


EAST AFRICAN COMMUNITY
EAST AFRICAN LEGISLATIVE ASSEMBLY

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REPORT OF THE COMMITTEE ON GENERAL PURPOSE ON THE EAST
AFRICAN COMMUNITY BUDGET ESTIMATES FOR REVENUE AND
EXPENDITURE FOR THE FINANCIAL YEAR 2023/2024

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|  THE NATIONAL ASSEMBLY | |
| DATE: 03 AUG 2023 | |
| DAY: Thursday | |
| TABLED BY: | Hon Naomi Wago, MP Deputy Majority Whip |
| CLERK-AT-THE-TABLE: | Anne Shubuko |

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

22nd June 2023

100

ACRONYMS

| | |
|----------|--|
| ACE | African Higher Education Centers of Excellence |
| AfCFTA | African Continental Free Trade Area |
| AfDB | African Development Bank |
| AUC | African Union Commission |
| CASSOA | Civil Aviation Safety and Security Oversight Agency |
| CTC | Counsel to the Community |
| DRC | Democratic Republic of Congo |
| EACA | East African Competition Authority |
| EAHRC | East African Health Research Commission |
| EAHRJ | East African Health Research Journal |
| EACJ | East African Court of Justice |
| EAKC | East African Kiswahili Commission |
| EALA | East African Legislative Assembly |
| EAMS | East African Monitoring Systems |
| EASTECCO | East African Science and Technology Commission |
| EASTRIP | East Africa Skills for Transformation and Regional Integration Project |
| EU | European Union |
| ICT | Information, Communication and Technology |
| IGAD | Inter Governmental Authority on Development |
| ILO | International Labour Organisation |
| IUCEA | Inter-University Council for East Africa |
| IMF | International Monetary Fund |
| LVBC | Lake Victoria Basin Commission |
| LVB | Lake Victoria Basin |
| LVFO | Lake Victoria Basin Commission |
| MDAs | Ministries Departments Agencies |
| MTEF | Medium Term Expenditure Framework |
| PWDs | Persons with Disabilities |
| REACH | Regional East African Community Health |
| READSCoR | Regional East African Disease Surveillance, Control Response |

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|---------|--|
| RECs | Regional Economic Communities |
| RFU | Regional Facilitation Unit |
| RUFORUM | Regional Universities Forum for Capacity Building in Agriculture |
| SPS | Sanitary and Phytosanitary |
| STEM | Science, Technology, Engineering and Mathematics |
| STI | Science, Technology and Innovation |
| TSMs | Technical Support Missions |
| TVET | Technical and Vocational Education and Training |
| UN | United Nations |
| USAID | United States Agency for International Development |
| USD | United States Dollars |
| WTO | World Trade Organisation |

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 2023/2024 on 26th May 2022. Accordingly, the Rt. Hon. Speaker referred the Annual Estimates of Revenue and Expenditure of the East African Community for the FY 2023/2024 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. 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 Secretary General, Heads of Organs and Institutions and other relevant officers of the Community.
- b) Scrutinized and considered the following documents:
 - (i) The Policy Statement by the Secretary General on the EAC Budget for FY 2023/2024;
 - (ii) The EAC Budget Summaries for FY 2023/2024;
 - (iii) The EAC Summary of activities – MTEF for FY 2023/2024;
 - (iv) The EAC Annex to the Budget for FY 2023/2024 (Detailed MTEF);
 - (v) The EAC Budget Performance for July 2022 – March 2023;
 - (vi) The EAC Project Financial Statement for the FY 2023/2024;
 - (vii) The EAC Annual Operational Plan for FY 2023/2024;
 - (viii) The Pre Budget Conference Report for FY 2023/2024;
 - (ix) The Progress Report for July 2022 – March 2023;
 - (x) Extract of the 48th Extra Ordinary Meeting of Council of Ministers Report;
 - (xi) The Staff Recruitment Plan for 2023/2024;
 - (xii) The Procurement Plan for 2023/2024;
 - (xiii) The EAC Appropriation Bill for FY 2023/2024; and
 - (xiv) The EAC Budget Speech for FY 2023/2024.

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 2022/2023

According to the Secretary General, during the year 2022/2023, the Community has so far achieved the following:

(a) Strengthening of regional governance, political commitment, accountability, and inclusivity to improve peace and security in the build up to an EAC Political Confederation.

- (i) Relaunch of the Nyerere Center for Peace and Research on 6th February 2023.
- (ii) National consultations for the Republic of Kenya undertaken from 8th – 27th May 2023.
- (iii) Deployment of an EAC Election Observation Mission to the Republic of Kenya General Elections in August 2022.
- (iv) Deployment of an EAC Regional Force in Eastern DRC which in the first six months made tremendous achievements including the cease fire, withdrawal by M23 in territories previously occupied and ongoing inter Congolese Dialogue between the DRC Government and armed groups, civil societies, religious groups and victims of human rights abuse.
- (v) Increased internal institutional mechanisms on strengthening Organisational systems.

(b) Increased visibility, knowledge, awareness and participation of the Private Sector, citizens and other stakeholders in the EAC integration process.

- (i) The Secretariat issued 80 press releases and held 48 media briefings. More than 30 news stories were either published or aired in the print and electronic media in the region.
- (ii) 6,700 people were sensitized on EAC integration during study tours to EAC HQs and exhibitions to showcase the EAC integration.
- (iii) Livestreamed key EAC events to enhance visibility.
- (iv) Production and distribution of various promotional materials.

(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.

- (i) The EAC total trade increased by 13.4 per cent to USD 74.03 billion in 2022 from USD 65.268 billion in 2021. In 2022, EAC total exports to the rest of the world were valued at USD 20.139 billion, while total imports from the rest of the world into the EAC amounted to USD 53.891 billion.
- (ii) Total intra EAC trade grew by 11.2 per cent to USD 10.910 billion in 2022 from USD 9.810 billion in 2021. The major intra EAC traded products are cereals, cement, iron and steel, live animals, petroleum products, sugar, foods and beverages.

- (iii) Resolved 23 out of 32 Non Tariff Barriers (NTBs) that were reported. The remaining nine (9) NTBs are at different stages of resolution.
- (iv) Organised the 22nd Micro Small Medium sized Enterprises (MSMEs) Trade Fair in Kampala, Uganda that was attended by 1,500 exhibitors from all the Partner States. The fair provided an opportunity for exhibitors to showcase and sell locally made products, build cross border linkages and technology transfer.
- (v) Harmonized 172 standards for the commonly traded goods and about 86% of the adopted standards were harmonized and implemented across the Partner States in accordance with the Standardisation Quality Assurance Metrology and Testing (SQMT) Act 2006.
- (vi) Partner States continued with the issuance of the East African e-passport. Burundi, Kenya, Rwanda, Uganda and Tanzania have phased out the old machine readable passports. South Sudan and the Democratic Republic of Congo are yet to commence on the issuance of the East African e-passport.

d) Improvement of productivity, value addition, promotion of regional supply chains, local content and domestication of regional commitments to improve socio-economic welfare of East Africans.

- (i) Developed simplified guidelines on rules, procedures and regulations to enhance participation of agricultural related MSMEs in cross border trade, and
 - (ii) Coordinated the establishment of regional and national industry platforms comprising public and private sectors in leather, pharmaceuticals, fruits and vegetables and automotive.
- (e) **Leveraging on new technologies to support the migration of production and service delivery to digital platforms and enhance e-business opportunities.**

The East African Science and Technology Commission (EASTECO) convened the first EAC Regional Youth Innovation Forum and Exhibition, which was attended by over 500 participants, hosted 40 innovation exhibitors.

(f) Strengthening of the Global Health Agenda for the EAC Region

- (i) Developed and launched the digital version of the Zanzibar scorecard for tracking the progress of Reproductive, Maternal, New born, Child and Adolescent Health (RMNCAH).
- (ii) Trained 150 young researchers under the Young East African Research Scientists (YEARS) in research ecosystem skills.

(g) Implementation of the Road Map for the attainment of the EAC Monetary Union

Bills for the establishment of two institutions of the East African Monetary Union (EAMU) were passed by the East African Legislative Assembly in November 2022 and are now awaiting assent to by the Summit of EAC Heads of State. The two Bills are: The EAC Surveillance, Compliance and Enforcement Commission; and the East African Financial Services Commission.

