



PARLIAMENT
OF KENYA
LIBRARY

EAST AFRICAN COMMUNITY

PROJECTED FINANCIAL STATEMENT FOR THE EAC BUDGET FOR THE FINANCIAL YEAR 2022/2023

PAPERS LAID	
DATE	06/10/2022
TABLED BY	Senate Majority Leader
COMMITTEE	—
CLERK AT THE TABLE	Angela Macharia

**1. STATEMENT OF THE PROJECTED
REVENUE FOR THE FINANCIAL YEAR
2022/2023**

SOURCE OF REVENUE	FY 2022/2023
Partner States contributions	49,840,061
EAC- General Reserve Fund	1,380,000
IUCEA- Reserve fund	2,000,000
LVBC- Reserve Fund	78,200
Member universities of IUCEA	495,870
Interests and proceeds from disposals	285,740
Development Partners	37,499,344
Total	91,579,215

2. STATEMENT OF THE PROJECTED EXPENDITURE FOR THE FINANCIAL YEAR 2022/2023

Vote number	Organ/Institution	FY'2022/2023
		Amount in USD
001	EAC Secretariat	45,137,041
002	East African Court of Justice (EACJ)	3,803,836
003	East African Legislative Assembly (EALA)	15,086,640
004	Lake Victoria Basin Commission (LVBC)	8,289,474
005	Inter-University Council for East African (IUCEA)	10,566,869
006	Lake Victoria Fisheries Organization (LVFO)	2,807,083
007	East African Science and Technology Commission (EASTCO)	1,725,256
008	East African Kiswahili Commission (EAKC)	1,284,219
009	East African Health Research Commission (EAHRC)	1,867,665
010	East African Competition Authority (EACA)	1,011,132
	TOTAL	91,579,215

**EAST AFRICAN COMMUNITY
EAST AFRICAN LEGISLATIVE ASSEMBLY**



**REPORT OF THE COMMITTEE ON GENERAL PURPOSE ON THE EAST AFRICAN
COMMUNITY BUDGET ESTIMATES FOR REVENUE AND EXPENDITURE FOR THE
FINANCIAL YEAR 2022/2023**

**CLERK'S CHAMBERS
EAC HEADQUARTERS
EALA WING, 3RD FLOOR
ARUSHA – TANZANIA**

June 2022

1.0 INTRODUCTION

Mr. Speaker Sir,

In accordance with the provisions of Articles 49 (2) and 132 of the Treaty for the Establishment of the East African Community and Rules 74 and 75 of the Assembly Rules of Procedure, Chairperson Council of Ministers laid on table the Annual Budget Estimates of Revenue and Expenditure of the East African Community for the FY 2022/2023 on Wednesday 11th May 2022. Accordingly, the Rt, Hon. Speaker referred the Annual Estimates of Revenue and Expenditure of the East African Community for the FY 2022/2023 to the Committee on General Purpose for consideration.

Pursuant to the provisions of Articles 49(2) and 132 of the Treaty, and as further amplified by Rule 81 (c), (e), and (g) Annex 5 (f) of the Rules of Procedure of the Assembly, the Committee on General Purpose proceeded to consider the Annual Estimates of Revenue of Expenditure FY 2022/2023 from 16th to 28th May 2022. The Committee hereby presents its report.

2.0 METHODOLOGY

During the consideration of the Budget Estimates, the Committee:

- a) Held meetings in Arusha and interfaced with the Chairperson, Council of Ministers, the Deputy Secretary General F&A, the Heads of Organs and Institutions and other relevant officers of the Community.
- b) Scrutinized and considered the following documents:
 - i. Policy Statement by the Secretary General on the EAC Budget Estimates for FY 2022/2023;
 - ii. EAC Budget summaries for the FY 2022/2023;
 - iii. EAC Annex to the Budget for FY 2022/2023 (volume I and II);
 - iv. EAC Budget performance for July 2021 to December 2021;
 - v. EAC Annual Operational Plan for FY 2022/2023;
 - vi. Report of the Pre-Budget Conference for FY 2022/2023;
 - vii. Progress Report for July 2021 – March 2022;
 - viii. Report of the 47th Extra Ordinary Meeting of Council of Ministers (extract);
 - ix. Human Resource Recruitment Plan 2022/2023;
 - x. Procurement Plan for FY 2022/2023;
 - xi. The EAC Appropriation Bill, Year 2022; and
 - xii. The Budget Speech
- c) The Committee also made reference the Treaty, the EAC Budget Act, the EALA Rules of Procure and other relevant leagal instruments of the Community.

3.0 ACHIEVEMENTS DURING THE FY 2021/2022

3.1 Priority programmes in the FY 2021/22

According to the Secretary General, the following were the priority programs/ activities planned for the FY 2021/22

- a) Strengthening of regional peace, security, political processes, emergency response mechanisms and good governance to create a stable business environment;
- b) Effective implementation of the EAC Customs Union, Common Market, Monetary Union Protocols and development of regional infrastructure to take advantage of the large regional markets;
- c) Strengthening the Productive and Social sectors to improve production and productivity, increase value addition, and improve the welfare of East Africans;
- d) Institutional transformation at the regional level including skills development;
- e) Re-engineering of production and logistics arrangements in line with digitalised frameworks; and
- f) Promotion of awareness creation and dissemination of information on the Community.

3.2 Key Achievements

The Secretary General informed the Committee that the following achievements were registered in 2021/22:

- (i) Partner States Consultations on the Constitution-Making Process for the Political Confederation are ongoing.
- (ii) Implementation of the EAC Customs Union, Common Market, Monetary Union Protocols and development of regional infrastructure through bilateral engagements and Regional Monitoring Committees (RMCs) to promptly resolve NTBs.
- (iii) The Republics of Burundi, Kenya, Rwanda, Uganda and Tanzania have ratified the African Continental Free Trade Area Agreement (AfCFTA)
- (iv) The EAC Secretariat developed the EAC Common Market Scorecard 2020 on free movement of goods, services and capital.
- (v) The EAC Secretary General signed an MoU which repealed the EAC IOM Edition of 2006.
- (vi) The East African Monetary Institute (EAMI) Act 2019 came into force and the administrative procedures for hosting the EAMI to support the Monetary Union is in progress.

- (vii) Regional guidelines that provide the minimum standards to be followed by each National Statistics Office in the compilation of Community statistics and an online merchandise trade statistics database that is available at <https://eac.opendataforafrica.org>.
- (viii) The construction on the East African Coastal Corridor Malindi – Lunga Lunga and Tanga – Bagamoyo roads commenced; Kabingo – Kasulu – Manyovu road in Tanzania and Gitaza – Rumonge. The bidding process also got underway for the construction of the Lusahunga – Rusumo road in Tanzania.
- (ix) Studies for the 90-km long Masaka – Kyotera – Mutukula road in Uganda and the 163-km long Mutukula – Kyaka - Bugene – Kasulo – Kumunazi road in Tanzania were completed. The United Republic of Tanzania, is implementing the 60-km Bugene – Burigi Chato National Park section of the project.
- (x) The EAC Secretariat is conducting feasibility studies and detailed designs for the Uvinza – Kanyani and Uvinza – Mpanda roads in Tanzania and the Gisuru – Rusengo and Makebuko – Bugarama roads in Burundi as one multinational project.
- (xi) The transport sector has developed The Multilateral Cross Border Road Transport Agreement; and the Tripartite Vehicle Load Management Agreement.
- (xii) The EAC Secretariat and Partner states developed guidelines for the harmonization of broadcasting content regulations to pave way.
- (xiii) The EAC Roaming Framework, , is in progress with Tanzania commencing implementation of framework and Burundi planning to implement the framework by 30th June, 2022.
- (xiv) Partner States installed Meteorological Radar Systems to improve on severe weather early detection.
- (xv) capacity building workshops were held to strengthen Partner States’ capacity in the inspection of agricultural commodities like maize, rice and beans at OSBPs.
- (xvi) The 41st Meeting of the Council adopted the EAC Tourism Marketing Strategy, EAC Regional Guidelines for Resumption of Services in the Tourism and Hospitality Sectors and the Protocol on Tourism and Wildlife Management.
- (xvii) The EAC Regional Tourism EXPO was successfully hosted by the United Republic of Tanzania in Arusha, from 9th to 11th October, 2021.
- (xviii) There exists surplus power in the region as the installed capacity stands at 6,209.76MW against system peak demand of 4,209.53 MW. Ten (10) out of fifty (50) energy priority projects under the Heads of State infrastructure priority projects list are expected to be completed in 2022.
- (xix) The Secretariat addressed challenges of the Covid-19 pandemic and other communicable diseases
- (xx) The EAC Secretariat is committed to among others; the enhancement of industrial development, value addition, regional value chains and development and promotion of the private sector.

