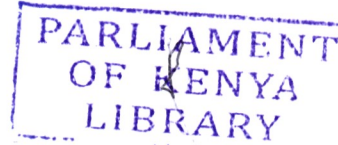


EAST AFRICAN COMMUNITY
EAST AFRICAN LEGISLATIVE ASSEMBLY

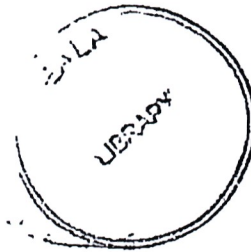
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COMMITTEE ON GENERAL PURPOSE

REPORT OF THE COMMITTEE ON GENERAL PURPOSE ON
SUPPLEMENTARY BUDGET REQUESTS NUMBER TWO AND
THREE FOR THE FY 2022/2023 (THE EAC SUPPLEMENTARY
APPROPRIATION BILLS (NO. 1 AND 2), 2023

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



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

15th June 2023

1.0 INTRODUCTION

Mr. Speaker Sir,

In accordance with the provisions of Articles 49(2)(b) and 132 of the Treaty for the Establishment of the East African Community, Sections 4 and 7 of the East African Community Budget Act, 2009 and Rules 78 (1) (b) and Annex 5 (f) of the Rules of Procedure of the Assembly, I beg to present to the House the Report of the Committee on General Purpose on the two Supplementary Budget requests for the Financial Year 2022/2023 for consideration and adoption.

2.0 BACKGROUND

On the 23rd day of June 2022, the Assembly approved a total sum of **USD 91,579,215** as the budget of the Community for the financial year 2022/2023.

At its meeting held on 12th July 2022, the Council of Ministers adopted a supplementary budget of **USD 2,620,800** for the various Organs and Institutions for the FY 2022/23. The Chair Council presented this supplementary budget to the Assembly on 31st October 2022 and the Assembly approved it on 3rd November 2022.

At its meeting held on 19th – 23rd February 2023, the Council of Ministers adopted the second supplementary budget of **USD 16,408,045** for the various Organs and Institutions for the FY 2022/23 (***Refer to Annex 1 and the Council Report for details***). On the 4th day of April 2023, the Chairperson, Council of Ministers tabled before the Assembly a request for the above supplementary budget and presented the EAC Supplementary Appropriation Bill (No.1), 2023 for the First Reading.

At its meeting held on 6th April 2023, the Council of Ministers adopted the third supplementary budget of **USD 771,872** for the various Organs and Institutions for the financial year 2022/2023 (***Annex 2***). Subsequent to this, on the 26th day of May 2023, the Chairperson, Council of Ministers tabled before the Assembly a request for the third supplementary budget for the FY 2022/2023 and presented the EAC Supplementary Appropriation Bill (No.2), 2023 for the First Reading.

The Rt. Hon. Speaker referred the two supplementary budget requests and Supplementary Appropriation Bills to the Committee on General Purpose for consideration.

According to the financial statements presented to the Assembly by the Chairperson, Council of Ministers, the source of funding for the two supplementary budgets will be as follows:

(i) EAC General Reserve Fund	-	2,414,562
(ii) Partner States Contributions (DRC)	-	7,996,343
(iii) LVFO -Reserve Fund	-	104,000
(iv) Special Contribution from Uganda	-	61,080
(v) Development Partners	-	6,603,932
Total	-	17,179,917



3.0 METHODOLOGY

During the consideration of the two supplementary budget requests, the Committee:

- (a) Held a meeting with the Council of Ministers on 4th April 2023, in Bujumbura, Burundi;
- (b) Also held meetings in Arusha from 21st – 26th May 2023 and interfaced with the Heads of Organs and Institutions, and other relevant staff of the Community;
- (c) Further interacted with the Chairperson, Council of Ministers and the Secretary General;
- (d) Scrutinized the detailed supplementary budget requests, the Financial Statements and the Bills;
- (e) Received and reviewed submissions by the Heads of Organs and Institutions on the supplementary budgets;

- (f) Made reference to the Treaty, the EAC Budget Act and other relevant laws of the Community.

The Committee finally prepared a report for consideration by the Assembly.

4.0 LAW APPLICABLE

1. Article 132 of the Treaty provides for the sources of funding, and the process of initiating and approving the budget of the Community. Article 132(5) specifically provides that *"the resources of the Community shall be utilised to finance activities of the Community as shall be determined by the Assembly on the recommendation of the Council"*.
2. Section 4 of the EAC Budget Act, 2009 provides for the procedure of tabling and consideration of the budget before the Assembly. This section mandates the Committee on General Purpose to consider, discuss and review the budget and submit its report to the House.
3. Section 4(5) of the Budget Act further provides that, *"In the exercise of their function under this section, a Committee of the Assembly may call a member of the Council, the Secretary General, any person holding office in the Community, or any person holding a public office in the Partner States and private individuals to submit memorandum or appear before it to give evidence"*.
4. Section 7(1) of the EAC Budget Act 2009 provides that, *"The total supplementary expenditure that requires resources over and above what is appropriated by the Assembly shall not exceed 5% of the total approved budget for that financial year without prior approval by the Assembly"*.
5. Section 7(2) of the same Act further provides that, *"Where funds are expended under sub-section (1), supplementary estimates showing the sums spent shall be laid before the Assembly within three months after the money is spent"*.

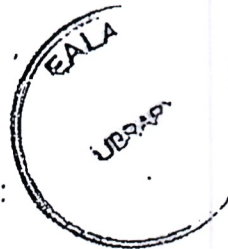
6. Regulation 19(4) of the EAC Financial Rules and Regulations provides thus, "A supplementary budget shall constitute a request submitted by the Secretary General to the Council for additional resources to meet new or existing programmes and activities of the Community within the financial year.
7. The same Regulation 19(5) provides that, "A supplementary budget shall be necessitated by the following events: -
- a) Where voting of additional resources is so urgent that the provision cannot be delayed until the next annual budget is approved; or
 - b) Where the financial resources required cannot be obtained through the budget reallocation process.
8. Another guiding principle in budgeting is that, a supplementary budget can be raised upon securing/collecting additional revenues over and above what was initially budgeted for in a given financial year.

