate Usd 194,707, Against 195,320 Usd budgeted.

INFORMATION AND COMMUNICATION

QUESTION:

For the past 3 Financial Years the Community has invested substantially in the Tele-conferencing facilities in order to enhance communication, increase efficiency in consultations and/or decision making, reduce costs associated with travel and meetings etc. What is the status of the e-conference (*video conference*) project? Have the objectives of the project been met?

- *Tele-Presence Video Conferencing System has been installed and is operational in 6 sites, EAC headquarters and the 5 Ministries responsible for EAC Affairs.*
- *Yes, the objectives of the project have been met. In the next calendar of activities – July to December 2015, each department will hold at least two meetings using video conferencing system, hence overall utilization of the EAC VC system is expected to rise considerably.*

QUESTION:

Upgrades of software systems which appear on Page 129. Is there any repetition?

- *There is no repetition since upgrades are for the different software automation systems namely SunSystems, Inspiro, TRIM and ADLIB.*

QUESTION:

Which Consultant or delegate is paid DSA. What type of work are they doing that the EAC staff cannot do? On pages 129 and 130:

- *EAC is in the process of harmonizing use of software automation systems between organs and institutions. Procurement of additional licenses will therefore allow the same software systems be extended to EAC institutions including Sunsystems, Inspiro and TRIM.*
- *During implementation (installation and training), the supplier and EAC staff will visit the institutions to carry out the various activities.*

QUESTION:

What does upgrade involve and if they upgrade every year? On pages 129 and 130:

- *Upgrade is done whenever new version or patches of software systems are released by the vendor. This may happen within a year of maintenance support.*

QUESTION:

What is in the lumpsum? Page 129:

- *The lumpsum figure includes the annual maintenance fee paid to the vendor and any reimbursable for consultant during support visits.*

QUESTION:

ADLIB and TRIM software systems. Show the breakdown. On page 130:

- *The lumpsum figures include the annual maintenance fee paid to the vendor, which include technical support for the software systems and licenses during the period.*

QUESTION:

Travels which appear under for Sun systems and TRIM. Where is he going to do this particular activity for upgrades? On pages 129 and 130:

- *EAC is in the process of harmonizing use of software automation systems in organs and institutions. Procurement of additional licenses will therefore allow the same software systems be extended to EAC institutions including Sun systems, Inspiro and TRIM.*
- *During implementation (installation and training), the supplier and EAC staff will visit the institutions to carry out the various activities.*

QUESTION:

Provide MOU or contract with Internet Service Providers $480,000: $330,000. On page 131 and 132:

- *Copies or the contracts for Internet services for Video conferencing (for 6 sites – EACHQ and 5 MEACAs) and for EAC Office use, are attached herewith as requested. This covers the USD 480,000=.*
- *EAC will also enter into service agreement with successful vendor in FY 2015/16 for CISCO smartnet support to cover the existing EACHQ CISCO infrastructure and also the new CISCO Tele-presence infrastructure. Smartnet support is a special service offered by CISCO, which guarantees minimum breakdowns / downtime.*
- *The USD 330,000 has therefore been estimated from quotations CISCO vendors who support smart net. This service will be advertised in FY 2015/16 through the normal procurement process.*

QUESTION:

Clarify on other $7,000 on Procurement of Computer. Page 133:

- *EAC will procure two additional Cyberoams 1500i for disaster recovery sites in Arusha and Kampala to protect internal IT systems from Internet attacks. The additional USD 7,000 will be used during installation of these security systems.*

QUESTION:

Maintenance of computer software upgrading is reoccurring several times likely duplication. Pages 129 and 130

- There is no repetition since upgrades are for the different software automation systems namely Sun Systems, Inspiro, TRIM and ADLIB.

QUESTION:

Air ticket for staff to go where Page 133 DMTEF

- *The remote disaster recovery site is in Kampala and one of the new cyberoams will be installed in Kampala. Firewalls will also be installed and configured in EAC Institutions.*
- *The existing robust MPLS data network which covers EACHQ and MEACAs will also be utilized for voice (telephone) communication using the same existing (VC) local bandwidth.*
- *All the above activities will require EAC staff to visit the various sites and implement the solutions.*

LIBRARY AND DOCUMENTATION CENTRE

Activity Description: To conduct stakeholder's sensitization workshops

QUESTION:

What type of Sensitization?

- *This is part of the digitization project and the main target is to promote access and utilization of EAC information. Stakeholders will then be informed on the*

new repository. Stakeholders include; Partner States Ministries, Government Institutions, EAC Institutions, Universities, Public Libraries and Civil Societies.

QUESTION:

What is the detailed sensitization for Library Consultancy fees? No. of units are they 12 people?

- *This is part of the digitization project, and on this activity we are planning to engage 2 short term experts for 6 months. For the purpose of calculation in the budget system the number of UNITS/QTY is showing 12 (the 6 months x 2 experts)*

QUESTION:

Activity Description – "To publish summit and council reports"

- *The council and Summit reports are published and are disseminated to stakeholders to reach the East Africans through our library distribution channels e.g. Depository Libraries in Partner States, ministries, government institutions, universities, National assemblies, Civil Societies.*

OFFICE OF THE DSG (PI)

GROUP TWO

RESEARCH & PLANNING, M&E, FISCAL & MONETARY AFFAIRS, INVESTMENT&PRIVATE SECTOR PROMOTION, STATISTICS, TRANSPORT AND WORKS METEOROLOGY.

MONITORING AND EVALUATION

QUESTION:

The cumulative annual performance targets report does not include areas from the planning unit.

- *The cumulative report for the Department of Planning, and Research was part of the consolidated Report submitted to the General Purpose committee.*

STATISTICS

QUESTION:

Under statistics docket most activities geared towards legal and policy frameworks and compilation of harmonized statistics necessary for operation of the EAC common market .(activities that budget is sort for are not adequate to achieve the objective

- *The activities that are currently factored in the budget are aimed at development and updating of the statistical database with statistical indicators and compilation of statistical indicators. With adequate budget, we would initially agree on the harmonized statistical frameworks, after which the agreed harmonized frameworks will be anchored in regional guidelines, legal and policy frameworks.*
- *The activities that are factored in the budget are initially to agree on the harmonized frameworks, after which they will be anchored in the legal and*

policy frameworks. This, invariably, calls for additional funding down the work stream.

QUESTION:

What is the status of the EAC statistics and Draft EAC Statistics Bill

- *The draft EAC statistics Bill has been considered by the Sectoral Committee on Statistics and subsequently the SCFEA. The Bill awaits the negotiation by a taskforce created by the SCFEA to negotiate the Bills for all the EAMI institutions*

QUESTION:

Under fiscal and monetary affairs 2014-2015 budget the draft bill for establishment of surveillance, compliance and enforcement commission was supposed to have been completed but we still have activities requesting a budget to carry out the same.

- *The funds provided in the 2014-2015 facilitated development and validation of the Draft Bill for the establishment of the EAC Surveillance, Compliance and Enforcement Commission. However, the draft Bill has not been considered by the SCFEA, which is expected to refer it to the high level taskforce for EAMI institutions. The 2015/16 budgetary provision is expected to facilitate completion of the pending activities to have the Draft Bill ready for consideration by EALA.*

FISCAL & MONETARY AFFAIRS

QUESTION:

Under development objective of establishing East African Monetary union the first activity under statistics is to participate in national,regional and international conferences by EAC (clarity on relevance)

- *The EAC Secretariat is usually invited to participate in regional (African statistics day, African Development Bank & African Union statistical workshops) and international (United Nations, WorldBank and IMF)*

conferences where regional and global statistical matters and any emerging issues are addressed. It is, therefore, important for the department to participate in these activities in order to leverage on them the discussions and trainings thereof when implementing harmonisation programs in the Community

TRANSPORT AND WORKS

QUESTION:

On Transport and Works what activity has been put in place to ensure implementation of the OSBP are the officials' part of the personnel to be trained?

- *Immediately after the passing of the OSBP Act and the Vehicle Load Control Act in April, 2013 and May, 2013 respectively, the Secretariat embarked on the development of Regulations. TORs were prepared and approved by the Sectoral Council on TCM and funding was sought from the Partnership Fund. Consultants were engaged in September, 2014 after a competitive procurement process and both firms that won were the ones that prepared the draft Bills.*
- *Training will be next phase of the operationalization of OSBPs and the regional vehicle load control regime. The Secretariat has already agreed to partner with JICA for the training of border officials at individual borders on the requirements of OSBP concept. Secretariat officials will be part of the resource team of experts conducting the trainings.*

QUESTION:

Can we have the status report on the railway sector enhancement project and the road network projects?

- *Railways*

The EAC received a grant of USD 1,320,000/- in 2012 for the unpacking of the EAC Railways Master Plan. This unpacking process is known as the Railways Sector Enhancement Project. A consultant, CPCS Transcom International, was engaged in February 2014 to carry out a pre-feasibility study on 21 proposed new railway lines and develop a prioritization criteria, develop a policy matrix and carry out a Strategic Environmental and Social Assessment (SESA). The draft report has been validated and the final report is under preparation. Completion is scheduled for August, 2015.

- *Road Networks*

The development of multinational roads projects linking Partner States is ongoing:

- *Construction of the Arusha – Holili – Voi road commenced in July 2014 (on the Kenyan side). Construction of the Arusha Bypass and Sakina – Tengeru Dual Carriageway is scheduled to commence by May 2015*
- *The Final Designs of the Malindi – LungaLunga / Tanga – Bagamoyo road are due for submission in June 2015 after which negotiations for funding will commence. AfDB has expressed interest to provide funds for part of the project.*
- *Procurement of consultancy services for studies on two roads linking Rwanda and Burundi to the Central Corridor is ongoing. These are; i) Nyakanazi – Kasulu – Manyovu / Rumonge – Bujumbura road and ii) Lusahunga – Rusumo / Kayonza – Kigali road. AfDB has programmed both roads during the 2016/2017 period.*
- *EAC and the Central Corridor Transit Transport Facilitation Agency (TTFA) have made a joint funding request to AfDB for the Dar es Salaam southern Bypass project, aimed at de-congesting the city by providing a route out of the port for heavy commercial vehicles away from the CBD.*
- *The Secretariat intends to submit a funding request for the design of the Bugene – Kasulo / Masaka – Mutukula road as a multinational project.*
- *The EU has agreed to fund the Cankuzo – Gahumo/Murusagamba – Nyakahura road between Tanzania and Burundi. It will provide an alternative route with a gentler terrain for Dar es Salaam bound traffic*

- *Partner States continued with the rehabilitation of various sections of the East African Road Network. For example, the dualling of the 40-km long Mombasa – Mariakani section of the Northern Corridor will enhance capacity and efficiency*

METEOROLOGY

QUESTION:

Under meteorology what is the status of the establishment of the Numerical weather prediction laboratory is it in place? This was a department that was largely under-funded in the last budget forecast. With so many natural disasters this department is under funded

- The Secretariat informed the GPC that during the current financial year (2014/2015), Numerical Weather Prediction equipment were procured and installed at the Tanzania Meteorological Agency and Kenya Meteorological Department. Similar equipment were procured during 2013/2014 Financial Year and installed at Burundi, Rwanda and Uganda Meteorological Services. The installed equipment are being used to produce weather forecast products for the Partner States. The equipment will lead to better and accurate real time forecasts to help the region in averting disasters and allowing the Partner States to undertake better planning in relevant areas. The Secretariat however agreed with the GPC on the need to enhance the funding to Meteorology in view of the increasing weather related disasters in the region.
- Further the Secretariat confirmed that a proposal has already been made to transfer Meteorology sub sector at the Community from Infrastructure Directorate to Productive Sectors Directorate under Environment and Natural Resources in the ongoing Institutional Review. The matter of the Environment Fund to address matters of adaptation and mitigation aspects of Climate change is addressed under the Environment and Natural Resources Department

- 8 (b) On the GPC question regarding the Maritime Search and Rescue drills – how many participants and where it will be held;

- A meeting of the Working Group on Maritime Safety held its first meeting in December, 2014 in Mwanza, Tanzania. The meeting developed a joint EAC Maritime Search And Rescue Exercises Framework with the objective of enhancing the readiness of the Search and Rescue Units in Partner States to work together during a maritime emergency. The meeting recommended that the first SAR exercise be held in Mwanza to test SAR readiness of the Maritime Rescue Coordination Centre for Lake Victoria as well as the SAR readiness of the United Republic of Tanzania by December 2015.
- The resources required for a search and rescue exercise are many and varied. During the planning stage, the Working Group will identify the required resources and receive an inventory from the MRCCs. However some of the institutions that will be considered for inclusion in the exercises include the following:

i) MRCCs
ii) Communications Authorities
iii) Red cross/Red crescent societies
iv) Ministries of health and social services
v) Police
vi) Navy
vii) Search and Rescue Mission Co-ordinators (SMCs)
viii) Maritime Authorities
ix) Port Authorities
x) Ministries of Finance, Transport, Works, Defence, Health, Fisheries, Foreign Affairs and Immigration Departments Local/County Government/Authorities

xi) Fire Brigade
xii) Civil Aviation Authorities
xiii) Meteorological Services
xiv) Beach Management Units (BMUs)

The Secretariat is in the process of mobilizing resources for the exercises.

Questions and Responses in Matrix format below:

GROUP II

ANALYSIS OF PRIORITY AREAS, EXPENDITURE, ACHIEVEMENTS AND IMPLEMENTATIONS STATUS VS PROPOSALS

S/N	BROAD OBJECTIVE/ PRIORITY AREA	2014/2015 ACHIEVEMENTS	ACTIVITIES/EXPENDITURE	COMMENTS	Response
1.	Fully implement the EAC Common Market Protocol	Validated report was already done in 2014 what is the meeting achieving? Implementation of the protocol was already reviewed at the national level what is the meeting in tending to achieve?	A new institutional framework established by the Council Three meetings - $321,450	• Where are these meetings held? • Air tickets are for staff? • Why are we not using the EAC Conference Facilities i.e. bring Partner States Members to Arusha to cut costs?	
2	Strengthen the service support sectors Strengthening the planning research, monitoring & evaluation functions		No justification for figures as provided for	Need to look at the procurement manual and procedures.	
3		The status report of the summit decisions was and directives was compiled and considered by 30th 2014	Convene meetings for Sectoral Council	Does it cost $35 a day per person on conference facility or is it package clarify number of persons attending meetings and how selected. Justification for the activity is not similar	

S/N	BROAD OBJECTIVE/ PRIORITY AREA	2014/2015 ACHIEVEMENTS	ACTIVITIES/EXPENDITURE	COMMENTS	Response
4	EAC Policy research unit and established and operationalized	Target was to establish the research unit but this is the same activity that will be carried on this year	Training of staff	Training of staff a good idea but why do we have DSA and per diem where is the training taking place	
	Quality management systems maintained by June 2016	To pay for contracted professional services for QMS focal officer to support the maintenance of the EAC secretariat		500per day for 120 days what is the standard rate for consultancy.	
MONITORING AND EVALUATION					
	Monitoring and evaluation To strengthen the service support sectors	Formulation of development strategy	There is no reference in the performance targets on this strategy	Consultancy services man day 500 per day/180 days validation workshop. 400 80 persons x 350 = 28,000	Production of Development Strategy. These are contracted professional services consultancy fee
	Coordination framework for regular sharing of M&E information between organs and institutions established	Undertake comprehensive review of the status of implementation of the EAC common market customs union and other regional policies	No status report		Status of implementation of the CMP, CU and other regional policies, This exercise was not undertaken as directed by the 15th Summit due to lack of resources, we have since budgeted for it in the FY 2015/2016
			Two consultative workshops	What is the need for two fora, possibility of having the forum in +Arusha?	One the AFCOP is organized by the African Development Bank and the other on of the

S/N	BROAD OBJECTIVE/ PRIORITY AREA	2014/2015 ACHIEVEMENTS	ACTIVITIES/EXPENDITURE	COMMENTS	Response
					EAC-SADC-ECOWAS will be in Addis Abuja Nigeria because the recent one was held in Arusha. This is held on rotational basis
			Production of Development Strategy, Regional/International Fora, status of implementation of the CMP, CU and other regional policies.	Why are all activities geared towards fora, and workshops/conferences. No deliberate attempt for other engagement all monies are for per diem/tickets/conference facilities	See above
				Why are 24 staff going for Regional Conference? Is it one or spread out?	They are 2 staff going for 2 meetings 6 days
FISCAL AND MONETARY AFFAIRS					
	To fully implement the EAC Common Market Protocol		Dissemination of the results financial education study M2BO2TOIOISOI	Clarify what advertising units 40 for 600 is for? Why 120 staff for activity? 800 cost on input and 200 no of units – clarify?	
	Annual Target – financial literacy disseminated to 50 institutions and 1000 individuals. Priority – to establish		Implementation of the certification programs in banking and insurance sectors M2BO2TOIOISO2	Consultancy of $1000 per day for 150 Who is the implementing agency?	

S/N	BROAD OBJECTIVE/ PRIORITY AREA	2014/2015 ACHIEVEMENTS	ACTIVITIES/EXPENDITURE	COMMENTS	Response
	a single market in financial services.				
	Policy review and management of the EAC Tariff regimes and rules of origin improved.		Development of guidelines and regulations in pensions, insurance and capital market.	1000 per day for 300 = 300,000. Procurement plan of engagement for consultants.	
			Development of banking legal and regulatory framework.	Consultant, delegates per diem. Why can't these activities be combined?	
			Development of the micro finance/SACCOs legal and regulatory framework.	Consultancy Professional services 1000 per day for 200 days (Explain why some of these services are separate, the target is one.	
	Compliance with international standards		Implementation of study recommendations on compliance and standards.	Why convene a conference to implement recommendations of a study.	
	Well-functioning and efficient retail payment system		Procurement and implement ACH cheque truncation system for Uganda.	Software 2,021, 200 was is properly procured.	
			Procure and install hardware and software equipment BCP for Kenya.	150,000 intangible fixed assets. No procurement plan. Publicity/advertising 1600 x 12 = 19,200 800 x 18 = 14,400	

STATISTICS					
S/N	BROAD OBJECTIVE/ PRIORITY AREA	2014/2015 ACHIEVEMENTS	ACTIVITIES/EXPENDITURE	COMMENTS	Response
	Establish East African Monetary Union Development and Harmonisation of statistics in the Region M3102T01S04 – M3102T0201S	Regional framework for payment and settlement system in place in June 2016. Total budget for Activity $314,650	Participate in National and Regional fora. Harmonized systems and laws	12,800 for attending conferences, are they already known or envisaged? How was the number of people determined?	Provision for attending relevant international conferences including UN, WB, IMF annual conferences, African Union AfDB, African statistics meetings. Each meeting is attended by one relevant official
			Hold Technical Working Sessions on National Accounts Statistics	This is a technical session. Why is it not at the EAC Headquarters? Why must we do it in Partner States? $33,900	An EAC Council Directive on sharing meetings require that meetings are shared 50% between the EAC HQ and the PSs
			Technical assistance for productive sectors statistics consultant services	What will this person be doing? 4000 per day for 12 days?	Productive statistics expert seconded to the Secretariat by an NSO working for 12 months The expert will assist in the implementation of ongoing compilation harmonisation programmes
			Technical working sessions for Technical working groups on monetary and financial statistics.	Why can't these sessions be at EAC Headquarters so as to save on Conference Facilities? How many people participate in working session $33,900?	An EAC Council Directive on sharing meetings require that meetings are shared 50% between the EAC HQ and the PSs
			Technical assistance in	Consultancy for 260 days at	Two macroeconomic statistics

					Statistics and Financial soundness Indicators
	To develop and strengthen the Regional Competition and sustainable productive and social sectors to support regional and global integration process.		Consultant undertake the study to evaluate the impact of the post EAC Annual Investment Conference	Why can't this be done by the Secretariat staff?	There were initial attempts to have this done by the Secretariat. It was decided that for purposes of impartiality it is better accomplished by an independent consulting group to remove any biases that may occur, leave alone the acute capacity constraint explained below
			To convene investment mission abroad.	Why can't this be combined?	The impact Investment missions abroad were not part of the TORS approved by Council since the decision was specific to the investment conference which had issues of costs, frequency and partnerships in their convening.
	INVESTMENT AND PRIVATE SECTOR				
	To develop and strengthen regional competitive and sustainable productive social sectors	Convene meetings to operationalize legal and policy framework	This report is already scheduled to be considered in May 2015	What will this activity achieve	The final Report of the study on Investment Policy and Strategy was considered by Sectoral Committee on Investment in November, 2014 in Nairobi and recommended for approval to SCTIFI which is scheduled for May, 2015. The activity is envisaged to operationalise the recommendations of the study

					report; one being for investment experts to agree on a regional policy framework for investment. The study proposes a legal intervention to upgrade the current EAC Model Investment Code into a more dynamic legal instrument.
		Consultant to undertake the study to evaluate the impact of the past EAC Annual investment conference	No report of the past forums on investment what is this being anchored on	Is it necessary to have three validation meetings just to assess impact	The Reports of the First, second and third investment conferences were produced and posted on the EAC website. The study is anchored on the decision of the EAC Council of Ministers that directed the Secretariat to evaluate the impact of these conferences in terms of value for money, frequency, and partnerships to enhance effectiveness of these events. The validation workshops proposed are two; one to validate the inception/interim report and the draft final report as required by the financial rules and regulations of the Community.
		Convene SG forums in the partner states as	No status report provided for impact of the forums.	How do subsequent forums of this forums add value	Reports of the Forum and their recommendations have been presented to the Sectoral Council

		part of the implementation of the proposed EAC dialogue framework for private sector civil society			on EAC Affairs and Planning for consideration regularly. The 5 national forums (one in each Partner State) and a regional one are held annually. In subsequent years, the CEOs are updated on the status and progress of the implementation of the recommendations of the past forums and a chance to propose new recommendations so as to continually improve the dynamic operating business environment in EAC. The forums are instrumental in bringing together Chief Executive Officers (CEOs) so as to agree on a common regional agenda for business community as provided for in Articles 127,128, and 129 of the Treaty.
		To support capacity building for private sector organizations and to the department		Clarity on type of capacity is it infrasture or technical	
TRANSPORT AND WORKS					
	To develop Regional Infrastructure to support integration	Training stakeholders and border weighbridge officials	No status of implementation reported	This is a training activity where does it take	The Regional Technical Committee of the East African Trade and Transport Facilitation Project and Bi-

		on the fundamentals of OSBPs		place at the EAC HQs or in partner states?	lateral Joint Border Committees held meetings to review the finalization of the construction phase of the OSBPs. Training will take place at the OSBPs and in Partner States capitals targeting the agencies responsible for border management.
		Develop regulations for operationalization of OSBP and VLC Acts	No status reported		Consultants were engaged in September, 2014 to develop the regulations for both Acts and the Draft Regulations were reviewed in March 2015. The Regulations are expected to be finalized by June, 2015
		Design framework for border ports weighbridge interconnectivity and data management	No status reported	Who are the target group	The Transport Facilitation Strategy has proposed the framework for interconnection of weighbridges across the region. The legal and technical requirements are being developed after which funds will be sourced for implementation The National Road Agencies, Revenue Authorities, Police and stakeholders deemed relevant will be connected to the system. The systems will be integrated into the proposed regional e-SWS currently being developed.

		Procure consultancy services for carrying out studies for pipeline multinational projects		Why is this a conference activity clarity on amounts being paid for contract 500 for 3220 totals to 1,610,000	Expressions of Interest were received, evaluated and a shortlist of selected bidders approved by AfDB. Technical proposals were evaluated in March 2015 and a No Objection is awaited from AfDB to open Financial Proposals The conferencing costs are to cater for the convening of stakeholders workshops to get public comments on issues like displacement of persons, environmental issues and road safety among others. The USD 1,610,00/- is the estimated contract amounts to be paid to the consultants during the FY 2015/2016. EAC signed a Grant Agreement with AfDB for an amount of USD 2,680,000/- to be paid in tranches over a two year period.

EAC COMPETITION AUTHORITY HAS TWO BUDGET AREAS UNDER DG, CUSTOMS AND TRADE

To develop EAC Competition Authorities internal Procedures $27,350 (Under Trade facilitation) and yet EACA has own cost center in the budget itemized with Furniture and purchasing IT equipment.

Code	Activity	Amount	Comments	Response
General Question on EAC Competition Authority	To develop EAC Competition Authorities internal Procedures $27,350 (Under Trade facilitation) and yet EACA has own cost center in the budget itemized with Furniture and purchasing IT equipment.	$27,350		
CO 1	To convene EAC meetings to prepare EAC position on the draft TFA Agreement (Phase 2)	$84,100	• Can't the activity be conducted using video conferencing facilities?	
CO 5	To convene EAC workshops to sensitise the key stakeholders on the tripartite FTA	$103,400	• This sensitization workshop cannot only be done by a single department therefore there is need of a clear sensitization policy.	•
301C	To hold meetings with the Republic of Turkey to negotiate a TFA and a TEPA	$87,500	• There is need for the status of EPAs and the commitment therein. • The current budget from Partner Stats should not be funding any EPA activity because EPA activities are supposed to	• Attached is a paper on the status of the EAC –EU EPA and the key commitments therein. • This activity is not an EPA activity. Turkey is not a Member of the EU. Since

			be funded under the EPA framework.	2008, Turkey has requested for the negotiations of a Trade agreement with the EAC Partner States, to which the SCTIFI on 30th May 2014 agreed that the EAC Partner States engage with Turkey. • Therefore, EAc needs a budget for this activity.
CO 1	To hold regional meetings to harmonise the regional negotiating position on trade and investment partnership	$60,800	• This activity should be done by video conferencing. • The video conferencing should be used in this case and the results would be the same.	• These regional meetings are usually very intense and require at least 3 full days and active participation from all the Partner States to come to harmonized negotiating positions. This is best achieved in face-to-face meetings. From our experience, the video conferencing facilities have sometimes faced challenges of connections (ie in the case of Burundi) and inadequate participation of the required experts from Partner States. The

				VC is best suited for short meetings and those that do not require long, intense debates from participants. • Furthermore, these regional meetings precede the negotiating meetings with the U.S. which requires the presence of all the Partner States delegations together so that they can quickly consult on matters raised by the U.S. during the negotiations. Hence the need to bring them together during these meetings.
4015	To hold meetings to implement the EAC AGOA Strategy.	$166,400	• Money for the implementation of the strategy (EAC, AGOA strategy) cannot be budget for in the current financial year before the strategy is developed.	•

016	To conduct national workshops for requirement gathering for additional trade help desk modules	$38,875	• These activities can best be conducted under the department of statistics and other related meetings can be conducted using video conferencing activities.	
SO15	To organize launch of Trade Help Desk by the Heads of State at the Summit.	$10,250	• It is inappropriate to budget for the Summit.	•
SO 2	To hold workshops to sensitise key stakeholders on the implementation of Trade in Services	$85,600	• The department can't properly undertake this activity. All sensitization workshops should not be harmonized in the Community.	• The department is responsible for coordination of Trade in Services activities in the Partner States, including trainings and sensitizations.
SO 2	Training of laboratories stakeholders on regulations in Partner States	$21,040	• Misleading activity because the description of activities does not reflect the purpose.	•
SO 3	To hold meetings of sector Technical Committees to review EAC Standards	$15,800	• Requires further explanation on why these meetings are necessary. • Not sure about this mandate.	•
SO 4	Conduct awareness workshop in Capitals for stakeholders and regulatory agencies	$65,050	• What is the difference between awareness and sensitization? And if so this activity should follow similar treatment of the same activities in this budget.	•
SO 8	Training of stakeholders on	$17,500	• Proper explanation is	•

	technical regulations and standards		needed because budget and activity description are not clear.	

