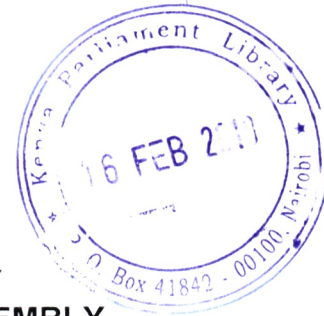




**EAST AFRICAN COMMUNITY  
EAST AFRICAN LEGISLATIVE ASSEMBLY**



**A RESOLUTION OF THE ASSEMBLY URGING THE COUNCIL OF MINISTERS TO IMMEDIATELY COMPEL PARTNER STATES TO FULLY MEET THEIR FINANCIAL OBLIGATIONS TO THE EAC BUDGET FOR FINANCIAL YEAR 2016/2017 (Moved under Rule 30(L))**

**BY HON. NANCY ABISAI, adopted by the House on 16<sup>th</sup> March, 2017**

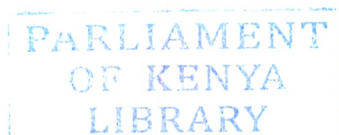
**WHEREAS** ARTICLE 132 (L) of the Treaty for the establishment of the East African Community (the Treaty) provides that there shall be a budget for the organs and institutions of the Community; AND this being the basis for annual appropriations;

**AND WHEREAS** a total sum of USD.41, 890,538 was approved as the budget of the EAC organs and institutions to be funded by equal contributions from Partner States to cater for the Secretariat, the East African Legislative Assembly, the East African Court of Justice, the Lake Victoria Basin Commission, the Kiswahili Commission, the Science and Technology Commission, the Health Research Commission and the Competition Authority;

**AWARE** that to-date a total sum of USD.18,644,645 only has so far been remitted to the EAC accounts representing a 44.51% contribution thereby leaving an outstanding total sum of USD.24,016,930 as at the last quarter of the financial year which , represents 55.5% in arrears;

**FURTHER AWARE THAT** the Council of Ministers previously resolved that all Partner States should be fully paid up by 30<sup>th</sup> December every financial year to enable the Community to function and operate smoothly;

**CONCERNED** that to –date, the partner states have not met their obligations as directed by the Council of Ministers;



**AND FURTHER CONCERNED** that non action towards the Council's directive has led to an amazingly shocking levels of arrears by the Partner States for the budget of the FY/2016/2017 in which each partner state is required to pay \$8,378,108 as follows:

1. Republic of Kenya has contributed \$4,395,707 (52.47%) leaving an outstanding of \$3,982,400 (47.53%)
2. United Republic of Tanzania has contributed \$2,553,203 (30.47%) leaving an outstanding of \$5,824,905 (69.53%)
3. Republic of Uganda has contributed 7,668,419 (91.53%) leaving an outstanding of \$709,689 (8.47%)
4. Republic of Rwanda has contributed \$4,027,316 (48.07%) leaving an outstanding of \$4,350,791 (51.93%)
5. Republic of Burundi has not contributed any amount to this financial year's budget (0.00%) leaving an outstanding of \$8,378,108 (100%) excluding arrears for the previous year amounting to \$771,037.

The above scenario means that out of total contribution of \$41,890,538 by all Partner States, they have only been able to pay \$18,644,645 representing 44.51% leaving \$24,016,930. This figure excludes the Lake Victoria Fisheries Organization which has so far received \$455,486 (29%) out of a budget of \$1,554,207 excluding arrears of \$969,433. It also excludes the Inter University Council for East Africa which has received \$1,066,445 (26%) out of a budget of \$4,121,967. This excludes the arrears of previous years amounting to \$10,945,835. The projections do not include CASSOA which is a self-accounting institution of the EAC.

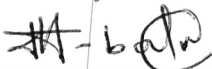
**DEEPLY CONCERNED THAT** the non or delayed remittance of funds and recurring of the problem has completely disrupted activities of the Community; it has led to non-payment of entitled allowances; it has led to non-payment of service providers; it has led to delayed payment of personnel emoluments; it is causing persistent accumulation of debts; and overall, it is seriously affecting the EAC integration process, particularly for those organs and institutions that mostly depend on Partner State funding;

**NOW THEREFORE**, this Assembly do resolve as follows:-

1. We urge the Council of Ministers to immediately convene under matters of urgency to resolve the financial crisis in EAC by ensuring immediate and full disbursement of funds to EAC organs/ institution as per the approved budget.

2. We urge the Council of Ministers to look into avenues that will comprehensively address this issue once and for all and to ensure that it does not recur;
3. We urge the Council of Ministers to be proactive ensuring that this matter is on the agenda of the next EAC Summit meeting as a priority and matter of urgency and public importance.
4. We urge the Council of Ministers to, in accordance with Article 143 of the Treaty, recommend to the Summit to take action in regard to the Partner States defaulting at meeting their financial obligations.
5. We urge that the Assembly appoints a Select Committee to urgently and fully interrogate the causes of the obtaining financial crisis and propose measures to be taken to address the causes.
6. We urge that the Council immediately avails resources to the Select Committee to start work and report in the next Plenary.

**CERTIFIED BY:**



DATE: 16 MARCH 2017

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**ALEX OBATRE**

**DEPUTY CLERK OF THE ASSEMBLY**