5.0 GENERAL OBSERVATIONS AND RECOMMENDATIONS

The Committee made the following findings, observations and recommendations:

1. *Supplementary Budget vs Approved Budget*

- (i) The total sum of funds so far requested by the Council of Ministers in the three supplementary budgets in the current financial year is **USD 19,800,717** (USD 2,620,800 + USD 16,408,045 + USD 771,872). This translates to 22% of the approved budget of the East African Community for the financial year 2022/23 – **USD 91,579,215**.
- (ii) Whereas supplementary budgets are permissible under the law, it is a violation of prudent budgeting principles for the Community to perennially raise supplementary budgets that provide for capital development expenditure such as construction of buildings and purchase of vehicles, office furniture and equipment. This is proof of poor planning and budgeting or a lack of competent technocrats to appropriately advise the Council of Ministers.



2. Legal Restrictions

- (i) Section 7(1) of the Budget Act provides that "*The total supplementary expenditure that requires additional resources over and above what is appropriated by the Assembly shall not exceed 5% of the total approved budget for that financial year without prior approval of the Assembly*".
- (ii) In his Memo dated 23rd May 2023 addressed to the Secretary General (**Annex 3**), the Chairperson, Committee on General Purpose requested the Secretary General to furnish the Committee with, among others, a schedule of programmes/activities of the Community on which funds requested for under the supplementary budget had been expended, clearly indicating when and where the said activities were undertaken (with evidence). This request was reiterated at our subsequent meetings with the Director Finance and the Secretary General to no avail. At the time of considering this report, no information had been availed.
- (iii) Failure by the Director of Finance and the Secretary General to furnish the Assembly with the above information is proof that all the programmes/activities under the EAC Secretariat which were to be funded under the two supplementary budgets are yet to be implemented. To this end all the money that the Council had earmarked to be drawn from the EAC General Reserve Fund to implement programmes under the EAC Secretariat was presumed to be intact at the time of writing this report.

The Committee therefore recommends that the Assembly urges the Council of Ministers to take disciplinary action against officers of the Community who violate the provisions of Section (7(1) of the EAC Budget Act.

3. The EAC General Reserve Fund

- (i) A review of the two supplementary budget requests and others presented before the House in the last three financial years revealed that the EAC Secretariat is the biggest beneficiary of funding from the General Reserve Fund. For example, in FY 2021/22 out of a total sum of USD 3,518,712 that was drawn from the General Reserve Fund through a supplementary

budget, USD 1,925,612 which represented 55% was allocated to the EAC Secretariat.

- (ii) In the two supplementary budget requests under consideration, the Council earmarked a total sum of **USD 2,414,562** to be drawn from the EAC General Reserve Fund. Out of this figure, **USD 1,433,843** which represents 59.4% was allocated to the EAC Secretariat. The Committee considers this very unfair since the other Organs and Institutions have equally unfunded and underfunded priorities.
- (iii) Whereas the Committee appreciates that the Organs and Institutions of the EAC may not be equally funded due to variation and uniqueness in their respective mandates, the Council and the Assembly should ensure equitable allocation of the scarce resources during budgeting by taking into account the critical unfunded/underfunded priorities of all the Organs and Institutions of the EAC.
- (iv) In his Memo dated 23rd May 2023 addressed to the Secretary General (**Annex 3**), the Chairperson, Committee on General Purpose also requested the Secretary General to furnish the Committee with, evidence, the status of the EAC General Reserve Fund. This request was reiterated in our subsequent meetings with the Director Finance, the Secretary General and the Chair Council to no avail.
- (v) It is important to note that the EAC is an inter-governmental organisation of Partner States that believe in and uphold the rule of law, good governance and accountability. The failure by the Secretary General and the Council of Ministers to furnish the Assembly with the status of the EAC General Reserve Fund is a violation of Section 4(5) of the EAC Budget Act and other laws of the Community that promote transparency and accountability in the management of public funds. It raises serious questions about the integrity of the fund.

The Committee therefore recommends that the august House resolves that the Assembly shall not consider any subsequent budgets of the

EAC until the Council of Ministers submit (with evidence) to the Assembly the status of the EAC General Reserve Fund.

4. Underfunded/Unfunded Priorities

- (i) During the consideration of the EAC Budget for FY 2022/23, the Assembly, together with the Council of Ministers identified and agreed on the underfunded and unfunded priorities of the various Organs and Institutions (refer to the report of the Assembly on the EAC Budget 2022/23). Whereas it was resolved that these programmes/activities be given priority in the supplementary budget of 2022/23, the Council of Ministers, did not consider and prioritise them in the two supplementary budgets under consideration.
- (ii) The above act by the Council of Ministers is be construed as an attempt to undermine the mandate of the Assembly in the budget process or a deliberate attempt to cripple the operations of some Organs and Institutions of the Community.

5. Consideration of the Supplementary budget and the EAC Budget for FY 2023/24

- (i) On the 4th day of April 2023, the Chairperson, Council of Ministers tabled before the Assembly the second supplementary budget. However, the Assembly did not have funds in its budget for the consideration of this request. Upon consultation with the Council of Minister, it was agreed that the Assembly makes appropriate reallocations of **USD 107,900** within the same supplementary budget for the consideration of the same.
- (ii) Owing to the workload during the consideration of the EAC Budget for 2023/24, the EALA Commission granted the Committee on General Purpose three additional days to conclude budget scrutiny. It was agreed that a reallocation of **USD 56,130** be made in the supplementary budget for this purpose.