OFFICE OF DSG (PRODUCTIVE AND SOCIAL SECTOR)

AGRICULTURE, LIVESTOCK AND FISHERIES: Page 70 – 73

M2DO1TO1O1SO5 Pg.71

QUESTION:

How do they prioritize? Only $20, 875 in a sector employing the majority of East African which is Agriculture.

- *The rest of the activities are funded by Development Partners*

QUESTION:

Who is being trained on veterinary legislation?

- *Targeted participants include directors of veterinary services, legal experts, registrars from veterinary statutory bodies, professional associations and the civil society in the area of veterinary services.*

QUESTION

What are Livestock sector policy hubs which we seek to establish and operationalize $50,800 and last year $39,400?

- *A livestock policy hub is multi-disciplinary group formed to ensure broad and inclusive stakeholder participation in the livestock policy formulation/review processes. Members are selected from state and non-state actors. The main objective of policy hubs is to develop/strengthen capacities for formulation/review of livestock related policies that take into consideration the voices of all livestock stakeholders. The hubs have representation from different government sectors, the private sector, livestock keepers, community-based organizations and NGOs.*

QUESTION:

Animal resource database already completed. (Page 72)

- *The EAC Animal Resources database (ARIS2) has been created and is functional. Current efforts are mainly focused on building the capacity of EAC Partner States to use and manage the system.*

QUESTION:

What is this policy and regulatory framework? ($108,750)? Is it different from SO2 above (Finalization of Harmonization of policy and regulatory frame work) they both share a code.

- *This will mainly focus on harmonization of seed policy and regulatory framework.*

QUESTION:
SO2: A Bill on Aflatoxin should be introduced.

- *Issues of aflatoxin are well entrenched within the EAC SPS Protocol which addresses plant and animal health as well as food safety. The proposed SPS Bill and regulations will accommodate aflatoxin related matters.*

QUESTION:
Is SO4 different from SO5? All is about sensitization on Aflatoxin Policy at National Level. Why the 2 Activity codes? What is RWEGA?

- *The two activities (SO4 different from SO5) are different. The validation workshop is aimed at securing buy-in and ownership of the proposed policy from key stakeholders at the national level while the sensitization forums are broad in nature and aimed at enlightening a broad range of stakeholders on the impacts and effects of aflatoxin.*

- *REWGA- is the Regional Experts Working Group on Aflatoxin constituted in accordance the Directive (EAC/CM27/Directive 21) of the 27th Meeting of Council of Ministers. REWGA is mandated to provide technical and advisory guidance on prevention and control of aflatoxin in the EAC region.*

QUESTION:
M2D01T1DO1S02: What is EAC RFBS ...to take $416,600? What are its FOCAL POINTS doing? Page 73

- The EAC Regional Food Balance Sheet (RFBS) is a website that allows the East African Community to access information about the staple foods produced and traded in the East African Community partner nations to enable and facilitate trade. The proposed activities under RFBS include the following:

  - Follow up with National Food Balance Sheet committees to ensure timely upload of RFBS data to the RFBS portal in each of the 5 partner states
  - Create awareness and sensitization (through 5 Breakfast meetings) with National and Regional Associations, Business Community, Farmers and NGOs to showcase RFBS
  - Build Capacity of Partner states on management and use of RFBS at the national level as well as strengthening the linkages between national and devolved units of government.
  - Convening of technical workshops at the national and regional levels to facilitate preparation of requisite reports from the RFBS portal for dissemination to relevant stakeholders.
  - Scalling up of RFBS portal to include other components apart from cereals and pulses. Other components include horticulture, industrial crops, livestock and fisheries. A regional workshop to identify data contributors for other components of RFBS will be convened.

QUESTION:
What are focal points doing ?

- *EAC Partner States RFBS focal points have been urged to provide budgetary allocations to support fully institutionalization and sustainability of RFBS activities*

ENVIRONMENTAL AND NATURAL RESOURCES

Page 76

ENVIRONMENT AND NATURAL RESOURCES:

Page 76

QUESTION:
How is the staff with Climate Change Management Unit going to be recruited without funding?

- *Staff were recruited after funds were availed through the COMESA/EAC/SADC Tripartite Climate Change Program*

QUESTION:
Page 79: why procure office equipment for a Coordination Unit whose staff are not recruited/no funding is provided for recruitment?

- *As above, staff recruited and equipment procured*

QUESTION:
Page 79: Definition of NTS, UNFCC, CCTWG

- *NTS- Negotiators*
- *UNFCCC- United Nations Framework Convention on Climate Change*
- *CCTWG- Climate Change Thematic Working Group*

QUESTION:
Sensitizing EALA Page 80 and 217, 2 Meetings of 2 days and 40 Participants EALA has 45 Members who won't participate.

- *To participate are the EALA Women's Forum, Members of the Agriculture, Natural Resources and Tourism Committee (ATNR).*

QUESTION:

What's the status of the EAC Climate Change Fund?

- *The EAC Climate Change Fund was established by the 20th EAC Council of Ministers, held on 26th March 2010 in Arusha, Tanzania (EAC/CM 20/Decision 30). The Council further directed the Secretariat to work with Partner States' experts to develop modalities for operationalizing the Fund and submit the document to the Council for consideration. The Operational Modalities for the EAC Climate Change Fund prepared and approved by the 27th Meeting of the Council of Ministers held on 31st August 2013 held in Arusha (EAC/CM 27/Decision 28) subject to the ongoing Institutional Review Process.*
- *As part of EAC's efforts to mobilize financial resources and capitalize the EAC Climate Change Fund to address climate change mitigation and adaptation in the region in accordance with the EAC Climate Change Policy, Strategy and Master Plan, EAC has embarked on a process to seek for accreditation as Regional Implementing Entity (RIE) under the International Climate Change Financing Mechanisms governed by the United Nations Framework Convention on Climate Change (UNFCCC), specifically the Adaptation Fund (AF) and the newly established Green Climate Fund (GCF) that has so far received financial contributions in excess of US$10 billion. EAC Partner States are highly encouraged to make contributions to the EAC Climate Change Fund which is yet to be capitalized by funds from various sources including from the public, private sectors, development partners and other innovative sources.*
- *EAC Secretariat is working in close collaboration with the East African Development (EADB) in this venture. EAC is also is in the process of developing the EAC Climate Change Bill that seeks to legally establish the EAC Climate Change Fund and establish an appropriate institutional framework for climate change at the regional level.*

QUESTION:

Convening a Multi-sectoral meeting comprised of Experts in Environment and Natural Resources, water, land, wildlife, forestry, Energy, Mining and Legal $81,500

- *(Council Directive of the 31st Meeting of the Council to study the issues raised by the United Republic of Tanzania on its proposal to renegotiate the Protocol on ENRM.*

QUESTION:

Attendance of at least one staff to at least one meeting of Finance and Administration Committee, Council and Summit held outside Arusha. $24,200.

- *(These are statutory meetings that require the presence of Environment and Natural Resources Office to defend their budget, environmental matters during EAC Organ Meetings.*

QUESTION:

DSG PSS and one Professional staff attend 2 LVBSECOM Meetings and one EALA Session. $9,000

- *(The Department of Environment and Natural Resources is the liaison office for LVBC –EAC Secretariat. At least one staff and DSG (PSS) shall be facilitated to attend Sectoral Council Meetings and other planning meetings.*

TOURISM AND WILDLIFE MANAGEMENT:

QUESTION:

Why are activities on Page 83 not funded by Partner States yet Tourism is among the top forex earners in East Africa. (Including promotional materials.) 99%: Partner States only provided $1,800: Even promotional materials?

- *The Tourism and Wildlife Management department is mostly development Partner supported. Partner States have mainly supported the development of legal frameworks but this allocation has gradually decreased over the years.*

QUESTION:

How are you going to produce promotional materials when the planning meeting intended to conceptualize the designs and theme is not funded? How will you then come up with the concept and the design?

- *The department will re-produce promotional material from the last financial year's concepts. This included promotional carrier bags; executive pens, key holders, pens and dvd's. (Samples were provided to the Chair of the GPC).*

QUESTION:

Page 83: $19,000 sufficient for activity M2DO3TO11SO2 (Finalise and adopt modalities for the Introduction of the EAC Tourist Visa). Isn't the Single Tourism Visa concluded? Are we still at the Level of finalizing and adopting the modalities from the introduction of the visa (Page 83)?

- *The Secretariat has been directed by Council to call a multi-sectoral Ministerial meeting this financial year to present the Report of the Study conducted in 2010 to determine Partner States Preparedness for the Introduction of the EAC Tourist Visa. In addition the Ministerial Meeting will consider and adopt a proposed roadmap for the Introduction of the EAC Tourist Visa.*

- *In this regard, the funding allocated for the next financial year of $19,000 will go towards Supporting Secretariat to convene a technical meeting to work out modalities. It is expected that Partner States will fund themselves to attend.*

QUESTION:

Page 84: which policy meetings are you going to conduct with $1,800? Is it sufficient?

- *The Secretariat will convene a meeting at HQ for technical experts on the Finalization of the Protocol on Tourism and Wildlife Management. Partner States will be requested to facilitate the Experts participating.*

QUESTION:

Is this is what was budgeted for by the Sector ($20,650 Deficit $18,850 a protocol on Tourism and Wildlife Management to conduct technical expert meetings to deliberate on the Protocol?

- *Yes, this funding would be able to facilitate the Experts from Partner States.*

QUESTION:

Page 84: Conduct an EAC Assessor's workshop to develop TOT: Why is this not funded. Directive on the 5th Sectoral Council on Tourism.

- *Partner States did not allocate funding in the next financial year. The activities for the above were presented to the GPC as part of the Un-Funded/ Underfunded activities to re-consider.*

- *NB: The modalities for the training of EAC Assessors needs to be urgently fast-tracked in order or Partner States institutions of hospitality training can begin to build more capacity in the area of quality assurance and classification of Accommodation* and Restaurant Establishments as per the EAC Criteria.

INDUSTRIAL DEVELOPMENT

QUESTION:

What is MVA?

- *Mineral Value Addition- A study supported by Commonwealth Secretariat was conducted to assess minerals in EAC with potential for mineral value addition (MVA). - The report recommends for the formulation of an EAC Mineral Value Addition (MVA) Strategy.*

QUESTION:
What is CATMIT?

- *Proposed Center for Adaptation and Transfers of Manufacturing and Industrial Technologies (CATMIT)- a feasibility study was conducted to assess the viability of establishing of such a center in East Africa Region. The report is to be presented to the SCTIFI for consideration ion 18th May 2015.*

EDUCATION, CULTURE AND SPORTS

QUESTIONS:

Page 90: the 2nd Edition of the EC Arts and Culture Festival 2015 is not funded. Does this mean it will not take place? It is scheduled for August 2015 yet preparations are under way in Kenya? Page 1: Council directed that it should be conducted every 2 years:

- *The 1st edition of the EAC Arts and culture festival was held in 2013 in Kigali Rwanda. The 2nd edition of the EAC Arts and Culture Festival 2015 was confirmed by the 12th Sectoral Council on Education Science and Technology Culture and sports held in March 2015 in Arusha. It will take place from 2nd – 9th August 2015 in Nairobi Kenya. The Host and other Partner States have confirmed their readiness to participate and preparation in the respective*

Partner States are underway. The challenge is that the provision in the Budget estimates for FY 2015/216 caters for only the preparatory meeting of the Regional Steering committee. No Funds are provided facilitate the Secretariat for the execution of the festival hence the request for request to re-consider.

QUESTION:

Page 89: How come all activities on Culture, and Creative Industries are not funded in the coming Financial Year:

- *The Mapping of Culture and Creative industries in the EAC has been a project funded under Partnership Fund. The Department has completed the 5 National level Mapping and is embarking on the compilation of the Regional Report of Culture and creative industries in the EAC in June 2015. The budget for the planned activities during FY 2015/2016 was submitted to the Partnership Fund but zero allocation was made. This project has not received any funding from Partner States previously. This remains a Challenge because much has already been done but the work cannot be completed.*

QUESTION:

Page 90: Holding Regional Steering Committee meetings for with Festival Events has only allocated $44,900 yet $243,150 was requested – Deficit $196,650. Are the allocated funds sufficient to facilitate with Regional steering Committee meetings.

- *The $44,900 provided for in the 2015/2016 budget is meant facilitate the convening of the 3rd and last Regional Steering Committee meeting. The other two Regional Steering Committee meetings were catered for under the current budget for this FY 2014/2015.*

- *The deficit of USD 196,650 are the funds required the Secretariat and the Regional Steering committee to execute the 2015 Festival Programme while in Nairobi Kenya. Zero allocation was given to this very important item in the 2015/2016 Budget estimates.*

QUESTIONS:

Why 12 staff?

- *There are ONLY two members of staff not 12, The calculation is that 2 staff for 6 days each which equals 12 Units not staff.*

QUESTIONS:

Why 228 Units?

- *There are 5 students from each Partner State, 1 Focal Point Person per Partner State and 1 headteacher per Partner State. This makes a total of 7 people per Partner except the United Republic of Tanzania which has 8 including an education officer from Zanzibar. This makes a total of 36 people. The team also includes I nurse and 1 security officer making it a total of 38 people on the tour. This is multiplied by 6 days of the tour getting a total 228 units.*

QUESTIONS:

Who attends the 2 Regional Meetings on Education costing $3,800

- *The Principal Education Officer (PEO) attends the meetings when invited by a Regional Body dealing with Educational Matters.*

QUESTIONS:

Is $4,800 sufficient for 2 International Meetings on Education?

- *This depends on the location of the meeting venue. Generally, the figure is on the lower side*

GENDER AND COMMUNITY DEVELOPMENT AND CIVIL SOCIETY

(Promote Gender)

QUESTION:

Where is the funding on Youth Programmes activities under Page 93.

- *Funding has been provided for a meeting of experts to draft the action plan for the EAC Youth Policy. However, there will be need to for further funding to implement the action plan.*

QUESTION:

Where is the funding for conducting a Child Rights Assessment at Partner States level?

- *25,400 USD has been provided to develop the Child Rights Policy.*

QUESTION:

Holding the 2nd EAC Child Rights Conference is not funded out of $98,700 requested nothing has been provided. Is the inaugural conference of September 2012 in Burundi not supposed to have a follow up?

- *This will be provided for in subsequent Financial Years.*

QUESTION:

Definition of SDF

- *SDF is the Social Development Framework:*
- *Adopted by the by the 27th Council of Ministers in August 2013, EAC Social Development Policy Framework (SDPF) is designed to promote the well-being of the present and future generations of EAC. Part of the Framework's overall purpose is to address the unequal distribution of well-being across the Community. The development of this Framework hinges, first and foremost, on the institutional space created by the EAC Treaty. The Treaty, in several Articles, calls upon the EAC Partner States to closely cooperate and collaborate in the arena of social development with respect to among other things, the development and adoption of a common approach in several social development fields such as health and medical services; education, science and technology, culture and sports; gender and disadvantaged and marginalized groups, including children, the youth, the elderly and persons with special needs and with disabilities; social welfare; and environment and natural resources management (encapsulated in Articles 102-103, 111-114, and 118-120 of the EAC Treaty).*

Page 92: M2D12TO4O1SO1

QUESTION:

Who represents EAC in those Forums on Youth?

- *The Principle Gender and Community Development Officer or any other designated officer represents the EAC.*

QUESTION:
What is the status of the EAC Training Center for skill development of the Youth in the region?

- *This was to be developed as part of the implementation of EAC Youth Policy but has never been initiated because the activity has never got any budget approved.*

QUESTION:
Is there any funding set aside this Financial Year for the establishment of the training center?

- *It was initially budget for but had to be sacrificed yet again in order to fulfill the requirements of Zero budget increase.*

QUESTION:
Why are most of the activities under Gender not funded? 15/21 are not funded (Pages 92-94 of 217.

- *Most of activities under the Gender and Community department, despite being planned for are not funded because of two reasons.*

i) *due to the provision of Zero budget increase, the department only gets as much as was previously allocated despite having new activities and priorities.*

ii) This financial year, the Gender and Community department did not receive any funding from the Partnership fund despite having submitted proposals in time. This leaves the treaty provision of mainstreaming gender in all EAC activities in jeopardy.

QUESTION:

Page 94: Considering that the 4th EAC SGs Forum of September 2015 is not funded, won't it take place? Are you aware that this consultative dialogue is a continuous process with the SG's Forum is an annual event which requires budgetary support every Financial Year?

- *Yes indeed, despite the 4th SG's being an annual event and the apex of a continuous dialogue process throughout the year, the budget for this priority activity was cut. However, the event and the preceding activities (Regional Dialogue Committee meetings) are planned for.*

Page 94: M2D12TO702SO4

QUESTION:

Why is sensitization on EAC integration not funded yet its key for which integration process? Find funding Page 215: Sensitisation not funded.

- *The sensitization on the EAC integration process through the Consultative Dialogue process in all Partner States was planned for but has not been allocated any budget. Sensitization of not only the Dialogue Parties (as explained below) but for all the citizenry has been a constant recommendation in the subsequent SG Forums.*

QUESTION:

Definition CDF and Dialogue Parties?

- *The CDF is the Consultative Dialogue Framework:*
- *The Consultative Dialogue Framework was borne from the directive of the 19th Meeting of the Council of Ministers to the Secretariat to "formalize the forum provided for under Article 127(4) of the Treaty (Ref. EAC/CM 19/Directive 27).Article 127 (4) stipulates that the "Secretary General shall provide the forum for consultations between the private sector, civil society organizations, other interest groups and appropriate institutions of the Community".*
- *Dialogue parties are the Private Sector Organisations, Civil Society Organisations and other interest groups all represented at the regional level by their respective apex bodies and operating under a structured guide which aims at ensuring consultative participation and inclusiveness of the Private Sector, Civil Society and other interest groups towards realizing the Community objectives and promoting a people-centred integration process. The Consultative Dialogue Framework operates through constant dialogue at both national and regional levels. National level dialogue is coordinated through the Ministry responsible for EAC affairs and on the basis of the issues being discussed, also involves relevant sectoral ministries.*

QUESTION:

4 Meetings with Regional Dialogue Committee are not funded yet they form part which preparations for the SG's Forum: Page 94.

- *The Regional Dialogue Committee is the Committee mandated by the Civil Society, Private Sector and other Interest Groups to discuss the regional integration issues which may have a direct impact on the lives of East Africans. The Dialogue Committee is composed of 3 representatives per country and 1 representative from the regional private Sector and Civil Society organizations such as the East African Law Society, The East African*

Trade Union Confederation, The East African Business Council, the East African local Government Association and others.

- *Not only do the Regional Dialogue Committee prepare for the Annual SG's Forum but they are expected to meet regularly to provide constant feedback on the dialogue process in the respective Partner states. They are thus a priority for funding.*

HEALTH Department (heavily funded by donor)

Page 96:

QUESTION:
What constitutes the Conference preparatory activities that cost $74, 820.

- *The EAC Has organized five EAC Health and Scientific conferences, international trade fair & Exhibition, the last one being the 5th that was held from 25th to 27th March 2015 at Kampala Serena Hotel, Uganda. With the preparatory activities for the conference include convening of the Regional Steering committee meetings, to oversee the conference preparations. The amount allocated also facilitates members of the regional Steering committee to participate in the national processes to ensure that the conference is smoothly implemented.*

- *The Regional steering committee develops the conference theme, subthemes and conference procure and materials to be uploaded on the conference website.*

- *The $74,820 also included funds to support the national scientific committee (abstracts committee) that reviews and selects abstracts for presentation during the conference.*

QUESTION:

Conduct meeting for specific laws are regulations with laws?

- *The planned meetings are for the eleven (11) professional boards and councils in the EAC Partner States. These include the medical and Dental practitioners councils, Nurses and midwives Boards and councils, the Alternative Medicines Councils, Pharmacy Boards and councils, among others.*

- *The meetings of the health professional boards and councils will be discussing regulation and laws governing training i.e training curricula, internship, registration of medical and dental practitioners and practice in the EAC region.*

QUESTION:
Conduct actual conference with conference on what? $167,600? Is it because it is donor funded?

- *The source of the funds is Partner States not Donors. The EAC Health and Scientific conference is mainly funded through contribution from the Partner States, and the donors usually provide additional funds to cover the unfunded items in the available budget;*

- *As earlier states, the EAC Secretariat - Health department has been organizing these scientific conferences and from Experience, the minimum cost of the conference is $ 500,000. This was the budget that we submitted to F&A but was reduced to what is reflected in the MTED. The amount provided in this budget totaling to $ 167,000 will suffice to cover meals for one thousand (1000) delegates, and pay for the conference facilities for three days only. We need to mobilize additional funds for publicity, printing materials, protocol and security and air tickets for Session chairs, speakers and presenter among others.*

QUESTION:
Implementation of the EAC Regional Pharmaceutical Manufacturing Plan of Action by June 2016. Who does the implementation?

- *The East African Community is implementing a World Bank Funded project whose aim is to implement the EAC Regional Pharmaceutical Manufacturing Plan of action. Implementation of this plan is at two levels. An Partner states' level, implementation is through the National Medicines Regulatory Authorities (NMRAs) and partly the local Pharmaceutical manufacturing companies. At regional level, the EAC secretariat coordinates all regional activities related to harmonization of registration and manufacturing of medicines in the region. The EAC is coordinating activities that lay a foundation for the EAC Medicines and Food safety commission.*

QUESTION:
A consultant hired to develop the EAC PHE guidelines and Score card? M2D04T024C02 Page 98. Not very feasible on how HIV/AIDS policies, standards and protocols will be harmonized as most of the money is for meetings, consultant on PHE.We need to see the Terms of Reference for these consultants.

- *Harmonization requires stakeholder to meet and discuss the issues to be harmonized. Meetings area modality we are using to harmonize the laws policies and strategies, but are the final part after the analyses are done and issues that require harmonization are identified.*

QUESTION:
M2D04T024C06 and M2D04T024C09: Why 2 validation workshops?

- *Under this section, the code for PHE and HIV and AIDS have been mixed up during the uploading of these in the system. The validation under activity no. M2D04T024C06 is for the EAC Regional PHE Guidelines and Score card whereas the activity No M2D04T024C09 is under the HIV and AIDS programme and is validation of the Situation analysis report on Sexually Transmitted Infections in the EAC Region.*

QUESTION:
What is the difference between 2 consultancies No M2D04T024C02 and M2D04T024C019?

- *M2D04T024C02 is a consultancy to develop the EAC Regional PHE Guidelines and Score Card whereas M2D04T024C019 is a consultancy to develop the EAC Regional PHE Resource Center and Database. These will be undertaken by different consultants at different times.*

QUESTION:
Page 99: How were the Sites of Gulu (Uganda) and Ngara (Tanzania) choses for the cross border meetings on Ebola and others?

- *These were selected following meetings of experts that analyses the Epidemiological Trends in the Region and identified these as sites that were high risk. Other sites like Muyinga have been used previously for these meetings and it was time to profile other sites too.*

QUESTION:
M2D04T0204S05: The activity is an EALA Activity. $154,050. Page 100

- *This is well noted. EALA will take the lead in implementing this activity. EAC Secretariat will need to engage UNFPA, and request for revision in the financing agreement to make it easy to channel the funds directly to EALA. The current financing Agreement indicates that funds are released to Health department under the Reproductive Maternal New born Child Health (RMNCH) programme.*

LABOUR AND IMMIGRATION

QUESTION:
Page 102: Holding Review Meetings with the Chiefs and Immigration is not funded yet it is critical for implementation of the EAC Common Market Protocol.

- *The meeting of the Chiefs of Immigration is critical in that Immigration has a lot of obligations to implement under the EAC CMP and the Chiefs receive and consider reports from the technical officers on issues related to movement of persons, movement of Labour, Right of establishment and residence and more critical the issue of work permit fees. The most critical*

priority to be considered by the Chiefs during the FY 2015/16 is the implementation of the roadmap on the internationalization of the new generation East African e-passport and the planned launch of the e-passport by Summit in November 2015.

QUESTION:

What is the current status of as regards the internationalization of the East African e-Passport?

- *The 29th meeting of the EAC Council of Ministers held in September 2014 approved the designs for the new Generation East African e-Passport and urged the Partner States to ensure the e-passport is launched in November 2015 as per the Summit directive of November 2013.*
- *The following is the current status of the Partner States in the implementation of the New Generation East African e-Passport.*

Republic of Kenya

E-passport preparedness:

Technical working group has been constituted to plan and recommend how to migrate from Machine Readable Passport (MRP) system to e-passport and to identify the business workflow and integration of Systems and applications.

- *A draft working document with needs assesment and technical specification of both hardware and e-passport booklets is ready.*

- *Government has a common information portal, information.go.ke.*
- *Centralised systems are in place including, e-procurement; Intergrated financial managemnt system(IFMIS) being implemented both in central and*

devolved goverments for finacial management; Interegrated personnel and payrol database (IPPD);

- *E-Digital payment system in place to facilitate centralised payment of government services online; driving licence and land rates.*
- *Institutional structures: HUDUMA centres in operation which render various services to citizen through integrated technology platforms and shared database,*
- *ICT policy and infrastucture matters are championed by Ministry of ICT through ICT Authority, Communication Authority of Kenya, and Ministry of interior and internal security;*
- *A centralised database is in place, which acts as a repository of data from primary registration agencies for citizens and aliens; for births, deaths, passports, refugees and marriages. This is the souces of data which is shared by government security agencies, banks and insurance companies.*

2.2 Republic of Uganda

The Republic of Uganda launched the implementation of e-Passport in a multi-sectoral consultative workshop that took place in October 2014.