- (xxi) The Health Sector mobilized funds to support the implementation of the EAC Regional Covid-19 Response plan.
- (xxii) Under the education and training sector, the EAC Secretariat secured funds from the German Government amounting to USD 3.4 million to support cross border movement of professionals and service providers
- (xxiii) On recruitment for vacant positions, the EAC Council of appointed 35 eligible candidates on 4th – 6th to fill the vacant positions.
- (xxiv) Admission of DRC into the EAC.

STATUS OF CONTRIBUTION BY PARTNER STATES

Status of Contributions by Partner States towards the EAC Main Budget (EAC Secretariat, EALA, EACJ, LVBC, EAKC, EASTECO, EAHRC & EACA) - amounts in USD

PARTNER STATE	ARREARS	CONTRIBUTION DUE 2021/22	CONTRIBUTION PAID 2021/22		TOTAL OUTSTANDING (EAC Main Budget)
1. Republic of Burundi ⁽¹⁾	4,884,114	7,352,138	4,736,936	64%	7,499,316
2. Republic of Kenya	-	7,352,138	7,352,128	100%	10
3. Republic of Rwanda	-	7,352,138	7,351,181	100%	957
4. Republic of South Sudan	27,442,635	7,352,138	-	0%	34,794,773
5. United Republic of Tanzania	-	7,352,138	7,350,223	100%	1,915
6. Republic of Uganda	-	7,352,138	7,330,555	100%	21,583
Total	32,326,749	44,112,828	34,121,022	77%	42,318,555

⁽¹⁾: In December 2021 and March 2022, the Republic of Burundi disbursed a total of USD 4,270,691 of which USD 2,562,415 was recognized as contribution for FY'2021/2022 and the balance of USD 1,708,276 as settlement of arrears and hence transferred to the EAC General Reserve Account.

Further, on 8th June 2022, the Republic of Burundi disbursed a total of USD 3,624,202.14 of which USD 2,174,521.28 was recognized as contribution for FY'2021/2022 and the balance of USD 1,449,680.86 as settlement of arrears and hence transferred to the EAC General Reserve Account

Table: F1B. INTER UNIVERSITY COUNCIL OF EAST AFRICA (IUCEA), amounts in USD

PARTNER STATE	ARREARS	CONTRIBUTION DUE 2021/2022	CONTRIBUTION PAID 2021/2022		TOTAL OUTSTANDING
1. Republic of Burundi	6,547,862	644,223	323,447	50%	6,993,028
2. Republic of Kenya	(1,950)	644,223	644,198	100%	(1,925)
3. Republic of Rwanda	2,750,930	644,223	-	-	3,395,153
4. Republic of South Sudan	3,493,753	644,223	-	-	4,137,976
5. United Republic of Tanzania	53	644,223	643,515	100%	761
6. Republic of Uganda	210,489	644,223	217,253	33%	772,430
Total	13,001,137	3,865,338	1,828,413	47%	15,038,060

Table: F1C. LAKE VICTORIA FISHERIES ORGANISATION (LVFO), amounts in USD

PARTNER STATE	ARREARS	CONTRIBUTION DUE 2021/2022	CONTRIBUTION PAID 2021/2022		TOTAL OUTSTANDING (LVFO Budget)
1. Republic of Burundi	232,624	465,500	136,101	29%	562,024
2. Republic of Kenya	-	465,500	465,494	100%	4
3. Republic of South Sudan	345,083	-	-		345,083
4. United Republic of Tanzania	3,836	465,500	-	0%	469,336
5. Republic of Uganda	-	465,500	504,426	108%	(38,926)
Total	581,543	1,862,000	1,106,021	59%	1,337,522

The United Republic of Tanzania commits to pay her outstanding contribution amounting to USD 469,336 by the 1st week of May, 2022.

Table: F1D. Civil Aviation Safety and Security Agency (CASSOA), amounts in USD

PARTNER STATE	ARREARS	CONTRIBUTION DUE 2021/22	CONTRIBUTION PAID 2021/22		TOTAL OUTSTANDING (CASSOA Budget)
1. Republic of Burundi	375,036	346,750	50,000	14%	671,786
2. Republic of Kenya		346,750	271,250	78%	75,500
3. Republic of Rwanda		346,750	173,376	50%	173,374
4. Republic of South Sudan	1,594,479	346,750	-	0%	1,941,229
5. United Republic of Tanzania		346,750	200,000	58%	146,750
6. Republic of Uganda	-	346,750	346,750	100%	0
Total	1,969,515	2,080,500	1,041,376	50%	3,008,639

BUDGET PERFORMANCE REVIEW FOR THE FY 2021/2022

The EAC Organs and Institutions' performance for the period: July - December, 2021 was fairly reasonable taking into consideration the disbursement of funds from Partner States for the period under review and the human resource capacity occasioned by the delayed recruitment of staff. As at the end of December 2021, the Community recorded total spending of USD34, 183,171 which represents 37%.

Table F1E: Budget Performance Report, July to December 2021

#	Organ/Inst'n Name	Funding Source	Approved Budget for the FY	Amount disbursed in USD	Expenditure to 31/12/21	Budget still available	Budget utilised in %	Comment
1	EAC-Secretariat	Partner States	17,574,865	9,838,394.41	9,376,461	8,305,737.01	53%	(1)
		Development Partners	26,243,897	7,864,210	5,510,199.15	18,379,687	18%	(2)
2	East African Court of Justice	Partner States	3,791,723	1,855,360	2,142,304	1,649,418	57%	(1)
		Development Partners	NIL	NIL	NIL	NIL		
3	East African Legislative Assembly	Partner States	15,984,695	9,013,708	7,889,066	7,576,279	51%	(1)
		Development Partners	NIL	NIL	NIL	NIL		
4	Lake Victoria Basin Commission	Partner States	3,395,935	3,395,935	2,402,285.67	1,196,909	35%	(1)
		Development Partners	5,049,960	5,049,960	1,065,583.54	372,441	7%	(2)
5	Inter-University Council for East Africa	Partner States	6,302,556	1,184,898	1,714,789	4,612,667	27%	(1)
		Development Partners	4,858,954	1,829,352	1,429,208	3,404,846	30%	(2)
6	Lake Victoria Fisheries Organization	Partner States	1,944,680	1,044,562	649,833	1,212,167	35%	(1)
		Development Partners	1,773,699.16	787,591	498,120	1,816,745	22%	(2)
7	East African Science and Technology Commission	Partner States	1,555,087.50	876,035.53	896,861.81	658,22	68%	(1)
		Development Partners	NIL	NIL	NIL	NIL		
8	East African Health Kiswahili Commission	Partner States	1,339,419	743,342.85				(1)
		Development Partners	NIL	NIL	NIL	NIL		
9	East African Health Research Commission	Partner States	2,009,351	905,718	441,764	1,567,587	22%	(1)
		Development Partners	NIL	NIL	NIL	NIL		
10	East African Competition Authority	Partner States	1,011,136	516,365	226,693.50	784,442.50	22%	(1)
		Development Partners	NIL	NIL	NIL	NIL		
	TOTAL – EAC		92,835,957.66	43,933,385.57	34,183,171	51,196,588.46	37%	

NOTE:

The average rate of absorption by Organs and Institution for activities funded by the Partner States is attributed to challenges in undertaking activities due to restrictions arising from the Covid-19 pandemic, delayed remittance and non-recruitment of staff. The overall absorption rate stand at 48% as at 31st December, 2021. However, it is expected that, most of the activities will be implemented during the reminder quarters of the FY2021/2022 (February - June 2022).