(h) **Improvement of quality multi- sectoral strategic infrastructure and related services to support and accelerate sustainable regional integration and competitiveness.**

- i. Construction of the 400 Km Malindi- Lunga Lunga and Tanga Bagamoyo Road continues with EUR 375 million funding from AfDB and EU.
- ii. Construction of the Kabingo-Kasulu- Manyovu (260km) in Tanzania and Gitaza – Rumonge (45km) in Burundi is ongoing with USD322.35 million funding from AfDB.
- iii. Installed two additional meteorological radar stations in Kigoma and Mbeya, Tanzania.
- iv. Installed 342 automatic weather stations and 143 automatic rain gauges by Partner States.

(i) **Political Confederation**

EAC undertook national consultations on the Constitution of the EAC Confederation in the Republic of Kenya in May 2023.

The Community also received:

- (i) a title deed for a 125 acre parcel of land in Kisongo, Arusha, Tanzania.
- (ii) 4500 meters square in Zanzibar, Tanzania for the East African Kiswahili Commission.
- (iii) Approximately 6.1 acres land in Bujumbura, Burundi for the East African Health Research Commission.
- (iv) Approximately two (2) acres leasehold in Nairobi, Kenya for the CASSOA center for Aviation Medicine.

4.0 STATUS OF CONTRIBUTION BY PARTNER STATES

Table F1A: 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 2022/2023 | CONTRIBUTION PAID 2022/2023 | | TOTAL OUTSTANDING |
|---------------------------------|------------|----------------------------|-----------------------------|------|-------------------|
| | | | | | |
| 1. Republic of Burundi | 5,067,447 | 7,352,124 | 2,989,219 | 41% | 9,430,352 |
| 2. Democratic Republic of Congo | - | 7,352,124 | - | 0% | 7,352,124 |
| 3. Republic of Kenya | - | 7,352,124 | 7,352,104 | 100% | 20 |
| 4. Republic of Rwanda | - | 7,352,124 | 6,431,735 | 87% | 920,389 |
| 5. Republic of South Sudan | 22,064,510 | 7,352,124 | - | 0% | 29,416,634 |
| 6. United Republic of Tanzania | - | 7,352,124 | 7,350,209 | 100% | 1,915 |

| | | | | | |
|-----------------------|-------------------|-------------------|-------------------|------------|-------------------|
| 7. Republic of Uganda | - | 7,352,124 | 6,083,626 | 83% | 1,268,498 |
| Total | 27,131,957 | 51,464,868 | 30,206,893 | 59% | 48,389,932 |

Table:F1B. Inter University Council of East Africa (IUCEA)

| PARTNER STATE | ARREARS | CONTRIBUTION DUE 2022/2023 | CONTRIBUTION PAID 2022/2023 | | TOTAL OUTSTANDING (IUCEA Budget) |
|---------------------------------|-------------------|----------------------------|-----------------------------|------------|----------------------------------|
| | | | | | |
| 1. Republic of Burundi | 6,382,127 | 644,223 | 514,254 | 80% | 6,512,096 |
| 2. Democratic Republic of Congo | - | 644,223 | 0 | 0% | 644,223 |
| 3. Republic of Kenya | (1,925) | 644,223 | 644,194 | 100% | (1,897) |
| 4. Republic of Rwanda | 3,395,153 | 644,223 | 644,148 | 100% | 3,395,228 |
| 5. Republic of South Sudan | 2,819,803 | 644,223 | | 0% | 3,464,026 |
| 6. United Republic of Tanzania | 761 | 644,223 | 642,945 | 100% | 2,038 |
| 7. Republic of Uganda | 4,223 | 644,223 | 447,919 | 70% | 200,526 |
| Total | 12,600,141 | 4,509,559 | 2,893,460 | 64% | 14,216,240 |

Table:F1C. Lake Victoria Fisheries Organisation (LVFO)

| PARTNER STATE | ARREARS | CONTRIBUTION DUE 2022/2023 | CONTRIBUTION PAID 2022/2023 | | TOTAL OUTSTANDING (LVFO Budget) |
|--------------------------------|----------------|----------------------------|-----------------------------|------------|---------------------------------|
| | | | | | |
| 1. Republic of Burundi | 500,903 | 465,500 | 140,724 | 30% | 825,679 |
| 2. Republic of Kenya | 6 | 465,500 | 465,494 | 100% | 12 |
| 3. United Republic of Tanzania | 31 | 465,500 | 464,957 | 100% | 574 |
| 4. Republic of Uganda | - | 465,500 | 356,461 | 77% | 109,039 |
| Total | 500,940 | 1,862,000 | 1,427,636 | 77% | 935,304 |

Table: F1D. Civil Aviation Safety and Security Agency (CASSOA)

| PARTNER STATE | ARREARS | 0 | 0 | | TOTAL OUTSTANDING (IUCEA Budget) |
|------------------------|---------|---------|---------|------|----------------------------------|
| | | | | | |
| 1. Republic of Burundi | 96,830 | 448,793 | 0 | 0% | 545,623 |
| 2. Republic of Kenya | - | 448,793 | 448,793 | 100% | - |

| | | | | | |
|--------------------------------|------------------|------------------|------------------|------------|------------------|
| 3. Republic of Rwanda | - | 448,793 | 448,793 | 100% | - |
| 4. Republic of South Sudan | 1,234,802 | 448,793 | | 0% | 1,683,595 |
| 5. United Republic of Tanzania | - | 448,793 | 316,195 | 70% | 132,598 |
| 6. Republic of Uganda | - | 448,793 | 448,793 | 100% | 0 |
| Total | 1,331,632 | 2,692,758 | 1,662,574 | 62% | 2,361,816 |

Source: EAC Secretariat

4.1 BUDGET PERFORMANCE REVIEW FOR THE FY 2022/2023

Mid-Year Budget Performance Review FY 2022/2023

The budget performance for EAC Organs and Institutions for the period from 1st July to 31st December, 2022 is indicated in the table below:

Table 2: Budget Performance Report, July to December 2022

| # | Organ/Inst'n Name | Funding Source | Approved Budget for the FY | Amount disbursed in USD | Expenditure to 31/12/22 | Budget still available | Budget utilised in % | Comment |
|---|--|----------------------|----------------------------|-------------------------|-------------------------|------------------------|----------------------|---|
| 1 | EAC-Secretariat | Partner States | 18,540,224 | 8,953,125 | 7,998,884 | 10,541,340 | 43% | Reasonable level of execution of activities |
| | | Development Partners | 28,741,276 | 5,636,962.02 | 4,176,657 | 24,564,636 | 23% | See Note (2) below |
| 2 | East African Court of Justice | Partner States | 3,803,836 | 2,054,071 | 2,280,899 | 1,522,936 | 60% | Extra Court Session |
| 3 | East African Legislative Assembly | Partner States | 17,404,409 | 12,465,527 | 8,982,524.98 | 8,421,884.02 | 52% | Reasonable level of execution of activities |
| 4 | Lake Victoria Basin Commission | Partner States | 4,068,590 | 2,424,539 | 1,243,000 | 2,825,590 | 31% | Procurement of contractor for construction of LVBC HQ Phase 11 is ongoing |
| | | Development Partners | 3,193,617 | 1,351,461 | 462,194 | 2,731,425 | 15% | See Note (2) below |
| 5 | Inter-University Council for East Africa | Partner States | 3,865,315 | 2,893,460 | 1,761,059 | 2,104,256 | 46% | Reasonable level of execution of activities |
| | | Member Universities | 495,870 | 195,489 | 142,672 | 353,198 | 29% | Efforts are being made |

| # | Organ/Inst'n Name | Funding Source | Approved Budget for the FY | Amount disbursed in USD | Expenditure to 31/12/22 | Budget still available | Budget utilised in % | Comment |
|----|--|------------------------------|----------------------------|-------------------------|-------------------------|------------------------|----------------------|---|
| | | | | | | | | to improve collections from Member Universities |
| | | Reserves for HQ Construction | 2,000,000 | 2,000,000 | 200,942 | 1,799,058 | 10% | Still Contracting process |
| | | Development Partners | 4,205,684 | 1,365,690 | 1,058,293 | 3,147,391 | 25% | |
| 6 | Lake Victoria Fisheries Organization | Partner States | 1,862,000 | 1,407,717 | 699,856.53 | 1,162,143.47 | 38% | 20%PS contribution was released in last month of the second quarter, activities implemented as per approved work plan |
| | | Development Partners | 945,083 | 455,659.19 | 365,692.78 | 579,390.22 | 39% | activities implemented as per approved work plan |
| 7 | East African Science and Technology Commission | Partner States | 1,725,256 | 926,357 | 791,935 | 923,321 | 46% | Reasonable level of execution of activities |
| 8 | East African Health Kiswahili Commission | Partner States | 1,284,219 | 659,897 | 596,000 | 688,219 | 47% | Reasonable level of execution of activities |
| 9 | East African Health Research Commission | Partner States | 1,867,666 | 1,004,672 | 606,982 | 1,260,684 | 32% | See Note (1) below |
| 10 | East African Competition Authority | Partner States | 1,075,732 | 580,895 | 496,765 | 578,967 | 46% | Reasonable level of execution of activities |
| | TOTAL-EAC | | | | | | | |

Source: EAC Secretariat

Note:

(1) Moderate budget absorption rate by Organs and Institutions on activities funded by the Partner States is mainly attributed to challenges in delayed remittances. Even though the overall budget performance outlook is for the 6 months, the majority of the activities are anticipated to be carried out in the remaining quarters of the FY2022/2023 (January - June 2023).