The workshop resolved to:

i. *Adopt a multi-sectoral approach as e-Passport implementation strategy involving a wide spectrum of stakeholders.*
ii. *Carry out more consultations on e-Passport implementation process with other relevant stakeholders in Government and Private Sector.*
iii. *consider in the national e-Passport implementation the national specific security requirements, ICAO standards and recommendations to Fast track the development of e-Passport additional technical Specifications and actual Designs with technical input from ICAO.*
iv. *Constitute a Steering Committee and Technical Working Groups (TWG) to steer the preparations of e-Passport implementation.*

v. *Acquire Consultancy services to develop and guide e-Passport implementation concept in order to ensure expeditious process.*

vi. *Directorate of Citizenship and Immigration Control to continue working with Ministry of ICT / National Information Technology Agency- Uganda (NITA-U) on the deployment of National Public Key Infrastructure (PKI) and also develop other synergies with National Security Information System (NSIS) for effective e-Passport implementation.*

vii. *Develop a comprehensive roadmap detailing the e-Passport implementation activities, cost consideration, timelines and implementation milestones.*

Republic of Burundi

The Republic of Burundi has in place an operational e-passport infrastructure operated under a Public Private Partnership (PPP) arrangement. The PPP contract has been signed with Contec Global, an International Company, which has a wide presence in Africa, USA, Europe and Asia. This partnership is based on a Build, Operate, Own and Transfer (BOOT) model, initially for a period of 5 years and has been renewed since January 2015

Immigration through the Public Security Ministry is under discussion with the Company to upgrade the system in order to produce the new generation EA e-passport as per 15th Summit directive.

Republic of Rwanda

The Republic of Rwanda through the Directorate General of Immigration and Emigration planned to undertake the e-Passport project during 2014/2015 and 2015/2016 financial years.

The first phase of the project to be completed during by June 2015 includes:

i. *Infrastructure setup*

- *An e-passport concept paper has been developed and includes; an assessment of existing workflows and system integration, biometric specifications, chip specifications, network connectivity, project phases and budget.*
- *Implementation of e-Passport Public Key Infrastructure (PKI).*

ii. *the Initiation of tendering procedure*

The second Phase of the project to be completed in 2015/2016 financial year includes the following:

- *Procurement of booklets*
- *Procurement of e-passport personalization software*
- *up-grading border management systems to accommodate e-passport*
- *Integration of existing back-end systems*
- *Public Key Directory(PKD) connectivity*

2.5 *The United Republic of Tanzania*

The United Republic of Tanzania through the Ministry of Home Affairs (MoHA) has taken measures to improve Immigration Services. The Ministry engaged a consultant to undertake a feasibility study on the possibility of installing and commissioning an Electronic Immigration Information System (e-immigration)in which the e-Passport is one of the components.

The study proposed that the scope of the project will include the following:-

i. *e-immigration software development*
ii. *Hardware and other equipment supply, installation and configuration*
iii. *Construction and rehabilitation of offices*

The final feasibility study report has been approved by management and the project proposal has already been endorsed by the President's Office (Planning Commission) and is currently at the docket of the Ministry of Finance and Economics for the necessary funding procedures and modality.

The Immigration Services Department has further appointed a team under Passport Control Officer to look into the issue of e-Passport and challenges of the existing Passport Issuance System and passport as whole. The team has already customised the minimum specifications of the EA e-Passport.

QUESTION:

Convening two capacity building workshops for immigration officers on the provisions on the Common Market Protocol: Not funded yet it is a priority for EAC.

- *The capacity building workshops for immigration are important due to the fact that most immigration officers have not being exposed to regional integration matters and more so on the EAC Common Market Protocol. The CMP envisages immigration services which are interlinked and interconnected to ensure national security, faster facilitation of the movement of people and regional security. Most Immigration officers posted at major entry/exit points have never been sensitized on the CMP and therefore the capacity building workshops which EAC Has been implementing in collaboration with International Organization for Migration(IOM) for are aimed at building their capacity to facilitate movement of persons goods and labour and to further detect document fraud and human trafficking activities. Those trained are expected to share the knowledge and skills gained with other officers.*

QUESTION:

Is the $31,890 provided for three meetings and Experts on internationalization on the e-passport sufficient considering the fact that $120,900 was budgeted?

- *The Funding for the experts meeting is not enough. The amount allocated is good to support only one meeting and the FY 2015/16 is most critical in terms of planning for the launch of e-passport in November 2015 and overseeing the implementation of the Roadmap on the internationalization of the new generation East African e-passport*

QUESTION:

Page 2 A Yet it is supposed to be launched by November 2015 as per Summit Directive?

- *As explained above*

QUESTION:

Page 103: Refugee Management: The sector has not been funded despite refugees for the last three years.

- *The Refugee Management sector has become the biggest victim of the 0% increment principle. It never received any funding during the 2013/2014 FY, 2014/2015 and the current budget for the period 2015/2016. The sector has been relying on funding from UNHCR but that funding has also dried up after the development of the regional Refugee management policy. The funds required are to develop an action plan for the implementation of the regional policy and facilitate the meetings of the experts and the chiefs of Refugee management to discuss regional refugee matters and information sharing.*

QUESTION:

Meeting for Chiefs on Refugee Management.

- *AS EXPLAINED ABOVE-In reference to PG 103*

QUESTION:

Labour Section: The activity planned here wasn't funded. Two meetings to finalise with F/W on exchange on Young Workers as per the EAC Common Market Protocol Article 10(8).

- *The requested funding of 2 meetings to finalize the Framework on the Exchange of Young Workers amongst EAC Partner States is to support an ongoing process which was supported by Partnership Funds during the FY 2014/2016. Three meetings have already taken place and a draft Framework has been developed by the key stakeholders from the PS drawn from the Ministries of Labour, Youth Ministries, youth Councils and workers organizations. Technical support to this process has been provided by ILO and this will be continued as long as EAC is able to convene the stakeholder meetings.*

OFFICE O F THE DSG (Political Federation)

International Relations

Responses to EALA General Purpose Committee questions on the budget

Specific questions:

1. Questions on S01 and S02 (*that the activities were planned for in 2014/15 but were not yet realized: [activities costing USD 9,150 and USD 9,300 respectively]*

   Activity S01 relating to updating Diplomatic service staff on EAC integration for them to effectively engage in promoting EAC objectives has been undertaken. Among those engaged are the Diplomatic staff in Berlin and a number of lectures delivered to Senior Military and Civilian officers (attachés and Foreign Service officers) at the National Defence College in Kenya.

2. Following internal consultation, Activity S02 on the diaspora will be undertaken in FY 2015/16. The USD 9,300 provided in FY 2014/15 was found to be very inadequate to convene a Diaspora Convention. A fairly realistic budget has not been proposed in the Budget for 2015/16. The Diaspora need to be reached out to as we harness their potentials in the implementation of the Common Market Protocol for advancement of EAC objectives.

3. Also cited Activity C01 on Sectoral Council Foreign Policy and Subcommittee on Candidatures meetings (USD 9,775): The Meeting took place from 20th to 24th April 2015.

4.0 Low budget execution:

- *The remaining funds are being utilized in the 4th quarter of FY 2014/15, guided by the calendar of the activities to be funded. These are statutory Africa Union and other RECs activities where the EAC is either chairing or on Steering Committees for building synergies between regional and continental integration programs such as: 1st Ten Year Implementation Plan for AU Agenda 2063; AU's 10 year Implementation Plan for building targeted Capacities of RECs; NEPAD Steering Committee; Committee of Chiefs of AUC and RECs, AfDB and UNECA. All these statutory meetings are*

taking place during this last ¼ of FY 2015 and will culminate into the AU Summit in June 2015. The Budgeted funds will be utilized.

COMMENTS AND QUESTIONS FOR GROUP II:

Political Affairs

Reference activity	Comments and questions	Funds		Way forward
		PS	DP	
	• Is there a Policy on preventing and combating corruption and its plan of action on PCC already adopted and implemented? • If yes seek for the related documents		Yes, there is the EAC Plan of Action on Preventing and Combating corruption adopted by the council. I shared a copy with the secretary to the GPC. The negotiations for a protocol are still ongoing.	
SO 1	• Is there an Anti-Corruption Agency in each Country? • Is there any legal framework at the regional level of those anti-corruption agencies? • What are the outcomes of such meetings?	26,610 Hiring of conference facilities, Air tickets	Each EAC Partner state has an anticorruption agency founded on the basis of the national law. The EAC Level, there is the EAC Sectoral committee on preventing and combating corruption which brings together national agencies at a regional forum. The forum meets once a year to review impl of the	

	• Who are the 3 units whose DSA are usd 400?	DSA	Action plans and develop common approaches for the region in combating corruption and complement regional integration. The DSA in question is for DSG for a 3days mtg.
SO 3	• Anti-corruption index study (What is it)? • Why the consultancy rate at usd 4,500/day?	27,540 Consultancy	Transparency Int produces annual indices for EAC Partner States. In reviewing their ratings during the 4th EAC Conference on good governance, it was felt that the indicators used are generic and don't take the eAC context into consideration. A recommendation was reached to develop EAC Specific index and thus the budget is a study towards developing this tool. The budget is for 27 days consultancy work at 500 per day but in three phases of 9 days

			each ($4500). So thus figures are correct but the description will be revised.
SO4	• Who will attend those meetings? • Who are the 3 units whose DSA are usd 400? • The members mentioned are they MP☺/EALA?	34,660	The Meeting will be attended by representatives from the Electoral Commissions. It's a preparatory meeting that would not involve EALA but the activity has now been changed to cover development of the EAC Federation constitution making process.
SO 5	• It seems EALA is not involved in the team (no DSA at appropriate rate)? • If so, is EALA budget containing that item?	3,000,155,400	EALA is involved and but the activity has been changed to Youth Amb. Platform on principles of democratic governance
SO 7	• What is EMBS and who are the select observers? • Why hiring consultants for that	49,760 Hiring of conference	The meeting will not include all members of the Mission; the SG will select a few who would have been for example, team leaders

	activity?	facilities,Air tickets DSA consultancy	during the missions. it's the time when the EOM Report is handed over by the leader of mission to the SG for transmission to Council and host Partner state.
SO 8	• What is the meaning of STO/LTO? • It seems EALA is not involved in the team (no DSA at appropriate rate)? • If so, is EALA budget containing that item? • Who are the 3 units whose DSA are usd 400? • Why hiring consultants for that activity? • Why the consultancy rate at usd 2,500/day	181,450 166,00 Hiring of cars, conference facilities,Air tickets DSA consultancy	LTO is long term Election Observation and STO is Short term Election observation. The experts to do LTO are recruited competitively. DSA of $400 is either for DSG or EALA members. The activity will involve 8 members of EALA. In Tanzania, we shall be attempting a new methodology developed under RESP programme. Thus, we shall require experts to guide how to use the tablets, the analysis the indicators etc. A fee of 2500 a day is for the mission leader

			and the coordinator/deputy head of mission
S10	Which Office?	14,600 Computers & equipts	A new off ice will be established to house project staff constitution the EAC Democracy and elections unit in EAC
S11 and S12	What is the difference between the regional and the international?	11,700 +7900 Air tickets, DSA	Regional is within the subjection and on the continent while international is outside the continent including UN, EU among others.
S13	• How many from EALA? 5? • If EALA members adjust the ticket grade.	30,800 conference facilities,Air tickets DSA	Yes. The workshop is designed to sensitize policy level EAC stakeholders on the new EOM Methodology for their appreciation and ownership. These activities are important in attempting to harmonize with African union and other recs and international partners and share best practices.
S14	• Meaning that there is current EAC	23,918	There is an EAC Governance programme

	Governance Mechanism?		conference facilities,Air tickets, DSA	with a a number of policy instruments. The description will be revised a little to state adoption of some EAC Policies under negotiation. This include protocol on good governance, anti –corruption, the Bill of rights etc
S15	What is the meaning of EMB and Observers?	Local	27,810	EMBs stand for Electoral management bodies which generally means national institutions charged with managing elections. Local observers are national institutions including CSOs, youth, etc that observe elections. They are critical allies to the regional EOMs because they have been on the ground for the entire electoral cycle. Collaboration with them provides vital information that covers the electoral process.

S17	• Is it 12 MP/ EALA ? • Upgrade the air ticket	105,650	Yes. This forum is important to help document best practices for institutionalization. It covers different for a under the EAC Porgramme on good governance including Human Rights, Political parties, human rights, etc. These activities are under the EU funded programme, EU does not pay business, class tickets and the DSA according to EDF rates.
S18	• Who are those long term experts? • Where are they going to be deployed? In the 5 Partner States?	105,900	This is Long Term Election Observer Mission, which is deployed between 3-6 months before elections. This methodology helps observe the electoral process before elections to give time for proposals to address some of the foreseen challenges or gaps in time. They will be deployed in

			Partner states holding elections in the financial year.
S19	• Why air tickets at usd 2000 for 18 persons	89,100 conference facilities,Air tickets, DSA	This would be a training for officials from the Electoral management bodies including representatives from Political parties, CSOs youth etc This training is planned to take place in an EU institution in Belguim
S20	• Team members of which structure? • Why air tickets at usd 1500 for 2 persons	81,620 conference facilities,Air tickets, DSA	Bridge training stands for Building Resources in Democracy, Governance and Elections and is a professional development training with different modules related to elections. There are certified trainers and we want under this programme to train trainers for the EAC region so that we build a pool for the future instead of having trainers from far. We plan to have trainers from outside the region.

S21	What is the profile and composition of that EAC core team on data analysis?	63,320	The core includes project staff under the RESP Programme who will be trained so as to train others in the region on data analysis
S22	• Who will participate • When will the activity be carried out regarding the SO5?	42,120	The long-term election observation methodology will focus on different aspects of the electoral process with a view to addressing them. Electoral violence is one of those key aspects that the tool will focus on and therefore, it is important to agree on the indicators. it will involve technical officers from electoral management bodies and security sectors. It's very different from the pre deployment training under C05, which is a pre deployment training.
S28	What is the difference with SO5?	36,870	As above, its different from the C05 is pre deployment training while S28 is about developing and validating the LTO

			methodology. The two could be combined and so changed the description of C05 to be used for youth ambs platform
S29 &30	What is the difference between SO8 and S 24?	25,800+177, 290	S29 and S30 are deployment of the Short term observation mission that includes pre-deployment training to agree on the checklists, consult with stakeholders and sign the code of conduct. S24 is about how to use tablets and will take a day long since it is a new technology with different experts, we couldn't budget for it as the same. Perhaps just changing the description. C30 is deployment of the Observer mission
S 33	What difference is S11 and S12?	46,000	This activity is towards registering with the International bodies of organizations that have adopted the international electoral observation principles.

S34	What difference is SO 9?	18,000	S09 is recruitment costs for project staff while S34 is procurement of equipment's for project staff.
S 35	• What difference is S26? • Why air ticket at usd 1500?	28,500	S26 is training on medial monitoring while S24 is training on use of tablets
S37 and 39	What is the difference between the two activities?	49,630+63,480	S37 is annual meetings of the EAC Forum of Electoral Commissions and the 39 is the EMBs and other for a on the continent for twinning and peer learning and best practices.
S 38	• If MP/EALA participate, upgrade the air tickets • Why a ticket rate at USD1500 for 2 persons	71,430	EU funded under EDF does not do business class tickets. The two persons are experts from outside the EAC region.
S39	What is the meaning of RESP?	40260	RESP stands for Regional Electoral Support Programme under EDF 11. This activity will also include some EALA members for lessons

			learnt and documentation of best practices.

Notes:

1. The budget performance under Political Affairs as at 30th March was 46%. This is due to the fact that the budget for election observation had not been utilized as yet and the ERM programme, 30% of the funds have not yet been remitted.
2. No budget has been allocated to political federation whereas there are summit and Council directives to implement within the coming financial year, i.e. convening the ministerial session to develop the concept note and road map for federal constitution making. I propose to change the description of the S06 activity to convene a meeting of regional PF Experts and the ministerial committee on development of the EAC Federal constitution. This is because meetings of EMBs can be covered within the activities under RESP.
3. The budget for Nyerere Centre for peace research has reduced over the time. I propose that the budget under C04 to be training the Youth Ambassadors Platform and Youth from the region on principles of democratic governance and regional integration. This so because the earlier activity could be combined with the pre election trainings under the RESP Project.
4. I have shared the current EAC Model of the Political Federation for information of the members, plus the draft protocol on good governance.

Sector priority area 1 Developing research capacities on governance, International relations and Peace & security				
Long term target1:	Internal capacities of the NCPR strengthened			
Annual target	NCPR 5 year Strategic plan implemented			
	What does mean NCPR			
CO8 and CO9	Why reducing this budget this year regarding the importance of these activities? Last year the budget was double: usd 145,000	13,040	74,090	The budget of the EAC Nyerere Centre for Peace Research keep reducing. The centre is in dire need of financial support and human resource to continue with the youth programmes that have been very instrumental in engaging youth into sensitization of university students, training and exchange programmes under the centre.

Peace and Security Department

Global priority area 2 Enhanced implementation of the EAC Common Market Protocol				
Sector priority area 2: Promotion of Regional Peace and Security				
Long term target 2:	**CPMR Framework fully operationalized**			
Annual target	**Early warning mechanisms operationalized by june 2016**			
SO 1 -SO 4	What is the meaning of CPMR Mechanism and EACWARN?		149,197 +117,800 +26,540	EAC Conflict Prevention, Management and Resolution Mechanism(CPMR) as adopted by the Council.EACWARN is the EAC Early Warning Mechansim.
SO7	What means EW SOPs		61,800	Standing Operating Procedures for management of the EAC Situation Room as well as custody of information
S 13	How many people and how are they chosen? For how many days?		95,180	25 persons of whom 15 are delegates,2 consultants,6 EAC staff, and two Executive Staff
S 15	What is the status and composition of the EAC Mediation Standing Groups?		75,780	3 delegates per Partner State with the responsibility of providing technical support to the Panel of Eminent Persons in preventive diplomacy.

S 18	Who is the target of that training?		67,470	Core teams that the Panel are likely to come with to support their work.Considering their level of seniority they are likely to come with personal staff who may also need orientation.
S 20	What is the difference with S 17?		30,000	S17 refers to planned study visits while S20 refers to regular technical level consultations that take place among practitioners at regional level.
S 21	What is the difference with S 14?	112,460		S14 refers to field familiarization visits undertaken by the Panel which may not necessarily be related to an ongoing or potential conflict ,but to asses infrastructure for Peace.S21 on the other hand is directly tied to potential conflict situations where preventive diplomacy is undertaken.
S 23	What is the difference with S21 and S14?			Responded to above.
Long term	**Policing practice across the region harmonized**			

target 2:				
Annual target	**Coordination and implementation of P&S Programs strengthened by 2015**			
	What is the meaning of CT coordination framework?			Is the structural arrangements in place to respond to threats of terror.This include frontline sectors involved in border management, information management ,response and prosecution.CT in this respect refers to Counter Terrorism.
SO 2	Who is to be trained?		64,850	
So 4	What are EAPCCO, ESAAMLG	14,400		East African Police Chiefs Cooperation Organization; Eastern and Southern Africa Anti-Money Laundering Group
SO 15	What is the police SOP?	13,100		Police Standing Operating Procedures to guide activities such as Detention and Arrest, Use of Force, Public Order Management; Scene of Crime Management
Long term target 3:	**Maritime Security Strategy and Action Plan adopted and implemented**			

Annual target	**Implementation of Multiregional Maritime Security Strategy**			
	Look at MOU and budget performance 2015			The MASE Project reflects a low absorption capacity.This can be traced to inconclusive negotiations with INTERPOL which is holding up capacity development component on investigations; Authority to use Australian Experts on Maritime Law for training purposes for Prosecutors and Judges was granted by the EU at the end of March 15,staff component remains unutilized due to delays in recruitment. The picture by end of June will be very different as a number of activities have been planned for the next eight weeks that will absorb at least 50% of the funding.The balances will be rolled over to the next planning horizon to undertake activities that have not been concluded.
	Status of the EAC Panel of Eminent Persons			Summit approved establishment, but with a caveat that such a panel will be appointed as and when need arises, one

				from each Partner State. Funding programmed will be maintained for such intervention in as much as they may not be predicted
	Can the EACJ be included in the Judicial Training under MASE?			Yes but the training being offered at the moment is targeting Magistrates while EACJ has Senior Judicial Officers.
	What is the relationship between the East African Standby Force and the EAC			Marginal as the EAC Defence arrangement is not part of the Africa Standby Force to which EASF is a component. EAC Partner States are troop contributors to SADC Standby Force and the EASF.
	How does the sector contribute to the theme of the 205/16 budget			Harmonization of SOPs, Training on Border Management, Prisons Reforms are all intended to facilitate proximate treatment of East Africans moving within the region while interventions on CPMR are intended to support stability within the context of the EAC integration by creating a predictable and reliable

				security environment for the Rights and Freedoms to thrive.
	There is clouded clarity on the relationship between threats faced by the region vis a vis the programmed interventions			Acknowledging the sensitivity of the sector as a pillar to national sovereignty, interventions planned are meant to promote proximate approach by Partner States. The interventions are thus indirect and only reported upon in meetings convened.

Table 1: Analysis of the budget 2015-16

DEVELOPMENT OBJECTIVE: To lay the Foundation for a political Federation			
Sector priority area 2: Promotion of Regional Peace and Security			
Long term target 2:	CPMR Framework fully operationalized		
Annual target	Early warning mechanisms operationalized by June 2016		
Reference Code	Comments and Questions	Budget Break down	Explanations
SO 1 -SO 4	What is the meaning of CPMR Mechanism and EACWARN?		**CPMR Mechanism:** The EAC Conflict Prevention, Management and Resolution Mechanism for peaceful resolution of disputes and conflicts amongst the Partner States and a forum under which the EAC can participate in resolution of disputes within the region.

			EACWARN: The EAC Early Warning Mechanism to facilitate the anticipation, preparedness and early responses to prevent, contain and manage situations that are likely to affect peace and security in the region.
		149,197	Given the above mission, the funds are intended to acquire and deploy a secure communication system for exchange of sensitive peace and security related information and for the maintenance costs of IT equipment and infrastructure.
		117,800	This fund is meant to facilitate carrying out capacity building of National Early Warning Centres.
		26,540	The funds are for the customization of data collection tools and systems: EACWARN Field Reporter System
SO7	What means EW SOPs	61,800	EW SOPs: Early Warning Standard Operating Procedures are meant to guide the operationalization of the EACWARN Mechanism, with particular attention paid to the process of collecting, processing, managing, disseminating and sharing early warning information and its confidentiality in order to inform response action. The SOPs should are also meant to be used for new staff inception and training, and as a

			reference material containing the description of EACWARN staff roles, functions, tasks, procedures. This funding is provided for involvement of Stakeholders in the adoption and operationalization of the SOPs
S 13	How many people and how are they chosen? For how many days?	95,180	One per each Partner States; 5Days, Two times per annum.
S 15	What is the status and composition of the EAC Mediation Standing Groups?	75,780	The EAC Mediation Standing Group is made of officials from the Partner States whose names were given by the Partner States for their training. They have already undergone two trainings, one in Arusha and another one at the Center for Mediation in Africa at the Pretoria University. They are not yet operational as the Modality for Establishment and Functioning of the EAC Panel of Eminent Persons and the Deployment of Special Envoys and Representatives was not yet operational. They were expected to provide mediation technical skilled support to the above Panel members. We need to keep training them as well as staff supporting them. We expect to receive a roster of mediation facilitators and resource person (30th Council decision), we have

			to plan accordingly.
S 18	Who is the target of that training?	67,470	For continuous training of the members of the above mediation group and the staff involved
S 20	What is the difference with S 17?	30,000	The Fund is meant to facilitate EAC Early Warning Officers to attend AU Continental Early Warning System and Regional Early Warning System Quarterly Meetings for purposes of coordination, harmonization, exchange of lessons and joint training.
S 21	What is the difference with S 14?	112,460	This fund is meant to cater for deployment of the EAC Panel of Eminent Persons to the field when needs arise
S 23	What is the difference with S21 and S14?		Consultation between EAC Panel Of Eminent Persons and AU and Other RECs similar panels

OFFICE OF THE DIRCTOR GENERAL (CUSTOMS AND TRADE)

QUESTION:

Please clarify the activity "Conduct awareness in Capitals for stake holders and regulatory bodies

- *The awareness covers broader interests and stakeholders as was clarified above and is a continuous process because quality standards in trade affect many people and is justified to make them aware of implications of standards application for safely, reduction of NTBs to mention a few.*

QUESTION:

What policy guides standardization in the Region?

- *Standardization is guide by implementation of EAC Standardization , Quality Assurance, Metrology and Testing(SQMT), Act 2006 and its regulations. East African Standardization Committee is a sectoral body comprising of various stakeholders (50 members) from Partner States which approves EAC standards and guides the Council on policy matters in respect of SQMT.*

QUESTION:

Why conduct training?