The Committee recommends that the Assembly approves a rationalization/reallocation of a total sum of USD 164,030 for the consideration of the supplementary budget and the EAC Budget for 2023/24(refer to the rationalization/reallocation schedule).

6. Translation Equipment

- (i) According to the second supplementary budget request, the Council of Ministers earmarked a total sum of **USD 2,969,497** for the procurement and installation of translation equipment in the various Organs and Institution. A review of the budget documents revealed that the allocation of funds to each Organ and Institution for this purpose is as follows: EAC Secretariat - USD 1,223,184; EACJ – USD 244,907; LVBC- USD158,058; EASTECO - USD 167,239; EAKC - USD 86,337; EAHRC – USD 118,300; EACA - USD 80,523; IUCEA - USD 528,639; EALA - USD 362,310.
 - (ii) According to the Secretary General, the above programme is meant to operationalise the Summit directive on formalising the French language as one of the official languages of the Community. While the Committee appreciates this development, the formalisation of French as one of the official languages of the Community can only be regularised through the amendment of the Treaty. The Secretary General is alive to the procedure of amending the Treaty.
 - (iii) The Committee also observed that cost of procuring and installing the translation equipment is very expensive and we could not establish the rationale for this budget line. The Committee was unable to access some of the basic documents such as quotations/invoices from potential suppliers that the Organs/Institutions could have relied on to make such estimates.
 - (iv) The Committee also did not find any rationale for each Organ and institution of the Community to procure and install a sperate set of translation equipment at such an astronomical cost at a time when the Community is grappling with scarce resources and poor remittance of funds by Partner States.
- 1) The Committee recommends that the Assembly stays the approval of all the funds that were earmarked for the procurement and installation of translation equipment.***

- 2) The Committee recommends that the Council expeditiously initiate the process of amendment of the Treaty for the use of Kiswahili and French, as additional official languages of the Community.**

7. Contribution from the Democratic Republic of Congo

- (i) The Democratic Republic of Congo became a member of the EAC in July 2022. According to Article 132(4) of the Treaty, like any other Partner State, the DRC was enjoined to commence honouring her financial obligations to the Community for the financial year 2022/23 with effect from July 2022.
- (ii) According to the second supplementary budget request, the DRC will make a contribution of USD 7,996,345. However, as at 15th June 2023, the DRC had not made any remittance of funds to the Community.
- (iii) A review of the budget documents revealed that 85% of the contribution of DRC towards the Community in FY 2022/23 was earmarked to fund programs/activities aimed at integrating the DRC into the Community whereby 90% of these activities are about sensitisation. These activities which are spread across all Organs and Institutions were found to be either a duplication or overlapping, and do not address the critical needs and goals of the Community.
- (iv) Whereas the Committee appreciates the need to integrate the DRC into the Community, this process must be well guided through proper planning and alignment of these programs/activities with the EAC integration goals. In the absence of a comprehensive roadmap for the integration of DRC into the Community, the Committee is constrained to advise the Assembly to approve funds for the said programs/activities.
- (v) The Committee was also informed by the Heads of Organs and Institutions that given the remaining short time to the end of the financial year, non-remittance of funds by DRC and the procedures of procurement and convening of meetings in the Community, it would not be possible to implement these programs/activities in FY 2022/23.

(vi) The above notwithstanding, the Committee noted that there were some programs/activities under this source of funding whose implementation had commenced and some commitments had already been made (Annex 4). According to the submissions received by the Committee, the following Organs and Institutions had either incurred expenses or made commitments on the basis of DRC's contributions as follows:

- 1) EAC-Secretariat – USD 122,900
 - 2) East African Court of Justice – USD 187,106;
 - 3) East African Legislative Assembly – USD 1,980,480;
 - 4) East African Kiswahili Commission – USD 127,700; and
 - 5) East African Competition Authority – USD 60,550
- Total - USD 2,478,736**

1. The Committee therefore recommends to the Assembly to approve the contribution from DRC towards the second supplementary budget as follows:

(i) A total sum of USD 2,478,736 be allocated to these Organ/Institutions: EAC-Secretariat – USD 122,900; EACJ – USD 187,106; EALA – USD 1,980,480; EAKC – USD 127,700; and EACA – USD 60,550 for the expenses incurred on programs/activities indicated in Annex 4.

(ii) The balance from DRC's contribution to be taken to the EAC General Reserve Fund.

2. The Committee further recommends to the Assembly to urge the Council of Ministers to expeditiously prepare a comprehensive roadmap for the integration of the Democratic Republic of Congo into the Community.

8. Eligibility Test

The laws of the Community provide for the circumstances under which a supplementary can be raised and granted. Regulation 19 of the EAC Financial Rules and Regulations specifically provides that a supplementary budget can be granted if (i) the matter is an emergency - very urgent and (ii) when funds cannot be secured through reallocation within the approved budget. Therefore, the Committee subjected all the programs/activities in the second supplementary budget request to this test and the programs/activities listed in the table below failed the test:

Table: Programs/Activities that failed the eligibility test for supplementary funding

Organ/ Institution	Program/Activity	Funding Source	Amount in USD	Page of the 43 rd Ordinary Meeting Council Report
EAC Secretariat	To facilitate convening Policy Meetings	General Reserve	60,000	84-85
	To facilitate recruitment process for various vacant positions	General Reserve	208,950(98,000 spent)	86-88
	To facilitate Meetings of Permanent Secretaries on Institutional Review Report	General Reserve	90,670	88-89
	To facilitate 2 nd Edition of the EAC Sports Tournament	General Reserve	29,500	90-91
	To facilitate 7 th Annual EAC Secretary General's Forum	General Reserve	17,000	91-92
	To facilitate activities of the Civil Aviation Department	General Reserve	29,950	93-96
	To facilitate activities of the Internal Audit of the Community	General Reserve	39,100	97-98
	To facilitate public relations and publicity	General Reserve	21,900	104

East African Court of Justice	To facilitate the EACJ to procure a motor vehicle	General Reserve	100,000	125
Lake Victoria Basin Commission	To facilitate accreditation of LVBC	General Reserve	31,000	141
East African Science and Technology Commission	To purchase a new vehicle for the Executive Secretary	General Reserve	100,000	122-124
East African Health Research Commission	To acquire EAHRC Assets	General Reserve	13,300	122
GRAND TOTAL			643,370	

During the consideration of this report in the House, the Chairperson, Council of Ministers informed the House that whereas he agreed with the Committee on this matter, most of the Organs had commenced implementation of the programs/activities highlighted in the table above. The House accordingly resolved that the said Organs and Institutions proceed with the implementation of the said programs.