(2) Underspending on activities funded by Development Partners is mainly attributed to variations in budget cycles of the EAC and development partners. It is expected that absorption rate will improve in quarter 3 and 4.

5.0 BUDGET ESTIMATES FOR THE FINANCIAL YEAR 2023/24

The Council of Ministers requests the Assembly to approve a total budget of **USD 103,842,880** for the FY 2023/2024 as compared to **USD 91,579,215** the FY 2022/2023 as shown in the table below.

Table 3: Summary of the Proposed Financial Year 2023/2024 EAC-Budget in Comparison to FY2022/23

| PLANNED EXPENDITURE | | | | | | | | |
|---|-------------------|-------------------------|-------------------|-------------------|-------------------------|--------------------|-------------------|------------|
| Organ/ Institution | FY 2022/2023 | | | FY 2023/2024 | | | Change | |
| Description | Partner States | Development Partners | Total | Partner States | Development Partners | Total | USD | % |
| EAC- Secretariat | 17,009,349 | 28,127,692 | 45,137,041 | 19,596,177 | 31,335,376 | 50,931,553 | 5,794,512 | 13% |
| East African Court of Justice | 3,803,836 | | 3,803,836 | 4,450,488 | | 4,450,488 | 646,652 | 17% |
| East African Legislative Assembly | 15,086,640 | | 15,086,640 | 17,681,365 | | 17,681,365 | 2,594,725 | 17% |
| Lake Victoria Basin Commission | 4,068,589 | 4,220,885 | 8,289,474 | 3,217,940 | 5,254,040 | 8,471,980 | 182,506 | 2% |
| East African Science & Technology Commission | 1,725,256 | | 1,725,256 | 2,016,543 | | 2,016,543 | 291,287 | 17% |
| East Africa Kiswahili Commission | 1,284,219 | | 1,284,219 | 1,502,535 | | 1,502,535 | 218,316 | 17% |
| East Africa Health Research Commission | 1,867,665 | | 1,867,665 | 2,193,811 | | 2,193,811 | 326,146 | 17% |
| East African Competition Authority (EACA) | 1,011,132 | | 1,011,132 | 1,391,667 | | 1,391,667 | 380,535 | 38% |
| The Inter University Council for EA | 6,361,185 | 4,205,684 | 10,566,869 | 5,005,469 | 7,389,476 | 12,394,945 | 1,828,076 | 17% |
| Lake Victoria Fisheries Organizatio n | 1,862,000 | 945,083 | 2,807,083 | 1,977,016 | 830,977 | 2,807,993 | 910 | 0% |
| Total | 54,079,871 | 37,499,344 | 91,579,215 | 59,033,010 | 44,809,870 | 103,842,880 | 12,263,665 | 13% |

5.1 Table4: Summary of the proposed Revenues Financial Year 2023/2024 EAC-Budget in comparison to FY 2022/23

| EXPECTED REVENUE | | | | | | | | |
|--------------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|--------------------|-------------------|------------|
| SOURCE OF REVENUE | FY 2022/2023 | | | FY 2023/2024 | | | CHANGE | |
| Description | Partner States | Develop Partners | Total | Partner States | Develop Partners | Total | USD | % |
| Ministries for EAC Affairs | 44,112,746 | | 44,112,746 | 51,464,865 | | 51,464,865 | 7,352,119 | 17% |
| Ministries Responsible for Education | 3,865,315 | | 3,865,315 | 4,509,524 | | 4,509,524 | 644,209 | 17% |
| Ministries Responsible for Fisheries | 1,862,000 | | 1,862,000 | 1,862,000 | | 1,862,196 | 196 | 0% |
| Member Universities | 495,870 | | 495,220 | 495,945 | | 495,945 | 725 | 0% |
| Development Partners | | 37,499,344 | 37,499,344 | | 44,809,870 | 44,809,870 | 7,310,526 | 19% |
| Miscellaneous Revenue | 285,740 | | 285,740 | 492,026 | | 491,830 | 206,090 | (85%) |
| General Reserve-IUCEA | 2,000,000 | | 2,000,000 | - | | - | - | - |
| General Reserve-LVBC | 78,200 | | 78,200 | - | | - | - | - |
| General Reserve-EAC | 1,380,000 | | 1,380,000 | 208,650 | | 208,650 | (1,171,350) | (85%) |
| Total | 54,079,871 | 37,499,344 | 91,579,215 | 59,033,010 | 44,809,870 | 103,842,880 | 12,263,665 | 13% |

Source: EAC Secretariat

5.2 PRIORITY AREAS AND PROGRAMMES FOR THE BUDGET FOR FY 2023/24

The Budget for the financial year 2023/24 has been prepared in line with the Global/Sector specific priority areas and targets agreed upon during the Pre-Budget Conference held from 22nd – 23rd September 2022 and adopted by the 43rd Ordinary Meeting of the Council of Ministers, as well as directives and decisions of the Council and Summit.

In the FY 2023/24, the Community will focus on the following key priority areas:

- Strengthening of regional governance processes, and domestication of regional and international commitments for sustainable peace and stability;
- Increasing sensitisation, visibility, knowledge, awareness and participation of the private sector, citizens and other stakeholders in the EAC integration process;
- Harmonisation of trade related policies, laws and regulations, and streamlining of customs and trade facilitation systems for increased trade and investment;

- d) Harmonisation of fiscal and monetary policies, and establishment of requisite institutions towards the realisation of the East African Monetary Union;
- e) Leveraging modern technologies to enhance productivity, value addition and to promote regional supply and value chains and digital platforms;
- f) Enhancement of the regional productive capacity and increase in value addition to improve the economic welfare of East Africans;
- g) Strengthening of social sectors to improve the social welfare of East Africans;
- h) Improvement and expansion of quality multi-modal and multi-sectoral infrastructure to support free cross border movement;
- i) Strengthening of the capacity of all EAC Organs and Institutions to effectively discharge their mandate; and
- j) Finalise negotiations on admission of the Federal Republic of Somalia to the East African Community.

5.3 Expected Outcomes in the Financial Year 2023/2024

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) Expansion of the Community to include more Partner States;
- c) Increased awareness and active participation of the Private Sector, citizens and other stakeholders in the EAC integration process;
- d) Increased EAC intra-trade and enjoyment of freedoms and rights under the Common Market Protocol;
- e) Improved productivity, value addition, promotion of regional supply chains, local content leading to improvement of the socio-economic welfare of East Africans;
- f) Increased level of e-business opportunities resulting from the migration of production and service delivery to digital platforms;
- g) Strengthened Global Health Agenda for the EAC Region;
- h) Enhanced implementation of the Road Map for the attainment of the EAC Monetary Union;
- i) Improved quality multi-sectoral strategic infrastructure and related services to support and accelerate sustainable regional integration and competitiveness; and
- j) Strengthened capacity of all EAC Organs and Institutions to effectively execute their mandates; and
- k) With increased number of Partner States, to consider increased space within the EAC Headquarters to accommodate the new staff and members.

5.4 Key Challenges

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

- a) Delays in disbursement of Partner States' contributions to the EAC Budget which results in delayed implementation of regional commitments;
- b) The persisting delay in concluding the development of a sustainable financing mechanism which is seriously impacting on the process of EAC's integration;
- c) Lags in implementation of the Common Market Protocol (CMP) by Partner States mainly due to lengthy procedures for amending national policies, laws and regulations to conform to the Protocol and inadequacy of resources to support implementation of the CMP; and
- d) Lack of an effective mechanism for enforcement of the Community's decisions and directives.

5.5 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 as provided in the EAC Financial Rules and Regulations (2012);
- b) Expediting the consultations of the Partner States on the proposed Sustainable Financing Mechanism for the Community to be adopted by the Council and approved by the Summit;
- c) Continuous engagement with development partners to support the EAC projects and programmes;
- d) Engagement with Partner States to improve the linkage between regional and Partner States planning frameworks through the development of EAC country specific programmes to guide the implementation of regional commitments at national level; and
- e) Comprehensive review of the EAC Treaty to enhance its robustness, align it to the current realities in the seven Partner States and include an enforcement mechanism.