- *Training enhances continuous strengthening of capacities of personnel in standards bodies and other regulatory on international best practices in respect of global standardization. Training targets staff like such as inspectors, testing personnel in the laboratories to mention a few. At times some Partner States who have higher capacities undertake regional exchange of experts and attachments of staff in other National Bodies.*

CUSTOMS AND TRADE

Priority Area	2014/2015 Achievement	Activities & Expenditure	Amount & Concerns	Comments	Responses
Broad Objectives	Strengthening of Customs Administration	C17	$89,420		This is the same figure as indicated in C23 below
		C22	$16,500	• Explain who goes to the Summit. • Justify why budget for the Summit is $16,500	Summit meetings and Council meetings held outside Arusha require senior officers from the Directorates of Customs and Trade to attend and provide technical backstopping. The Senior Officials in Directorate of Customs and Trade, covered are the Director General of Customs and Trade, Director Customs, Director Trade and Principal Officers. The budget is enough for those officers to attend the Summit.
		C23	$89,420	• What comes first?	This is figure is for facilitating meetings of Policy Organs which include the Sectoral Committee

				Will the Summit adopt something the Council has not adopted? • Is it in order or the order of activities require explanation ? • We need to know how much of the $89,420 is spent. • Is it about travelling? • The Electronic Conferences – E-Conference • Cant these	on Trade, Customs and Standards, the Sectoral Council on Trade Finance and Investment that considers matters from the Sectoral Committees and the Pre-budget and Post Budget meetings of the Ministers of Finance. These meetings feed into the Council and then the Summit. The chronology of the meetings is as per the EAC Calendar. Meetings where policy decisions are made and pronounced in Budget Speeches every June cannot be held via teleconferencing because of the intricacies and the details involved while discussing Partner State proposals. The figure also includes about $32,000 for printing of Customs legal instruments that have been adopted by Council and enacted by EALA.

				activities be conducted this E Conference Approach.	
Tariff & Evaluation Consolidation of Single Customs Territory		SO2	$351,040	• The mandate of sensitization falls within the EAC Ministries. ($27,450) • Not sufficient to sensitise the 5 Partner States considering that it is a priority area.	• Article 71(f) of the Treaty empower Secretariat to undertake sensitization including dissemination of information to the stakeholders • The Directorate of Customs is mandated under the EAC CMA and Regulations to undertake sensitization programmes at a regional level. The Customs instruments developed at a regional level require technical insights on regional customs matters to enable initial sensitization of core groups who in turn go back to Partner States to conduct wider

				• The policy of EAC on sensitization should be clear instead of Budgeting every department it should be consolidated so that we have sensitization plan jointly implemented.	sensitization. • Although the budget may not be sufficient we will rationalize in terms on number of participants and days in order to ensure that all Partner States are covered. Customs is a specialized area and through the EACCMA the Directorate is mandated to undertake specialized technical sensitization on various customs areas such as valuation, tariff, post clearance audit, rules of Origin. Customs Directorate has a functional area in its establishment responsible for capacity building. It is therefore not plausible to combine this specialized capacity building work with others. •

PAGE 3

SO 3	Conduct Sectoral	$152,040	• Needs to be clear	• Customs Directorate is mandated under

	Studies		• Are they done by Partner States? • Both cannot conduct studies. • How can you supervise and coordinate such a study. Explain?	the EAC CMA and Regulations to undertake studies and research to inform policy decision. The review of CET rates, Rules of Origin and Compliance interventions have to be justified by scientific research conducted by the Directorate jointly with Experts from Partner States. From time to time the Ministers of Finance and SCTIFI directs on the studies to be undertaken. • These studies are coordinated at a regional level by the Secretariat with participation of experts from Partner States. Where necessary Consultants are procured. • The findings of these studies are then presented to the Pre-budget consultative meetings of Ministers/Cabinet of Finance for decisions making and decisions submitted to the SCTIFI for consideration and adoption before EAC Legal Notice are issued for implementation by Partner States.
SO 4	Conduct meetings on EAC – EU – EPA	$32,950	• How is EU – EPA connected to the Customs Union	• EU and EAC has concluded the EPA which means the import duty rate for goods from EU Member States will be different from the rest of the world (third countries) and therefore these will necessitate development of EAC

				Tariff instruments and guidelines for goods originating from EU Member. • Goods from EU Member States will only be accorded Tariff Preference only when satisfy the agreed provisions/ criteria of Rules of Origin which again is a Customs instrument. EAC will develop Rules of Origin procedure manuals for theses goods.
SO 5		$19,700	• Which policy organs are these since the study was carried by the Council? • What does presentation mean?	• Policy formulation in EAC starts from Sectoral Committees then Sectoral Councils then the Council. The policy organs referred here are: Committee on Customs (Commissioner General of Revenue Authorities, Commissioner for Customs, and other Senior Officials from Ministry of Finance, Trade) which consider studies and Experts reports before they are presented to the Pre-budget consultative meetings of Ministers/Cabinet Secretary of Finance and thereafter the SCTIFI meeting. • Presentation means reporting the findings and recommendation of the Sectoral studies to the policy organs levels for consideration, guidance and adoption..
SO 7		$44,250	• Who are the envisaged stake	• The envisaged stakeholders are:-

			holders? • Can't the Ministries of EAC carry out the activity?	▪ Partner States' Revenue Authorities (Customs Services) ▪ Government Ministries/Departments/Agencies (e.g. Ministries responsible for EAC Affairs, Trade and Industry, etc) ▪ Business community (exporters, importers, manufacturers, Customs brokers, (e.g. Freight Forwarders, Clearing Agents) ▪ Trade support organizations (Chambers of Commerce, Manufacturers Associations and Exporters Councils, etc) • As responded earlier, the Secretariat under Article 71 of the Treaty is empowered to undertake sensitization. • Wider sensitization will be undertaken by the Ministries of EAC and other National institutions/organization.
SO 8		$50,250	• Importance of and order by this activity with SO 7. • The Planning to call experts to	• The order is aligned in the detailed budget which indicates what will be done in which quarter of the financial year. This will be reflected in the calendar of activities. Some activities feed into each other. Training and

			develop revised rules of origin after the training of the people on them? • Why can't the development first finished (proceed) the training before the activity SO 8.	development/ review of operational instruments may take place concurrently particularly where existing instruments are being reviewed.
SO 8		$84,800	• Need to see the breakdown	• The budget of $84,800 is under SO 9 and not SO 8. • The breakdown is as follows: i) Hiring of vehicles $ 5000; ii) Conference facilities $ 4,900; iii) Air tickets staff $ 6,000; iv) Air tickets delegates $ 15,000; v) DSA Staff $ 15,400; and vi) DSA Delegates $ 38,500. as indicated in the detailed budget.
PROCEDURES AND FACILITATION ($1,198,165)				
CO 1		$159,600	• Get the details	•
CO 2			• Business processes: where are they?	• The Single Customs Territory Procedure manual has been developed but it needs periodic review to bring it up to date with practical realities on the ground in order to enhance trade facilitation.
CO 3	Interconnecting	$179,250	• Look at the	• Automation is the key driver for

	and Raddex		break down	implementation of the Single Customs Territory Procedures. This requires periodic enhancement of the IT systems by a team of experts from Partner States. We are planning at least one session per quarter i.e $44,000 per quarter.
CO 6	Hire consultant to develop a single window system	$100,000	• Don't we already have the single window system? • Why not include it in the Partner States Budget	• We are developing a regional Single Window Strategy and guideline to facilitate operationalisation in Partner States. Rwanda and Kenya have developed a Single Window while other Partner States are yet to implement.
CO 7	Implementation of curriculum in the Partner States	$13,500	• Do the EAC Staff have the mandate? • Are they the relevant institution to do this? Why not IUCEA?	• The EAC CMA under Section 4 and the EAC Customs Regulations on Working Arrangement mandates Directorate of Customs to develop the Training Curriculum and monitor implementation. • EAC Secretariat worked together with National Revenue Authority Training Institute to develop the harmonized customs training curriculum and monitoring its implementation • We are working with IUCEA to get the Curriculum accredited and undertake quality assurance of the same.
CO 8	Develop and maintain Customs Trainer Capacity	$56,540	• How do you do the activities in Partner States	• We have trained a number of trainers in Partner States that form a pool of accredited Customs Trainers whom we

			without competent trainers?	work with. This is a continuous process, to update the Trainer capacity and keep them up to date.
CO 9		$24,600	• How is this different from CO 8? • Why can't they be merged?	•
C 10	Salary for Experts	$78,000 $7,000 per month	• Is this gross or net? • Check the procurement document criteria.	• This is the consolidated pay for the experts as agreed with USAID which is funding this activity.
C 11	Hold meetings to develop policy framework	$73,800	• How is institutionalizing different from training and developing curriculums?	• Developing curriculum is the process of making course outline/ syllabus and detailed delivery process. While institutionalizing training is the process of establishing structures, policies, procedures and trainer capacity to support implementation of Customs training in the region.
C 12	Implementation of		• How is this different from CO1; CO3; CO4 etc. • Can we see the MOU between EAC and Development Partners	• This is an initiative under the Single Customs Territory. Each Partner State is implementing its own Cargo Tracking System, which has become a challenge. We are now working n interfacing the systems so that the cost of doing business is reduced. • The experts will develop a solution that interfaces the existing systems.

C13	Electronic Cargo Tracking System	$106,500	• What is entailed? • Can't it be integrated in the RADDEX Activity?	• Cargo tracking system is for tracking cargo while moving from points of entry to exit. It is a surveillance while Raddex is a centralized custom data transmission mechanism that allows Partner States to transmit and receive data in advance
C 15	OSBP	$174,250	• How is this separate from RADDEX; Electronic Tracking system? • Can't it be integrated?	• A number of OSPBs are being established in EAC. Once the Act is assented to there is need for Regulations and Procedure Manuals • RADDEX and ECTS are processes that are used by Customs authorities while OSBP is the system that involves all border stakeholders with their respective processes and procedures. •
C 16		$53,000	• This should be done in collaboration with other EAC Organs. Should fit in the EAC.	• Noted.

		$34,850	• This should be in line with the Customs Management Act	• Proposal to amend the EAC CMA and Regulations from

			• Can we have a copy? • Who has the mandate for enforcement?	Partner States are deliberated by Customs Legal Experts and Coordinated by the Secretariat • The EAC CMA and Regulations mandates the Secretariat to monitor and coordinate Customs for enforcement
SO 4	To present Bills to EALA Committee on CTI	$24,000	• What is entailed in presentation of Bills that requires a Budget? • Can't this money be re-allocated to EALA?	• The Technical Staff attend EALA sessions to present and clarify on bills. To the Committee on Trade and Communication. The officers also assist the Council in defending the bills under discussion. For Example our officers were in Bujumbura recently when there were bills

				under consideration by EALA
TRADE FACILITATION			•	•
SO 3	Regulation by motor vehicle and motor cycle assembly	$62,700	• How many do we have in the region? • Operate under what legal regime? • Are they foreign or local investors? • Are they supervised by EAC or Partner States?	• The EAC CMA mandates Council to develop Regulations for specific areas where it is found appropriate. The Motor Vehicle Assemblers is a critical sector that requires protection and regulations hence need for these regulations. The Regulations relates to importation of inputs used in assembly on Motor Vehicles.

DIRECTORATE OF TRADE

Code	Activity	Amount	Comments	
Gener	To develop EAC Competition	$27,350		The EAC Competition Act come into force in

al Question on EAC Competition Authority	Authorities internal Procedures $27,350 (Under Trade facilitation) and yet EACA has own cost center in the budget itemized with Furniture and purchasing IT equipment.			December 2014 and it established the EAC Competition Authority set to become operational in January 2016. The EAC Competition Authority will handle regional competition issues while Partner States competition agencies will handle national competition issues. (Query on development of internal guidelines) On the issue of USD$ 27,350 allocated under Trade Facilitation (Directorate of Customs and Trade) for development of internal guidelines, this money should be harmonized under the EAC Competition Authority cost center. The Secretariat and Partner States are preparing a number of subsidiary legislations to be approved by the Board of Commissioners once it's constituted for example Rules of Procedure, Merger notification guidelines, user guidelines and so forth. (Query on advocacy mission) Once constituted, the Authority will have to carry out advocacy missions in the Partner States and to a variety of stakeholders this mainly because of the limited competition policy culture in the region. The stakeholders are diverse and key towards implementation of the Authority's mandate.
CO 1	To convene EAC meetings to prepare EAC position on the draft TFA Agreement (Phase 2)	$84,100	Can't the activity be conducted using video conferencing facilities?	Council directed that EAC develops a common negotiating position prior to engaging at the Tripartite level. The process of developing an EAC common position is not easy and requires face to

				face interaction as Partner States usually have divergent views which must be harmonized before the Tripartite meetings. Video conferencing facilities may not be appropriate for easier consensus building meetings. Secondly, for ease of logistics, EAC meetings to prepare EAC positions for the Tripartite negotiations take place back to back with Tripartite meetings at the venue of the Tripartite meetings.
CO 5	To convene EAC workshops to sensitise the key stakeholders on the tripartite FTA	$103,400	This sensitization workshop cannot only be done by a single department therefore there is need of a clear sensitization policy.	The TFTA Agreement will be officially launched by the Tripartite Summit of Heads of State and Government on 10th June 2015. The Agreement covers Trade in Goods i.e. Rules of Origin, NTBs, SPS, TBTs, Tariff Liberalization, Customs Cooperation and Trade Remedies all of which fall under Customs and Trade Directorate. Following the signing of the Agreement EAC Partner States will need to be urgently sensitized on the new regulations governing trade among the 26 Tripartite member states. Such sensitization can only be effectively organized under the Customs and Trade Department under whose auspices the Agreement was negotiated.
301C	To hold meetings with the Republic of Turkey to negotiate a TFA and a TEPA	$87,500	There is need for the status of EPAs and the commitment therein. The current budget from Partner Stats should not be funding	Attached is a paper on the status of the EAC –EU EPA and the key commitments therein. This activity is not an EPA activity. Turkey is not a Member of the EU. Since 2008, Turkey has requested for the negotiations of a Trade agreement with the EAC Partner States, to which

			any EPA activity because EPA activities are supposed to be funded under the EPA framework.	the SCTIFI on 30th May 2014 agreed that the EAC Partner States engage with Turkey. Therefore, EAc needs a budget for this activity.
CO 1	To hold regional meetings to harmonise the regional negotiating position on trade and investment partnership	$60,800	This activity should be done by video conferencing.. The video conferencing should be used in this case and the results would be the same.	These regional meetings are usually very intense and require at least 3 full days and active participation from all the Partner States to come to harmonized negotiating positions. This is best achieved in face-to-face meetings. From our experience, the video conferencing facilities have sometimes faced challenges of connections (ie in the case of Burundi) and inadequate participation of the required experts from Partner States. The VC is best suited for short meetings and those that do not require long, intense debates from participants. Furthermore, these regional meetings precede the negotiating meetings with the U.S. which requires the presence of all the Partner States delegations together so that they can quickly consult on matters raised by the U.S. during the negotiations. Hence the need to bring them together during these meetings.
401S	To hold meetings to implement the EAC AGOA Strategy.	$166,400	Money for the implementation of the strategy (EAC, AGOA strategy) cannot be budget for in the	The process of developing a strategy and an action a regional AGOA action Plan has commenced this financial year. Therefore this money is needed to implement the AGOA action plan.

			current financial year before the strategy is developed.	
016	To conduct national workshops for requirement gathering for additional trade help desk modules	$38,875	These activities can best be conducted under the department of statistics and other related meetings can be conducted using video conferencing activities.	
SO15	To organize launch of Trade Help Desk by the Heads of State at the Summit.	$10,250	It is inappropriate to budget for the Summit.	The budget is not for heads of state summit but for materials like roll up banners or artwork design we may need at the launch
SO 2	To hold workshops to sensitise key stakeholders on the implementation of Trade in Services	$85,600	The department can't properly undertake this activity. All sensitization workshops should not be harmonized in the Community.	
SO 2	Training of laboratories stakeholders on regulations in Partner States	$21,040	Misleading activity because the description of activities does not reflect the purpose.	The awareness covers broader interests and stakeholders (INCLUDES private sector, consumers, academia and public sector)as was clarified above and is a continuous process because quality standards in trade affect many people and is justified to make them aware of

				implications of standards application for safely, reduction of NTBs to mention a few.
SO 3	To hold meetings of sector Technical Committees to review EAC Standards	$15,800	Requires further explanation on why these meetings are necessary. Not sure about this mandate.	The Phrase " Sector Technical Committee" be changed to "Sector Technical Committees(for specific products)"
SO 4	Conduct awareness workshop in Capitals for stakeholders and regulatory agencies	$65,050	What is the difference between awareness and sensitization? And if so this activity should follow similar treatment of the same activities in this budget.	Standardization is guide by implementation of EAC Standardization , Quality Assurance, Metrology and Testing(SQMT), Act 2006 and its regulations. East African Standardization Committee is a sectoral body comprising of various stakeholders (50 members) from Partner States which approves EAC standards and guides the Council on policy matters in respect of SQMT.
SO 8	Training of stakeholders on technical regulations and standards	$17,500	Proper explanation is needed because budget and activity description are not clear.	Training enhances continuous strengthening of capacities of personnel in standards bodies and other regulatory on international best practices in respect of global standardization. Training targets staff like such as inspectors, testing personnel in the laboratories to mention a few. At times some Partner States who have higher capacities undertake regional exchange of experts and attachments of staff in other National Bodies.

EAST AFRICAN LEGISLATIVE ASSEMBLY

(A) OFFICE OF THE SPEAKER

QUESTION

The attire for the speaker

- Seeking clarification why budget for 8pieces

➢ *The budget is for robes, official attire and gowns for the Speaker's procession. It not only covers the Speaker, but also includes all the clerks, all the SAA staff, and other chamber staff. These are provided for annually. (Annex 4 of the rules)*

QUESTION

Bi-Annual E.A speaker's meeting

- Seeking clarification on the Bi-annual period (Dec 2015 & May 2016)

➢ *The meetings take place twice every financial year (semi-annually) as per the rules of procedure of the EAC Speakers' forum.*

QUESTION

Attending African Parliamentary Union Session

- Planned for 2 members we are requesting for an increase to 5 members
- How many meetings have they planned to be attended per year

➢ *One meeting has been planned for i.e the statutory General Assembly. The increase to five members (3 additional Members) is a welcome suggestion but it has an additional budgetary requirement of about $20,000 which is not part of the MTEF 2015/2016.*

QUESTION

Speaker /Members /Staff to attend UN Parliamentary Hearing

- There are no members accompanying Speaker. Include at least 2 members.

➢ *The activity is in New York. The proposed increase of two additional members is a welcome suggestion but it has an additional budgetary requirement of about $22,000 which is not part of the MTEF 2015/2016.*

QUESTION

Speaker/Members/Staff to attend African Speaker's Session

- increase to 2 members to accompany Speaker

➢ *The activity takes place in Gauteng or Addis Ababa and the attendance is limited to the Speaker/his representative and the Clerk/his representative who attend by invitation. However, the proposed increase of two additional members is a welcome suggestion but it has an additional budgetary requirement of about $10,000 which is not part of the MTEF 2015/2016.*

QUESTION

Members attending IPU Meetings

- Proposal to increase the number of attendance to 5 members

➢ *The increase to five members (3 additional Members) is a welcome suggestion but it has an additional budgetary requirement of about $$ 56,000 which is not part of the MTEF 2015/2016.*

QUESTION

Speaker attending National Celebrations

- Seeking clarification on the numbers of the countries budgeted for the speaker to attend national celebrations
- Members accompanying him

- *The budget will cater for one national celebration plus three other exceptional celebrations at the Speaker's discretion. It is planned that the Speaker/his representative will attend with at least two members.*

QUESTION

Speaker /members /Staff attending CPA Meeting

- increase the Number of Members to 5

- *The increase to five members (3 additional Members) is a welcome suggestion but it has an additional budgetary requirement of about $33,000 which is not part of the MTEF 2015/2016.*

QUESTION

Annual Retreat for Members and Staff

- Seeking Clarify why EALA is budgeting to pay DSA of usd 150 to members and staff ... and not the official DSA of members (400usd)

- *The $ 150 is not a DSA instead accommodation costs payable directly to the service provider since the activity is an in-house retreat requiring all participants to reside at the same venue. There is also quarter per Diem of $100 per Member acting as out of pocket for incidentals.*

QUESTION

Speaker /Members /Staff to attend World Conference for Speakers

- How many Members and Staff will be travelling, at least 2 members should be budget for.

- *The activity is in New York. The proposed increase of two additional members is a welcome suggestion but it has an additional budgetary requirement of about $22,000 which is not part of the MTEF 2015/2016.*

QUESTION

Attending Parliamentary Session of RECS, Clarify

- How many RECS are planned for in the budget?
- How many days for each REC?
- How many Members and Staff per visit?

➢ *Two RECs are planned for, Six days are provided for each REC, four members in total and two staff for the entire year.*

QUESTION

Facilitate Members attending sponsored activities

- How many activities are planned for in the MTEF
- Clarify on the computation of the DSA for both Members and Staff.

➢ *It is anticipated that each will attend at least one activity of three days every quarter. It is not a one off activity but rather a series of meetings within the financial year as seen from past experience.*

N.B

Resource Mobilisation Officer agreed to find money from PF for this budget deficit of US $ 222,075 on allowances and US $ 101,250 for top up on Air tickets.

Clerk is required to prepare MTEF and present to Resources Mobilization officer by 10pm On 30th Aug 2015.

➢ *The MTEF calculations are hereby attached for ease of reference.*

QUESTION

Plenary Session budgeting for US $ 200 for internal travel

- Airport transfer and internal travels was agreed to be increased to 500usd

➢ *The current applicable approved rate for internal travel for sittings of the Assembly is US $ 200 which is the rate for budgeting. We have not yet received any approval to increase the budget. If this is availed, the approver will also reflect to us the source of funding to affect a supplementary budget in our MTEF.*

QUESTION

Facilitate Speaker /Members/ Staff to attend PAP

- Clarify on DSAs

➢ *The budget is for two ordinary meetings of PAP each for four days with a travel day for Speaker, 2 MPs, Clerk, and Speakers PA.*

- Members travelling with Speakers should be increased to 5 (five)

➢ *The increase to five members (3 additional Members) is a welcome suggestion but it has an additional budgetary requirement of about $44,000 which is not part of the MTEF 2015/2016.*

QUESTION

Sensitization Seminar

- Un pack the budget for sensitization

N.B

Resource Mobilisation Officer Agreed to find money from PF for this budget deficit of usd 202,000.

Clerk is required to prepare MTEF and present to Resources Mobilization officer by 10pm On 30th August.

- *The MTEF calculations are hereby attached for ease of reference.*

QUESTION

Annual Inter- Parliamentary games

- There are increased activities thus, the number of days for the IPG was agreed to be increased to 10 days
- Increase the number of Staff from 15 to 18 who will attend the IPU
- The MTEF doesn't cover buying of uniforms and new games equipments. Required to amend MTEF to include procurements. Present procurement schedule for IPG 2015.

N.B.

Resources Mobilization officer has agreed to find additional resources from PF for this activity amounting to usd 140,000. To enable EALA meet the objectives of the IPG i.e popularising the EAC integration, to be able to cover the increasing games activities, increased days of the IPG, as sensitization tool to enable member to go for radio and TV talk shows during the IPG, interaction with the national parliaments and the citizenry and for publicity of the IPG.
The clerk is required to prepare the MTEF for this amount and send to Resources Mobilization officer accordingly.

- *The MTEF calculations are hereby attached for ease of reference.*

LEGISLATIVE PROCEDUCE AND COMMITTEE DEPARTMENT

General Observation

QUESTION

- Clarification on how many days are planned for committee work (other committee are taking 5 days and other 7 days)
- The internal transport of members has been proposed to be increased from 200usd- 500usd. The change should be effected in the MTEF accordingly

➢ *The current applicable approved rate for internal travel for sittings of the Assembly is $ 200 which is the rate for budgeting. We have not yet received any approval to increase the budget. If this is availed, the approver will also reflect to us the source of funding to affect a supplementary budget in our MTEF.*

QUESTION

Committees are having 3 activities each; clarify why we are budgeting for 3 activities yet the council agreed to add 2 more activities for each committee. We are demanding that the MTEF be Adjusted to increase the numbers of activities to 5.

➢ *Suffice to note that there is a request from the Assembly to the Council through the Chairperson of Council to add two additional activities per committee. This is however yet to be granted. It is therefore not prudent to include it in the MTEF due to a lack of the Council approval.*

QUESTION

Public Hearing for General Purpose Committee in the Partner States (and any other committee) only 5 days are budgeted for. But from earlier work experience 5 days is strenuous.

➢ We concur

QUESTION

- General Purpose and Audited account activities according to the EALA resolution take place in Arusha. It is observed that we are planning for tickets for staff and DSA. Clarify
- Provide a procurement schedule for EALA.

➢ *The MTEF calculations are hereby attached for ease of reference.*

OFFICE OF THE CLERK

QUESTION

Live web coverage of proceedings.

- There is no budget for covering committee proceedings and oversight activities. This is an agreed position that coverage should be done. Clarification is required.

➢ *This is being worked on, starting with procurement of recorders for respective Committees. We shall however face challenges with transcribing the recorded work.*

QUESTION

Clerk /DC /Staff attending council, Summit, Sectoral and EAC institution meeting.

- There is no budget for this activity. How EALA represented? Or does it mean that EALA is not planning to be present or represented?

- *The funding will separately be reflected in the next financial year. As it stands now, we utilise the budget under staff accompanying Members for Plenary, Summit, Council, and sectoral and sub-committees of EALA and taskforces of Secretariat and Council.*

FINANCE AND ADMINSTRATION

QUESTION

There is procurement of other office equipment under the department of serjeant at arms and in the department of Finance and Administration (is there need for harmonization) provide a procurement schedule under F & A.

QUESTION

Facilitating Administrative Service for EALA staff and Members

- Clarification on hiring of the vehicle equivalent to 12,000 usd pg. 860 of MTEF

QUESTION

Insurance of the motor vehicles

- Proper explanation is needed on what happened with the Speaker's Benz and why it's being held by the insurance provider since July 2014 to date.
- Who is the insurance provider?
- What is being done by the community to recover the car?
- Ask EAC Procurement dept to come to committee with contract for services provider – insurance of cars
- Is the EALA budgeting to pay to the same insurance the budgeted insurance money is going to be paid to which insurance provider?

- Clarify how the number of units has been calculated (0.07).

- *The Speakers official vehicle was involved in an accident in Kenya while on its way back to Arusha from an official engagement in Kampala. We filed insurance claim in 2014, July and the Insurance provider insists on paying EAC $68,000 which is below the insured sum on $118,000. The matter has been referred to SG and CTC for further advice and management. It is this bond of contention which is causing the delay in settlement of claim.*

- *With reference to other insurance policies (like health, building etc) taken by EAC, a separate meeting could be arranged involving all stakeholders including the DSG docket.*

QUESTION

Buying of new vehicles (why buying one vehicle and for who?).

- *One vehicle to be purchased for the pool. It is a replacement for the TCD 45 EAC which has been in service since 2001.*

QUESTION

Facilitating payment of staff and Member's Salaries and Allowance pg.864 of MTEF

- Clarification is required on why EALA is budgeting for the untaken leave amounting to 21,000usd. What is the basis of budgeting for the untaken leave? (Anticipation budgeting is not accepted.)