9. Inaugural outreach of the Community by the 5th Assembly

- (i) Since the coming into existence of the Assembly, every incoming (new) Assembly is given a first opportunity for an outreach activity of the regions northern and central corridors to enable new members to acquaint themselves with the issues that will shape or confront their work in their five (5) year term. This activity exposes Members of the new Assembly to matters directly related to the four (4) pillars of the EAC integration, EAC facilities, EAC organs and Institutions, as well as, directly interfacing with EAC citizens to listen to them firsthand what needs to be done to improve their livelihoods and how best the Members can advocate for them or to pursue their priorities. The activity also serves to bring the members closer to Central and Local Government Officials; the civil society and the private sector.

- (ii) Whereas the Assembly made a request of **USD 798,500** to undertake this activity, no budgetary provision was availed for this very important activity in the supplementary budget. The Council should appreciate the need to enhance the abilities of the Members as they seek for an efficient and effective Assembly. Additional funds are therefore required for this activity.

The Committee recommends that the Assembly approves a rationalization/reallocation of a total Sum of USD 798,500 from the programs/activities indicated in Annex 5 to EALA to enable that Assembly undertake the inaugural outreach of the Community in financial year 2022/23.

10. Refusal to make adjustments in approved Budget

- (i) The Committee received complaints from the Heads of Organs and Institutions and other officers of the Community that for the last three years the Assembly has approved the budget with rationalisation/reallocations, the responsible officers from the EAC Secretariat have not been effecting the necessary adjustments in the final budget document and the EAC Budget Management System. As a result, they do not receive the approved funds to implement their programs/activities.
- (ii) The Committee takes exception to the unprofessional conduct of the budget and finance officers of the EAC Secretariat for deliberately refusing to effect the necessary changes in the EAC Budget Management System upon approval by the Assembly. This act of indiscipline undermines the mandate of the Assembly and runs counter to the EAC principles of good governance and accountability.

The Committee recommends that the Assembly directs:

- 1) *the Clerk of the Assembly to transmit copies of the report on the two supplementary budgets to all Heads of Organs and Institutions upon approval by the House.*
- 2) *the Secretary General to adhere to the rationalisation/reallocations in the supplementary budgets as approved by the Assembly and make immediate adjustments in the EAC Budget Management System.*
- 3) *Urge the Council of Ministers to take disciplinary action against any office of the Community who refuses to make adjustments in the Budget Management System when the Assembly approves the budget with amendments.*

6.0 SPECIFIC RECOMMENDATIONS

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

1. The Assembly approves the rationalisation/reallocation of a total of **USD 962,540** from and within the following Organs and Institutions to the East African Legislative Assembly to implement urgent programs/activities as indicated in **Annex 5** of this report (*Rationalisation/Reallocation Schedule*).
2. The Assembly approves a total sum of **USD 11,904,329** under the second supplementary budget request to facilitate the implementation of various programs and activities in the Organs and Institutions of the Community in financial year 2022/23 as indicated below:

Table: Allocation of Funds under the Second Supplementary Budget

Vote	Organ/Institution of EAC	Amount in USD
001	EAC – Secretariat	2,965,416
002	East African Court of Justice	287,106
003	East African Legislative Assembly	3,069,870
004	Lake Victoria Basin Commission	1,117,858



005	Inter-University Council for East Africa	2,868,510
006	Lake Victoria Fisheries Organisation	1,036,291
007	East African Science and Technology Commission	134,000
008	East African Kiswahili Commission	165,703
009	East African Health Research Commission	134,425
010	East African Competition Authority	125,150
	Total	11,904,329

Note: Whereas the Supplementary Appropriation Bill had provided for a USD 16,408,045, the Assembly will amend the Bill to provide for a total sum of only USD 11,393,959 because sum of USD 437,370 that had been earmarked from the General Reserve has not been approved and a balance of USD 4,576,716 being part of the contribution from DRC will go to the General Reserve Fund.

3. During the Committee of Supply, the House votes funds to the Organs and Institution as indicated in the table above.
4. During Second Reading of the first EAC Supplementary Appropriation Bill, 2023, (**Bill Committee Stage**), the House shall the Bill to give effect to specific recommendation No.1, No.2 and No.3 above (**Annex 6**).
5. The Assembly approves a total sum of **USD 771,872** under the third supplementary budget request to facilitate the implementation of various programs and activities in the Organs and Institutions of the Community in FY 2022/23 as indicated below:

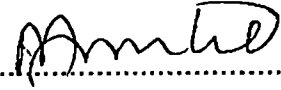
Vote	Organ/Institution of the EAC	Amount in USD
001	EAC - Secretariat	318,221
003	East African Legislative Assembly	322,194
006	Lake Victoria Fisheries Organisation	131,457
	Total	771,872

6. The Assembly directs the Clerk of the Assembly to transmit to the Secretary General within twenty-four hours after the approval of the two supplementary budgets, a schedule of rationalisation/reallocations for appropriate adjustments in the EAC Budget Management System.
7. The Assembly directs the Secretary General to:
 - (i) make appropriate adjustments in the EAC Budget Management System to accommodate the rationalisation/reallocations as approved by the august House in these supplementary budgets not later than 19th June 2023.
 - (ii) submit and lay before the Assembly the final signed copies of the two supplementary budgets at the next sitting of the Assembly.
8. The Assembly directs the Secretary General to send a demand note to the Democratic Republic of Congo for a total sum of USD 7,996,343 being her contribution to the EAC Budget for the FY 2022/23.
9. The Assembly adopts the Committee report and approves the EAC Supplementary Appropriation Bills (No.1 and No.2), 2023 with the above amendments.