The underspending on activities funded by Development Partners is mainly attributed to the variation in project life cycle budgets and the EAC annual work-plans and budget. The overall EAC development partners' funds absorption rate stood at 19% as at 31st December, 2021, with high expectation on absorption rate growth in the 3rd and 4th quarters.

4.0 BUDGET ESTIMATES FOR THE FINANCIAL YEAR 2022/23

The Council of Ministers requests the Assembly to approve a total budget of **USD91,579,215** for the FY 2022/2023 as compared to **USD91,784,296** the FY 2021/2022 as shown in the table below.

Summary of the Proposed Financial Year 2022/2023 EAC-Budget

PLANNED EXPENDITURE								
Organ/ Institution	FY 2021/2022			FY 2022/2023			Change	
Description	Partner States	Development Partners	Total	Partner States	Development Partners	Total	USD	%
EAC-Secretariat	17,640,125	26,217,945	43,858,070	17,009,349	28,127,692	45,137,041	1,278,971	3%
East African Court of Justice	3,791,723		3,791,723	3,803,836		3,803,836	12,113	0%
East African Legislative Assembly	15,465,345		15,465,345	15,086,640		15,086,640	-378,705	-2%
Lake Victoria Basin Commission	3,395,935	4,771,650	8,167,585	4,068,589	4,220,885	8,289,474	121,889	1%
East African Science & Technology Commission	1,555,088		1,555,088	1,725,256		1,725,256	170,168	11%
East Africa Kiswahili	1,284,219		1,284,219	1,284,219		1,284,219	-	0%

PLANNED EXPENDITURE								
Organ/ Institution	FY 2021/2022			FY 2022/2023			Change	
Description	Partner States	Development Partners	Total	Partner States	Development Partners	Total	USD	%
Commission								
East Africa Health Research Commission	1,860,181		1,860,181	1,867,665		1,867,665	7484	0%
East African Competition Authority (EACA)	1,011,136		1,011,136	1,011,132		1,011,132	-4	0%
The Inter University Council for EA	6,302,556	4,858,954	11,161,510	6,361,185	4,205,684	10,566,869	594,641	-5%
Lake Victoria Fisheries Organization	1,862,000	1,767,439	3,629,439	1,862,000	945,083	2,807,083	-822,356	-23%
Total	54,168,308	37,615,988	91,784,295	54,079,871	37,499,344	91,579,215	-205,080	0%

EXPECTED REVENUE								
SOURCE OF REVENUE	FY 2021/2022			FY 2022/2023			CHANGE	
Description	Partner States	Development Partners	Total	Partner States	Development Partners	Total	USD	%
Ministries for EAC Affairs	44,112,815		44,112,815	44,112,746		44,112,746	-69	0%
Ministries Responsible for Education	3,865,336		3,865,336	3,865,315		3,865,315	-	0%
Ministries Responsible for Fisheries	1,862,000		1,862,000	1,862,000		1,862,000	-	0%
Member Universities	437,220		437,220	495,870		495,870	58,650	13%
Development Partners		37,615,988			37,499,344	37,499,344		0%
Miscellaneous Revenue	235,070		235,070	285,740		285,740	50,670	22%
General Reserve- main account & LVBC	1,010,310		1,010,310	1,380,000		1,380,000	369,690	37%
	645,546		645,546	78,200		78,200	-567,346	-88%

General Reserve-IUCEA	2,000,000		2,000,000	2,000,000		2,000,000		0%
Total	54,168,297	37,615,988	91,784,295	54,079,871	37,499,344	91,579,215	88,426	0%

4.1 PRIORITY AREAS AND PROGRAMS DURING THE MTEF PERIOD: 2021/22 -2023/24

The MTEF for the Financial Year 2022/23 – 2024/25 has been prepared in line with the global and sector-specific priority areas as adopted by the 41st Ordinary Meeting of the Council of Ministers held on 29th November 2021, various Summit and Council Directives and Sectoral/Departmental projections. The theme for the Budget for the Financial Year 2022/23 is ***"Accelerating Economic Recovery and Enhancing Productive Sectors for Improved Livelihood"***.

According to the Secretary General, during the FY 2022/23, the Community will focus on the following key priority areas:-

- a) Strengthening of regional governance, political commitment, accountability, and inclusivity to improve peace and security in the build-up to an EAC Political Confederation;
- b) Increased visibility, knowledge, awareness and participation of the Private Sector, citizens and other stakeholders in the EAC integration process;
- c) Effective implementation of the EAC Customs Union and Common Market Protocols to increase EAC intra-trade and enhance freedoms and rights under the Common Market Protocol;
- d) Improvement of productivity, value addition, promotion of regional supply chains, local content, and domestication of regional commitments to improve the socio-economic welfare of East Africans;
- e) Leveraging on new technologies to support the migration of production and service delivery to digital platforms and enhance e-business opportunities;
- f) Strengthening of the Global Health Agenda for the EAC Region;
- g) Implementation of the Road Map for the attainment of the EAC Monetary Union;

- h) Improvement of quality multi-sectoral strategic infrastructure and related services to support and accelerate sustainable regional integration and competitiveness; and
- i) Strengthening of the capacity of all EAC Organs and Institutions to effectively execute their mandates.

The proposed budget does not include the integration of the Democratic Republic of Congo (DRC) into the Projects, Programmes and activities of the Community. An additional budget will be required after the approval of the roadmap for integration of the DRC.

4.2 Expected Outcomes over the Medium Term (2022/23-2024/25)

It is expected that implementation of the above priority programs will result into the following outcomes:-

- a) Improved peace and security in the build-up to an EAC Political Confederation;
- b) Increased awareness and active participation of the Private Sector, citizens and other stakeholders in the EAC integration process;
- c) Increased EAC intra-trade and enjoyment of freedoms and rights under the Common Market Protocol;
- d) Improved productivity, value addition, promotion of regional supply chains, local content leading to improvement of the socio-economic welfare of East Africans;
- e) Increased level of e-business opportunities resulting from the migration of production and service delivery to digital platforms;
- f) Strengthened Global Health Agenda for the EAC Region;
- g) Enhanced implementation of the Road Map for the attainment of the EAC Monetary Union;
- h) Improved quality multi-sectoral strategic infrastructure and related services to support and accelerate sustainable regional integration and competitiveness; and
- i) Strengthened capacity of all EAC Organs and Institutions to effectively execute their mandates.

4.3 Key Challenges Affecting Budget Implementation

Despite the progress that has been made in the implementation of the Community's projects and programmes, a number of challenges still persist:-

- a) The outbreak of Covid-19 pandemic affected the implementation of most of the Community's planned activities;
- b) Delays in disbursement of Partner States' contributions to the EAC Budget which results in delayed/non-implementation of planned activities;
- c) Delays in ratification of Protocols and assent to Bills thus affecting the pace of integration process;
- d) Implementation of East African Monetary Union roadmap is lagging behind schedule, partly due to limited financial and human resources;
- e) The long delay in concluding the development of a sustainable financing mechanism is seriously impacting on the pace of EAC's integration; and
- f) Lack of an effective mechanism for enforcement of the Community's decisions and directives.

4.4 Strategies for mitigating the above challenges

The Community will implement the following strategies to mitigate the effects of the above challenges:-

- a) Adherence to the schedule of disbursement of contributions to the EAC Budget by Partner States;
- b) Expeditious conclusion of the process of developing a sustainable funding mechanism for the Community to address the financial challenges that the Community is experiencing;
- c) Continuous engagement with development partners to support the EAC projects and programs; and
- d) Improve the working relationships among Organs of the Community and policy makers at national levels to expedite the implementation of regional commitments.