6.0 PROPOSED BUDGET ALLOCATION AND PLANNED ACTIVITIES/OUTPUTS IN FY 2023/2024

6.1 EAC-SECRETARIAT

The EAC-Secretariat requests the approval of **USD 50,931,553** for the FY 2023/2024. This amount has been allocated to the Offices as indicated below:

- i. Consultative dialogue forums held at the national and regional levels;
- ii. Participate in EALA plenary sessions;
- iii. Developing and strengthening the capacity of all EAC Organs and Institutions to effectively execute their mandate;
- iv. To convene EAC Audit and Risk Committee meetings;

- v. To convene an Annual EAC Secretary General's Forum for Civil society, Private Sector and other interest groups;
- vi. To convene 2 Heads of State Summits;
- vii. To convene a retreat of Attorneys General, Solicitors General, Permanent Secretaries, Judicial Officers and Legal Fraternity to discuss new legal developments in the EAC;
- viii. To coordinate and represent EAC in high level donor engagements;
- ix. To facilitate HR team to attend meetings of the Council, Sectoral Council Audit and Risk Committee and EALA for the agenda concerning HR matters.

6.2 EAST AFRICAN LEGISLATIVE ASSEMBLY (EALA)

The Council proposes the approval of **USD 17,681,365** for the Assembly to implement among others, the following key programmes/activities in 2023/2024:

- i. Enactment of the remaining Bills that are pre-requisite for the establishment of the third Pillar of Integration (the Monetary Union);
- ii. Enhance its oversight function to ensure that the people of East Africa benefit fully from the implementation of the Common Market rights and freedoms;
- iii. Strengthen its collaboration with National Legislatures of the EAC Partner States to improve popular participation of people in the integration process through their elected representatives;
- iv. Fast-track the implementation and operationalization of its administrative and financial autonomy granted by Council in its 33rd meeting held on 29th February, 2016;
- v. Amend the EALA Rules of Procedure;
- vi. Prepare and submit proposals to amend the EAC Treaty;
- vii. Audit the implementation of Assembly Resolutions and recommendations;
- viii. Audit the status of Bills un-assented to;
- ix. Develop its 4th Strategic Plan (2024 – 2029);
- x. Build capacity for the Members of the 5th Assembly and staff to effectively and efficiently discharge its cardinal mandate of legislation, oversight and representation;
- xi. Organize the 16th EAC Bureau of Speakers in Juba, South Sudan;
- xii. Organize the 13th EAC Inter-Parliamentary Games in Kigali, Rwanda.

6.3 EAST AFRICAN COURT OF JUSTICE (EACJ)

The Organ requests the approval of **USD 4,450,488** for FY 2023/2024 to implement among others, the following key programmes/activities:

- i. Sessions of the 1st Instance Division including the November session in the Republic of Rwanda which shall require all Judges and staff's participation
- ii. Sessions of the Appellate Division including the November Session in the Republic of Rwanda which shall require all Judges and staff's participation

- iii. Validation of draft EACJ Strategic Plan, FY 2023-2028.
- iv. The 3rd Annual Judicial Symposium which shall take place in the Republic of Rwanda.
- v. The training of Judges of the EACJ on Arbitration and Mediation.
- vi. Facilitation of Court Clerks during EACJ'S exchange programme.
- vii. Participation of Judges and the Registrar at six (6) fora and statutory meetings of the EAC.
- viii. Convene two Plenary Sessions.

6.4 LAKE VICTORIA BASIN COMMISSION (LVBC)

The Commission requests the approval of **USD 8,471,980** for FY 2023/2024 to implement the following key programmes/activities:

- i. Attend oversight meetings including EALA Committee on Audited Accounts, EAC Audit & Risk
- ii. Committee meetings to facilitate fiduciary management
- iii. Review LVBC key operating systems for existence, compliance and efficiency (- asset verification and risk management).
- iv. Convene a consultative workshop of Project partners to design a research grants programme for masters and PhD students in EAC/LVB universities on Environment, Climate Resilience, Agriculture & Water.
- v. Convene Semi-annual Knowledge for experience sharing and learning events for LVB researchers and practitioners.
- vi. convene two regional meeting to facilitate Establishment of an LVB institutional network with relevant technical institutions on Agriculture and water modeling and forecasting.
- vii. Facilitate collaboration between the national and the international network-led Agriculture systems for up-scaling modeling and simulation for food and fodder crops in LVB.
- viii. Facilitate quarterly meetings of the core group of the scaleWAYS Community of Practice to foster joint planning, collaboration and learning.

6.5 INTER- UNIVERSITY COUNCIL FOR EAST AFRICA (IUCEA)

The Institution requests the approval of **USD12,394,945** for the FY 2023/2024 to implement among others, the following key programmes/activities:

- i. To carry out the midterm evaluation of the Strategic Plan
- ii. At least bi-annual RSC meetings are held offering implementation guidance to RFU
- iii. Bi-annual Technical Advisory Meetings are held with all ACEs in attendance
- iv. Facilitate staff (IUCEA and Project) capacity building
- v. Facilitate the operations of RUFORUM/RTOs.
- vi. Facilitate the verifications of project results
- vii. Facilitation of meetings and workshops.

- viii. Implement project communication strategy
 - ix. Participate in agricultural regional meetings and conferences and exhibitions
 - x. Publication of policy briefs
 - xi. Undertake Technical Support Missions (TSMs) to ACEs
 - xii. Experts and Staff visit to 8 incubation and acceleration centers
 - xiii. Facilitate networking and partnership platform
 - xiv. Facilitation of female students awarded scholarships to attain a master's degree
 - xv. Facilitation of trainings and mentorship events
 - xvi. Organize 2 write shops for ACEs and other partners, to develop concept notes and project proposals
-
- xvii. Facilitation of business incubation and acceleration including linkages with private sector and investors and forums such as the high-level platform.
 - xviii. Conduct an annual beneficiary satisfaction survey
 - xix. Coordinate and facilitate bi-annual EASTRIP Technical and dissemination workshop
 - xx. Enhance human capacity building for RFU/IUCEA project staff -Project coordinator , M&E , Accountant, Communication officer and audit assistant

6.6 LAKE VICTORIA FISHERIES ORGANIZATION (LVFO)

The Organisation requests the approval of **USD2,807,993** to implement among others, the following key activities/programmes in FY 2023/2024:

- i. Sensitising stakeholders on fish flows and linkages for enhanced access external markets;
- ii. Installation of solar drying equipment in the Partner States;
- iii. Sensitising stakeholders on solar dryer technologies for enhanced fish quality and safety;
- iv. Developing standards and guidelines for quality assessment of sall fish with associated capacity building;
- v. Supporting the Partner States in developing country specific Aquatic Animal Health strategies and surveillance, control and contingency plans;
- vi. Supporting TVETs to deliver tailor made courses to aquaculture business operators and national fisheries officers in the EAC; and
- vii. Develop a regional framework for synchronised to conduct of fisheries enforcement.

6.7 EAST AFRICA SCIENCE AND TECHNOLOGY COMMISSION (EASTEKO)

The Commission requests the approval of **USD2,016,543** for the FY 2023/2024 to implement among others, the following key programmes/activities:

- i. Development and piloting of a regional STI Indicator data Management infrastructure
- ii. Roll-out of a comprehensive Regional STI data Indicator and web-based database system
- iii. Assessment for the establishment of Centers of Excellence for Adaptation & Transfer of Manufacturing & Industrial Technologies in the EAC Region

- iv. Identification, transfer and diffusion of technology solutions in processing, conservation and distribution of agricultural products for use by SMEs and farmers
- v. Development of a portfolio of technology tools for adaptation to climate change in the energy and environmental sectors
- vi. Conduct online training on entrepreneurship skills for 450 youth innovators for creativity and job creation
- vii. Support to 2 Partner States to develop the National Bioeconomy Policies
- viii. The development of 2nd State of the Bioeconomy in Eastern Africa Report
- ix. Data collection and update EAC Regional Bioeconomy Observatory Knowledge Sharing Portal with data and information.
- x. Publish four issues of the East African Journal of Science, Technology and Innovation
- xi. Grant three multidisciplinary collaborative research and development projects
- xii. Design and implement a regional STEM information management system that captures STEM interventions, initiatives, programs and activities at all levels for dissemination
- xiii. Convening of the 3rd STI Conference and Exhibition
- xiv. Training of at least 400 researchers in scientific writing
- xv. Assessment of the status of indigenous knowledge and technologies practices in the EAC
- xvi. Identification of centers of excellence for the Fourth Industrial Revolution
- xvii. Convening of the ICT working Group meeting to provide general direction to the regional ICT programme
- xviii. Regional Innovation hub validation to strengthening the Regional Networks of ICT Hubs