- *This is planned for under the EAC staff Rules and Regulations.*

- Need for clarity on description of inputs especially when you talk about Education and spouse of members. Clarification is needed because we think this is meant for Speaker.

- *Wherever an entitlement or allowance is provided for under Members (Education, Spouse, Domestic servants, responsibility, and rent) – we are refereeing to Speaker. The narration is systems generated. We shall make proposals to improve the system to make reference to Speaker)*

QUESTION

Facilitating field related committee payment and procurement. (Clarity on the activity is needed.)

- *This caters for Accountants who by the nature of their work and EAC insurance policy are required to carry cash when in excess of USD 20,000. Other staffs are not permitted to do this due to insurance obligations.*

QUESTION

Conduct external audit exercise for 50days

- Audit commission is being given 9days only to present to the committee (However EALA recommended that the audit commission should be present while EALA is debating the committee Report) add 6days to the commission.
- Airport transfer is valued at 50usd should be harmonised to 100usd
- Clarify why we are budgeting for 12 auditors and not 10 yet we are 5 partner states each state should send 2, thus 10
- It is noted that the budget (US $ 34,500) of the audit commission while presenting to council the audit report is covered under the SG's office. It is the assembly's resolution and recommendation that the audit commission budget be housed in EALA.
- We demand a transfer to be effected from SG's office to EALA immediately.

- *The component provided for in the SG's office is for the internal audit function to attend the council during such presentation of the report by the Audit Commission.*

LAKE VICTORIA BASIN COMMISSION (LVBC)

QUESTION:

Honorable members sought to know whether LVBC was involved in the in EAC vision 2050.

- *The LVBC as an EAC institution mandated to promote, coordinate and facilitate the sustainable development of the Lake Victoria Basin, is participating in the EAC vision 2050. Its contribution to this envisioning are in line with the LVBC Vision of having a "prosperous population living in a healthy and sustainably managed environment providing equitable opportunities and benefits".*

QUESTION:

Honorable members sought clarification on the LVBC role with respect to Cleaner Production interventions.

- *The Lake Victoria Environmental Management Project Phase II (LVEMP-II) which is one of the LVBC's project, is dealing with the improvement of environmental management of targeted pollution hotspots and selected degraded sub-catchments for the benefit of communities who depend on the natural resources of LVB. For the financial year 2015/2016, LVBC has included in its activities the mapping of economic activities industrial pollution source, waste water and solid waste management services. Under this Project, the Commission has signed Technical Service Agreements with Regional Cleaner Production Center to coordinate other Cleaner Production centers to undertake such interventions in all 5 Partner States.*

QUESTION:

Honorable members noted there were crosscutting issues such as HIV, Environment, social sectors, meteorology and others covered by both EAC Secretariat and LVBC and therefore sought to know how these activities are coordinated to avoid duplication.
about how LVBC is building synergy with EAC Headquarters department which deals with the same issues.

- *The LVBC works in close collaboration with relevant departments at the EAC for all crosscutting activities to ensure synergy and avoidance of duplication in formulation of strategic documents and resource's mobilization efforts.*

QUESTION:

Honorable members noted that LVBC is mainly funded by Development Partners, which can bring a challenge of sustainability of LVBC's activities. Honorable members sought to know what the LVBC was envisaging to ensure sustainability of its activities.

- *The issue of funding sustainability is crosscutting across most of the EAC Organs and Institutions. At EAC level, the Secretariat proposed a new funding mechanism for the EAC activities which is yet to be approved by the Council. At LVBC level, the Commission developed a study on modalities to establish the Lake Victoria Trust Fund (LVTF) which proposed three options for the establishment. The Council is yet to pronounce itself on the best option.*

QUESTION:

Honorable members noted there was little money budgeted on Resource mobilization for construction of the LVBC Headquarters and sought to know the status of preparation .

- *The Lake Victoria Basin prepared Plans and Bills of Quantities to build its HQ in Kisumu where a plot of 2.8 ha was offered to the Commission by the Government of Kenya. The Resource mobilisation efforts with Development Partners have not yet produced tangible results. The Commission however will develop a proposal for funding the construction of the HQ by the Partner States as from FY 2016/2017.*

QUESTION:

Honorable members sought clarifications on how LVBC is dealing with the gender mainstreaming component in LVBC projects and programs.

- *The Commission incorporates gender mainstreaming aspects through implementation of all inclusive community Driven Development sub-projects under different project such LVEMP, MERECP where women associations are highly represented. Under the Population, Health and Environment (PHE) program, LVBC in collaboration with the Ministries of Health conducted skilled training of Community Conservation and Health Workers (CCHWs) in Mt. Elgon region on Family Planning, Maternal, Newborn and Child Health (FP/MNCH). The establishment of the community conservation and Health workers took into account the gender issues.*

QUESTION:

It has been observed a close collaboration between LVBC and LVFO on Lake Victoria. Honorable members would like to know if such experience could be extended to other lakes such Lake Tanganyika, Jupe, and others?

- So far the LVBC operates within the mandated Lake Victoria Basin area. However, given its wide experience in sustainable management of natural resources, the LVBC has been supporting some initiates beyond its mandate such as organization of the Lake Tanganyika Investment Forum. The Commission also facilitated development of the Chala-Jupe ecosystem management frame work which led to signing of MoU between the Governments of Kenya and Tanzania on management of the ecosystem.

QUESTION:

Honorable members sought to know the fate of the LVBC Bill.

- *The LVBC Bill 2013 was stopped pending finalization of the EAC Institutional review.*

QUESTION:

Honorable members sought to know how LVBC was addressing the Water Hyacinth problem.

- *The Commission developed a Water Hyacinth control and surveillance strategy which was adopted by the Council. Thereafter the Commission coordinated development of national action plans for addressing the Water Hyacinth and these plans are being implemented. In some Parner States the harvesters- machines have already been procured for its removal. During the financial year 2015/2016, LVBC through the Lake Victoria Environmental Management Project Phase II has included in its activities the basin wide monitoring mechanism including water quality and water hyacint.*

QUESTION:

For the sake of rationalization of the budget allocated to conferences, EAC is now using video conference. What has LVBC undertaken in that area?

- *The LVBC in consultation with EAC Secretariat is in contact with TMEA on possibility of acquiring necessary infrastructure for use of video conference. The Commission will immediately apply the system to relevant meetings upon installation of the equipments.*

QUESTION:
Honorable members asked for clarification on the discrepancies in terms of DSA allocated to LVBC staff.

- *The DSA are allocated in line with the EAC Financial Rules and Regulations (USD 250 and 350 for General and professional staff respectively). The few exceptions of USD 180 are for internal meetings to be held within the host country on full board and only quarter perdiem. This derive derives from the budget guideline for the financial year 2015/2016.*

QUESTION:
Honorable members sought to know how activities on anti-poaching are related to supporting primary and secondary schools.

- *The activities on training and sensitization about anti-poaching will be conducted by the Planning for Resilience in East Africa through Policy, Adaptation, Research and Economic Development (PREPARED). We are targeting students in primary and secondary school around the protected areas to sensitize future generation on best practices for ecosystem and biodiversity conservation.*

QUESTION: A significant amount of LVBC budget is allocated to support local communities through grants. Is there livelihood improvement for beneficiaries on the ground? Is there a holistic strategy towards engaging Government and local government/Communities in the Lake Victoria.

- *During the financial year 2014/2015, LVBC through the Lake Victoria Environmental Management Project Phase II has funded a total of 658 Community Driven Development (CDDs) sub-projects valued at over USD 19 Million in the five EAC Partner states leading to enhanced environmental conservation and improvement of livelihoods of over 250,000 beneficiary community members in Lake Victoria Basin. Furthermore, Under Lake Victoria Water and Sanitation Project, The LVBC long interventions shall significantly improve the living standards of the population in different Partner states through*

enhancement of water sanitation and hygiene. These interventions have been and will continuously be undertaken with full participation of stakeholders especially the local government and communities

LAKE VICTORIA FISHERIES ORGANIZATION (LVFO)

QUESTION: What are your priorities and any related challenges

- *The organization's priority areas include: Aquaculture and Fisheries Development and Management, Fish Quality Assurance and marketing, Excellence in data and information management and dissemination of information.*
  The major challenge is sustainable funding and timely remittance from partner states and development partners

QUESTION:

Transformation of the LVFO Convention: you are in the process of transforming the LVFO legal frame work; how far have you gone with this process?

- *The Republic of Kenya as the current Chair of LVFO Council of Ministers wrote to the Depository of the Convention, the Director General, FAO, Rome on 16th January, 2015. The Depository acknowledged receipt on 12th March, 2015. The Depository will write to the Executive Secretary, LVFO and Partner States informing them of the proposed amendments within 90 days. Amendments will then be tabled to LVFO Council of Ministers for approval. The adopted amendments will be effective 30 days after approval. The proposed amendments are to move from the current three Partner States as stipulated in the Convention to EAC Partner States.*

QUESTION:

When you talk of the expansion for the mandate to include all EAC water bodies; have you provided for such activities sufficiently in the budget?

- *The MTEF budget for the FYs 2016-2018 submitted to the EAC Secretariat have clearly provided for the increased planned activities as a result of the expanded mandate. However, funds may not be in the first year but projected for in the second or third year.*

QUESTION:

LVFO needs to invest resources in coordination with other EAC sister institutions like LVBC in order to build synergy.

- *LVFO has indeed been working together with the LVBC under the Lake Victoria Management Environmental Plan project funded by the World Bank.*

QUESTION:

Does LVFO has the capacity to develop / ensure that regional standards are maintained in order to curb illegal fishing methods and improving the fish stocks?

- *LVFO plan and agree regional but implement nationally and therefore, has the capacity to develop and improve fish stock.*

QUESTION:

LVFO is in the process of renewing her strategic Plan; is such capacity reflected in the new Strategic Plan?

- *The capacities are to be reflected in the new strategic plan which is at the draft stage.*

QUESTION:

Is LVFO aware of the processes in the development of the EAC Vision 2050 and how does her strategic plan fit into the wider EAC Vision.

- *Yes. The consultant visited the organization and our inputs have been factored in.*

QUESTION:

Why is your budget performance as at 31st March 2015 at only 37%

- *LVFO's performance has been affected by the available funding. Whereas program activities constitute 64% of the total budget, as at 31st March 2015, only 32% funding for program activities and the overall of 48% had been received by LVFO.*

QUESTION:

What proposals have you on the ground to ensure that your budget is funded in a timely manner?

- *There are plans to engage all the organization's stakeholders to ensure they understand the need for a timely budget funding in order for the organization efficiently and effectively carry her mandate.*

QUESTION:

Your budget contains a number of Committees; please substantiate this.

- *The Convention for the organization identifies several committees namely:*
  Fisheries Management, Scientific, Executive and Policy Steering Committees whose functions require that they meet to fulfill their mandates.

QUESTION:

Have you got the provisions for Health and Insurance in your budget?

- *Yes. Health is provided for as Medical Cover under Personal Emoluments on Pg. 1167 and Insurance is also covered under Pg. 1169.*

QUESTION:

EAC is in the process of encouraging video conferencing; how have you taken this into account in development the budget

- *The budget for Video Conferencing has been included in the FY 2015/2016 budget and will help the organization put in place the required infrastructures.*

INTER-UNIVERSITY COUNCIL FOR EAST AFRICA (IUCEA)

Budget Code, Page of Document and the Hon Member raising the Question	Item/Issue	IUCEA Response
Hon. Nakawuchi	With the budget performance at 47% attributed to limited Partner States contributions in relation to annual budget commitments, what are the IUCEA measures to achieve improved Partner States contributions?	• IUCEA Management sends quarterly reminders to the Partner States • Status of Partner States contributions is reported and discussed quarterly in IUCEA Governance Meetings • The status of Partner States contributions is reported to Council of Ministers. • These approaches have led to improved annual contributions and payment of arrears by the Partner States than in the past
	How IUCEA handles donor partnerships with their cycles of Financial Years differing from that for IUCEA	• The IUCEA planning process and strategies take cognizance of differences in cycles of Financial Year among parties supporting IUCEA and ensures compliance with respective FY requirements as part of contractual and operational obligations • Some Development Partners agree to modify their financial years to align with that of IUCEA in management of project funds
M2G01T0101C01	Participation in international Higher Education Forums: • Which are these forums? • How many staff participate? • What is the duration?	• These are forums on various issues of relevance to IUCEA mission, functions and priority on academic and developmental thematic areas (research, higher education development, quality assurance etc.). Participation is based on critical assessment of value to be gained.

Budget Code, Page of Document and the Hon Member raising the Question	Item/Issue	IUCEA Response
		• Among the Forums attended were organized by the Association of African Universities, DAAD, INQAAHE, African Union Commission, European Union, etc. • Local forums are also selected based on the same approach, and normally originating from activities of IUCEA Stakeholders and Member universities. Participation is based on the theme and relevance to the IUCEA mission.
	Differences on Road Transport rates and Daily Subsistence Allowance (DSA) among participants need explanation	• Road transport (Travel Refund) is in line with IUCEA regulation on travel and transport for participants to IUCEA organized activities, where air travel is not feasible. The rate is based on the total mileage to and fro to the meeting provided in the regulations
	DSA being full or 1/4	• DSA may be paid as full or quarter (¼), depending on: i. duration of the event, whether overnight or of less than 6 hours away from station ii level of funding, whereby in case the activity is funded, the DSA will be ¼ if fully funded or ½ if partially funded. This is as per IUCEA Regulations.
MTG01T0101C01 Page 178 of 217 o the MTEF Budget	Participate in 6 EAC meetings: • Which meetings • Who are the Participants • Why Mileage USD80 and Transit 150	• The meetings are Council of Ministers, Heads of Institutions, F&A etc. IUCEA is informed by the past experience and guidance by the EAC Almanac/Calendar of Activities • Participation is based on the agenda of the meeting or details of invitation letters

Budget Code, Page of Document and the Hon Member raising the Question	Item/Issue	IUCEA Response
		• Details on MTG01T0101C01 • Page 995 of 1215 of annex to the MTEF Budget • Mileage is an approved allowance to IUCEA staff who use their own vehicle in the conduct of IUCEA duty. The $80 is mileage paid to a staff to travel from Kampala to Entebbe on their way outside Uganda. • The $150 is Transit (Airport transfer) is also an approved travel allowance to staff to carter for transfer to and fro the airport and any other incidental costs when on transit.
MTG01T0101C02 Page 178 of 217 of the MTEF Budget	Development of programmes and projects: Who develop them?	• Programmes and projects are developed by IUCEA staff when expertise and feasibility allows. Second in order are experts from universities and other partner institutions, while consultants are used quite rarely for special reasons like time frame and lack of required expertise at the IUCEA Secretariat or universities
MTG01T0101C03 Page 178 of 217 o the MTEF Budget	Honorarium of USD 12,000 for 60 staff. Self-rewarding?	• IUCEA conducts many of its activities through participation of its Stakeholders as explained in S/N 07. Due to the uniqueness of some of its services, technical expertise of its members in the field of HE is used. On the other hand, services provided to its members on a cost-sharing basis are partly realized by such arrangements. • The validation workshop is one of such events where technical inputs of universities academicians, as well as stakeholders in Higher Education (Commissions for HE etc.) are required. Based on the above facts and the nature of an

Budget Code, Page of Document and the Hon Member raising the Question	Item/Issue	IUCEA Response
		activity to be undertaken, the IUCEA planning team provided for honoraria as a suitable mode of payment.
MTG01T0101C02 Page 178 of 217 o the MTEF Budget	Hold three consultative forums with development Partners: • Is the budget figure of $3,450 adequate? • How is the activity conducted? • Who are the participants?	• The budget is adequate, as the activity involve 1 or at most 2 staff (Executive and /or a professional staff), participating in a meeting, or attending a forum where we are looking for funding or other partnership opportunities.
M2G01T0101C02 Page 178 of 217 o the MTEF Budget	Organize interactive events or forum between Academic public, Private, and Civil Society: • How has it been conducted before? • How many events?	• It has been held as an annual event involving 200 participants from the Academia, Public & Private Sectors, drawn regionally and internationally. • To date, three events have been held: First forum was held in 2012, in Arusha, Tanzania and attended by 200 participants; Second forum was in 2013 in Nairobi, Kenya and attended by 250 participants; The third forum was held in 2014 in Kigali, Rwanda and attended by 300 participants. • The new Partnerships on Research and Innovations capacity development initiatives being developed by IUCEA are a result of recommendations arising from these forums.
M2G01T0101C02 Page 178 of 217 of the MTEF Budget	Plan & implement the Governance Meetings: • Which are these? • Who Attends?	• These are IUCEA Statutory and Committee Meetings as per IUCEA Act 2009. • Executive Committee (the governing body) meetings are held 3 times a year with a provision for one special meeting. This is composed of 19 members, who are PS's of ministries

Budget Code, Page of Document and the Hon Member raising the Question	Item/Issue	IUCEA Response
	• Courier costs of $4,600, why not opt for e- methods as recommended by Audit Committee? • Rationale for Participation of 34 staff, staff numbers to be reduced • What is sitting allowance of $ 200?	responsible for Higher Education, Vice Chancellors representing public and private universities, and a representative of the private sector through the East African Business Council (EABC). • Standing Committees and other committees formulated as per IUCEA 2009 Act, whose responsibilities are to advice the Executive Committee. Presently, the committees are: i. Finance, Planning & Human Resources: meeting four times a year, ii. Audit: meeting twice a year, iii. Quality Assurance and Qualifications Framework: meeting four times a year, iv. Scholarship, Staff and Students mobility: meeting four times a year. v. The other committees referred to as Ad-hoc, such as PIT for construction of IUCEA Headquarters, ICT and other thematic Steering Committees are in place. • Courier costs have come down compared to earlier figures due to adoption of e- technology. • The transformation required for full adoption has required some budget for hard copy versions in the 2015/2016 FY to carter for specific needs in IUCEA secretariat records retention, and requests by Partner States. • Participation of 34 staff represents the total number of staff to be involved in the various committees for the whole

Budget Code, Page of Document and the Hon Member raising the Question	Item/Issue	IUCEA Response
		Financial Year. • Sitting Allowance $200 is an approved payment to Executive Committee members attending IUCEA Statutory Meeting of the Executive Committee or its sub-committees. It is paid per event.
M2G01T0101C03 Page 178 of 217 of the MTEF Budget	Develop a business plan to ensure sustainability of funding to IUCEA programme: • Who will do it and Where? • Who are the participants to the workshop? • Justify conference facilities of $120, • Justify the participation of 16 staff, • Honoraria of $200 for 60 participants.	• The consultant will come up with the resource mobilization strategy with the mode of development of business plan/s as a component. • The workshop is to come up with inputs and outputs on identified aspects of investments and resource mobilization in accordance with above strategy. This will be conducted in any of the Partner States. • The participants will be stakeholders in Higher Education. • USD120 for conference facilities is based on accommodation on half board basis, • 16 staff is not a number of staff attending but this is a number of units that is arrived at by multiplying number of staff and the nights for the meeting (person night) • Honoraria have already been explained above.
M2G01T0108C01 Page 179 of 217 of the MTEF Budget also page1010 of 1215	Conduct an induction of Members of IUCEA Executive Committee and Standing Committees: Activity is not funded.	• Training was conducted for the current members who will still be members in the FY 2015/2016. • The next induction will be held in FY2016/2017 for new members. • It has only be left there as an MTEF budget line

Budget Code, Page of Document and the Hon Member raising the Question	Item/Issue	IUCEA Response
of annex to MTEF Detailed Budget		
M2G01T0108C01 Page 179 of 217 of the MTEF Budget also page1011 of 1215 of annex to MTEF Detailed Budget	Establish and maintain a system for monitoring implementation of Internal and External Audit recommendations: Activity is not funded	• This activity is mainly a routine desk activity as one of their job responsibilities, and that any funds required can be met through office administration expenses.
M2G01T0108C01 Page 179 of 217 of the MTEF Budget, also page1013 of 1215 of annex to MTEF Detailed Budget	Organize and attend Audit Committee meetings: Unpack on page 1013 of 1215 annex to MTEF detailed Budget.	• IUCEA Audit Committee meetings are attended by Executive Secretary, Internal Audit Staff, Accounts and Members of the Audit Committee from the Partner States, and is held 3 times a year. • Also attended are the EAC Audit and Risk Committee meetings, attended by Principal Internal Auditor and Principal Accountant, held 4 times a year. • Details of costs are on page 1013 of 1215 annex to MTEF detailed Budget.
	• Re-package information for multi–media information and broadcasting • Justification for the budget of $41,954	• Activity was not properly stated. The activity concerns rebranding of IUCEA, which may include a wide range of media platforms and communication media with a significant impact of IUCEA roles and expanded functions due to enhanced dissemination of its programmes, activities

Budget Code, Page of Document and the Hon Member raising the Question	Item/Issue	IUCEA Response
		and achievement.
	Participate in regional, international HE exhibition and related fields: How is it different from international forum	• The statement was erroneously repeated within the same budget line
P1031 under DES	Support Inter-University games: Activity not funded	• IUCEA has diversified areas of promoting inter-university interactions with new areas like youth forums, inter-university debates, etc., being introduced. Inter-University games is not a priority area for the FY2015/2016
P1035 under QA	Hold 1st roundtable to develop benchmarks for Education, 2nd roundtable for education, Stakeholders' validation workshop p.1040, and p.1041: Why too many, and couldn't they be merged?	• These are activities for two different disciplines (Education and Engineering). • To develop benchmarks for each require specific procedures, processes and expertise. As such, they cannot be merged. • The same applies for the process of validation
p.10 of 1215 (M2G01T0602S01) & (M2G01T0601S03):	Commission a team to develop a system for university ranking and forum to hold expert meeting to review the ranking system Why not merge the two activities?	• These are sequential activities in the cycle for the development of a ranking system therefore cannot be merged.

Budget Code, Page of Document and the Hon Member raising the Question	Item/Issue	IUCEA Response
p184 of 217 and 1055 of 1215:	Participate in regional training workshops and conferences. Who participates?	• This is staff capacity building for the staff of QA unit. It involves a wide range of forums relevant to Quality Assurance among developmental organizations such as DAAD and EU organized programmes.
	Research and innovation not funded	• IUCEA does not conduct research because it is just a coordinating institution and not an academic institution. Universities implement research and IUCEA sources for funds to disburse to universities as research grants but for the 2015/2016 FY, no MOUs were signed for this purpose for funding from development partners. For research management and coordination IUCEA has created a research and innovation coordination unit.
p193 of 217 and p1096 of 1215	Staff performance evaluated: Who evaluates and How is it done?	• IUCEA adopted an Open Performance Agreement and Appraisal system from the EAC led process. • IUCEA completed the process and employed it for 2FYs, and later, developed a hybrid system with the one in use by the government of the Republic of Kenya, whose use commenced in the FY2014/2015 • Implementation involves the Executive Secretary who signs a performance agreement with Executive Committee. This is then cascaded down to unit heads and staff. • The appraisal follows the opposite of the agreement process. • The process is carried out through workshops involving all staff for transparency, and is normally facilitated by external

Budget Code, Page of Document and the Hon Member raising the Question	Item/Issue	IUCEA Response
		experts to consolidate transparency and ensure independence.
p.195 of 217 and 1107 of 1215?	Why there is no budget for software training for 3 staff	• IUCEA is currently using Solomon SL Dynamics Accounting software and is expected to adopt Sun System in 2013/14 (end of May 2015). The budget to train staff is now under M2G01T0107C12 been shifted to train staff on Sun System. • The service providers will determine the type and venue and it will involve budget holders, Audit and Accounts staff.
M2G01T0107C20 P196 of 217 and p.1116 &1117 of 1215	To attend 1 EALA meeting approving the IUCEA Budget for 10 days by 3 staff total $6,390	• There is a mistake in stating the activity from the inputs, where it can be observed that the activity is for 4 days and not 10 days, and is attended by 3 staff
M2G01T0107C20 P.196 OF 217 p. 1117of 1215:	To supervise and manage the operations of IUCEA Bank Accounts • How does IUCEA carry out this activity? • How many bank accounts?	• Under this activity, the reported amount of $ 22,086 is for bank charges, which is based on reported bank charges in the Final Accounts of 2013/2014 and also based on a given % of the total budget as per EAC guidelines. NB: The projects bear the own costs for operating their accounts. • • IUCEA operates 5 Bank accounts and additional 5 accounts for projects. At its 18th Meeting held in March 2015, the IUCEA Executive Committee approved the closure of 3 IUCEA accounts in Tanzania and Kenya, and for all project accounts that are no longer active.

Budget Code, Page of Document and the Hon Member raising the Question	Item/Issue	IUCEA Response
Hon. Zein	Why is IUCEA not having funds from Development Partners?	• In the current budget, there are funds that we refer to as other EAC agencies, for example funds received from university membership subscription fees. • A number of funded projects have just ended and by the time of finalizing the budget there were proposals for funding whose MOUs had not been signed, some of which have now been signed already. We hope to bring donor funding as supplementary budget when the MOUs are finalized.
M2G01T0307S01 DES p1029 of 1215	Funds not provided to facilitate interaction between the academia and industry,	• This activity was not considered a priority in FY2015/2016; it will be handled under another Cost Centre, namely the cost center for the Executive Secretary (M2G01T0101C02)
	Budget for research and innovation coordination nodes has only $ 2,000 provided	• The amount is meant for an activity that will essentially be implemented using virtual formats at the IUCEA Secretariat. The provided amount is for facilitation of communication.
	Develop an innovation fund for EAC: No funds provided, why?	• IUCEA has developed a Research Coordination Policy with statements on innovation funds included. This is awaiting operationalization instruments, which will guide the development of an innovation fund.