5.0 PROPOSED BUDGET ALLOCATION AND PLANNED ACTIVITIES/OUTPUTS IN FY 2022/2023

5.1 EAC-SECRETARIAT

The EAC-Secretariat requests the approval of **USD 43,858,070** for the FY 2022/2023. This amount has been allocated to the Offices as indicated below:

5.1.1 Office of the Secretary General

The office requests the approval of **USD 1,783,447** to implement among others, the following key programmes/activities in FY 2022/2023:

- i. Convene Annual SGs Forum with Private Sector and other interest groups.
- ii. Convene EAC Private Sector Business Summit.
- iii. Attend at least 6 coordination meetings with regional and continental partners.
- iv. Undertake visits to accredited diplomatic missions to the EAC in Dar es Salaam.
- v. Convene 2 EAC Heads of State Summits.
- vi. Participation in three EALA Sessions.

Internal Audit Unit

- i. Conduct 4 audit assignments each quarter (Organs, Projects and Institutions).
- ii. To acquire, install, test, commission and maintain/support internal Audit Management system (IAMS) and Risk Management system (software).

Defence Liaison Unit

- i. Concept Development Conference of CPX USHIRIKIANO IMARA 2023.
- ii. Convene DEWG to develop technical aspects, modalities and technical and administrative requirements for implementation of the Sectoral Council.
- iii. To convene biannual meetings of commandants of EAC Military Academies to review progress in cooperation in Military Training of Officer Cadets.
- iv. To convene DEWG to review EAC SOPs to include duties and responsibilities of JMAC, JMOC and JLOC.

Legal and Judicial Unit

- i. To participate in meetings of the East African Judicial Education Committee and training meetings for Judges, Magistrates and Judicial Officers of the Partner States.
- ii. Meetings of the Sub-Committee.

Corporate Communications and Public Affairs

- i. Promotion of awareness creation and popular participation of the East African citizens in the EAC integration process.

- ii. Informercials and public education programmes on EAC integration produced and distributed to all stakeholders through electronic and digital platforms.
- iii. PR Management support program developed for major EAC Meetings and events.

Resource Mobilisation

- i. Capacity building for EAC Organs and Institutions in resource mobilisation.
- ii. Development of tools and instruments for effective resource mobilisation.
- iii. Pursuit of donor interaction to expand EAC Resource Base.

5.1.2 Directorate of Human Resource, Finance and Administration

The office requests the approval of **USD17,159,813** to cater for the personnel emoluments and administrative costs and to implement, among others, the following key activities in Financial Year 2022/2023:

- i. Strengthening the capacity of all EAC Organs and Institutions to effectively execute their mandates;
- ii. Develop and implement the Annual Procurement Plan for FY 2022/23;
- iii. Operationalise conference management policy;
- iv. Develop EAC Asset Management Policy;
- v. Administrative support services provided to Secretariat and EAC Organs by June 2023; and
- vi. Salaries and other benefits paid by 24th day of every month.

5.1.3 Directorate of Planning and Infrastructure

The office requests the approval of **USD 12,624,163** to implement, among others, the following key activities in Financial Year 2022/2023:

- (i) Implementation of successor multinational road projects linking Partner States.
- (ii) Phase II OSBP programme including the design, construction.
- (iii) operationalization of 12 new prioritized OSBPs within the EAC region.
- (iv) to support seamless railways operations across the region.
- (v) the Civil Aviation and Airports Sub-Sector priorities will focus on implementation of the EAC Upper Airspace Seamless Operations project.
- (vi) implementing strategies to reduce the current high cost of intra-EAC Air tickets and air operations including the harmonization of charges and taxes.

5.1.4 Directorate of Productive and Social Sectors

The office requests the approval of **USD 7,906,260** to implement, among others, the following key activities in Year 2022/2023:

- i. increase sustainable and inclusive agricultural production, productivity, food safety, food and nutrition security and intra-regional agricultural trade.

- ii. Promotion of value addition and agro-processing to strengthen capacities for reduction of post-harvest losses in priority strategic value chains.
- iii. coordinate the implementation of priority energy generation and transmission projects from the Regional Power System Master Plan and the Heads of State Infrastructure Priority Projects.
- iv. preparation of the East African Petroleum Conference and Exhibition 2023 (EAPCE'2023).
- v. implementation of a project on 'Energy Efficient Lighting and Appliances for Eastern and Southern Africa (EELA) as well as other renewable energy projects.
- vi. implement the EAC Environmental Week to showcase the achievements of EAC and Partner States in addressing environmental challenges and natural resources.
- vii. participation in Multilateral Environmental Agreements.
- viii. finalization of a Regional Biodiversity Strategy and Action Plan; capacity building of EAC to implement the AU Declaration on Land.
- ix. establishment of an EAC Carbon Credit Exchange Mechanism.

5.1.5 Directorate of Political Federation

The office requests the approval of **USD 3,070,488** to implement the key activities and achieve the following among others by the end of Financial Year 2022/2023:

- i. Harmonization of refugee management practices and facilitation of safe return of refugees.
- ii. Promotion of peace, security and stability in the Community mainly focusing the areas of Defence cooperation among the EAC Partner States as provided in the Protocol on Cooperation in Defence Affairs.
- iii. To strengthen efforts to protect the region's borders against terrorism, piracy and other trans-national crimes.

5.1.6 Directorate of Customs and Trade

The office requests the approval of **USD 2,592,870** to implement the key activities and achieve the following among others by the end of Financial Year 2022/2023:

- i. Consolidation and updating of the regulatory framework for the Single Customs Territory to ensure sustainability of the gains so far achieved.
- ii. Integrating the Electronic Cargo Tracking Systems along the Transit Corridors;
- iii. Enhancement of Interconnectivity of systems in key sectors to facilitate information exchange.
- iv. Implementation of the reviewed EAC instruments – the CET, reviewed EAC Customs Management Act 2004, Rules of Origin and Customs procedures.

5.2 EAST AFRICAN LEGISLATIVE ASSEMBLY

The Council proposes the approval of **USD 15,086,640** for the Assembly to implement among others, the following key programmes/activities in 2022/2023:

- i. Convening and facilitating Plenary sessions and other meetings.
- ii. Convening and participating in EAC Biannual EAC Speakers Conferences.
- iii. Participation in Regional Parliamentary Conferences and meetings.
- iv. Convening the statutory meetings of the EAPI.
- v. Consideration of Bills by Committees.
- vi. Transmission of Bills and Assent copies to Partner States.
- vii. Participation in Summit Meetings, EALA Plenaries, Ordinary and Extra Ordinary and Sectoral Council Meetings.
- viii. Undertake Public Hearings in Partner States.
- ix. Carry out oversight role of the Assembly and its Committees.
- x. To facilitate Annual Audit of EAC Financial Statements.

5.3 EAST AFRICAN COURT OF JUSTICE (EACJ)

The Organ requests the approval of **USD 3,803,836** for FY 2022/2023 to implement among others, the following key programmes/activities:

- i. Sessions of the 1st Instance Division including the November session in the Republic of Uganda which shall require all staff's participation.
- ii. Sessions of the Appellate Division including the November session in the Republic of Uganda which shall require all staff's participation.
- iii. The 2nd Annual Judicial Symposium which shall take place in the Republic of Uganda.
- iv. The Training of Judges of the EACJ on Arbitration and Mediation; Facilitation of Court Clerks during EACJ's exchange program.
- v. Participation of Judges and the Registrar at six (6) fora and statutory Meetings of the EAC.
- vi. Convene two Plenary Sessions of the EACJ.