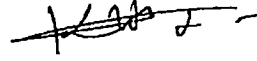
Mr. Speaker Sir, I beg to report

REPORT OF THE COMMITTEE ON THE GENERAL PURPOSE ON THE
CONSIDERATION OF THE EAC SUPPLEMENTARY BUDGET FOR FY 2022/2023

1. Hon. Kennedy Mukulia Ayason



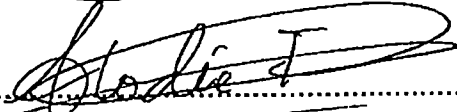
2. Hon. Aboubakar A. Kachwamba



3. Hon. Alex Bahati



4. Hon. Alodie Iradukunda



5. Hon. Amb. Fatuma Ndangiza



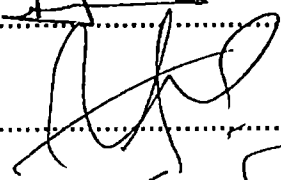
6. Hon. Anastase Manirambona



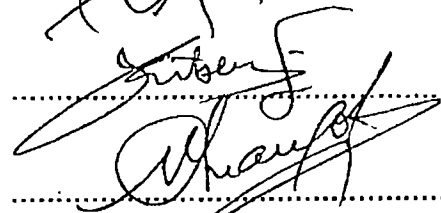
7. Hon. Dennis Namara



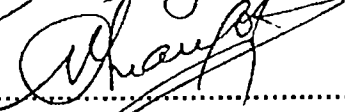
8. Hon. Dr. Abdullah Makame



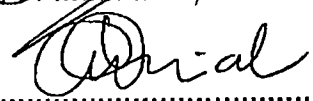
9. Hon. Dr. Saidi Kibeya



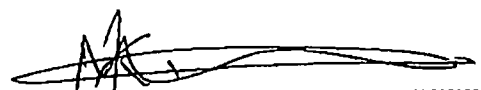
10. Hon. Francois M. Ngate



11. Hon. Gai Deng Nhial



12. Hon. Godfrey Maina Mwangi



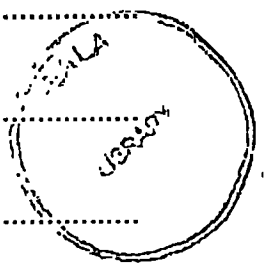
13. Hon. Jeremie Maswama



14. Hon. Kanini Kega



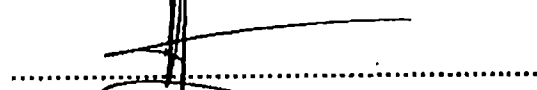
15. Hon. Khalfan Ngole Mashaka



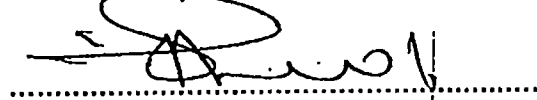
16. Hon. Kim Gai



17. Hon. Paul Mwasu Musamali



18. Hon. Rose Akol Okullu



19. Hon. Stella Nyota Mwetaminwa

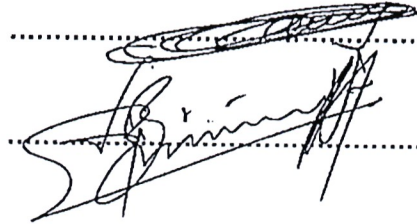
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20. Hon. Victor Burikukiye

.....

21. Hon. Winnie I. Odinga

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A handwritten signature in black ink, appearing to read 'Winnie I. Odinga', is written across three horizontal dotted lines. The signature is stylized and somewhat cursive.

EAST AFRICAN COMMUNITY
SECRETARIAT

ANNEX 1

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Our Ref: P&I/1/2/6
Date: 21st March, 2023

The Clerk
East African Legislative Assembly (EALA)
P.O. Box 1096
Arusha, Tanzania

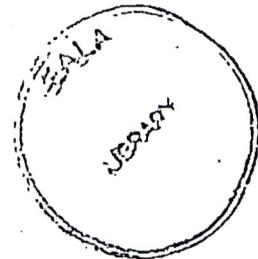
Dear Clerk,

RE: SUBMISSION OF THE SUPPLEMENTARY BUDGET FOR FINANCIAL YEAR
2022/20223

I have the honor to inform you that, at its 43rd Ordinary Meeting, the Council of Ministers considered and adopted the EAC Supplementary Budget amounting to USD16,408,045 and referred the same to the Assembly for debate and approval.

This is a second supplement budget to the East African Appropriation Bill for the Financial Year 2022/23 passed by the East African Legislative Assembly in June 2022 amounting to USD91,579,215 (*United States Dollars Ninety-One Million, Five Hundred and Seventy Nine Thousand, Two Hundred and fifteen only*) and to the supplementary appropriation bill amounting to USD2,620,800 (*United States Dollars Two Million, Six Hundred and Twenty Thousand, Eight Hundred only*) passed by same Assembly in November 2022 to facilitate the implementation of various activities of the EAC Organs and Institutions during the Financial Year 2022/23.

These additional funds approved by the Council of the Ministers are from the contribution by the Democratic Republic of Congo for FY'2022-2023, General Reserve fund, and our Development Partners to support various activities geared toward integrating DRC and other urgent additional financial resource requirements needed to meet new or underfunded existing projects and programmes of the Community within the current financial year which cannot wait for the next budgeting cycle.