Budget Code, Page of Document and the Hon Member raising the Question	Item/Issue	IUCEA Response
	Priority goal on harmonization of education is missing: Why?	• Activities on pages 1035 to 1058 of 1215 are geared towards harmonization of higher education in East Africa. Harmonization will lead East Africa operating as a common higher education area.
Hon. Valery	Submit a copy for the proposal for the utilization of arrears.	• An extract of the report to the 31st Meeting of the Council of Ministers on utilization of paid arrears and recommendations is presented as Annex I to this document
	How is IUCEA making use of Resource Mobilization Unit at the EAC Secretariat?	• In the previous budgets IUCEA had received funds for its activities from this unit, such as the $100,000 received in 2012/2013 under the Regional Integration Support Programme (RISP) and $100,000 from the Partnership fund for qualification framework. • IUCEA as an institution with specific activities needs to develop strategies for fundraising for its specialized activities. Therefore, the resource mobilization Strategy of IUCEA now in the development process will be informed by the EAC resource mobilization policy
Hon. Usi	Approved budget for scholarship funds was not used, why?	• The activity was not implemented because the postgraduate support training structure and administrative framework had not been developed. However the funds were used to fund part of the development of staff and student mobility

Budget Code, Page of Document and the Hon Member raising the Question	Item/Issue	IUCEA Response
		policy, which are essential for the development of a postgraduate support and administrative framework
M2G01T0108C01, p.179 of 217: Hon. Mulangane	Hold a meeting with Internal Auditors of EAC Organs and Institutions Where will this take place?	• Activity is conducted by EAC, and IUCEA attends on invitation. The budget is for cost of participation in the meeting. • Venue is determined by the EAC secretariat.
M2G01T0108C01	There is no budget for establishment of a system for monitoring implementation of audit recommendations.	• See above
M2G01T0108C01 P.179 of 217 and p.1013 of 1215:	Organize and attend Audit Committee meeting: Why not 4 meetings?	• Three meetings have been provided for and not 4 as per Audit Charter. IUCEA Act stipulates that the Audit Committee will meet twice with one provision for a special meeting.
M2G01T0108C02 p.179 of 217 and p.1016 of 1215:	Facilitate a team of 6 Auditors with refreshment for 21 days, Amount small, unpack	• This is the cost of break tea and water based on previous years' actual amounts. It is therefore in order.
M2G01T0108C01 p.179 of 217 and p.1016 of 1215:	Attend IUCEA Audit Committee meeting, DSA not in harmony with EAC rates	• It appears like there is a system error as there is a total of $17,110 for this activity.

Budget Code, Page of Document and the Hon Member raising the Question	Item/Issue	IUCEA Response
M2G01T0104C01 P180 of 217, and p.1018 of 1215:	Hold media sensitization workshop, No budget	• Not prioritized in the FY 2015/2016, but alternative opportunities in IUCEA wide activities and events to be used to sensitize the media on IUCEA mission and activities.
M2G01T0104C02, P 180 of 217, and p.1018 &1019 of 1215:	Develop intervention mechanism to implement the M&E, No budget provision, how will it be implemented, look for funds	• The M&E referred to is specific for the IUCEA Corporate Image. IUCEA has an M&E framework for activities, events, Programmes and Projects, as well as for monitoring implementation of the Corporate Strategic Plan. Various methods are used for its implementation depending on the subject evaluated and resources. The M&E on corporate image mainly involve external audience. This is postponed to subsequent FYs due to resources constraints elaborated above.
M2G01T0104C02 p.180 of 217 and p.1021 of 1215:	Re-package information for multi-media information and broadcasting; Why not use the funds under this activity for M&E activity above.	• The importance of re-packaging is mainly rebranding as elaborated above. The M&E item not budgeted is the one on IUCEA image which require a higher scale of resources similarly with other M&E modalities as explained in item 42
	• There is no provision for construction of IUCEA Hqts. • Arrears receipts have not been included in the budget.	• The Partner States' contribution was meant for only Phase I of the Headquarters construction project that is scheduled for completion within the FY 2014/2015 budget. • Furnishing and some fittings for the Phase I will be sourced from recovered arrears because contributions for Headquarters from 2 Partner States have not yet been

Budget Code, Page of Document and the Hon Member raising the Question	Item/Issue	IUCEA Response
		received.
	Achievement of IUCEA goals through travel, conferences etc.? The USD 350 DSA is it in the EAC structure? How many days per year are the Executive Secretary (ES) and Deputy Executive Secretary (DES) on station?	• IUCEA coordination mode of operation includes activities that involve travels and conferences in the Partner States, and even outside the Community. • The DSA structure in IUCEA is in line with the Staff and Services regulations which are on the other hand, aligned to the EAC's regulations • The days the ES and DES are in office can be evaluated from the detailed MTEF, and should be considered to be planned days for either of the 2 executives but it is a normal practice that the travel missions are attended as planned or delegated to other Professional Staff, accordingly
	Efforts for usage of video conferencing by IUCEA to minimize on costs such as for Validation Workshops	• IUCEA is in the process of acquiring video conferencing facilities targeting the shifting to the new Headquarters • IUCEA will also embark on assessment of administrative implications of the suggested transformation • Video conferencing is a viable tool only where the entities involved have the facilities, which at the moment is not the case for most IUCEA stakeholders
	Research and innovation: There is no budget for Research and	• As explained above, the scale of resources for this area can be effectively mobilized from sources other than the current

Budget Code, Page of Document and the Hon Member raising the Question	Item/Issue	IUCEA Response
	Development. How much money should be allocated?	Partner States' contributions. The presentation was not made because of incomplete contractual agreement with potential development partners at the budget development stage. These will feature at later stages as per EAC budget reallocation procedures.
	Quality Assurance activities are spread all over; Why?	• Quality Assurance activities may appear to be spread all over in two ways: • Spread across cost centers because of cascading structure of roles: Executive Secretary, Deputy Executive Secretary and QA and Qualifications Frameworks Offices in that order • Spread along the wide range of timeframe because of sequencing of activities within cycles for various interventions. • The Quality Assurance functions involve systems development, validation and dissemination activities that are distinct, and planned to avoid redundancy at regional and country levels.
	Internal Audit function seems to be addressed poorly. The internal audit function need to be given priority	• IUCEA has provided opportunity for effective functioning of the Internal Audit. Budget Levels similarly with many units are low because of the resources limitations.
	Budget from Partner States funds	• Contracts with Development Partners had just ended at the

Budget Code, Page of Document and the Hon Member raising the Question	Item/Issue	IUCEA Response
	but not from Development Partners; Why?	budgeting stage, while potential new programmes had not reached MOU stages. Part of the Development Partners funds may be availed during the FY 2015/2016 as per approval procedures
Hon. Dr. Ndahiro	Budget Theme: Common Market Protocol has not been fully operationalized: Are there items thath are under the IUCEA mandate? Are they budgeted for	• The Common Market Protocol is being fully operationalized through IUCEA led enabling initiatives and instruments, the main ones being a regional Quality Assurance system and Qualifications framework that are already developed and would continue to be operationalized to guide harmonization of Higher Education in EAC. These are already budgeted for.
	Audit Commission areas that IUCEA is supposed to work on them; Areas from Accounts Committees are they dealt with?	• IUCEA include actions on Audit recommendations in its routine functions, and develops supplementary or new budgets for subsequent Financial Years accordingly
	On the review of the Act, EALA would like to access information on the process	• The process towards the development of a Draft Bill for a new IUCEA Act is attached as annex II to this document
	Quality of Higher Education and bogus providers	• The Quality Assurance assurance activities are basically meant to address matters that include this aspect
	How come that 15.6% of the budget is on DSA?	• IUCEA implements its activities by coordination. One of the major methods of coordination involves travel. This may be improved with acquired technology and shifting to new

Budget Code, Page of Document and the Hon Member raising the Question	Item/Issue	IUCEA Response
		IUCEA facilities where some of meetings can be held at IUCEA HQs

ANNEX I

AN EXTRACT OF REPORT TO THE 31ST MEETING OF THE COUNCIL OF MINISTERS ON UTILIZATION OF PAID ARREARS AND RECOMMENDATIONS

1.0 Utilization of Funds Received as Payment of Outstanding Arrears of Partner States' Contributions to IUCEA

Since 1980 to date, some Partner States have not fully remitted their contributions to the IUCEA budget and they have therefore accumulated outstanding arrears. Following the directives of the Council of Ministers to remit fully and in time their contributions to the IUCEA budget, Partner States have committed themselves to pay over and above their annual contributions to IUCEA budget in order to reduce their arrears. So far some Partner States continue to pay their outstanding arrears. The strong commitment of partner States prompted the IUCEA Executive Committee and the Council of Ministers to direct the IUCEA Secretariat to develop a proposal on utilization of the arrears to be endorsed by the Executive Committee and approved by the Council of Ministers.

In that regard, the IUCEA Secretariat developed a proposal for utilization of the arrears that include furnishing the new IUCEA Headquarters for an amount of USD 854,347.85 and supporting the capacity building in research and innovation programme. Sida has in principle agreed to partner with IUCEA in funding the programme, under the condition that the programme also receives funding from EAC and the private sector in East Africa. Therefore, the IUCEA Secretariat made a proposal to the Executive Committee also to allow the utilisation of the funds received as payment of outstanding arrears of Partner States' contributions to IUCEA in funding the programme. This will constitute the contribution of EAC to finance the programme as Sida, which is the potential partner, has indicated.

The Executive Committee at its 18th Meeting held on 30th March 2015 approved the proposal on utilization of funds received as payment of outstanding arrears of Partner States' contributions to IUCEA as stated above, and directed Management to:

(a) Finalize development of the proposal on the capacity building in research and innovation programme taking into consideration the need for the support to be directed to the research and innovation capacity building programme to be focused on high-impact projects with the aim of increasing the numbers of PhD graduates for capacity development in teaching and research staff at universities; and
(b) Develop a detailed budget on how the funds would be utilized.

Approve the decision of the Executive Committee on the proposal on utilization of funds received as payment of outstanding arrears of Partner States' contributions to IUCEA by directing the IUCEA Management to:

(i) Finalize development of the proposal on the capacity building in research and innovation programme taking into consideration the need for the support to be directed to the research and innovation capacity building programme

	held in August 2015 – Nairobi, Kenya				
Immigration	Convene 3 Meetings of Immigration Experts to plan for the launch and internationalization of the EA e-passport.	120,900	32,160	88,740	This is an underfunded activity as the budget allocated is not enough to handle the meetings required to finalise the internalization of the EA e-Passport and its launch by the Summit. Summit directive is to have the new generation e-passport launched by November 2015.
Immigration	Convene 2 meetings of Chiefs of Immigration to consider reports from experts.	80,600	0	80,600	The experts meeting reports on the EA e-passport are considered by the Chiefs of Immigration for Policy guidance and endorsement. Therefore, allocating a budget for experts meeting and no budget support to the meeting of the Chiefs of Immigration means that the expected deliverables cannot be achieved.
Refugee Management	Hold 2 meetings of Refugee Management Experts	61,100	0	61,100	The sub sector of Refugee management as had no budget allocation for the last three Financial Years. The Funds required are for experts to meet
Refugee Management	Convene 1 meeting of Chiefs of Refugee management	33,700	0	33,700	The action plan developed by the experts meeting has to be considered and adopted by the Chiefs of Refugee management.

Labour Sub sector	2 meetings to finalise the framework on exchange of young workers as per EAC CMP	146,850	0	146,850	The meeting requires experts to validate and finalise the framework on exchange of young workers.
Education, Science and Technology	Establishing a TVET inter-governmental body to handle TVET issues in the region.	124,359	0	124,359	To Harmonise the EAC Education systems and training curricula through the implementation of the EAC TVET Strategic Plan.
Education, Science and Technology	The Development of a System for Sustainability of the Designated EAC Centres of Excellence	162,920	0	162,920	Convene Experts' meetings develop the benchmarks; quality assurance strategy, monitoring and evaluation framework, monitoring and evaluation, a regional inventory of existing and emerging skills, for the EAC Centres of Excellence.
	TOTAL	**1,213,679**	**78,660**	**1,135,019**	

Department	*Prioritized Activity*	*Amount requested in USD*	*Amount allocated during FY 2015 -16 in USD*	*Funding Gap*	*Justification*
Agriculture and Food Security	Convening of two Sectoral Councils on Agriculture and Food Security in FY 2015/16 Partner States funding	10,000	0	10,000	This is a mandatory requirement to review agricultural sector progress and give the necessary guidance.

Agriculture and Food Security	Assessment of the Food Security Action Plan and Formulation of phase 2 (2016-2020) USAID Funding	149,650	0	149,650	Implementation of the current Food Security Action is coming to an end. There is need to review the performance and inform the formulation of strategic priorities for the next phase.
Agriculture and Food Security	Meeting of EAC Partner States on control and prevention of Maize Lethal Necrotic Disease(MLN)	39,450	0	39,450	The 7th Sectoral Council on Agriculture and Food Security underscored that Maize Lethal Necrotic Disease (MLND) is posing a major treat food Security in the region. The Sectoral Council directed Secretariat to mobilize Lethal Necrotic Disease in the EAC Regional by December 2015 and further directed the Secretariat to develop a Response Plan for June 2015.
Department	***Prioritized Activity***	***Amount requested in USD***	***Amount allocated during FY 2015 -16 in USD***	***Funding Gap***	***Justification***
Energy	Feasibility Study for Kigali- Bujumbura Oil Products Pipeline	67,200	0	67,200	AfDB is funding the feasibility study with a grant to EAC of US$ 601,288. Counterpart funding of US$ 67,200 is required from the EAC and was provided for in the submission by the Energy Department.

Energy	Special Meeting on Oil and Gas to implement Summit Directive to convene a special meeting on oil and gas for ministers of energy and finance, Attornies General, Heads of Revenue Authority and Heads of National Oil Companies.		0	40,000	The meeting was convened in March 2015 back-to-back with EAPCE'15 but failed to take place due to lack of quorum. Therefore, the meeting needs to be convened again in 2015/16.
Environment and Natural Resources	Convening a Multisectoral meeting comprised of Experts in Environment and Natural Resources, water, land, wildlife, Forestry, Energy, Mining and legal	81,500	0	81,500	Directive of the 31st meeting of the Council to study the issues raised by the United Republic of Tanzania on its proposal to renegotiate the Protocol on ENRM
Department	***Prioritized Activity***	***Amount requested in USD***	***Amount allocated during FY 2015 -16 in USD***	***Funding Gap***	***Justification***
Environment and Natural Resources	Attendance of at least one staff to at least one meeting of FA Committee, Council and	24,200	0	24,200	Statutory meetings that require the presence of Environment and Natural Resources Office to defend their budget,

	outside Arusha				environmental matters during EAC Organ meetings.
Environment and Natural Resources	DSG(PSS) AND ONE Professional Staff attend 2 LVBSECOM Meetings one EALA Session	9000	0	9,000	The Department of Environmental and Natural Resources is the liaison office for LVBC-EAC Secretariat. At least one staff and DSG (PSS) shall be facilitated to attend Sectoral Councils and other planning meetings.
	DRR Key priorities implemented	112,000	300,000	82,000	Recommendation of the 30th Council.
Tourism and Wildlife Management	To conduct technical Experts meetings to validate the Protocol on Tourism and Wildlife Management.	20,650	1,800	18,850	Finalization of the Protocol on Tourism and Wildlife Management.
Tourism and wildlife Management	To conduct an EAC Assessors workshop to develop Trainers of for EAC Criteria	155,100	0	155,100	Directive from the 5th Sectoral Council on Tourism and Wildlife Management to Train Trainers on the Frameworks for curriculum Development, Monitoring and Evaluation; Training Manual; and guidelines for trainers syllabus/
Department	***Prioritized Activity***	***Amount requested in USD***	***Amount allocated during FY 2015 -16 in USD***	***Funding Gap***	***Justification***
					Scheme of work examination setting and marking process to ensure quality and standards anticipated in the approved

					Criteria for standardization of training of Assessors for Accommodation and Restaurants Establishments in East Africa.
Tourism and Wildlife Management	To operationalize the EAC Quality Assurance Standing Committee	63,750	0	63,750	Directive from the 5th Sectoral Council on Tourism and Wildlife Management that established the Standing Committee on Quality Assurance composed of Certified trainer of Assessors to ensure quality is being maintained in Partner States classified establishments.

Original

EAST AFRICAN COMMUNITY

EAST AFRICAN LEGISLATIVE ASSEMBLY

REPORT OF THE COMMITTEE ON GENERAL PURPOSE ON THE EAC ANNUAL REPORT FOR 2012/2013

ARUSHA, TANZANIA

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

12th May 2015

1.0 Introduction

Hon. Speaker,

In accordance with Article 48(3), 49 (2) (c) and 49(3) of the Treaty for the Establishment of the East African Community and Rule 80 (f) 81 (c) and (f) of the Rules of Procedure of the Assembly, the EAC Annual Reports are considered by the Committee on General Purpose and adopted by the Assembly.

The mandate of the Assembly is to consider the EAC Annual Report in accordance with the Treaty provisions which empower the Assembly to establish Committees to consider matters of legislation, budgeting and oversight over projects and programmes of the EAC. The Committee on General Purpose is mandated, among others, to carry out oversight on the progress made in the implementation of provisions that address the matters of general application on the EAC in relation to its roles and functions.

The EAC Annual Report for 2012/2013 was tabled before the Assembly on 3rd September 2014 in Dar es Salaam during the 1st Meeting of the 3rd Session of the Third Assembly by the Hon. Chairperson of the Council of Ministers and committed to the Committee for consideration. The Committee on General Purpose met in Bujumbura, Burundi on 13th, 16th and 23rd March 2015 to consider the report.

2.0 Methodology

Following the consideration and adoption of the EAC Annual Reports for 2009/2010, 2010/2011 and 2011/2012 by the Assembly on the dates of 23rd April 2013, and 28th May 2014 respectively, the Committee once again sought to ascertain whether the EAC Annual Report of 2012/2013 reflected the fact that the recommendations of the Assembly and inputs into the preparation, lay out and format of the report as previously recommended had been taken into consideration.

The Committee considered the EAC Cumulative Activity Implementation Report for the period July 2012 to June 2013, and met with the EAC Deputy Secretary General, Planning and Infrastructure, Dr. Enos Bukuku on 23rd March 2015 to analyse the EAC Annual Report in line with the provisions of the Treaty.

3.0 Findings and Observations of the Committee

1) The Committee, basing its observations on the three previous reports on the EAC Annual Reports for 2009/2010, 2010/2011 as well as 2011/2012, finds that there is an improvement both in terms of content and presentation.
2) The Committee noted that the Report had been tabled in September of 2014 which was tabled in a timely manner given the tabling of previous reports although it was still overdue. The Committee further noted that the report contains draft financial statements as opposed to Audited Accounts as has been the norm.
3) The Committee further noted that there was specific reference to the report being compiled as a requirement of Article 49(2)(c), meaning that this was the report prepared specifically for parliamentary scrutiny as recommended by the Assembly. The said references were made by both the Hon. Chairperson of the Council of Ministers Hon. Phyllis Jepkosgei Kandie in the foreword to the report and in the Secretary General's summary of the Report. This therefore reinforces the fact that the report compiled in fulfillment of Article 49 (2) should be according to the specifications of the Assembly.
4) The Committee noted that there is need for meaningful follow up to be made on sectors and activities undertaken which the Assembly can do under the respective sectors that Committees of the Assembly cover. The Committee however, acknowledges due to under staffing among other reasons, that there is a serious constraint with regard to the necessary skilled staff to facilitate the Committees in terms of research and expertise.

5) The Committee considers the omissions, errors and misrepresentations still emerging in the report to be unjustifiable. These include among others:-

(i) Completely wrong page numbering in the entire table of contents for the Office of the DSG F & A, EALA and Office of the Secretary General and so on;

(ii) Pictures and photographs that should fit to the size of the page are uphazardly cut which is highly unprofessional;

(iii) Wrongly captioned photographs on page 57, among many others, where two serving Members of EALA are named in a photograph with completely different persons; as well as Office of the Secretary General which shows military personnel exchanging the EAC flag.

(iv) The Report lacks basic information, details and statistics in line with the thematic areas of the budget in the Financial Year under review. Given that the theme of the budget for the financial year was full implementation of the EAC Common Market Protocol, establishment of the East African Monetary Union and laying a strong foundation for an EAC Political Federation, interventions made and outcomes of those interventions should be reflected to give a more authentic and realistic picture of the Community. Additionally, basic statistics on indicators such as volumes of trade, as well as investment, the report would better reflect quantitative trends; and

(v) Omission and inconsistency which leads to errors within the report are cited in the report under the Office of the Counsel to the Community where a list of Bills passed by the Assembly includes the EAC Holidays Bill, 2012 which is later omitted in Chapter 8 under EALA. The Committee further noted that no challenges are reported in the report; challenges that exist are long standing and include the pending legal status of LVBC and the Nyerere Center for Peace Research.

6. The Committee observed that there is need to amend the EAC Budget Act, 2008 to align the Act with reporting timeframes so as to ensure timely preparation and tabling of reports before the Assembly.

7. The Committee observed that since the Annual Report reported on all organs of the Community, projects and programs, consideration could be given to including a report of the Summit, status of implementation on Summit, Ministerial decisions and directives as well as recommendations of the Assembly.

8. The Committee further notes that the report contains draft financial statements of the Community as opposed to Audited Financial Accounts that had for sometime been said to cause delays in tabling of the Annual Reports. If then the draft statements are to be used and flexibility has been employed to fulfill the requirements for tabling the Annual Report before the Assembly, it is expected that EAC Annual Reports will henceforth be received on time by the Assembly so as to inform the subsequent budgeting process.

4.0 Recommendations

In view of the observations by the Committee, the Committee makes the following recommendations:

4.1 The Committee commends the evident improvements in the EAC Annual Report for 2012/2013 with indications of editing and more careful compilation. The Committee however recommends that this be further improved by setting up a Committee comprising staff from each Organ and Institution to approve the contents of the draft report and validate the Report before it is disseminated. Vital statistics and details need to be used to reflect progress on sectors such as trade, investment and industrialization.

It is further recommended that quality control be enhanced and assured across board for all EAC documents.

4.2 The Committee recommends to the Assembly that EALA Committees monitor and follow up on issues in the Annual Reports that fall under respective EALA Committees as recommended by the House.

4.3 The Committee recommends that the EAC Budget Act, 2008 be amended to align reporting timeframes for all budget related reports and documents.

4.4 The Committee recommends to the Assembly to urge the Council of Ministers that the Annual Report be tabled on time at least by September of each year to inform the subsequent budget process as should be. The Committee further recommends to the Assembly to urge the Council of Ministers to urgently address the issue of Human Resource Capacity as well as development of the requisite competences in the Community so that EALA Committees are facilitated to fulfill their mandate.

4.5 The Committee recommends to the Assembly to urge the Council of Ministers to reflect challenges faced and interventions the Community has employed so as to give an accurate picture of the Community in a given year. Contrary to the belief that challenges may be interpreted as a sign of weakness, the Committee is of the view that a realistic picture as well as interventions and outcomes of the interventions reflect a more authentic and realistic picture of the Community to the outside world and highlights action points.

5.0 Acknowledgement

The Committee would like to express its appreciation to the Office of the Rt. Hon. Speaker, EALA and the Office of the Clerk, EALA for facilitating the work of the Committee. Appreciation also goes to the Deputy Secretary General, Planning and Infrastructure, Dr. Enos Bukuku, the Principal Planning Research Officer, Mr. David

Sajjabi, Senior Monitoring and Evaluation Officer, Mr. Julius Birungi for meeting with the Committee on 23rd March 2015.

6.0 Conclusion

The EAC Annual Report in respect of Article 49 (2) and Article 132 of the Treaty form the basis for preparation of the report as an accountability tool. It is therefore imperative that the report reflect a correct and accurate picture of the Community and not omit challenges or policies and procedures used in the management of financial, human and information resources for a given year. The Committee recommends that the Council of Ministers give attention to the recommendations contained in this Report.

Hon. Speaker, I beg to move.

THE EAST AFRICAN COMMUNITY

BILL SUPPLEMENT

No. 8 *15th May, 2015.*

to the East African Community Gazette No. 6 of 15th May, 2015.

Printed by the Uganda Printing and Publishing Corporation, Entebbe, by Order of the East African Community.

THE EAST AFRICAN COMMUNITY

APPROPRIATION BILL, 2015

MEMORANDUM

The object of this Bill is to make provision for the appropriation out of the budget of the East African Community, of specified amounts of money for the services and purposes of the Community for the financial year ending the 30th of June, 2016.

HON. DR. HARRISON MWAKYEMBE, MP,
Chairperson Council of Ministers.

THE EAST AFRICAN COMMUNITY APPROPRIATION BILL, 2015

ARRANGEMENT OF CLAUSES

Clause

THE EAST AFRICAN COMMUNITY APPROPRIATION BILL, 2015

A Bill for an Act

ENTITLED

THE EAST AFRICAN COMMUNITY APPROPRIATION ACT, 2015

An Act to make appropriation out of the East African Community Budget to the service of the financial year ending 30th June, 2016.

ENACTED by the East African Community and assented to by the Heads of State.

1. This Act may be cited as the East African Community Appropriation Act, 2015 and shall come into force on the 1st day of July, 2015. Citation and commencement

2. The Secretary General may issue out of the budget of the East African Community and apply towards the supply granted to the Community for the services of the year ending on the 30th June, 2016 the sum of United States Dollars One Hundred Ten Million, Six Hundred Sixty Thousand, Ninety Eight. Issue of money out of the Community budget

Appropriation of sums granted

3. The sums granted by this Act shall be appropriated for the services and purposes specified in the Schedule to this Act.

Payment for services in previous financial year.

4. Any part of the sums granted by section 2 which has been, or is issued from the budget of the East African Community before the 30th June, 2016 shall be available until a date to be determined by the Council of Ministers, not being later than the 31st day of December, 2016 for making payments which become due during the year ending on the 30th June, 2016.

SCHEDULE

s.3

Vote	Services and Purpose	US Dollars
1.	East African Community Secretariat including the Defence Liaison Office and the Directorate of Customs and Trade.	69,636,849
2.	East African Legislative Assembly	15,865,646
3.	East African Court of Justice	4,301,551
4.	Lake Victoria Basin Commission	10,137,163
5.	Inter-University Council of East Africa	4,507,648
6.	Lake Victoria Fisheries Organisation	3,091,097
7.	East African Science and Technology Commission	726,755
8.	East African Kiswahili Commission	756,361
9.	East African Health Research Commission	935,498
10.	East African Competition Authority	701,530
	TOTAL	110,660,098

MINUTES OF THE 18TH SITTING OF THE SELECT COMMITTEE ON REGIONAL INTEGRATION HELD ON TUESDAY 23RD JUNE, 2015 IN COMMITTEE ROOM, 2ND FLOOR, CONTINENTAL HOUSE, PARLIAMENT BUILDINGS AT 10:00 AM.