5.4 LAKE VICTORIA BASIN COMMISSION (LVBC)

The Commission requests the approval of **USD8,829,474** for FY 2022/2023 to implement the following key programmes/activities:

- i. To contribute to this global priority area, LVBC shall focus on promoting sustainable agriculture and land use management practices in critical transboundary watersheds & ecosystems/landscapes.
- ii. improving delivery of accurate and timely climate information to regional and national policymakers, technical officers and local communities and promoting regional resilience to climate change through innovative, community-based project.

- iii. the Commission intends to coordinate maritime transport safety and security in Lake Victoria.
- iv. to support the preparation and implementation of bankable integrated Water Resources Management infrastructure projects.
- v. to facilitate the development of LVBC Integrated Water Resource Management Strategy including development of Lake Victoria Water Framework Directive.

5.5 INTER- UNIVERSITY COUNCIL FOR EAST AFRICA (IUCEA)

The Institution requests the approval of **USD10,566,869** for the FY 2022/2023 to implement among others, the following key programmes/activities:

- i. Attend negotiations with O'briel Global to establish center and network for regional integration studies, in Spain.
- ii. Conduct promotional activity for academic private and productive sector platforms (APPPF 2022).
- iii. Consultancy in development of qualification framework and occupational standards.
- iv. Develop a Common Higher Education Area communication and advocacy plan.
- v. Develop functional integrated management information systems that support automation of IUCEA internal business processes.
- vi. Facilitate /Fund undergraduate and postgraduate students under the IUCEA multi-lateral scholarship programme for the 2022/23 academic year.

5.6 LAKE VICTORIA FISHERIES ORGANIZATION (LVFO)

The Organisation requests the approval of **USD2,807,083** to implement among others, the following key activities/programmes in FY 2022/2023:

- i. Convene a donor conference to stimulate sustainable financing for the LVFO Strategic Plan 2021/22-25/26 in line with the EAC Resource Mobilization and Partnerships Strategy.
- ii. Conducting Regionally synchronized Monitoring, Control and Surveillance (MCS) operations on Lake Victoria, and facilitate multi-stakeholder sensitization engagements on MCS.
- iii. Facilitate national high level policy dialogue on Illegal, Unregulated and Unreported (IUU) fishing, and sensitize fisher communities on combating IUU fishing.
- iv. Harmonize annual licensing of fisheries, fishing boats and fishers in the EAC.
- v. Conducted annual lake-wide fish stock assessment through hydro-acoustic survey in Lake Victoria.

5.7 EAST AFRICA SCIENCE AND TECHNOLOGY COMMISSION (EASTECO)

The Commission requests the approval of **USD 1,725,256** for the FY 2022/2023 to implement among others, the following key programmes/activities:

- i. Identify talented youth innovators in EAC Region to generate scientific and technological solutions for society needs.
- ii. Conduct online training on entrepreneurship skills for youth innovators for creativity and job creation.
- iii. Develop a roadmap for e-health and telemedicine, and M&E framework.
- iv. Conduct Massive Open Online Courses to build capacity on research grant proposal writing.
- v. Conduct 4 executive Committee meetings to review and approve manuscripts for publication in the journal.

5.8 EAST AFRICA KISWAHILI COMMISSION (EAKC)

The Commission requests the approval of **USD1,284,219** to fund the implementation of the following programmes/activities in FY 2022/2023:

- i. To hold National Consultation Meetings on the Draft Roadmap for Implementation of Kiswahili as Official Language of the Community.
- ii. To hold Regional Validation Meeting on the Draft Roadmap for Implementation of Kiswahili as Official Language of the Community.

5.9 EAST AFRICAN HEALTH RESEARCH COMMISSION (EAHRC)

The Commission requests the approval of **USD 1,867,665** for the implementation of among others, the following programmes/activities in FY 2022/2023:

- i. To publish at least 3 issues of the East African Health Research Journal (EAHRJ) annually.
- ii. To publish at least 2 issues of the East African Science Journal (EASci) annually.
- iii. To hold at least 4 National Steering Committee meetings in preparation for the 9th East African Health & Scientific Conference.

5.10 EAST AFRICAN COMPETITION AUTHORITY (EACA)

The Authority requests for the approval of **USD1, 011,132** to fund the implementation of the following programmes/activities FY 2022/2023:

- i. Investigation and assessment of anti-competitive business practices with cross border effects (mergers, unilateral and concerted conduct and abuse of dominance,).
- ii. Development of Rules of Procedure as provided by Section 40 of the EAC Competition Act, 2006.
- iii. Commissioners Meetings to provide policy guidance and adjudicate cases.
- iv. Outreach and advocacy through multi-sectoral national stakeholders' awareness and sensitization on EAC Competition Act, Marking of World competition Day on 5th December and Consumer Rights Day on 15th March.

6.0 SPECIFIC OBSERVATIONS AND RECOMMENDATIONS

6.1 OFFICE OF THE SECRETARY GENERAL

6.1.1 Counsel to the Community

i. Review of the Treaty

It was noted that at the 21st Ordinary Summit of the EAC Heads of State held on 27th February 2021, the Heads of State adopted French and Kiswahili as additional official languages of the Community and directed the Council to expedite the implementation modalities of this Summit decision. The Council of Ministers referred the proposed amendments to Article 137 and Article 46 of the Treaty to the Sectoral Council on Legal and Judicial Affairs for legal input.

With the admission of the Democratic Republic of Congo into the EAC, the Committee finds it a matter of urgency to convene an Extra-Ordinary meeting of the Sectoral Council on Legal and Judicial Affairs to consider the proposed amendments to Articles 137 and Article 46 of the Treaty to enable the Community put in place the necessary operational infrastructure.

ii. Processing of Bills and other Legal Instruments

It was noted that the following Bills: The Elimination of Non-Tariff Barriers Amendment Bill; The East African Community Metrology Bill; The East African Community Seed and Plant Varieties Bill; The East African Community Fertiliser Bill; East African Community Sanitary and Phytosanitary Bill *to implement the Sanitary and Phytosanitary Protocol*; the Protocol on Environment and Natural Resources Management; the Protocol on Tourism are required to be urgently drafted by the Office of the Counsel to the Community in conjunction with sector experts for presentation to the Sectoral Council. However, no funds have been provided to facilitate the drafting and convening the meeting of the Sectoral Council on Legal and Judicial Affairs to consider and adopt the same.

iii. Integration of the Republic of South Sudan into the Community

It was noted that whereas in 2017, the Council of Ministers approved a roadmap for the integration of the Republic of South Sudan into the Community, most of the activities in this roadmap have since not been implemented. Key among them include Training of Legal and EAC Coordinating Officers on obligations of the Treaty mainly focusing on; Application of existing policy and laws of the Community; Relationship between the organs and institutions and the Partner States; Effective participation representation and participation in technical and statutory meetings; Rules of the Procedure of the Organs and Institutions of the Community and Building a pool of Legislative Draftspersons in South Sudan.

In view of the above, the Office of the Counsel to the Community requires an additional funding of USD 86,400 to undertake the following activities:

- (a) Drafting **6 bills** for consideration by the Attorneys General for **USD 22,350**;
- (b) Facilitate convening of an Extra-Ordinary meeting of the Sectoral Council on Legal and Judicial Affairs to consider Amendments to the Treaty and the **2 Protocols at a cost of USD 21,450**.
- (c) Publication of **5 Bills** approved by the Council, Orders of Summit, and Decisions and Directives of Council at the cost of **USD 14,700**.
- (d) programmes for integrating the Republic of South Sudan into the Community at a cost of **USD 27,900**.

The Committee recommends that a total sum of USD 86,400 be drawn from the General Reserve Fund and be provided to the Office of the CTC under the supplementary budget in the course of FY 2022/23 to draft the above Bills and convene the meeting of the Sectoral Council on Legal and Judicial Affairs to approve the same.