The funds are summarized in the following votes and the same are earmarked to implement the Projects and Programmes as listed in the tables below:

1.1 Projects and Programmes funded by the Supplementary Budget from the Democratic Republic of Congo in the Financial Year 2022/23

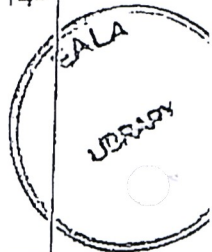
Organ / Institution	Project/Programme	Funding Source	Amount in USD	Page, Council report
EAC-Secretariat	Various activities including integrating the DRC into the Community projects and programmes and.	Partner States- DRC	1,543,651	Page153-154
	To procure/acquire translation and interpretation equipment for EAC Organs and Institutions	Partner States- DRC	1,223,184	Page153-154
Total-EAC-Secretariat			2,766,835	
East African Court of Justice	Various activities including integrating the DRC into the Community projects and programmes.	Partner States- DRC	389,066	Page153-154
Total-EACJ	To procure/acquire translation and interpretation services & equipment for EAC Organs and Institutions	Partner States- DRC	244,907	Page153-154
Total-EACJ			633,973	
East African Legislative Assembly	Various activities including integrating the DRC into the Community projects and programmes	Partner States- DRC	865,000	Page153-154
	To procure/acquire translation and interpretation equipment for EAC Organs and Institutions	Partner States- DRC	1,649,440	Page153-154
Total-EALA			2,514,440	
Lake Victoria Basin Commission	Various activities including integrating the DRC into the Community projects and programmes	Partner States- DRC	300,340	Page153-154
	To procure/acquire translation and interpretation equipment for EAC Organs and Institutions	Partner States- DRC	158,058	Page153-154
Total-LVBC			458,398	
East African Science and Technology Commission	Various activities including integrating the DRC into the Community projects and programmes	Partner States- DRC	118,637	Page153-154
	To procure/acquire translation and interpretation services & equipment for EAC Organs and Institutions	Partner States- DRC	167,239	Page153-154

Organ / Institution	Project/Programme	Funding Source	Amount in USD	Page, Council report
Total EASTECO			285,876	
East African Kiswahili Commission	Various activities including integrating the DRC into the Community projects and programmes	Partner States- DRC	127,700	Page153-154
	To procure/acquire translation and interpretation equipment for EAC Organs and Institutions	Partner States- DRC	86,337	Page153-154
Total-EAKC			214,037	
East African Health Research Commission	Various activities including integrating the DRC into the Community projects and programmes	Partner States- DRC	191,744	Page153-154
	To procure/acquire translation and interpretation equipment for EAC Organs and Institutions	Partner States- DRC	118,300	Page153-154
Total-EAHR			310,044	
East African Competition Authority	Various activities including integrating the DRC into the Community projects and programmes	Partner States- DRC	82,186	Page153-154
	To procure/acquire translation and interpretation equipment for EAC Organs and Institutions	Partner States- DRC	80,523	Page153-154
Total-EACA			168,523	
Inter-University Council of East Africa	Various activities including integrating the DRC into the Community projects and programmes	Partner States- DRC	115,580	Page153-155
	To procure/acquire translation and interpretation equipment for EAC Organs and Institutions	Partner States- DRC	528,639	Page153-155
Total-IUCEA			644,219	
Grand Totals			7,996,343	

1.2 Projects and Programmes funded by Supplementary Budget from General Reserve, Special Funds and Development Partners in the Financial Year 2022/2023

Organ / Institution	Project/Programme	Funding Source	Amount in USD	Page, Council report
EAC-Secretariat	8th Meeting of National Stakeholder Consultations for Drafting the Political Confederation (2 days meeting)	Special contribution from Republic of Uganda	61,080	Page 81-82
	National Stakeholders Consultations in the Republic of Kenya (for 19 days)	General Reserve	411,950	Page 82-84
	To facilitate convening of Policy meetings	General Reserve	60,000	Page 84-85
	To facilitate recruitment of the two (2) DSGs	General Reserve	70,550	Page 85-86
	To facilitate the recruitment process for various vacant positions	General Reserve	208,950	Page 86-88
	To facilitate a meeting of the Permanent Secretaries to consider the issues raised on the institutional review report by Institutions and Organs of the Community	General Reserve	90,670	Page 88-90
	To facilitate the 2 nd Edition of the EAC Sports Tournament	General Reserve	29,500	Page 90-91
	To facilitate the 7 th Annual EAC Secretary General's Forum	General Reserve	17,000	Page 91-92
	To facilitate activities of the Civil Aviation Department activities in pages 94-96	General Reserve	29,950	Page 93-96
	To facilitate activities of Internal Audit of the Community in pages 97-98	General Reserve	39,100	Page 97-98
	To facilitate the Extra Ordinary Meeting of Finance and Administration Committee	General Reserve	90,700	Page 98-100
	To facilitate the implementation of the activities of the Office of the Counsel to the Community pages 100-103	General Reserve	41,350	Page 100-103

Organ / Institution	Project/Programme	Funding Source	Amount in USD	Page, Council report
	To facilitate Public Relations and Publicity Programmes /activities	General Reserve	21,900	Page 103-104
	EACS-TOTAL FROM GENERAL RESERVE FUND		1,172,700	
	DEVELOPMENT PARTNERS FUNDS ACTIVITIES			
	To facilitate provision of consultancy services by the Media Relations Expert, Project Assistant, Interpretation Expert and French Translation Expert for the Office of the Secretary General	GIZ	96,400	Page 104-109
	To facilitate the emergency activities of COVID-19 related activities	AfDB	365,477	Page 109-112
	To support Capacity building on election observer mission and other EAC capacity building activities	CHINA FUND	200,000	Page 112-113
	To support facilitation of youth election observer mission in the Republic of Kenya	Swiss Federal Department of Foreign Affairs	47,984	Page 114
	To support Public National Health Laboratories activities in the Partner States	Federal Republic of Germany through the German Development Bank (KfW)	430,000	Page 114-115
	To facilitate program liaison and financial management functions under USAID projects	USAID	96,849	Page 114-115
	To Support Participation of the Environment and Natural Resources department & LVBC in East African Community to attend the United Nations Climate Change Conference, 6 th - 18 th November, 2022 in Sharm El-Sheikh, Egypt-	GIZ	86,286	Page 155-157