Present:

1. Hon. Florence Kajuju, MP - Chairperson
2. Hon. Christopher Nakuleu, MP - Vice-Chairperson
3. Hon. Andrew Toboso, MP
4. Hon. Timothy Bosire, MP
5. Hon. Kubai Iringo, MP
6. Hon. Robert Mbui, MP
7. Hon. Kathuri Murungi, MP
8. Hon. Ogendo Rose Nyamunga, MP
9. Hon. David Karithi, MP
10. Hon. Wanjiku Muhia, MP
11. Hon. Sarah Korere, MP
12. Hon. Annah Nyokabi, MP
13. Hon. David Ouma Ochieng', MP
14. Hon. Dido Ali Rasso, MP

Absent With Apology

1. Hon. Emmanuel Wangwe, MP
2. Hon. Eric Keter, MP
3. Hon. Mary Seneta, MP
4. Hon. Alex Mwiru, MP
5. Hon. Bady Twalib Bady
6. Hon. Ali Wario, MP
7. Hon. Peter Shehe, MP
8. Hon. Mark Lomunokol, MP
9. Hon. Florence Mutua, MP
10. Hon. Alois Lentoimaga, MP
11. Hon. Joseph Kahangara, MP
12. Hon. Gideon Konchella, MP
13. Hon. Anthony Kimaru, MP
14. Hon. Dan Kazungu, MP

Absent

Hon. Charles Nyamai, MP

In Attendance

1. Mr. Joash Kosiba - Fiscal Analyst
2. Mr. Fredrick Otieno - Third Clerk Assistant

MIN.NO. CRI/071/2015 PRELIMINARIES

The Chairperson called the meeting to order at 10.30 a.m followed by a word of prayer. She then informed Members that the Parliamentary Budget Office was present to brief Members on the Report of the Committee on Accounts on the Audited Accounts of the East African Community for the year ended 30th June, 2013. She therefore asked Mr. Joash Kosiba from Budget Office to brief the Committee.

MIN.NO.CRI/072/2015: CONSIDERATION OF THE REPORT OF COMMITTEE ON ACCOUNTS ON THE AUDITED ACCOUNTS OF THE EAST AFRICAN COMMUNITY FOR THE YEAR ENDED 30TH JUNE 2013

Mr. Joash Kosiba made a presentation to the Committee on the report as follows:

INTRODUCTION

The Audit Commission is formed under section 134 of the East African Treaty. The Commission is made up of Auditors General of the Partner states whose function is to audit the accounts of the community. The Commission also verifies any contribution received or revenue collected by the Community and ensures they are allocated and distributed in accordance with the Treaty.

Consequently the Commission submitted its 2012/2013 audit report to the East African Assembly and thereafter the report was tabled for debate on the same but was adjourned in order to allow for the Council of Ministers and the Management of the Community to provide clarifications and additional information not adequately captured in the report, this was in order to allow for informed debate by the August House in its coming session in Bujumbura. The Council of Ministers and Management are then expected to implement the final recommendations of the House.

AUDIT ISSUES

The following were the audit issues raised by the East Africa Community Audit Commission on the consolidated Financial Statements of EAC organs in the financial year 2012/2013:

1. **Over expenditure**-The most notable over expenditure was on international air tickets and daily subsistence allowance. The committee recommended to the EAC Council of Ministers to adhere to the provisions in the financial rules and regulations and avoid incurring over expenditures on budget lines without the requisite approvals and further directed the EAC management to table before the Assembly measures taken to ensure budgetary controls.
2. **Expenditure Cut offs-** The EAC management made substantial advances to staff for activities not undertaken contrary to EAC financial rules and regulations to the tune of USD 384,834.
3. **Anomalies in accountabilities for Imprest advances:**
    a) In cases of advances for meetings and conferences both within and outside Arusha, majority of the accountability records do not have invitations.

b) Where invitations are filed there is no formal communication from responsible recipients indicating the names of officers who have been formally nominated by the person to whom the meeting request has been addressed.

c) Minutes of what was discussed and resolutions not filed

4. Documentations reveal that a total of USD 35,651 was paid to officers in lieu of leave. In all instances; there was no evidence that special permission to accrue leave had been obtained as required by regulations. Furthermore there was no budget provision for such expenditure, instead this was charged to salaries and wages.
5. **Excessive salary deductions:-**Regulation 55 of the staff rules and regulations allow staff to get salary and housing advances but with deductions not exceeding 50% of the employees' salaries. Review of secretariat payroll reveals a number of staff whose deductions exceeded 50% with some reaching as high as 80%.

It was further observed that:

i. Performance of the Internal Audit Department: The Committee noted that Internal Audit lacks sufficient capacity to effectively undertake its plans and relevant reviews.
ii. The audit Commission observed that staffing position for the EAC revealed several unfilled positions within the Secretariat.
iii. Unauthorized Budget Roll Over: The Audit Commission took note of a meeting with stakeholders to the design of Arusha - Voi road, an activity which had been budgeted in the financial year 2011/2012 at USD 47,400. The activity was not undertaken in that financial year and was subsequently rolled over to the subsequent financial year 2012/2013.
iv. Inappropriate Delegates for technical meetings.
v. Expenditures on Daily Subsistence Allowances-some staff were paid 200 working nights in one financial year meaning the staff were almost out of office during the whole financial year
vi. Procurement irregularities-Air tickets, disposal of Old Motor Vehicles.
vii. Engineering Audit issues: - Unsatisfactory finishes in some parts of the building, inadequate workmanship on external works.

EAST AFRICAN COURT OF JUSTICE

The following were some of the findings and recommendations on the EAC Court of Justice

1. Wasteful expenditure: - USD 116,000 was spent on Daily Subsistence allowances at the rate of USD 350 per persons for a meeting in Moshi which is two hours drive from the duty station.

   Recommendation: *- Amend financial rules and staff regulations with the aim of discouraging meetings in Moshi and put an exception clause to justify the necessity. Always exercise prudence while authorizing expenditure*

2. Non Compliance with Human Resource rules and regulations criteria:- there were cases where officers were acting for positions for more than six months as stipulated in the regulations.
   Recommendation: *- The Committee recommends to the Assembly to urge the EAC Council of Ministers to direct EAC management to expedite recruitment process aimed at filling the staff positions.*

3. EACJ paid USD 33,350 for training. Audit reveals that the EACJ had no approved training plan and regulations.
   Recommendation: *-Develop training regulations and initiate policy on adherence to approved plans and budgets of the Community.*

EAST AFRICAN LEGISLATIVE ASSEMBLY

The following were some of the findings and recommendations on the East African Legislative Assembly:

1. Irregular payment of Perdiem to facilitate attendance of funeral ceremonies USD 9,084.
   Recommendation: *- Direct the EAC management to form guidelines on death related expenditures for all EAC organs and institutions.*
2. Flouting of procurement regulations on printing of East African Community Fund Annual report, Promotional materials.
   Recommendation: *- Always adhere to the procurement regulations and always prepare documents and present them properly to avoid suspicion of the process.*

LAKE VICTORIA BASIN COMMISSION (LVBC)

The following were some of the findings and recommendations on the Lake Victoria Basin Commission:

1. Weaknesses in management of Accountable Imprest:- imprest amounting to USD 115,136 remained unaccounted for as at 30th June 2013.
   Recommendation: *- EAC Council of Ministers to direct LVBC management to present to Audit Commission for verification in the next audit.*
2. Poor Budget performance with utilization standing at 44% of total funds earmarked for its programs during the year. This was attributed to delay in release of funds for various activities from Development partners. The donors were contributing 88% of the budget.
   Recommendation: *- EAC Council of Ministers to direct LVBC management to present budget performance progress to the Audit Commission for verification in the next Audit.*
3. Excessive payment of travel and daily subsistence allowances to the tune of USD 1,597,208 during the financial year 2012/2013. Some of the Commission staff was out of office between 100 to 272 days. The cadres of staff in question were unreasonably out of the office yet their job description entails working in the office e.g. Accounts Department staff, senior staff management
   Recommendation: *- Develop travel guidelines and reduce excessive payments of DSAs*

LAKE VICTORIA FISHERIES ORGANISATION (LVFO)

The following were some of the findings and recommendations on the Lake Victoria Fisheries Organization

1. Doubtful expenditure- USD 61,547. This expenditure was not properly accounted for, contrary to the financial regulations. Examination of the accompanying documents reveals several inconsistencies that point to possibility of misuse.
   Recommendation: *- LVFO management to come with a report and present to the Audit Commission for verification in the next audit.*
2. Irregular out of pocket allowance USD 2,980:- It was noted that LVFO were invited for workshops and conferences and the organizers provided for air tickets and subsistence allowances in cash form. The officers were therefore not entitled to any allowance.
   Recommendation: *- EAC Council of Ministers to direct to direct LVFO management to put an end to the practice and recover the amount spent irregularly from the officers involved.*
3. Wasteful expenditure: a three day workshop held in Seeta which is located only one hour's drive from the Jinja Office, each officer was paid full per diem for three nights at a rate of USD 300 per night.
   Recommendation: *- EAC Council of Ministers to direct LVFO Management to ensure that all unnecessary expenditures are avoided at all costs.*

INTER UNIVERSITY COUNCIL FOR EAST AFRICA (IUCEA)

The following were some of the findings and recommendations on the Inter University Council for East Africa:

1. The Audit Commission reported that during the review of the financial statements, it was noted that the amount of contributions collected from Partner States was USD 2,856,466 while the total expected was USD 4,015,550. In addition the arrears from the Partner states as at June 2013 amounted to USD 12,853,915.Failure by member states to promptly remit their annual contributions negatively affects performance of the Council to fulfill its mandate. It was noted that the increased non-remittance raises uncertainties regarding the capacity of the council to survive as a 'going concern'
   Recommendation: *- EAC Council ministers to direct IUCEA management to follow up, verify and ensure that channeled through the ministers of EAC affairs and ensure that Partner states are included in the budgets of respective partner states annually.*
2. Doubtful recoverability of contribution in arrears – USD 12,353,914.80. All Partner States with the exception of Rwanda had arrears. Several reminders have been sent and letters have been sent to partner states backed by EAC Council directives.
   Recommendation: *- Direct IUCEA management to develop and put in place a policy on recoverability of arrears and remittances due and develop guidelines on usage of recovered funds.*
3. Some observations include absence of a comprehensive fixed asset register, delayed construction and Co-ownership of the Land title for IUCEA Headquarters, inadequate

staffing, weakness in human resource function, weaknesses in book keeping among others.

THE CIVIL AVIATION SAFETY AND SECURITY OVERSIGHT AGENCY

The Audit Commission reported the following on Civil Aviation Safety and Security Oversight Agency:-

1. Irregular budgeting for reserves- The original budget of USD 1,520,346 is inclusive of USD 266,346 being transfers from the reserves implying that the budget team had anticipated the transfer.
2. Idle funds on the Reserves Account No. 6003614873;- The bank statement reveals that at the close of the financial year, the above account had a credit balance of USD 120,929.62 deposited on 2nd October 2012.There were no other credits or debits on this account during the year apart from the bank charges.
3. Irregular recognition of accumulated leave-USD 14,144- There is no evidence to sh that authority sought for accumulating leave as provided for under staff regulations.

MIN.NO.CRI/073/2015: OBSERVATIONS MADE BY MEMBERS

Having gone through the presentation, the following observations were made by Members:

1. Most of the EAC organs overspent money on international air tickets and daily subsistence allowance.
2. Documentations reveal that a total of USD 35,651 was paid to officers in lieu of leave. In all instances; there was no evidence that special permission to accrue leave had been obtained as required by regulations. Furthermore there was no budgetary provision for such expenditure-this was charged to salaries and wages.
3. Expenditures on Daily Subsistence Allowances-some staff were paid 200 working nights in one financial year meaning the staff were out of office for most of the days during t financial year

MIN.NO.CRI/074/2015: ANY OTHER BUSINESS

Hon. Cyprian Iringo informed the Committee that they represented the Committee in Egypt as per the invitation by the Ministry of East African Affairs, Commerce and Tourism and approval by the National Assembly. However, he expressed the frustration and the mistreatment that they received in Sham, Egypt. They were disappointed with the embassy and the Ministry staff for the treatment that they received. They had accommodation problems and challenges attending the main function. There was no communication by the Ministry and the embassy, the clerk tried to reach them but no one picked his calls.

The Members emphasized that there should be proper arrangements before any delegation leaves for any trip whether organized by the Ministry or Parliament. They requested the

Chairperson to invite, through the Clerk's office, the Principal Secretary to appear before the Committee to explain why his staff abandoned Members. She promised undertook to take up the matter through the Clerk's office and report back to the Committee.

MIN.NO.CRI/075/2015: ADJOURNMENT

The Chairperson adjourned the meeting at 12.20pm.

SIGNED.....DATE 4/05/2015

CHAIRPERSON

MINUTES OF THE 20TH SITTING OF THE SELECT COMMITTEE ON REGIONAL INTEGRATION HELD ON TUESDAY 2ND JULY, 2015 IN COMMITTEE ROOM 7, PARLIAMENT BUILDINGS AT 12:00 NOON.

Present:

1. Hon. Florence Kajuju, MP - Chairperson
2. Hon. Christopher Nakuleu, MP - Vice-Chairperson
3. Hon. Andrew Toboso, MP
4. Hon. Timothy Bosire, MP
5. Hon. Kubai Iringo, MP
6. Hon. Robert Mbui, MP
7. Hon. Kathuri Murungi, MP
8. Hon. Ogendo Rose Nyamunga, MP
9. Hon. David Karithi, MP
10. Hon. Wanjiku Muhia, MP
11. Hon. Sarah Korere, MP
12. Hon. Eric Keter, MP
13. Hon. Mary Seneta, MP
14. Hon. Ali Wario, MP
15. Hon. Mark Lomunokol, MP

Absent With Apology

1. Hon. Annah Nyokabi, MP
2. Hon. David Ouma Ochieng', MP
3. Hon. Dido Ali Rasso, MP
4. Hon. Emmanuel Wangwe, MP
5. Hon. Alex Mwiru, MP
6. Hon. Bady Twalib Bady
7. Hon. Peter Shehe, MP
8. Hon. Florence Mutua, MP
9. Hon. Alois Lentoimaga, MP
10. Hon. Joseph Kahangara, MP
11. Hon. Gideon Konchella, MP
12. Hon. Anthony Kimaru, MP
13. Hon. Dan Kazungu, MP

Absent

Hon. Charles Nyamai, MP

In Attendance

Kenya National Assembly

1. Mr. Fredrick Otieno - Third Clerk Assistant
2. Ms. Sharon Rotino - Research Officer

Kenya Revenue Authority

1. Mr. Julius Musyoki - Ag. Commissioner of Customs & Border Control
2. Ms. Mercy Njuguna - Ag. Deputy Commissioner
3. Ms. Rosemary Mureithi - Manager/Coordinator SCT

MIN.NO. CRI/080/2015 PRELIMINARIES

The Chairperson called the meeting to order at 12.30 pm followed by a word of prayer. She then welcomed the visitors from Kenya Revenue Authority and asked everyone to introduce him/herself. She further informed the Committee that the visitors from KRA came as per the invitation from the Committee to brief it on the report of On-spot Assessment of Single Customs Territory by the Committee on Communication, Trade and Investment of EALA.

MIN.NO.CRI/081/2015: CONSIDERATION OF THE REPORT OF ON-SPOT ASSESSMENT ON THE EAC SINGLE CUSTOMS TERRITORY

The Ag Commissioner of Customs and Border Control, Mr. Julius Musyoki appeared before the Committee and made the following presentation:

1. Single Customs Territory is the full attainment of the Customs Union achievable through removal of duties and other trade restrictions including minimization of internal border controls. It is all about achieving free circulation of goods in the Customs Territory in order to reduce the cost of doing business.
2. The implementation of the Single Customs Territory started in October 2013 with petroleum products on a duty paid basis and thereafter, additional items were added.
3. The EAC Partner States, Kenya, Uganda, Tanzania, Rwanda and Burundi are all involved in the SCT.
4. With the Single Customs Territory, the goods are cleared at the first point of entry, Customs declarations are made once at the destination country and also the taxes are paid at the point of destination when goods are still at the first point of entry. Goods are moved under a single bond from the port to destination and are monitored by electronic cargo tracking system.
5. Persons involved in the clearance process may choose to work through representatives or may relocate to Mombasa or Dar es Salam as first points of entry and all Customs stations that receive goods from outside EAC region are considered as first points of entry including international airports.
6. The goods will be cleared by lodging an entry from the destination country and also the customs clearing agent in the importing country is able to access services from the first point of entry since Customs systems are web based and automated to enable accessibility and interaction from anywhere.
7. He further informed the Committee that it is not possible to declare transit within the EAC under the SCT. Transit declaration shall only apply to goods originating from foreign countries and destined to a foreign country outside the EAC region.
8. All customs duty will be paid in the respective destination/importing countries.

Benefits of Single Customs Territory

The following are the benefits from the SCT:

1. Reduces the cost of doing business by eliminating duplication of processes
2. Reduces administrative costs and regulatory requirements
3. Facilitates the free movement of goods, labour, services and capital as envisaged under the common market
4. Promotes foreign, domestic and cross border investment
5. Enhances trade in locally produced goods particularly agricultural goods from areas of surplus to areas of deficit
6. Enhances the relationship between the private and public sectors
7. Creates a mechanism for prevention of smuggling at a regional level
8. Reduces the risks associated with non-compliance on the transit of goods
9. Creates an efficient mechanism of revenue management.

MIN.NO.CRI/082/2015: CONCERNS BY MEMBERS

Having considered the presentation, the Members raised the following concerns:

1. Members sought clarifications on the differences between the common bond and regional transit bond. However, while responding to this, Mr. Julius informed the Members that regional bond is accepted across partner states and can be liquidated by any partner state.
2. Exact difference in income that will be collected by KRA when the Single Customs Territory is implemented and the benefits to the economy.
3. Sugar has been getting its way into the Country from Uganda through Busia – Malaba borders, packed, branded Mumias and sold in the Country which might have led to collapse of Mumias Sugar Company. Members wanted to know plans by the KRA to curb the problem since it has been a failure by the Kenya Revenue Authority to safe guard the border points.

MIN.NO.CRI/083/2015: ANY OTHER BUSINESS

1. Foreign trips: the Chairperson informed Members that the first study trip in the 2015/16 financial year will be undertaken in August. The preferred destinations will be in New Zealand and China respectively.
2. Retreat: Members also proposed for a retreat in Mombasa, Whitesands Hotel from 30th July, 2015. Agenda will be

MIN.NO.CRI/084/2015: ADJOURNMENT

The Chairperson adjourned the meeting at 1.55pm.

SIGNED.....DATE 4/08/2015

CHAIRPERSON

MINUTES OF THE 23RD MEETING OF THE SELECT COMMITTEE ON REGIONAL INTEGRATION HELD ON THURSDAY 30TH JULY, 2015 IN CPA, MAIN PARLIAMENT BUILDINGS AT 12:00 NOON.

Present:

1. Hon. Florence Kajuju, MP - **Chairperson**
2. Hon. Christopher Nakuleu, MP - **Vice-Chairperson**
3. Hon. Andrew Toboso, MP
4. Hon. Kubai Iringo, MP
5. Hon. Kathuri Murungi, MP
6. Hon. Ali Wario, MP
7. Hon. Eric Keter, MP
8. Hon. Dan Kazungu, MP
9. Hon. Dido Ali Rasso, MP
10. Hon. Emmanuel Wangwe, MP
11. Hon. Ogendo Rose Nyamunga, MP
12. Hon. Wanjiku Muhia, MP
13. Hon. Bady Twalib Bady
14. Hon. Peter Shehe, MP
15. Hon. David Karithi, MP
16. Hon. Annah Nyokabi, MP
17. Hon. Florence Mutua, MP
18. Hon. Mary Seneta, MP
19. Hon. Sarah Korere, MP

Absent With Apology

1. Hon. Timothy Bosire, MP
2. Hon. Gideon Konchella, MP
3. Hon. Robert Mbui, MP
4. Hon. Alex Mwiru, MP
5. Hon. Joseph Kahangara, MP
6. Hon. Anthony Kimaru, MP
7. Hon. Alois Lentoimaga, MP
8. Hon. Mark Lomunokol, MP
9. Hon. David Ouma Ochieng', MP

Absent

Hon. Charles Nyamai, MP

In Attendance

1. Mr. Fredrick Otieno - Third Clerk Assistant
2. Mr. Edison Odhiambo - Fiscal Analyst
3. Ms. Sharon Rotino - Research Officer

MIN.NO. CRI/094/2015 PRELIMINARIES

The Chairperson called the meeting to order at 12.33pm followed by a prayer.

She then informed the Members present that the day's agenda was for Mr. Edison Odhiambo from the Parliamentary Budget Office, to brief the Committee on the contents of the Report of the Committee on General Purpose on the EAC Budget Estimates for Revenue and Expenditure for the financial year 2015/2016.

MIN.NO.CRI/095/2015: CONSIDERATION OF THE REPORTS FROM EALA

A. Report of the Committee on General Purpose on the EAC Estimates of Revenue and Expenditures for the Financial Year 2015/2016

1. The annual estimates of revenue and expenditures of the East African Community (EAC) are presented to the East African Legislative Assembly (EALA) for consideration and approval pursuant to the provisions of Articles 49(2) & 132 of the Treaty for the establishment of the East African Community as well as Rules 74, 75, 76, 77 and 78 of the Rules of Procedure of the Assembly.
2. The EALA's Committee on General Purpose is mandated to analyze the budget proposals and make recommendations to the Assembly.
3. The estimates of revenue and expenditure of the EAC for financial year 2015/2016 was tabled before the Assembly by the Council of Ministers on Thursday 14th May 2015 and was subsequently referred to the Assembly's Committee on General Purpose.

Relations between the EALA and National Assemblies of the Partner States

1. Chapter Nine, Article 65 of the East African Community Treaty of 1999 defines the relation between the Assembly (EALA) and the National Assemblies of the Partner States. This is in pursuance of the policy of the Community of popular participation in the achievement of its objectives. Further, this is to support the Council to be able to take into account in the exercise of its functions, the opinion of the general public in the Partner States on matters relating to the achievement of the objectives of the Community as expressed through the debates of the elected members of their National Assemblies, and those of the Assembly and to foster co-operation between the Assembly and the National Assemblies of the Partner States.

2. The Treaty in particular provides for the followings communication between the two systems:
   (a) The Clerk of the EALA shall as soon as practicable transmit to the Clerks of the National Assemblies copies of the records of all relevant debates of the meetings of the Assembly to be laid before the National Assemblies, by the respective Ministers responsible for regional co-operation, for information;
   (b) The Clerk of the EALA shall as soon as practicable transmit to the Clerks of the National Assemblies copies of the Bills introduced into the Assembly and Acts of the Community to be laid before the National Assemblies for information
   (c) The Clerks of the National Assemblies shall as soon as practicable transmit to the Clerk of the EALA copies of the records of all relevant debates of the meetings of their National Assemblies other than those with respect to the matters laid before their National Assemblies in pursuance of the provisions of sub-paragraph (a) of this paragraph; and
   (d) The Clerk of the EALA shall as soon as practicable transmit to the Secretary General copies of all the records of debate referred to in sub-paragraphs (a) and (b) of this paragraph for information to the Council.

Key Observations

The following are pertinent observations on the report:

(i.) The Committee report has been submitted to the National Assembly without the records of debates and resolutions of EALA on the report contrary to Article 65(a) of the East African Community Treaty.

(ii.) The National Assembly is required by Article 65(c) read together with Article 65(a) of the East African Community Treaty to **note for information** purposes the records of all relevant debates of the meetings of the EALA (including debates/resolutions on reports) that are be laid before it.

(iii.) The financial year of the Community that runs from 1st July to 30th June as per the provisions of Article 132(7) of the Treaty does not provide a window for participation by the Partner States National Assemblies as anticipated in Article 65 of the Treaty.

B. Report of the Committee on Accounts on the on-spot assessment of the internal audit systems of the Lake Victoria Basin Commission, projects and programmes

In accordance with the rules of procedure of the Assembly, the Committee on Accounts is mandated to:-

i) Carry out a post audit review and scrutiny of the expenditure incurred by the EAC Secretariat, the organs and the Institutions of the Community;

ii) Carry out post audit review and scrutiny of the expenditure on the basis of an annual audit report of the Audit Commission, Pursuant to provisions of Article 49(2) (c) and 134 of the Treaty for the Establishment of the EAC.
iii) Carry out post audit function that encompasses the need to monitor the implementation of the budget in a manner similar to internal audit, pursuant to rule 72(1) of the Rules of Procedure of the Assembly
iv) Present a report with recommendations to the House for debate and adoption after the on-spot assessment.

In the year ended 30th June 2013, a number of queries were reported on LVBC among other institutions and organs of the EAC largely on financial management and lack of strong Internal Audit Unit and the inefficiency of management. It is against this background that the committee on accounts decided to carry out an oversight assessment of the internal audit unit functions on the Lake Victoria Basin Commission (LVBC); its programmes and projects from 1st to 6th February 2015 in Kisumu, Kenya.

The objectives of the assessment were as follows:

i. To assess whether the internal audit unit discharges its professional duties to the commission and its projects and programmes;
ii. To establish if LVBC uses modern auditing techniques and new applied technologies to assist them in carrying out their duties;
iii. To understand any related challenges facing the internal audit systems of the LVBC
iv. To strengthen the internal audit unit of the LVBC through appropriate internal audit policies and procedures in accordance with international standards;
v. To recommend on the improvement of the functioning of Commission, projects and programmes; and
vi. To understand the entire functioning of LVBC Secretariat; projects and programs affiliated thereto.

During the assessment, the Committee met the Deputy Executive Secretary (finance and administration), the Deputy Secretary of the LVBC (projects and programmes), the Principal Internal Auditor and the Officers of the LVBC.

The committee made field visits to the following projects and programmes;

Lake Victoria Environmental Programme II

a. ROJE Community driven Development (CDD) group- watershed management and tree planting
b. A sewage treatment plant in Homa Bay (rehabilitation ongoing)
c. Andisore Kagola Women in Ahero (environmental improvement and livelihoods)

Lake Victoria region water and sanitation initiative (LVWATSAN) II

a. Water, sanitation and solid waste in Isebania/Sirari; and
b. The sewage treatment plant under rehabilitation in Kericho.