6.8 EAST AFRICA KISWAHILI COMMISSION (EAKC)

The Commission requests the approval of **USD 1,502,535** to fund the implementation of the following programmes/activities in FY 2023/2024:

- i. Hold Meeting of Regional Organizing Committee for the 2nd EAC World Kiswahili Language Day Celebrations.
- ii. Hold 2nd EAC World Kiswahili Language Day Celebrations.
- iii. Conduct Regional Meeting of Experts/Stakeholders to validate the Draft EAC Treaty in Kiswahili.
- iv. Convene National Meetings to Validate Draft 2nd EAKC Strategic Plan.
- v. Convene Regional Stakeholder Meetings to validate the Draft 2nd EAKC Strategic Plan
- vi. Hold National Meeting for Kiswahili Stakeholders in DRC.
- vii. Convene Regional Consultative meeting of Kiswahili Experts/stakeholders on the Development of Regional Kiswahili Language Policy.
- viii. Hold the 2nd EAKC International Kiswahili Conference.
- ix. Dissemination/Awareness Creation (to stakeholders) on EAKC Kiswahili Training Programs and Manuals.

- x. National Sensitization and Training for Kiswahili Stakeholders in DRC.
- xi. Development of Kiswahili Training Program and Manual for DRC.
- xii. Validation of EAKC Kiswahili Training Program and Manual for DRC.
- xiii. Preparatory Meetings for 2nd EAKC International Kiswahili Conference.
- xiv. Preparatory Meetings for 3rd EAC World Kiswahili Language Day.

6.9 EAST AFRICAN HEALTH RESEARCH COMMISSION (EAHRC)

The Commission requests the approval of **USD 2,193,811** for the implementation of among others, the following programmes/activities in FY 2023/2024:

- i. Recruit a new cohort of 42 (6 from each Partner State in the 7 EAC PS) Young East African Research Scientists and 210 Master Students (5 Master Students per young researcher)and strengthen them in leadership, mentorship and research ecosystem skills;
- ii. Continue publishing the health research findings of the region through the EAHRC journals and develop policy briefs for evidence-based policy formulation and good practice.
- iii. Resource mobilization to implement the health programs of the Digital Regional East African Community Health (REACH) initiative;
- iv. Conduct needs assessment of the existing assets and policies in EAC Partner States in order to identify and address the gaps in developing the Regional East Africa Health Cloud.
- v. Conduct situation analysis of disease outbreaks in EAC region in order to set up the Regional East Africa Disease Surveillance, Control and Response (READSCoR).
- vi. Harmonization of the ethics and regulatory frameworks, guideline and tools for health research.
- vii. To publish at least 3 issues of the East African Health Research Journal (EAHRJ) annually.

6.10 EAST AFRICAN COMPETITION AUTHORITY (EACA)

The Authority requests for the approval of **USD 1,391,667** to fund the implementation of the following programmes/activities FY 2023/2024:

- i. Investigate and analyse merger and acquisition notification application, Restrictive trade Practices, Abuse of dominance and consumer cases
- ii. Developing toolkits to facilitate enforcement for example Fines and penalties guidelines, Exemption guidelines
- iii. Development of second EACCA Strategic Plan 2024/25-2028/29
- iv. Sensitization and awareness creation on competition matters to all the relevant stakeholders
- v. Capacity building of stakeholders especially in Partner States without competition laws/agencies

- vi. Concluding cooperation frameworks with Partner States premised on section 43 of the EAC Competition Act.

7.0 SPECIFIC OBSERVATIONS AND RECOMMENDATIONS

Duplication of programs/unrealistic programs/activities

A reivew of the planned programs and activity under the EAC Secretariat and other Institutions revealed the following:

- (i) There is a lot of travels yet some of the activities can be done at the Headquarters of the EAC or relevant Institutions. This explains the high expenses on air tickets and per diem.
- (ii) There is duplication of activities.
- (iii) A lot of expenses are being incurred on rent.
- (iv) A lot of expenses on printing, protocol, ushers.
- (v) Some of the activities are highly costed.
- (vi) Most of the programs/activities are not aligned to the four pillars of the EAC Integration.
- (vii) Most of the programs/activities do not have measurable/tangible outputs.
- (viii) The budget is not gender sensitive. No specific initiatives to promote and support women and youth programs in the Community.

In view of the above, the Committee recommends that the Assembly approves the reallocation of funds for programs/activities as per Annex 1 of this report.

7.2 EAST AFRICAN COURT OF JUSTICE (EACJ)

Additional days for Court Sessions

The Committee was informed that as at 10th June 2023, there was a backlog of 265 cases at both the 1st Instance and Appellate divisions of the East African Court of Justice and this has led to delay in the dispensation of justice. The Committee noted that despite persistent requests from the EACJ for enhanced funding to enable the Courts clear case backlog and dispense justice in a timely manner, the Council of Ministers has continued to ignore this noble request.

Whereas the Committee appreciates the need to increase funding to the EACJ for the effective discharge of its mandate, a review of its budget for 2023/24 revealed that there are some programs/activities that are not very critical to the enhancement of the mandate of the Court. These programs/activities include: attending Commonwealth meetings. Given the scarcity of funds in the Community, there is need to reallocate the budgets of these activities to provide resources for additional days for Court sessions to clear case backlog. The cost of ten additional days is USD 102,500.

The Committee also noted that **USD 76,650** has been earmarked for validation of the EACJ Strategic Plan. It is the considered view of the Committee that this activity should be done virtually and the money be reallocated within the EACJ to cater for additional days for court sittings to clear case backlog.

The Committee recommends that the Assembly approves the reallocation of USD 76,650 (from the activity of validation of strategic plan) and USD 25,850 (from the activity of attending Commonwealth meetings) within VOTE 002 – EACJ to provide USD 102,500 for ten (10) additional days of Court sittings to clear case backlog (Annex 1).

7.3 EAST AFRICAN LEGISLATIVE ASSEMBLY

Persistent and unjustified reduction in the budget of the Assembly

The Committee noted that the Council has persistently and unjustifiably reduced the budget of EALA to the extent of removing critical budget lines. In FY 2012/13 when EALA had membership from only five Partner States, its budget was USD 19M compared to USD 17M in 2023/24 with membership from seven Partner States. This unjustified reduction in funding substantially impedes the functioning of the Assembly. Among others, the following were noted:

i. Facilitation of the Office of the Speaker

It was noted that, since 2020, there has been a considerable reduction in funds allocated to facilitate the Speaker of the Assembly in the discharge of his duties. The Committee noted that there is disparity in facilitating the various Heads of Organs and

Institutions of the Community. In the case of EALA, it negatively affects the visibility and relevance of the Assembly in the integration process.

The Committee recommends that the Assembly urges the Council of Ministers to provide additional funding to the Office of the Speaker in a supplementary budget in FY 2023/24 to enhance the functionality, visibility and effectiveness of the Assembly.

ii. Reduction in Plenary Sitzings

There is reduction in the number of plenary sessions. At the 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. The budget under consideration provides for four plenary sessions of fourteen days each which makes it 56 day, yet Rule 10(6) of the Rules of Procedure of the Assembly provides that the Assembly shall have not less that eighty (80) sittings in a given financial year.

The Committee recommends that the Council provides an additional USD 1,642,300 in a supplementary budget in FY 2023/24 to enable the Assembly hold eighty (80) plenary sittings as per the provisions of Rule 10(6) of the Procedure of the Assembly.

iii. Reduction in Work Days for Committees

According to the budget estimates, there is a reduction in the number of days that the Committees of the Assembly will take to carry out oversight activities and public hearings in Partner States. It should be recalled that Committee work days which were seven (7) up to 2017, were reduced to four (4) by the Council of Ministers. It is unrealistic for the Council to expect a Committee of the Assembly to travel to all the seven Partner States in four days (including the days of travel). According to the submission of the Clerk of EALA, the cost of three additional days for the six Committees of the Assembly is USD 825,360.