6.2 DIRECTORATE OF HUMAN RESOURCE AND ADMINISTRATION

i. Recruitment of Staff

The Committee recalled that during October 2021, the House passed a motion for a Resolution of the Assembly Recommending to the Council of Ministers to suspend and audit the staff recruitment exercise in the EAC due to irregularities and breach of the Treaty, Staff Rules and Regulations, the EAC Operational Manual for the Quota System and other legal instruments of the Community. However, the Council went ahead with the recruitment which culminated in the appointment of staff on 6th April 2022. While the Committee commends the Council for addressing some of the concerns in the motion, most of the critical resolutions in the Motion such as conducting a comprehensive audit; hiring an independent firm to conduct the recruitment exercise have not been addressed.

During our interaction with the Chairperson, Council of Ministers, and the Director Human Resources, they acknowledged that despite the recently concluded recruitment exercise, the recruitment of staff in the community remains a contentious matter with a lot of challenges. In particular, the Chairperson Council of Ministers urged the Committee to institute a comprehensive investigation into the irregularities in the recruitment of staff and come up with concrete recommendations. Consequently, the EAC Secretary General advertised 63 vacancies at EAC Organs and institutions.

It is the considered view of the Committee that unless the inherent irregularities in the recruitment process are boldly and honestly investigated and addressed, the different stakeholders, especially the Partner States will continue to interfere in the exercise.

The Committee recommends that the Council of Ministers conducts a comprehensive investigation into the irregularities in the EAC recruitment process and reports to this House before the end of FY 2022/23.

ii. Affirmative action for the Republic of South Sudan

The Committee was informed that at its 41st Ordinary Meeting held on 6th April 2022, the Council of Ministers directed the Secretariat to ringfence for the Republic of South Sudan eleven (11) vacant positions out of the fifteen (15) positions that were yet to be shortlisted as affirmative action in the EAC recruitment process (EAC/CM 41/Directive 50).

When the Committee expressed concern about the delayed recruitment of candidates from the Republic of South Sudan to fill the above positions. The Director, Human Resources informed the Committee that when the said vacancies were advertised, the Republic of South Sudan asked for a waiver for some of the requirements/qualifications that were put in the job advert such as lowering the working experience and academic qualifications. Whereas the Committee asked the Director, Human Resources to avail the said job advert together with the list and qualifications of the candidates who responded to it, this information was not availed. This raises suspicion about the allegations that the advert did not attract qualified candidates.

It is the considered view of the Committee that it would be erroneous for the Council of Ministers to lower the job requirements or waive the qualifications for recruitment for one Partner State. By doing so, the Council will be in breach of the relevant laws of the Community and also compromise the human resource standards of the EAC. The Committee was informed that the Council did not do this for the Republics of Rwanda and Burundi when they joined the EAC in 2007. There is no evidence that there are no qualified persons from South Sudan for the eleven positions ring-fenced for this Partner State.

In view of the above, the Committee recommends that the Council of Ministers expedites the recruitment of qualified persons to fill the eleven positions ring-fenced for the Republic of South Sudan in accordance with the laws of the Community.

6.3 DIRECTORATE OF PLANNING AND INFRASTRUCTURE

Contributions for Preliminary studies for multi-national road projects roads

The Committee was informed that when the multi-national road projects were initiated, the Partner States agreed to make financial contributions to fund preparatory studies to design multinational roads. The Sectoral Council on Transport, Communication Meteorology resolved and directed that the Partner States make an annual contribution of USD 30,000. However, the committee noted that some of the Partner States do not remit their contribution in time,

which has affected the timely execution of preliminary studies before the projects are taken by the donors.

The Committee recommends that the Council of Ministers urges the Partners States to ensure timely remittance of their contributions towards the implementation of multi-national road projects.

6.4 DIRECTORATE OF PRODUCTIVE AND SOCIAL SECTORS

Perpetual underfunding

The Committee noted that the department of Productive and Social Sectors continues to be the least funded. Whereas in the budget Speech the Chairperson, Council of Ministers indicated that the theme for the EAC Budget for the FY 2022/23 will be "*Accelerating Economic Recovery and Enhancing Productive Sectors for Improved Livelihood*", no corresponding funds have been provided to this department to spur the envisaged development. The department has not been provided with the requisite funds to facilitate the necessary interventions in the critical sectors like Agriculture, energy, and industrialization are considered vital for the development of the region. Equally so, sectors like Education, Gender, and Community Development which fall under this docket were not allocated any funds. In light of the above, the Gender department requested USD 42,800 to undertake, critical activities.

The Committee recommends that a total sum of USD 42,800 be drawn from the General Reserve Fund and be provided to the Department of Productive and Social Sectors under the supplementary budget for the FY 2022/23 to undertake the critical activities in the Education and Gender Departments.

6.5 DIRECTORATE OF POLITICAL FEDERATION

Election Observation Missions

It was noted that the EAC will undertake an Election Observation Mission in the Republic of Kenya during the general elections slated for August 2022. The Committee was informed that while the Assembly has always approved a budget of USD 322,500 for this activity, the budget for this activity was reduced to USD 142,500 by the Finance and Administration Committee of the Council without justification. Thus leaving a funding gap of USD 180,000.

Given the importance of Election Observation Missions in the promotion of democratic governance and rule of law in the Community, it is the considered opinion of the Committee that the budget for Election Observation Missions amounting to USD 322,500 be reinstated.

The Committee further noted that in the previous Election Observation Missions undertaken by the EAC, the Assembly has been drawing its representation specifically from the Committee

on Regional Affairs and Conflict Resolution. The Committee considers this selection criterion erroneous since the promotion of democratic governance and rule of law is a broader mandate that applies to the entire institution of Parliament – EALA but not restricted to a specific Committee.

In view of the above, the Committee recommends as follows:

- i. The Council of Ministers provides an additional of USD 180,000 to the Office of DSG -Political Federation from the General Reserve to undertake Election Observation Missions in FY 2022/23.***
- ii. The Additional USD 180,000 Election Observation Missions be provided for in the supplementary budget for 2022/23.***
- iii. The Members representing the Assembly during Election Observation Missions should be drawn from the entire membership of the Assembly other than one specific Committee.***

6.6 EAST AFRICAN COURT OF JUSTICE (EACJ)

Additional 10 days for Court Sessions

The Committee was informed that over the years, case backlog has built up at both the 1st Instance and Appellate divisions of the East African Court of Justice and this has led to the delay in the dispensation of justice. The Committee noted that despite persistent requests from the EACJ for enhanced funding to enable the Court's clear case backlog and dispense justice in a timely manner, the Council of Ministers has continued to ignore this noble request. It is the considered view of the Committee that, in order for the EACJ to deliver justice in an efficient and timely manner, the Court request for USD 102,500 for the additional ten (10) working days for the sessions of the Court should be granted.

The Committee recommends that the Council of Ministers provides a total sum of USD 102,500 from the General Reserve through a supplementary budget in FY 2022/23 to facilitate the additional 10 days for Court sessions.

6.7 EAST AFRICAN LEGISLATIVE ASSEMBLY (EALA)

i. Persistent and unjustified decrease in the Assembly's budget

The Committee noted that the Council has persistently and unjustifiably reduced the budget of EALA to the extent of removing critical budget lines. The budget of the Assembly has been reduced from USD 19M in FY 2018/2019 to USD 15M in FY 2022/2023. This act is an attempt to render the Assembly inefficient, non-functional and irrelevant. Among others, the following have been noted:

ii. Inadequate funds for the inauguration of the 5th Assembly

The term of the current Assembly (4th Assembly) will come to an end on 17th December 2021, and thereafter, the 5th Assembly will be sworn-in. However, the Council of Ministers has provided a budget for only two days for the Inauguration of the 5th Assembly. The Committee wonders how the Council expects the Assembly to carry out, among others, the following activities in a two days inauguration ceremony: swearing-in of Members; election of the Speaker; election of Commissioners; constitution of Committees; election of Committee Chairpersons; orientation of members on the Treaty and other laws of the Community, the mandate of the Assembly and its Committees, Rules of Procedure, opening of bank accounts. Available evidence shows that the inauguration ceremony of the 4th Assembly was conducted in ten (10) days, and it did cost a total sum of USD 420,000. Therefore, the same amount of funds will be required for the inauguration of the 5th Assembly in December 2022.