Summary of Committee's findings and recommendations

	Issue	Finding	Committee's recommendation
1	Staffing	LVBC internal audit unit is staffed with only two auditors and as such the functional coverage is still limited and the available staff are stretched. This is a critical issue given the expansion plans of the Commission and projects.	The Assembly to urge the EAC management to recruit more staff in the Audit unit of the LVBC as a matter of priority (Internal auditor and Audit assistants). This should not wait for the completion of the institutional review process.
2	Funding	The funds availed to LVBC by partner states are not sufficient to enable recruitment of the required staff. It was further revealed that the Partner States disburse only 10% to supplement 90% of the LVBC budget funded by development partners. This does not provide sufficient funds for project monitoring, thus the internal audit unit is left dependent on donor funds to carry out its mandate.	The Assembly to urge the EAC Council of ministers to cause the increase of the LVBC funding for sustainability and proper execution of the mandate by the Internal Audit Unit.
3	Lack of Automated Audit software	The Accounting system of the LVBC is not automated (Sun five Accounting Software). However, it is more effective and efficient to audit a computerized system through the computer using Computer Aided Audit Techniques (CAATS) The EAC Secretariat undertook to provide the same in the interests of standardization of the Internal Audit tools across the EAC Organs and Institutions but is yet to complete the process	The Assembly to urge the EAC Management to provide requisite internal audit professional tools and training to LVBC as earlier promised.
4	Lack of Approved Risk	The LVBC lacks an approved Risk Management Policy hence absence of a risk register for the Commission making it impossible for the	The Assembly to urge the EAC management to prevail over the Commission to prepare a Risk Management Policy adaptation and

	management Policy	Internal Audit Unit to assess the level of risk management.	implementation road map and start instituting those measures that can be undertaken under the current year available resources.
5	**Privileges Imbalance**	Staff members of Kenyan nationality working for the Commission do not enjoy same status, privileges and Immunities like the rest of the EAC/LVBC staff due to limitations in the negotiated Headquarters agreement. The employees working for institutions of the EAC in Partner States don't enjoy similar privileges as those at EAC headquarters	The Assembly to urge the EAC management to engage the Republic of Kenya to renegotiate the provisions of the EAC/LVBC Headquarters Agreement so as to allow Kenyan Nationals working for the Commission to enjoy same status, privileges and immunities like the rest of the EAC staff. Staff privileges in the Community to be harmonized to ensure conformity with the EAC rules and regulations
6	**Reports of the Internal Audit Unit**	Reports of the internal Audit unit are submitted to LVBC Management and the EAC Audit & Risk Committee. Only external audit reports are presented to the EAC Council of Ministers and considered by the EALA. This leaves a number of issues raised in the internal audit reports privy to the management. Best practice would be ensuring the reports are shared with other stakeholders so that issues raised by external auditors would mitigate.	The Assembly to urge the EAC management to table quarterly internal audit reports to the Assembly for oversight
7	**Sustainability of projects and programmes**	The need to build capacity if all beneficiaries in specific areas for easy management and continuation	The Assembly to urge the EAC Council of Ministers to cause provision of a budget line by the local administration to build capacity of beneficiaries and enable management of projects after handover to the Partner States.
8	**LVWATSAN budget absorption capacity**	The LVWATSAN program has extremely low budget absorption capacity. After 80% of the program time, only 25% of the budget had been absorbed hence the risk of returning funds	The Assembly to urge the EAC Management to evaluate LVWATSAN programme and establish challenges affecting its absorption capacity and act accordingly

		to donors	

C. Report of the Committee on Agriculture, Tourism and Natural Resources on the On-Spot assessment of the Lake Victoria water supply and sanitation(LVWATSAN) programme in the Republics of Burundi, Rwanda and The United Republic of Tanzania

1. Phase I of the LVWATSAN program focused on 10 secondary towns within the original EAC Partner states of Uganda, Kenya and Tanzania, with the support of UN-HABITAT. With the joining of the EAC by the Republics of Burundi and Rwanda, the second phase has been expanded to cover 15 towns, three from each of the five Partner States.
2. LVWATSAN II was introduced to cater for the 2 new countries and for the new secondary towns in the other 3 partner states. Investment plan preparation for the 15 secondary towns was supported by the African Water Facility (AWF) of the African Development Bank Group (AfDB) which has culminated into the support by the AfDB for the physical implementation of the second phase of the LVWATSAN program that is expected to run up to 2016. It is expected that the program will be expanded to other towns in the basin with subsequent phases.
3. The current project is estimated to cost about US$ 121 Million comprising a US $ 108 million (89.07%) grant from the AfDB and the Partner States contribution of US$13 (10.93%).
4. When the project is fully implemented, it will achieve 85% coverage in water supply and 80% coverage in sanitation in the target towns. It will also significantly reduce the waste entering into Lake Victoria and hence will improve the ecosystem of the lake in light of rapid urbanization in the basin, the exploitation of the natural resources and its relationship to the livelihoods and poverty.
5. The other target of the programme is the promotion of the regional cooperation, partnership-building, institutional and capacity enhancement and a sense of joint ownership of the resources of the lake and its basin, all of which are central to the over-arching goal of managing the Lake Basin as a regional public good, the lake being a major trans-boundary natural resource of the EAC Partner States.
6. LVBC is complex not only in terms of stakeholders involved in it but also in terms of projects. The Commission is executing seven projects among them the LVWATSAN II

The overall objective was assessment of the progress made on the implementation of the LVWATSAN II specifically the value for money, the quality of work being undertaken, the identification of challenges if any; status of implementation and awareness creation on the EAC integration process.

The committee held interactive sessions with the relevant stakeholders including beneficiaries of the project and the implementing agencies, made field visits and held focused group discussions.

General findings from the visit

The interventions are in 2 stages

i. **Short term-** address the need for immediate improvements through intervening in short term critical aspects that will provide quick wins to serve up to 2016. These include water supply and management of solid waste in Burundi and Tanzania whereas in Rwanda the interventions are focused on sanitation and storm water drainage system.

ii. The second stage includes **long term** interventions requiring larger investments like water supply infrastructure.

The specific projects include:

a. **Water supply-**focuses on high priority secondary towns to develop water supply infrastructure to provide water supply systems that can extract, treat, deliver and distribute sufficient quantities of wholesome water in a secure and sustainable manner. This is geared towards achieving water and sanitation related MDGs.

b. **Sanitation-**this aims at addressing the run-down and non-existent basic infrastructure and services that have resulted in significant negative impacts on environment and the fragile ecosystem of the lake. This involves the provision of drainage facilities and improved communal toilet facilities coupled with improved fecal sludge management system. It seeks to improve the health and livelihoods of residents as well as the quality of the lake water.

c. **Solid waste management-** this component seeks to minimize negative environmental and health impacts associated with poor solid waste management by providing sustainable solid waste management system/interventions for each focal town, capable of collecting, transporting and disposing of (or recycling) the projected volumes of solid waste and new drainage schemes to target high risk/problematic areas.

d. **Storm water drainage-** aims at addressing siltation and pollution of water courses, caused by soil erosion and accelerated collection and transportation of both solid and liquid wastes. These results in floods and poor quality water bodies that cannot sustain healthy ecosystems. The strategy aims to provide storm water drainages with adequate capacity for the catchments and other areas of unused public land, thereby attenuating storm flow, before naturally draining into water courses.

e. **Capacity building and training-** this component ensures effective delivery of capital investment and long term sustainability of proposed interventions in all sectors. Involves establishment of institutions where they do not exist; provision of tools, equipment, offices, staff and training. Also involves designing new programmes to strengthen new/existing institutions at local, regional and national levels to ensure long term sustainability of the proposed solutions.

Status of project implementation

The LVBC is responsible for LVWATSAN II supervision and coordination at regional level, especially regional level capacity building and reporting.

The regional coordination is further strengthened through the existing regional policy steering committee (RPSC) composed of the sector ministers of the five Partner States and the various technical organs of the EAC. The RPSC provides the overall operational and high level policy guidance to ensure that the project/program components and activities implemented nationally blend as intended to fulfill the regional objectives of the program. Each partner State shall be responsible for the execution of the sub-programs under the program within their respective towns.

Therefore the implementation phase of the short term interventions of the project has started in the visited countries but is at different completion levels.

General observations from the visits

i. Need for more sensitization on proper disposal of garbage into the bins. Further there is need for sensitization of the citizens of the EAC on the EAC integration process.
ii. Need for partner states to ensure sustainability of the projects because of its positive impact on livelihoods
iii. The "no-objection" from the AfDB should be fast tracked with the help of the Partner States and LVBC to allow for the project implementation to move to the next level.
iv. Water harvesting and preservation should be encouraged particularly for areas that are prone to long periods of drought.
v. Governments of the EAC Partner States should learn from and replicate the project implementation to ensure self-sufficiency going forward.
vi. Partner States should comeup with by laws in regard to sanitation to address littering in towns.
vii. For project sustainability, there is need for governments and local councils to put in place measures to ensure funding of the established facilities.

The Committee on Agriculture, Tourism and Natural Resources recommended that:

i. The Partner States should avoid unnecessary bureaucracies in the implementation of the project.
ii. Partner States should enhance mass sensitization activities on the necessity of all the components of the project.
iii. The implementing agencies should ensure that all EAC projects are branded as such.
iv. Community involvement and partnership should be promoted between all levels of civil society as well as public and private sectors. This is because involving the community as partners and not just as casual observers ensures that the interventions are community responsive, community owned and socially inclusive.
v. The Assembly should urge Partner States to ensure that timely disbursement of remaining amounts is done to allow smooth implementation of the LVWATSAN project within required time.
vi. The Agriculture, Tourism and Natural resources committee should assess the sustainability of phase 1 whether it meets the stakeholders' expectations.

The aim of the projects is to fast-track the realization of water and sanitation related MDG. To select the three secondary towns for each of the 5 Partner States, the following criteria of identification was adopted:

- Population of 10,000 – 100,000 people;
- Located within the catchment area of Lake Victoria;
- Demonstrable need for water and sanitation;
- No any other major ongoing or planned WATSAN projects;
- Must demonstrate that the project will have significant impact on pollution reduction on the lake.

The following issues can be highlighted from the reports

1. Budgetary constraints are still a major concern within the institutions of the EAC and as such, they are forced to depend on donor funding. About 70% of the EAC budget is donor funded which poses a threat to the implementation of projects. There is need for Partner States to increase their contributions towards this in order to avoid over reliance on donor funding.
2. Low budget absorption rate. Along with this comes slow progress of implementation of projects-This can lead to returning of funds to donors once the anticipated project period elapses.
3. Sensitization within the EAC- most citizens are not aware of regional integration initiatives within the EAC.
4. Another major concern about the institutions of the EAC is the level of staffing. Most institutions are understaffed. This has been alluded to by the Committee in its earlier reports tabled in the House.
5. Lack of basic essential services and infrastructure- this has been demonstrated by the high demand for such services within the region. This implies that there exists a high level of poverty within the region. There is therefore need to push for interventions to alleviate poverty by the national governments of the Partner States and other stakeholders.

MIN.NO.CRI/096/2015: COMMITTEE OBSERVATIONS

1. It was noted that the reports were meant to inform the Committee on the activities of the EAC and any observation or recommendation by the Committee can only be addressed through the Cabinet Secretary responsible for the East African Affairs,.
2. There are many projects that are ongoing within the region under LVBC, however, concerns were raised on how the projects were identified and who creates the awareness on the projects to the Community.
3. The Committee should have addressed the issue of food security alongside water. Water and food security should go hand in hand.

4. The report does not give adequate information on the level of staffing required, who the development partners are, funding in terms of physical money that goes to the institutions.
5. The projects are of importance and there was need to involve the Committee instead of just presenting reports to it since some of the Members of the Committee are from the regions on which these projects are undertaken and may have information on the areas.
6. Members also raised concerns on whether the LVBC works together with the County governments along the Lake Victoria region since the county governments also have the same projects.
7. There is need for the Committee to carry out a fact finding visit on the projects that are said to be ongoing.

MIN.NO.CRI/097/2015: COMMITTEE RESOLUTIONS

1. Invite the Cabinet Secretary East African Affairs, Commerce and Tourism at an opportune time to apprise the Committee on the issues of feasibility study done on the projects, how the projects were identified and the job evaluation.
2. Undertake a fact finding visit to the areas where the projects are undertaken.

MIN.NO.CRI/098/2015: ANY OTHER BUSINESS

Under this agenda item, the secretariat was asked to plan for a retreat between 2nd and 6th September, 2015 to prepare a work-plan for the new financial year.

MIN.NO.CRI/099/2015: ADJOURNMENT

There being no other business, the meeting was adjourned at 2.00pm.

SIGNED.....DATE ....1/10/2015.....

CHAIRPERSON

MINUTES OF THE 24TH SITTING OF THE SELECT COMMITTEE ON REGIONAL INTEGRATION HELD ON TUESDAY 4TH AUGUST, 2015 IN COMMITTEE ROOM, 5TH FLOOR, CONTINENTAL HOUSE, PARLIAMENT BUILDINGS AT 12:00 NOON.

Present:

1. Hon. Florence Kajuju, MP - **Chairperson**
2. Hon. Christopher Nakuleu, MP - **Vice-Chairperson**
3. Hon. Timothy Bosire, MP
4. Hon. David Ouma Ochieng', MP
5. Hon. Kathuri Murungi, MP
6. Hon. Ali Wario, MP
7. Hon. Dan Kazungu, MP
8. Hon. Emmanuel Wangwe, MP
9. Hon. Ogendo Rose Nyamunga, MP
10. Hon. Wanjiku Muhia, MP
11. Hon. Mary Seneta, MP
12. Hon. Mark Lomunokol, MP
13. Hon. David Karithi, MP

Absent With Apology

1. Hon. Andrew Toboso, MP
2. Hon. Kubai Iringo, MP
3. Hon. Gideon Konchella, MP
4. Hon. Eric Keter, MP
5. Hon. Annah Nyokabi, MP
6. Hon. Florence Mutua, MP
7. Hon. Peter Shehe, MP
8. Hon. Bady Twalib Bady
9. Hon. Dido Ali Rasso, MP
10. Hon. Robert Mbui, MP
11. Hon. Alex Mwiru, MP
12. Hon. Joseph Kahangara, MP
13. Hon. Anthony Kimaru, MP
14. Hon. Alois Lentoimaga, MP
15. Hon. Sarah Korere, MP

Absent

Hon. Charles Nyamai, MP

In Attendance

1. Mr. Fredrick Otieno - Third Clerk Assistant
2. Mr. Nicodemus Maluki - Third Clerk Assistant

MIN.NO. CRI/100/2015 PRELIMINARIES

The Chairperson called the meeting to order at 12.38pm followed by a word of prayer from Hon. Christopher Nakuleu, MP

MIN.NO.CRI/101/2015: CONFIRMATION OF MINUTES

1. Minutes of the 13th sitting held on 2nd April, 2015 were confirmed as a true record of the proceedings as proposed by Hon. Rose Nyamunga, MP and seconded by Hon. David Kariithi, MP.
2. Minutes of the 14th sitting held on 16th April, 2015 were confirmed as a true record of the proceedings as proposed by Hon. Dan Kazungu, MP and seconded by Hon. Murungi Kathuri, MP.
3. Minutes of the 15th sitting held on 21st April, 2015 were confirmed as a true record of the proceedings as proposed by Hon. Murungi Kathuri, MP and seconded by Hon. Dan Kazungu, MP.
4. Minutes of the 16th sitting held on 9th June, 2015 were confirmed as a true record of the proceedings as proposed by Hon. Wanjiku Muhia, MP and seconded by Hon. Rose Nyamunga, MP.
5. Minutes of the 17th sitting held on 18th June, 2015 were confirmed as a true record of the proceedings as proposed by Hon. Rose Nyamunga, MP and seconded by Hon. David Kariithi, MP.
6. Minutes of the 18th sitting held on 23rd June, 2015 were confirmed as a true record of the proceedings as proposed by Hon. Wanjiku Muhia, MP and seconded by Hon. Rose Nyamunga, MP.
7. Minutes of the 19th sitting held on 25th June, 2015 were confirmed as a true record of the proceedings as proposed by Hon. Mary Seneta, MP and seconded by Hon. Wanjiku Muhia, MP.
8. Minutes of the 20th sitting held on 2nd July, 2015 were confirmed as a true record of the proceedings as proposed by Hon. Timothy Bosire, MP and seconded by Hon. Wanjiku Muhia, MP.

MIN.NO.CRI/102/2015: MATTERS ARISING

Under Min.No.CRI/049/2015 on preliminaries:-Editorial corrections

Under Min.No.CRI/055/2015 on adoption of reports pursuant to Standing Order 199: The secretariat were asked to record that the Committee lacked the required majority to adopt the report, instead of mentioning the Standing Order number since not everyone outside Parliament have an access to Standing Order.

Under Min.No.CRI/060/2015 on foreign trips:-It was resolved that any Member can be appointed to lead a committee delegation abroad. It is not mandatory that the Committee leadership should participate in each and every trip.

Under Min.No.CRI/082/2015 (2) on local visits:-Save for logistical challenges, Members were of the view that the Committee should consider holding its retreats from other parts of the country alongside Mombasa.

MIN.NO.CRI/103/2015: ANY OTHER BUSINESS

1. **Allowances during retreats:** Members sought clarifications from the secretariat on whether they will not be paid their sitting allowances during retreats. They were informed that there is no official communication from Accounts on this.
2. **Foreign trips:** Members proposed that the Committee should organize for two foreign trips within this year so that Members travel concurrently.

MIN.NO.CRI/104/2015: ADJOURNMENT

There being no other business, the meeting was adjourned at 1.32pm.

SIGNED.....**DATE** ...01/10/2015.....

CHAIRPERSON

MINUTES OF THE 26TH SITTING OF THE SELECT COMMITTEE ON REGIONAL INTEGRATION HELD ON THURSDAY 1ST OCTOBER, 2015 IN PROTECTION HOUSE, 11TH FLOOR, PARLIAMENT BUILDINGS AT 10:00AM

Present:

1. Hon. Christopher Nakuleu, MP - **Vice-Chairperson**
2. Hon. Robert Mbui, MP
3. Hon. Emmanuel Wangwe, MP
4. Hon. Andrew Toboso, MP
5. Hon. Kubai Iringo, MP
6. Hon. Kathuri Murungi, MP
7. Hon. David Karithi, MP
8. Hon. Annah Nyokabi, MP
9. Hon. Ogendo Rose Nyamunga, MP
10. Hon. Eric Keter, MP

Absent With Apology

1. Hon. Florence Kajuju, MP - **Chairperson**
2. Hon. David Ouma Ochieng', MP
3. Hon. Alois Lentoimaga, MP
4. Hon. Sarah Korere, MP
5. Hon. Peter Shehe, MP
6. Hon. Mary Seneta, MP
7. Hon. Dan Kazungu, MP
8. Hon. Dido Ali Rasso, MP
9. Hon. Florence Mutua, MP
10. Hon. Joseph Kahangara, MP
11. Hon. Timothy Bosire, MP
12. Hon. Alex Mwiru, MP
13. Hon. Wanjiku Muhia, MP
14. Hon. Bady Twalib Bady
15. Hon. Ali Wario, MP
16. Hon. Gideon Konchella, MP
17. Hon. Anthony Kimaru, MP
18. Hon. Mark Lomunokol, MP

Absent

Hon. Charles Nyamai, MP

In attendance

1. Mr. Nicodemus Maluki - Third Clerk Assistant
2. Ms. Emma Esendi - Legal Counsel
3. Ms. Esther Ngechu - Sergeant At Arms

MIN.NO. CRI/105/2015 PRELIMINARIES

The Vice Chairperson called the meeting to order at 10:30 am followed by a word of prayer.

MIN.NO.CRI/106/2015: CONFIRMATION OF MINUTES

The Minutes of the previous meetings were confirmed as follows:

1. Minutes of the 21st Sitting held on 7th July, 2015 were confirmed as a true record of the proceedings after being proposed by Hon. Eric Keter, MP and seconded by Hon. Kathuri Murungi, MP.
2. Minutes of the 22nd Sitting held on 28th July, 2015 were confirmed as a true record of the proceedings after being proposed by Hon. Emmanuel Wangwe, MP and seconded by Hon. Anyanga Andrew Toboso, MP.
3. Minutes of the 23rd Sitting held on 30th July, 2015 were confirmed as a true record of the proceedings after being proposed by Hon. Annah Nyokabi, MP and seconded by Hon. Ogendo Rose Nyamunga, MP.
4. Minutes of the 24th Sitting held on 4th August , 2015 were confirmed as a true record of the proceedings after being proposed by Hon. Ogendo Rose Nyamunga, MP and seconded by Hon. Christopher Nakuleu, MP.

MIN.NO.CRI/107/2015: MATTERS ARISING

Under Min. No. CRI/097/2015: The Committee felt that it was still important that the Cabinet Secretary Ministry of East African Affairs, Commerce and Tourism appeared before it to address issues of how her Ministry engages with the Committee.

MIN.NO.CRI/108/2015: ELECTION OBSERVERTION IN TANZANIA (15TH – 27TH OCTOBER 2015)

Based on the gender and political affiliations, the following Members were nominated to represent the Committee:

i) Hon. Robert Mbui, MP
ii) Hon. Ogendo Rose Nyamunga, MP
iii) Hon. Wanjiku Muhia, MP
iv) Hon. Mark Lomunokol, MP

MIN.NO.CRI/109/2015: ANY OTHER BUSINESS

Foreign Trips: The secretariat was asked to prepare a brief on Regional Economic Blocs for presentation to the Committee when it sits next on Tuesday 6th October, 2015.

MIN.NO. CRI/110/2015 ADJOURNMENT

The Chairperson adjourned the meeting at 11.40am

Signed.....

Chairperson

Date.....29th. Oct. 2015.....

MINUTES OF THE 31st SITTING OF THE SELECT COMMITTEE ON REGIONAL INTEGRATION HELD ON THURSDAY 29TH OCTOBER, 2015 IN CONTINENTAL HOUSE, COMMITTEE ROOM, 5TH FLOOR, PARLIAMENT BUILDINGS AT 12.00 (NOON)

Present:

1. Hon. Florence Kajuju, MP - **Chairperson**
2. Hon. Christopher Nakuleu, MP - **Vice-Chairperson**
3. Hon. Eric Keter, MP
4. Hon. Sarah Korere, MP
5. Hon. David Karithi, MP
6. Hon. Peter Shehe, MP
7. Hon. Annah Nyokabi, MP
8. Hon. Alois Lentoimaga, MP
9. Hon. Mark Lomunokol, MP
10. Hon. Ogendo Rose Nyamunga, MP
11. Hon. Kathuri Murungi, MP
12. Hon. Joseph Kahangara, MP
13. Hon. Wanjiku Muhia, MP

Absent With Apology

1. Hon. David Ouma Ochieng', MP
2. Hon. Timothy Bosire, MP
3. Hon. Mary Seneta, MP
4. Hon. Ali Wario, MP
5. Hon. Florence Mutua, MP
6. Hon. Emmanuel Wangwe, MP
7. Hon. Kubai Iringo, MP
8. Hon. Gideon Konchella, MP
9. Hon. Anthony Kimaru, MP
10. Hon. Andrew Toboso, MP
11. Hon. Bady Twalib Bady
12. Hon. Dido Ali Rasso, MP
13. Hon. Robert Mbui, MP
14. Hon. Alex Mwiru, MP
15. Hon. Dan Kazungu, MP

Absent

Hon. Charles Nyamai, MP

In attendance

Secretariat

1. Mr. Nicodemus Maluki - Third Clerk Assistant
2. Ms. Esther Ngechu - Sergeant At Arms

MIN.NO. CRI/127/2015 PRELIMINARIES

The Chairperson called the meeting to order at 12.30 pm followed by a word of prayer from Mr. Nicodemus K. Maluki.

MIN.NO.CRI/128/2015: CONFIRMATION OF MINUTES

The Minutes of the previous meetings were confirmed as follows:

1. Minutes of the 25th Sitting held on 25th August , 2015 were confirmed as a true record of the proceedings after being proposed by Hon. Christopher Nakuleu, MP and seconded by Hon. Annah Nyokabi, MP.
2. Minutes of the 26th Sitting held on 1st October, 2015 were confirmed as a true record of the proceedings after being proposed by Hon. David Karithi, MP and seconded by Hon. Ogendo Rose Nyamunga, MP.
3. Minutes of the 27th Sitting held on 6th October, 2015 were confirmed as a true record of the proceedings after being proposed by Hon. Annah Nyokabi, MP and seconded by Hon. David Karithi, MP.
4. Minutes of the 28th Sitting held on 12th October, 2015 were confirmed as a true record of the proceedings after being proposed by Hon. Sarah Korere, MP and seconded by Hon. Wanjiku Muhia, MP.
5. Minutes of the 29th Sitting held on 15th October, 2015 were confirmed as a true record of the proceedings after being proposed by Hon. Sarah Korere, MP and seconded by Hon. Kathuri Murungi, MP.
6. Minutes of the 30th Sitting held on 27th October, 2015 were confirmed as a true record of the proceedings after being proposed by Hon. Alois Lentoimaga, MP and seconded by Hon. Wanjiku Muhia, MP.

MIN.NO.CRI/129/2015: MATTERS ARISING

Under.Min.No. CRI/125/2015 on meeting with the Cabinet Secretary for EAC, Commerce and Tourism, the Chairperson urged Members to attend a follow up meeting with the CS scheduled for 10th November, 2015 to conclude on the outstanding issues.

MIN.NO.CRI/130/2015 ANY OTHER BUSINESS

Under this Agenda the following issues were raised:

1. The Chairperson informed Members that the Ministry of EAC, Commerce and Tourism was organizing a conference to sensitize the Committee and two Members from each of the Departmental Committees on the implementation status of regional integration roadmap. The dates of the conference will be communicated once confirmed.
2. The Chairperson informed Members of a letter from Cuts International inviting the Committee for a breakfast meeting on 5th November, 2015. The agenda of the meeting will be to "*deliberate*

on Regional Integration process in Eastern and Southern Africa". The following Members were nominated to represent the Committee:

i) Hon David Karithi, MP

ii) Hon. Wanjiku Muhia, MP

3. The Hon. Wanjiku Muhia, MP reported that she, together with other Members drawn from the Committee on Defence and Foreign Relations and Justice & Legal Affairs, undertook a successful election observation exercise in Tanzania. She undertook to share the report of the election observation team with the Committee at an opportune time.

MIN.NO.CRI/131/2015: ADJOURNMENT

The Chairperson adjourned the meeting at 1.30pm.

SIGNED.....**DATE** 23/11/2015

VICE CHAIR