In accordance with Article 49(2)(g) of the Treaty and Rule 10(6) of the Rules of Procedure of the Assembly, the Committee recommends that the Assembly approves a reallocation of USD 597,461 for additional work days for the Committees of the Assembly as per Annex 1 of this report to enable Members have reasonable time to do quality work.

iv. **Annual EAC/EALA Inter-Parliamentary Games**

Article 49 (2) and 65 of the Treaty enjoins the Assembly to establish functional relations with national parliaments of the EAC partner states. To achieve this, the Assembly devised the annual EAC parliamentary games through which Members of Parliament from the EAC national parliaments and EALA meet to further advance the EAC integration agenda through the games' pre-conference activities, outreach activities to the communities where the games occur and through free entrance for communities to the games' venue. The budget line for the activities is for 9 days and yet the EAC Speakers Bureau resolved that the games be undertaken in twelve (12) days and not nine (9) days. Therefore, a budget of USD 216,200 is required for an additional twelve (3) days.

The Committee recommends that the Assembly urges the Council of Ministers to provide a sum of USD 216,000 through a supplementary budget in financial year 2023/24 for three additional days for the Inter-Parliamentary Games.

v. **Sensitization of the EAC citizenry**

Article 49(2)(a) of the Treaty enjoins the Assembly to, among others, liaise with National Assemblies, Partner States and other stakeholders on matters of integration. In fulfilment of this Treaty obligation, EALA has always organized and participated in two (2) major public outreach and sensitization activities every financial year. This program affords opportunity to Members of the Assembly to take the EAC directly to the citizens and other key stakeholders, and also enlist their views on the integration process. For the last two financial years the Council has not provided funds to the Assembly to undertake sensitization which is EALA's representative role. The activity was omitted from this financial year's budget and therefore constitutes a funding gap of USD 630,000.

The Committee recommends that the Assembly urges the Council of Ministers to provide a sum of USD 630, 000 in a supplementary budget in the FY 2023/24 to enable the Assembly carry out sensitization in Partner States.

vi. **Annual EAC/EALA Inter-Parliamentary Relations Seminar (Nanyuki Series)**

Article 49 (2)(a) and 65 of the Treaty obligates the Assembly to establish functional relations with national parliaments of the EAC Partner States. To achieve this, the Assembly devised the annual Nanyuki series and inter-parliamentary liaison committees as well as the East African Parliamentary Institute, the annual EAC parliamentary games and the bi-annual EAC Speakers Forum. This serves as an opportunity for EALA to interact with national parliaments to deepen the EAC integration agenda and to further entrench the EAC at Partner State levels. A budget of USD 291,000 is therefore required for the Assembly to undertake this activity in four days.

The Committee recommends that the Assembly urges the Council of Ministers to provide a sum of USD 291, 000 in a supplementary budget in FY 2023/24 to enable the Assembly convene the Annual EAC/EALA Inter-Parliamentary Relations Seminar (Nanyuki Series).

vii. **Arrears for Staff of the Assembly**

In accordance with EALA's Calendar of Activities, the Assembly carried out a number of activities during the covid-19 pandemic between March 2020 – November 2020. Among these were Plenary and Committee meetings which were facilitated by members staff. Whereas Members of the Assembly were paid their outstanding arrears in September 2022, the staff are yet to be paid a sum of USD 116,900 as per **Annex 2** of this report. During debate on the same matter in the House in June and November 2022 in Arusha and Kigali respectively, the Chair Council noted that staff of the Assembly deserve their pay and made a commitment to ensure it is honoured.

The Committee recommends that the Assembly approves a reallocation of a sum of USD 116,900 within VOTE 003 - East African Legislative Assembly as per Annex 1 of this report for the payment of the outstanding arrears for staff of the Assembly.

viii. **Aides to Members of EALA with Disabilities**

In line with Article 50 of the Treaty that provides for the participation of special interest groups in seeking elective posts at EALA, Hon. Kasamba Mathias (Uganda) and Hon. Bahati Alex (Rwanda) were elected to the 4th Assembly (2017 -2022). In the same vein Hon. Alex Bahati and Hon. David Ole Sankok(Kenya) were elected to the 5th Assembly(2022 - 2027 to represent Persons with Disabilities(PWDs).

The Treaty, UN Conventions, African Charters and national laws of Partner States espouse the rights of working PWDs, besides warranting affirmative action to the benefit of PWDs. Taking this into account, the Council in 2008 appointed an Aide to Hon. Dr. Ndahiro. However, the Council has not accorded the same treatment to the aforementioned Members of the 4th and 5th Assembly.

The Committee recommends that the Assembly urges the Council to:

- 1. Approve the retrospective appointment of Aides for the late Hon. Mathias Kasamba, Hon. Alex Bahati and Hon. Ole David Sankok.***
- 2. approve the outstanding arrears of emoluments of these Aides and an extra budgetary requirement of emoluments for the Aides of the two Members in a supplementary budget for FY 2023/2024***

7.4 EAST AFRICAN SCIENCE AND TECHNOLOGY COMMISSION(EASTEKO)

(i) A Bloated Board

The Protocol for the establishment of EASTECO provides for the establishment and constitution of a governing board with seven representatives from each Partner State. The the current board has forty-nine (49) members. Besides posing a big challenge during decision making, such a bloated board is a big liability to the Community given the enormous financial expenses associated with its operations. Whereas the Committee was informed that a raft of amendments to the Protocol have been proposed, there is no clear timeframe within which these amendments will be finalised and effected.

The Committee recommends that the Assembly urges the Council of Ministers to expedite the amendment of the Protocol for the establishment of EASTECO by June 2024 to provide for, among others a lean board.

(ii) Multi-disciplinary collaborative research and development project

According to the budget estimates, EASTECO intends to implement the three multidisciplinary collaborative research and development project grants at a cost of USD 120,000. However, the Executive Secretary informed the Committee that the tools and instruments for the implementation of Research and Development are not yet in place.

The Committee was also informed that among the critical unfunded priorities of EASTECO is the implementation of **the EAC Regional Youth Innovation and Entrepreneurship Skills Development Programme** which is a flagship programme of EASTECO and falls in the core mandate of EASTECO and benefits the majority of EAC youth citizens for creativity and job creation.

The programme will also stimulate and support young innovators in generating scientific and technologically innovative solutions to social needs and market demand and turning them into successful ventures. It will further help in identifying and supporting regionally relevant youth innovations that address socio-economic challenges in the Community and support their commercialization and business growth, strengthen the entrepreneurship skills capacity for youth creativity and job creation, facilitate access to, peer to peer learning mentorship.

The Committee therefore recommends that a sum of USD 120,000 that was initially earmarked for the multi-disciplinary collaborative research and development project be reallocated within EASTECO(Annex 1) to facilitate the implementation of the EAC Regional Youth Innovation and Entrepreneurship Skills Development Programme in FY 2023/24 as follows:

- i. Identify and support talented youth innovators in developing scientific, technological, and innovative solutions for societal needs = US\$21,000.***
- ii. Convene 2nd Youth Innovation Forum in May 2024 for nurturing talent youth and accelerating innovation start-ups. US\$90,000.***
- iii. Youth Innovation awards (2 best innovators from each Partner State awarded) US\$35,000.***

7.5 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 implementation of this 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; developing EAC Kiswahili language Policy; developing EAC Language Policy and capacity building.

With the admission of the Democratic Republic of Congo and her full participation in the programs and activities of the Community, it is obvious that the two official languages will be used alongside the English language on a regular basis. However, the Council was non-committal on the timeframe for the amendment of the Treaty to give effect to the use of Kiswahili and French as additional official languages of the Community.

The Committee recommends that the Assembly urges the Council to expedite the amendment of the Treaty and approval of the aforementioned policies to give effect to the use of Kiswahili and French as additional official languages of the Community.

8.0 GENERAL OBSERVATIONS AND RECOMMENDATIONS

- (i) According to the Budget Estimates for financial year 2023/24, out of a total sum of USD 103,842,880, a total sum of USD 57,836,389 will be contributions from Partner States which represents 55.6% of the total budget. Other sources of funds will be: Development Partners USD 44,809,870; EAC General Reserve Fund USD 208,650; Member Universities of IUCEA USD 495,945; Interests and Proceeds from Disposals USD 384,366; and Road Agencies from Partner States USD 107,660.
- (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 growth 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 remarkable decrease in the annual financial contributions of Partner States towards the EAC. The Committee questions the rationale for the creation of more institutions when the existing ones are not reasonably funded.

- (iii) Whereas the Committee was informed that there is ongoing consultations among Partner States, on the sustainable financing mechanism, the Council of Ministers need to appreciate urgency of finalising this matter given the timelines of the pillars of integration.

The Committee recommends that the Assembly urges the Council of Ministers to expedite the finalisation of a sustainable financing mechanism for the Community.

- (iv) No effort has been made to sanction the non-compliant Partner States. 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 Community. Owing to delayed or non-remittance of funds by some Partner States, the Community continues to make unrealistic budgets with most of the programs remaining unimplemented at end of each financial year.