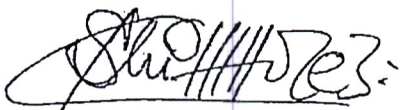
Organ / Institution	Project/Programme	Funding Source	Amount in USD	Page, Council report
	To facilitate activities under Agriculture and Food Security Department in pages 158-162	USAID	242,820	Page 158-162
	Total -EACS Development Partners		1,565,816	
Total-EAC-Secretariat			2,738,516	
East African Court of Justice	To facilitate the East African Court of Justice to procure a motor vehicle	General Reserve	100,000	Page 125
Total-EACJ			100,000	
East African Legislative Assembly	To facilitate participation of EALA staff to support the 1 st Meeting of the 5 th Assembly	General Reserve	148,500	Page151-152
Total-EALA			148,500	
Lake Victoria Basin Commission	To facilitate the accreditation of the Lake Victoria Basin Commission to the Green Climate Fund	General Reserve	31,000	Page140-141
	To clear arrears in annual membership fees (2019-2022) to the African Network of Basin Organizations	General Reserve	12,000	Page141-142
	TOTAL- LVBC EAC GENERAL RESERVE FUND		43,000	
Lake Victoria Basin Commission	to facilitate the implementation of the earmarked project activities for Integrated Water Resources Management – IWRM in pages 137-139	KFW	174,850	Page137-139
	To support the implementation of the Adapting to Climate Change in Lake Victoria Basin (ACC-LVB) Project activities in pages 162-163	UNEP	931,008	Page162-163
	TOTAL FOR LVBC-Development Partners Fund		1,105,858	
Total-LVBC			1,148,858	
East African Kiswahili Commission	To facilitate the development of the 2 nd EAKC Strategic Plan	General Reserve	38,000	Page136-137
Total- EAKC			38,000	
East African Science and	To purchase a new vehicle for the Executive Secretary of EASTECO	General Reserve	100,000	Page122-124

Organ / Institution	Project/Programme	Funding Source	Amount in USD	Page, Council report
Technology Commission	To facilitate the development of the 2 nd EASTECO Strategic Plan	General Reserve	34,000	Page122-124
Total EASTECO			134,000	
East African Health Research Commission	To pay monthly Staff Emoluments & other annual, one-off allowances	General Reserve	121,125	Page120-122
	Acquisition of EAHRC Assets	General Reserve	13,300	Page120-122
Total-EAHRC			134,425	
East African Competition Authority	Mid-year review and evaluation of the EACA Strategic Plan 2019/20220 – 2023/24	General Reserve	19,950	Page117-120
	Experts meeting to consider the EAC Competition (Merger and Acquisition) Assessment Guidelines	General Reserve	44,650	Page117-120
Total EACA			64,600	
Inter-University Council of East Africa	Inter- University Council of East Africa To facilitate the Inter University Council of East Africa to implement the African Centres of Excellence (ACE II) project activities from page 125 to page 135	World Bank		Page125-135
Total IUCEA	Development Partners		2,868,510	
Lake Victoria Fisheries Organization	To facilitate the development and approval of architectural drawings and Bills of Quantities for an additional building at LVFO premises	LVFO-General Reserve Fund	28,000	Page143-144
	To facilitate the improvement of the Resource Data Centres and Wide Area Networks	LVFO-General Reserve Fund	76,000	Page144-145
			104,000	
	Development Partners Funds			
	To facilitate implementation of first year activities of the Promoting Sustainable Technologies and Marketing Strategies to Increase Incomes and Reduce Food Losses in Small Fish Systems project	International Fund for Agricultural Development (IFAD)	500,000	Page145-147

Organ / Institution	Project/Programme	Funding Source	Amount in USD	Page, Council report
	To support conclusion of project activities Responsible Fisheries Business Chain project	GIZ-RFBC	26,326	Page147
	To implement the LVFO Co-Management Project . activities pages 167	University of Birmingham	22,476	Page167
	To implement LVFO FAO Tenure and User Rights activities	FAO	98,162	Page168-170
	To implement LVFO TRUEFISH Project activities	FAO	33,295	Page170-172
	To implement LVFO EEOFISH Project activities	European Union through the Indian Ocean Commission (IOC)	383,489	Page172-177
	Total –LVFO Development Partners fund		932,291	
Total-LVFO			1,036,291	
TOTAL			8,411,700	
GRAND	Total Supplementary		16,408,045	

Attached hereto, please find the adopted supplementary budget as referred to by the Council of Ministers to the East African Legislative Assembly (EALA) for debate and approval.

The purpose of this letter is to request you to include this matter on the agenda of the EALA Committee Meeting on General Purpose and to be an item on the Programme of the East African Legislative Assembly Plenary.



Eng. Steven Mlote
Deputy Secretary General
(Finance and Administration)
For: SECRETARY GENERAL

Encls:

**EAST AFRICAN COMMUNITY
SECRETARIAT**



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seoffice@eachq.org

Our Ref: F&A 1/7/5
Date: 27th April 2023

The Clerk
East African Legislative Assembly (EALA)
P.O. Box 1096
Arusha, Tanzania

Dear Clerk,

**RE: SUBMISSION OF THE SUPPLEMENTARY BUDGET FOR FINANCIAL
YEAR 2022/20223**

I have the honor to inform you that, at its 48th Extra Ordinary Meeting, the Council of Ministers considered and adopted the EAC Supplementary Budget amounting to USD 771,872 in addition to the USD16,408,045 adopted by the 43rd Ordinary Meeting of Council and referred the same to the Assembly for debate and approval.