The Committee recommends that an additional sum of USD 300,000 be provided by the Council of Ministers from the General Reserve through a supplementary budget in FY 2022/23 to meet expenses for the seven additional days of the inauguration of the 5th Assembly.

iii. Reduction in the Number of Plenary Sitzings

There is a reduction in the number of plenary sessions. At a time when the volume of work of the Assembly has substantially increased, the Council found it prudent to reduce the number of plenary sessions from six to four. This is in contravention of the existing legal instruments that regulate the business of the Assembly. For example, according to Rule 10(6) of Procedure of the Assembly, the House shall sit for not less than eighty (80) days for plenary and not less than 40 days for committee meetings in a given financial year.

The Committee recommends that the Council of Ministers provides a total sum of USD 975,150 from the General Reserve through a supplementary budget in FY 2022/23 to facilitate the additional days for plenary sittings.

iv. Reduction in the number of working days for Committees

According to the budget estimates, there is a reduction in the number of days that the Committees of the Assembly will undertake oversight activities and public hearings in the Partner States. It is unfathomable that the Council of Ministers expects a Committee of the Assembly to travel to all the six Partner States in four days (including the days of travel). During the Committee interaction with the Chairperson, Council of Ministers, she took note of this and recognized the need for a review of funding to Committees. There is a need to provide funds for additional days for both plenary and committees to enable the Assembly to have sufficient time to undertake quality work.

The Committee recommends that an additional sum of USD 600,000 be provided by the Council of Ministers from the General Reserve through a supplementary budget in FY 2022/23 to provide for two additional days for each Committee of the Assembly.

v. Orientation Tour of the EAC Partner States and Organs and Institutions

There is no budgetary provision for the Orientation Tour of the EAC Partner States, EAC Institutions in the Partner States, and aspects of the inter/intra-trade within and along the North and Central Corridors. Since its inception, the Assembly has been supported in undertaking this tour as a mechanism for building the capacity of the newly elected Members and acclimatizing to EAC work. It aims at enhancing efficiency and effectiveness and articulating their work from an informed basis. This activity was not catered for in the budget and should therefore be considered a matter of priority.

The Committee recommends that the Council provides a total sum of USD 420,000 from the General Reserve Fund through a supplementary budget in FY 2022/23 to enable the Assembly to undertake this activity.

vi. Public outreach and sensitization

No funds have been provided for public outreach and sensitization under EALA's representative role. The Treaty enjoins the Assembly to, among others, liaise with National Assemblies, the Partner States, and other stakeholders on matters of integration. In fulfillment of this Treaty obligation, EALA has always organized and participated in two (2) major public outreach activities every financial year. It serves as an opportunity for them to collectively interact with key stakeholders and EAC citizens. The activity was omitted from this financial year's budget and therefore constitutes a funding gap of USD USD.420,000.

The Committee recommends that the Council provides a total sum of USD USD.420,000 from the General Reserve Fund through a supplementary budget in FY 2022/23 to enable the Assembly to undertake public outreach and sensitization in the Partner States.

vii. The EAC Inter-Parliamentary Games

The Committee noted that the Council has provided a budget of a sum of USD400,900 to cater for Inter-Parliamentary Games in FY 2022/23. However, in FY 2021/22, the same Council of Ministers provided a supplementary budget of USD 519,350. Therefore, there is a funding gap of USD 120,000 for this activity.

The Committee recommends that an additional sum of USD 120,000 from the General Reserve Fund through a supplementary budget in FY 2022/23 enable the Assembly to undertake inter-Parliamentary Games.

viii. Facilitation of Members with Disabilities

At the inauguration of the 4th Assembly in December 2017, the Assembly had among its membership two Members with physical disabilities ie Hon. Mathias Kasamba (RIP) and Hon. Alex Bahati from the Republics of Uganda and Rwanda respectively. In 2019, both Hon. Lawrence Aburi and Hon. Dr. Oburu Odinga got Aides after sustaining near-fatal accident. The EALA Commission approved the Aides to assist the said Members for the effective discharge of their duties. However, their Aides are not on the payroll of the EAC.

At its 40th ordinary Meeting of the Council of Ministers, the Secretariat was directed to submit the draft Policy on Reasonable Accommodation of Persons with Disabilities Working for East African Community (EAC) to the Partner States for comments. The Council further directed the Secretariat to develop an Implementation Plan and Strategy for the operationalization of the proposed Policy on Reasonable Accommodation of Persons with Disabilities Working for the East African Community.

The Committee recommends that:

- i. The Council formally appoints the aides who assist Members with Disabilities.***
- ii. The Council approves the payment of arrears of emoluments owed to the Aides for Members with disability through a supplementary budget in FY 2022/23.***

6.8 EAST AFRICAN SCIENCE AND TECHNOLOGY COMMISSION (EASTECO)

i. The EAC Regional Collaborative Research Program

Article 42 (4) of the Common Market Protocol enjoins the Community to establish the East African Research and Technology Development Fund (EARTDF). Under Article 42 (5) of the same Protocol, the Council of Ministers is required to establish and make regulations for the implementation of the Research and Technological Development Fund. The 39th Council of Ministers (*EAC/COM 39/Directive 80*) directed EASTECO to expedite the development of the EAC Regional Collaborative Research Program in the FY 2020/2021, which includes the East African Research and Technology Development Fund (EARTDF). It's against this background that EASTECO requests an additional US\$30,160 to convene a workshop for the legal and STI experts to develop the legal framework and regulation for the EARTDF.

The Committee recommends that the Council provides a total sum of USD 30,160 from the General Reserve Fund through a supplementary budget in FY 2022/23 to enable EASTECO to develop the legal framework and regulation for the EARTDF

ii. Mobile application for weather forecasting and a smart notification system

The Committee noted that in the EAC region weather information is mostly accessed through Radio stations, TV presentations, training workshops for farmers with different partnerships, through the printing of the daily forecast on a partnering newspaper but the farmers are no longer using these analog methods since we are in the digital world and some are not able to interpret it and understand it clearly. Nowadays a high percentage of farmers are using smartphones but there is still a lack of knowledge to access this information. Against this background, EASTECO requests US 28,160 to develop a mobile application for weather forecasting and a smart notification system for farmers to access different climate information for production enhancement.

The Committee recommends that the Council provides a total sum of USD 28,160 from the General Reserve Fund through a supplementary budget in FY 2022/23 to enable EASTECO to develop a mobile application for weather forecasting and a smart notification system for farmers to access different climate information for production enhancement.

6.9 EAST AFRICAN KISWAHILI COMMISSION

Kiswahili and French as official languages of the Community

At the 21st Ordinary Summit of the Heads of State of the EAC held on 21st February 2021, the Heads of State adopted Kiswahili and French as additional official languages of the Community and directed the Council to expedite the implementation modalities of the directive. Subsequently, the Sectoral Council on Education, Science, and Technology, Culture and Sports (SCESTCS) directed EAC Secretariat to develop a roadmap for the implementation of the Summit directive. The roadmap as adopted by the Sectoral Council on Education, Science and Technology, provides for, among others; amendment of the Treaty and EAKC Protocol; development of EAC Kiswahili language Policy; development of EAC Language Policy, and capacity building.

With the admission to the Democratic Republic of Congo and her full participation in the programs and activities of the Community, it is obvious that two official languages will be used alongside the English language regularly. However, the Committee noted that no funds have been provided in the budget for the implementation of the roadmap for operationalizing Kiswahili and French as additional official languages of the Community.

The Committee recommends that the Council provides from the General Reserve Fund through a supplementary budget in FY 2022/23 for the implementation of the roadmap for operationalizing Kiswahili and French as additional official languages of the Community.