- (v) Whereas the Committee was informed that the Council of Ministers embarked on drafting a schedule of sanctions against non-compliant Partner States in 2020, this exercise is taking long to finalise.

The Committee recommends that the Assembly urges the Council of Ministers to expedite the finalisation of a schedule of sanctions against Partner States that fail to honour their obligations to the Community.

- (vi) It was further noted that the EAC Budget for FY 2022/2023 registered a low outturn due to delayed or non-remittance of funds by some Partner States and Development Partners. In particular, remittance of funds from the Partner States stood at 57% as at 30th March 2023. As a result, most planned programs/activities were not implemented.

(vii) There is persistent dependence on donor-funding which undermines the sustainability of the EAC integration. The Committee noted that our strategic programmes under Customs and Trade, Statistics, Productive and Social Sectors will receive about 85% of their funding from development partners in financial year 2023/24. This calls for the fasttracking of the finalisation of the sustainable financing mechanism.

(viii) A review of the budget estimates further revealed that all the planned resource mobilisation initiatives in financial year 2023/24 are geared towards meeting with, either potential development partners or existing ones outside the Community. There is not even a single planned initiative to mobilise resources within the Partner States. There is need to come up with a clear mechanism of mobilising funds from the Partner States.

(ix) The Committee observed that most of the programmes/activities under the Peace and Security department are funded by development partners. Peace and security has been acknowledged as critical to creation of the right environment upon which regional integration in all aspects can be fostered. Given the strategic importance of this sector, the Council of Ministers should ensure that this department is allocated enough funds from Partner States contributions.

(x) It was also noted that the Productive and Social Sectors are perpetually under-funded yet it is recognised that the sub-sectors like agriculture, food security and rural development, industrialization and energy are vital to the sustainable development of the region. There is need to increase funding for these sectors.

9.0 OTHER SPECIFIC RECOMMENDATIONS

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

1. In accordance with Article 49(2)(b) and 132(5) and Section 4 of the EAC Budget Act, the Assembly approves the reallocation of funds within, from and to the various Organs and Institutions of the Community to implement programs/activities as indicated in **Annex 1** of this report. It is important to note that the reallocation schedule in Annex 1

agreed upon with the Chair Council and the Secretary General in a meeting held on 21st June 2023.

2. The Assembly approves the allocation of a total sum of **USD 103,757,584** to the Organs and Institutions of the Community for the implementation of various programs and activities in the in financial year 2023/24 as indicated below:

Table 5: Allocation of Funds in the EAC Budget for the FY 2023/24

| Vote | Organ/Institution of EAC | Amount in USD |
|-------------|--|----------------------|
| 001 | EAC – Secretariat | 50,261,996 |
| 002 | East African Court of Justice | 4,450,488 |
| 003 | East African Legislative Assembly | 18,278,826 |
| 004 | Lake Victoria Basin Commission | 8,458,780 |
| 005 | Inter-University Council for East Africa | 12,394,945 |
| 006 | Lake Victoria Fisheries Organisation | 2,807,993 |
| 007 | East African Science and Technology Commission | 2,016,543 |
| 008 | East African Kiswahili Commission | 1,502,535 |
| 009 | East African Health Research Commission | 2,193,811 |
| 010 | East African Competition Authority | 1,391,667 |
| | Total | 103,757,584 |

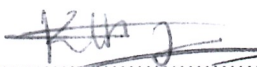

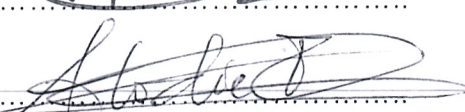

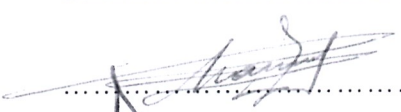
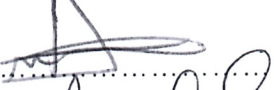


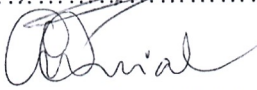
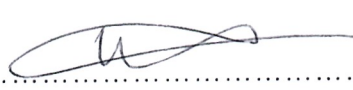
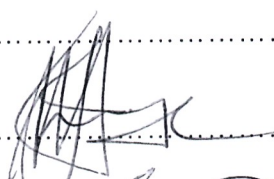

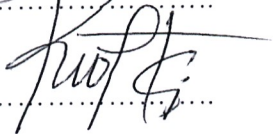
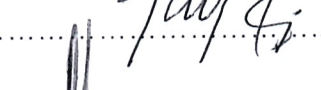
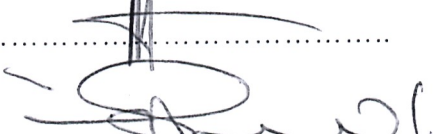


3. The Assembly effects the changes in the above specific recommendations No.1, No.2 during the Committee of Supply and the Second Reading of the EAC Appropriation Bill, 2023, (Bill Committee Stage).

4. The Assembly directs the Clerk of the Assembly to transmit to the Secretary General within twenty-four hours after the approval of the Appropriation Bill, a schedule of reallocations for appropriate adjustments in the EAC Budget Management System.
5. The Assembly directs the Clerk of the Assembly to transmit copies of this report to all the Heads of Organs and Institutions.
6. The Assembly directs the Secretary General to:

 - (i) make appropriate adjustments in the EAC Budget Management System to accommodate the reallocations as appropriated by the august House.
 - (ii) submit and lay before the Assembly the final signed copy of the approved budget at the first sitting of the of the Assembly in FY 2023/24.
7. The Assembly adopts the Committee report and approves the EAC Appropriation Bill, 2023 with the above amendments.

Mr. Speaker Sir, I beg to report.

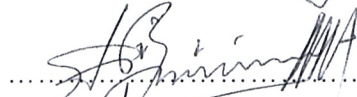
REPORT OF THE COMMITTEE OF GENERAL PURPOSE ON THE EAC BUDGET
ESTIMATES FOR REVENUE AND EXPENDITURE FOR FY 2023-2024

1. Hon. Kennedy Mukulia Ayason 
2. Hon. Aboubakar A. Kachwamba 
3. Hon. Alex Bahati 
4. Hon. Alodie Iradukunda 
5. Hon. Amb. Fatuma Ndangiza 
6. Hon. Anastase Manirambona 
7. Hon. Dennis Namara 
8. Hon. Dr. Abdullah Makame 
9. Hon. Dr. Saidi Kibeya 
10. Hon. Francois M. Ngate 
11. Hon. Gai Deng Nhial 
12. Hon. Godfrey Maina Mwangi 
13. Hon. Jeremie Maswama 
14. Hon. Kanini Kega 
15. Hon. Khalfan Ngole Mashaka 
16. Hon. Kim Gai 
17. Hon. Paul Mwasa Musamali 
18. Hon. Rose Akol Okullu 

19. Hon. Stella Nyota Mwetaminwa

.....


20. Hon. Victor Burikukiye

.....


21. Hon. Winnie I. Odinga

.....

Annex 1

SCHEDULE FOR REALLOCATION

(i) FROM ORGAN/INSTITUTION TO ORGAN

| SN | ACTIVITY DESCRIPTION | REALLOCATED FROM | center: | AMOUNT IN USD | JUSTIFICATION | REALLOCATED TO |
|----|---|------------------|---------------------|--|--|--|
| 1. | To attend coordination meetings with regional and continental partners (RECS, AUC, IGAD, AfCFTA) Page 10-11 detailed MTEF. | Cost 0110101 | SGs Office | Amount in the budget: 63,750 Amount to be reallocated: 16,500 | There is a mis-match between the number of days and the tickets provide for the SG? The number of DSA days are 15 while the tickets are 20. Need to reallocate business class air tickets 16,500 that cover for 15 tickets. | EAST AFRICAN LEGISLATIVE ASSEMBLY Additional funding for Committee activities for oversight, public hearing and legislative work: |
| 2. | Convene an annual EAC Secretary General's Forum for Civil Society, Private Sector and other interest groups Pg.14 detailed MTEF | Cost 0110101 | center: SG's Office | Amount in the budget: 51,100 Amount to be reallocated: 51,100 | This is an annual event and funds were appropriated for the same in the supplementary budget that was passed on 15 th June 2023. | USD 597,461 |
| 3. | Convene one (1) Annual town Hall Engagement Forum to be attended by EAC Organs, Institutions, MEACAs, EACJ and 1 (one) Regional Media Editors Forum in Arusha | Cost 0110101 | center: SG's Office | Amount in the budget: 62,100 Amount to be reallocated: 31,000 | It should be held in Arusha immediately after the pre-budget conference to cut the cost of air tickets and DSAs for Secretariat staff. | |

Page 16 detailed MTEF.

| | | | | | |
|----|--|--|--|---|--|
| 4. | To coordinate and represent EAC in high level donor engagements Page 65, 67 & 69 of the detailed MTEF. | Cost center: 011020 Customs, and Affairs DSG Trade Monetary Office Cost center: 0110202 DSG Customs, Infrastructure, Productive, Social Office Cost center: 0110203 Director General, Corporate Services Office | Amount in the budget: 22,800 Amount to be reallocated: 22,800 | This activity is a duplication because the same activities are budgeted for under under the Office of the SG. It is the SG who is mandated to do resource mobilisation. | |
| 5. | Review and update job descriptions manual Page 72 detailed MTEF | Cost center: 0120101 Human Resource & development | Amount in the budget: 98,020 Amount to be reallocated: 68,000 | The participants in this activity are the technical heads of organs and institution who draw facilitation from their own Votes. The activity therefore can be done virtually or in Arusha to save on costs for DSA and Air tickets. Funds were appropriated for the same activity in the Supplementary budget approved on 15 th June 2023. | |
| 6. | To facilitate staff recruitment process and relocation Page 81 detailed MTEF | Cost center: 0120101 Human Resource & Development | Amount in the budget: 294,000 Amount to be reallocated: 147,000 | | |

| | | | | |
|-----|--|--|--|---|
| 7. | Ensure the EAC mails and parcels are delivered effectively Page 97 detailed MTEF | Cost center: 0120107 Management Information | Amount in the budget: 90,724 Amount to be reallocated: 45,362 | Some mails should be sent electronically where applicable. |
| 8. | Facilitate Meetings of the Audit and Risk Committee and EALA Accounts on Accounts Page 114 detailed MTEF | Cost center: 0120201 Accounts | Amount in the budget: 50,600 Amount to be reallocated: 50,600 | This activity is already budgeted for on page 28-30 of the detailed MTEF. The said officers have never attended EALA's Accounts Committee meetings. The budget for the Audit Commission and related activities is domiciled under EALA and is provided for in the budget. |
| 9. | To procure bags for EALA Budget approval and Budget Office equipment and Accounts Department desktops and laptops Page 124 detailed MTEF | Cost center: 0120202 Budget Office | Amount in the budget: 34,400 Amount to be reallocated: 34,399 | There is no need to buy budget bags every financial year. There is a budget for procurement of desktops and laptops under the ICT department in the Secretariat. |
| 10. | To conduct impact assessment of the previous development strategies. To conduct a mid-term review of the 6 th Development Strategy Page 149 detailed MTEF | Cost center: 0130102 Monitoring and Evaluation | Amount in the budget: 270,900 Amount to be reallocated: 117,500 | There is duplication of activities. The formulation of the 6 th EAC Dev't Strategy was preceded by assessment of the previous EAC development strategies. The activity should be undertaken using USD 153,400 |

| | | | | |
|--|---|--|--|--|
| 11. | Conduct internal audit reviews and inspections for donor funded projects and programmes for assurance and advisory services (Donors) Page 748 detailed MTEF | Cost center: 0411400 Internal Audit (LVBC) | Amount in the budget: 13,200 Amount to be reallocated: 13,200 | The activities to be audited under this programme are donor funded. The financing agreement usually provides for audit of such activities. |
| TOTAL | | | 597,461 | |
| Note: 1. Under the EAC Secretariat there is a budget of USD 170,592 to pay office rent at the Arusha International Conference Center (AICC). The space being rented is too big for a few staff. It was agreed that only USD 85,296 be approved for rent for 6 months to allow the staff relocate to the EAC Headquarter building. A balance of USD 85,296 will go to the General Reserve. | | | | |
| (ii) REALLOCATION WITHIN ORGAN/INSTITUTION | | | | |
| | Organ/Institution | Programme from which to reallocate | Amount in USD | Justification |
| 12. | EAC Secretariat | Cost center: 0120105 Estates Management Payment of Insurance of Fidelity and Cash in Transit Page 95 detailed MTEF. | Amount in the budget: 16,000 Amount to be reallocated: 16,000 | The budget provides for a sum of USD 11,000 for the same activity under the Accounts department on page 115 of the detailed MTEF EAC Secretariat (Gender & Community Development Department) To convene multisectoral meeting to incorporate the policy aspects of the DRG in the strategic plan for Gender, Youth, children, Persons with Disabilities, Social Protection, Community Development and Civil Society Mobilization |

| | | | | | |
|-----|--|--|--|--|---|
| 13. | EACJ | To validate the draft EACJ strategic plan for the FY 2023-2028 Page 590 detailed MTEF. | Amount in the budget: 76,560 Amount to be reallocated: 76,560 | This should be done virtually. | To provide additional resources to convene ten additional sittings of EACJ to clear case backlog USD 102,410 |
| 14. | East African Legislative Assembly | To facilitate staff to attend Plenary sessions and Committee Meetings in Partner States Page 661 detailed MTEF. | Amount in the budget: 364,500 Amount to be reallocated: 116,900 | Whereas Members of the Assembly were paid their arrears, staff were not. This is a long outstanding obligation. | To settle the outstanding arrears for staff of the Assembly for facilitating the Assembly and its committees in March 2020 – November 2020. |
| 15. | East African Science and Technology Commission | Grant multidisciplinary collaborative research and development projects Page 1107 detailed MTEF. | Amount in the budget: 120,000 Amount to be reallocated: 120,000 | The appropriate instruments to guide the implementation are yet to be developed. The EAC Regional Youth Innovation and Entrepreneurship Development Programme is a very critical activity which is unfunded and yet it is very core to the mandate of EASTECO. | All the USD 120,000 should be reallocated to implement The EAC Regional Youth Innovation and Entrepreneurship Development Programme (Refer to the detailed activities in the report). |

ANNEX 2

SCHEDULE OF ARREARS FOR EALA STAFF: USD 116,900.

| DATE | DETAILS OF THE ACTIVITY | AMOUNT IN USD | AMOUNT IS USD |
|---------------------------|--|---------------|-------------------|
| 18 - 21.4.2020: | EAC PHARMACEUTICAL BILL - GPC | | |
| | Per diem USD 350 * 4 days * 1 staff | | 1,400 |
| | Per diem USD 250 * 4 days * 2 pax | 2,000 | 3,400 |
| 22 – 25.04.2020: | CONSIDERATION OF THE COUNCIL REPORT ON EAC COMMON FOREIGN AND SECURITY POLICIES | | |
| | Per diem USD 350 * 4 days | | 1,400 |
| | Per diem USD 250 * 4 days | 1,000 | 2,400 |
| 17 – 22.05.2020: | SENSITISATION ACTIVITY | | |
| | Per diem USD 350 * 6 days * 2 staff | | 4,200 |
| | Per diem USD 250 * 6 days * 5 staff | 7,500 | 11,700 |
| 29 - 30.6.2020 | EAC Vote on Account | | |
| | Per diem USD 350 * 2 days * 1 staff | | 700 |
| | Per diem USD 250 * 2 days * 2 staff | 1,000 | 1,700 |
| 12.08.2020: | Special Sitting - EAC Annual Budget Estimates for 2020/21 | | |
| | | | (Vote on Account) |
| | Per diem for Prof Staff USD 350 * 5 pax * 1 day | | 1750 |
| | Per diem for Gen Staff USD250 * 7* 1 day | 1,750 | 3,500 |
| 13 - 25.08.2020: | General Purpose Committee - EAC Annual Budget Estimates 2020/2021 | | |
| | Per diem USD 350 * 13 days * 1 staff | | 4,550 |
| | Per diem USD 250 * 13 days * 2 staff | 6,500 | 11,050 |
| 28.08.2020: | General Purpose Committee - EAC Annual Budget Estimates 2020/2021 | | |
| | Per diem USD 350 * 1 day * 1 staff | | 350 |
| | Per diem USD 250 * 1 day * 2 staff | 500 | 850 |
| 31.8 - 16.9.2020: | General Purpose Committee - EAC Annual Budget Estimates 2020/2021 | | |
| | Per diem USD 350 * 19 days * 1 staff | | 6,650 |
| | Per diem USD 250 * 19 days * 2 staff | 9,500 | 16,150 |
| 25.9 - 15.10.2020: | Special Sitting - EAC Annual Budget for 2020/2021 | | |
| | Per diem USD 350 * 21 days * 4 staff | | 29,400 |
| | Per diem USD 250 * 21 days * 7 staff | 36,750 | 66,150 |
| TOTAL | | 36,750 | 116,900 |