6.10 EAST AFRICAN COMPETITION AUTHORITY

Establishment of Competition Authorities in the Partner States

According to the Registrar, the law establishing the East African Competition Authority requires them to liaise with the Competition Authorities of the Partner States in the course of discharging the mandate of the Authority. However, she informed that the Authority faces challenges, especially in the Partner States that do not have competition Authorities. Currently, only 3 Partner states with Competition Authorities; that is. The Republic of Kenya, the Republic of Rwanda, and the United Republic of Tanzania. There is, therefore, a need for the other Partner States to put in place the required legal framework for the establishment of competition Authorities.

The Committee recommends that the Council of Ministers urges the Republics of Uganda, Burundi, and South Sudan to expeditiously put in place the required legal framework for the establishment of Competition Authorities.

7.0 GENERAL OBSERVATIONS AND RECOMMENDATIONS

- i. According to the Budget Estimates for FY 2022/23, out of a total budget of USD 91,579,215, a total sum of USD 49,840,061 will be contributions from the Partner States which represents 54% of the total budget. Other sources of funds will be: Development Partners USD 37,499,344; General Reserve Fund USD 1,380,000; IUCEA Reserve Fund USD 2,000,000; LVBC Reserve fund USD 78,200; Member Universities of IUCE USD 495,870; and Interest from proceeds from disposals USD 285,740.
- ii. The Committee noted with concern the persistent decline in Partner State contribution towards the EAC budget at a time when the Community is growing and expanding. The expansion and expansion have not attracted a proportionate increase in funding to address the ever-growing needs of the Community. Instead, the Community continues to register a remarkable decrease in the annual financial contributions of Partner States toward the EAC. What is the rationale for creating more institutions when the contributions of Partner States continue to dwindle?
- iii. The Committee registers its displeasure over the reluctance by the Council of Ministers to institute sanctions against the Partner States that have persistently failed to honour their financial obligations to the Community. Over the years, the Assembly has passed

several resolutions urging the Council of Ministers to invoke the relevant Treaty provisions to sanction the Partner States that have failed to meet their financial obligations to the EAC. To this date, no action has been taken. Whereas the Chairperson, Council of Ministers informed the Committee that the Secretariat was directed to prepare a schedule of sanctions against non-compliant Partner States, it is the considered opinion of the Committee that this is long overdue. The Committee wonders why the Community should continue making unrealistic budgets by making a provision for contributions from non-compliant Partner States like the Republic of South Sudan.

The Committee recommends that the Council of Ministers expedites the finalization of the framework for enforcing sanctions against the Partner States which have failed to meet their financial obligations to the community as per the provisions of Article 143 of the Treaty.

The Committee recommends to the Assembly urge the Council of Ministers to fast-track the finalization of the modalities of the Alternative Sustainable Financing Mechanism for the Community.

- iv. A review of the Budget Estimates revealed that most departments across the EAC Organs and Institutions are critically underfunded. It was noted that the budget allocations for most of the EAC Organs and Institutions have continued to either stagnate or decrease. In some Organs and Institutions, members of staff continue to draw salaries without the requisite facilitation to execute their respective duties.
- v. During our interaction with the Chairperson, Council of Ministers, she recognized the critical unfunded priorities of the Organs and Institutions and made a commitment that while considering supplementary budgets during FY 2022/23, the Council of Ministers will give first consideration to these unfunded priorities.

The Committee recommends that:

- i. The Council of Ministers honors its commitment to prioritizing the unfunded priorities of the Organs and Institutions provided in this report while approving funds for supplementary budgets in 2022/23.***
 - ii. While considering the supplementary budget in FY 2022/23, the Assembly should not approve any supplementary budgets outside the unfunded priorities reflected in this report unless it is of an emergency nature.***
- vi. It was noted that the Council of Ministers has continued to disregard the recommendations of the Pre-budget conference as evidenced by the mismatch between the Pre-Budget Conference and the budget estimates tabled before the Assembly. The rationale for holding a pre-budget conference is to enable the various

Organs and Institutions of the Community and stakeholders to agree on priorities, which priorities should inform the budget for the following year. To ignore the recommendations of this conference is to render the whole exercise inconsequential. Therefore, it is a waste of Community resources to hold such a conference.

The Committee recommends to the Assembly to urge the Council of Ministers to give due regard to the recommendations of the EAC Pre-Budget Conference.

- vii. It was further noted that the EAC Budget for FY 2021/2022 also witnessed a low outturn due to delayed or none remittance of funds by some Partner States and Development Partners. In particular, remittance of funds from the Partner States stood at 58% as of 31st March 2022. As a result, most planned programs/activities were not implemented.
- viii. During our interaction with the Heads of Organs and Institutions, they decried the unfair conduct of the delegates in the Finance and Administration(F&A) Committee of Council during the consideration of the budget estimates. The Committee was informed that members of F&A neither listen to nor accord respect to Heads of Institutions, and as result, they unjustifiably slash the budget of Organs and Institutions. In view of this, the Committee takes exception to the unfair conduct and manner of transacting business by the Finance and Administration Committee of the Council.

The Committee recommends to the Council of Ministers rein in the members of the Finance and Administration Committee with the view of ensuring cordial and harmonious working relations among the Organs and Institutions of the Community.

The Committee also urges the Council of Ministers to always take time to comprehensively scrutinize the reports of the Finance and Administration Committee since some of the recommendations therein may not be for the good of the Community.

- ix. The Committee noted with concern the delayed assent to the EAC Statistics Bureau Bill which was passed by the Assembly in 2018. Whereas Article 63 of the Treaty requires that any Head OF State who has reservations about a Bill passed by the Assembly should write back to the Assembly to reconsider the Bill or a particular provision thereof, no Partner State has raised any reservations and yet the Bill remains unassented to. As a result, such delays affect continue to affect the pace of integration.

The Committee recommends that the Assembly urges the Council of Ministers to urge the Partner States to expedite the process of assenting to the EAC Statistics Bureau Bill to facilitate the operationalization of the EAC Statistics Bureau, which is a key institution under the Monetary Union.

- x. The Committee was informed that at its 47th Extra-Ordinary Meeting, held on 4th – 6th April 2022, the Council of Ministers approved the appointment of 60 new staff in the service of the Community. In December 2022, the 5th Assembly will be inaugurated. However, there is no budgetary provision for the procurement of the requisite IT equipment such as laptops, computers, and printers for Members of the 5th Assembly and the newly recruited staff.

The Committee recommends that funds be provided by the Council of Ministers from the General Reserve through a supplementary budget in FY 2022/23 to facilitate the procurement of IT equipment for Members of the 5th Assembly and the newly appointed staff.

- xi. The Committee noted that despite several requests to review the terms and conditions of Members of the Assembly, the Judges of EAJ, and staff of the Community, the Council of Ministers seems not to consider this as a priority. Available evidence indicates that persons in the service of the are the least remunerated compared to other regional economic blocks. The Committee was informed that the salaries of the EAC Staff salaries have remained stagnant since 2009 despite the rising cost of living and increased inflation worldwide.

The Committee recommends that in FY 2022/23, the Council of Ministers should prioritize the review of the terms and conditions of service of persons in the service of the Community with a view of enhancing their remuneration.

7.0 CONCLUSION

The Committee, therefore, recommends that the Assembly considers and adopts this report and approves the EAC Budget for FY 2022/23 together with the schedule to the EAC Appropriation Bill 2022 as indicated below:

SN	ORGAN/INSTITUTION	AMOUNT
001	East African Community Secretariat	45,137,041
002	East African Court of Justice	3,803,836
003	East African Legislative Assembly	15,086,640
004	Lake Victoria Basin Commission	8,289,474
005	Inter-University Council of East Africa	10,566,869
006	Lake Victoria Fisheries Organisation	2,807,083

007	East African Science and Technology Commission	1,725,256
008	East African Kiswahili Commission	1,284,219
009	East African Health Research Commission	1,867,665
010	East African Competition Authority	1,011,132
	TOTAL	91,579,215

Rt. Hon. Speaker, I beg to submit.