These are the second and third supplement budgets to the East African Appropriation Bill for the Financial Year 2022/23 passed by the East African Legislative Assembly in June 2022 amounting to USD91,579,215 (*United States Dollars Ninety-One Million, Five Hundred and Seventy-Nine Thousand, Two Hundred and fifteen only*). The 1st supplementary appropriation bill amounting to USD2,620,800 (*United States Dollars Two Million, Six Hundred And Twenty, Eight Hundred only*) was passed by the Assembly in November 2022.

These additional funds approved by the Council of the Ministers are from the General Reserve fund to fund urgent projects and programmes of the Community within the current financial year which cannot wait for the next budgeting cycle.

The funds are summarized in the following votes, to implement the Projects and Programmes as listed in the tables below;

Projects and Programmes funded by Supplementary Budget from General Reserve and Development Partners in the Financial Year 2022/2023

Organ/ Institution	Project/Programme	Funding Source	Amount in USD	Page, Council report
EAC- Secretariat	To facilitate the verification mission and report writing towards the Admission of the	General Reserve	318,221	

Organ/ Institution	Project/Programme	Funding Source	Amount in USD	Page, Council report
	into the EAC meeting			Ordinary Meeting of Council
Total-EAC- Secretariat			318,221	
East African Legislative Assembly	To clear the costs incurred during the inauguration of the 5 th Assembly and the induction for new Members	General Reserve	322,194	Page12-15 of48 th Extra Ordinary Meeting of Council
Total-EALA			322,194	
Lake Victoria Fisheries Organization	To implement LVFO FAO Tenure and User Rights activities	FAO	98, 162	Page168- 170 of the 43 rd Ordinary Council Report
	To implement LVFO TRUEFISH Project activities	FAO	33, 295	Page170- 172 of the 43 rd Ordinary Council Report
Total-LVFO			131,457	
GRAND	Total third Supplementary		771,872	

Attached hereto, please find the adopted supplementary budget as referred to by the Council of Ministers to the East African Legislative Assembly (EALA) for debate and approval.

The purpose of this letter is to request you to include this matter on the agenda of the EALA Committee on General Purpose and to be an item on the Programme of the East African Legislative Assembly Plenary.

Juvenal Ndimurirwo
 Director of Finance
 For: **SECRETARY GENERAL**

Encl

EAST AFRICAN COMMUNITY
EAST AFRICAN LEGISLATIVE ASSEMBLY



INTERNAL MEMO

Ref : EALA/MEM/11
To : Secretary General
Attn : Director Finance
Cc : Rt. Hon. Speaker; CLA: All EAC Heads of Organs and Institutions
From : Chairperson, Committee on General Purpose
Date : May 23, 2023
RE : REQUEST FOR INFORMATION

As you may be aware, the Committee on General Purpose is currently in Arusha, considering the Supplementary Budget that was tabled before the Assembly on the 29th March 2023 in Bujumbura, Burundi.

In accordance with the provisions of Section 4 (5) of the EAC Budget Act 2008, the Committee on General Purpose requests you to furnish it with the following information:

- (i) The status of the EAC General Reserve Account as at 23rd May 2023;
- (ii) A schedule of activities/programmes of the Community on which funds requested for under the Supplementary Budget have already been expended clearly indicating when the said activities were undertaken; and
- (iii) Proof of expenditure of the funds in (ii) above.

Kindly provide this information by not later than Wednesday 24th May 2023.

Hon. Kennedy Mukulia

ANNEX 4

Table: Programmes/Activities already implemented using DRC contributions (commitments already made)

Organ/ Institution	Programme/Activity	Amount in USD
	Hold quarterly meetings of EAC Chiefs of Defence forces /staff on the EACRF Deployment in Eastern DRC and emergency meetings	38,600
	To undertake a sensitization mission to FARDC Headquarters	19,250
EAC Secretariat	To convene an extraordinary sectoral council on legal and judicial and drafts person meetings to clear backlogs	65,050
	SUB-TOTAL	122,900
East African Court of Justice	To convene the EACJ meeting of the Rules of Procedures Committee to review the Rules of the Court in view of the changing environment	25,880
	To pay judges' salaries and allowances on a monthly basis	9,756
	To hold court session of the first instance division	151,470
	SUB-TOTAL	187,106
East African Legislative Assembly	To facilitate the EAC Speakers Bureau in accordance with Articles 49 and 65 of the EAC Treaty (Functional Relationship to strengthen the DRC Parliament on EALA/EAC - matters)	51,425
	To facilitate the General-Purpose Committee to consider the Supplementary Budgets	107,810
	To facilitate EALA special plenary sessions of the 5th Assembly	277,880
	To replace IT equipment for staff	10,000
	To facilitate members to carry out capacity building for committees on legislation, Petitions, carryout oversight, and public hearings.	443,940
	To facilitate the Audit Commission Members to participate in Consideration of Audited Accounts by EALA.	48,320
	To facilitate 9 EALA Members from DRC by way of personal emoluments from December 2022 - June 2023.	567,423
	To facilitate Members with ICT Equipment, Office Space refurbishment of the Chamber service of the EALA.	30,000

	To facilitate 9 elected Members from DRC to participate in the EALA inauguration of the 5th Assembly in December 2022 - accompanied.	40,290
	To facilitate 9 elected Members from DRC Members to participate in the EALA Special Sitting of January 2023 and the general induction of Members, setting up of EALA committees, and mid-term review of the legislative calendar	50,202
	To facilitate DRC Members to participate in the EALA scheduled plenaries	293,190
	To facilitate Members with ICT Equipment, office space refurbishment of the Chamber Service of the EALA	30,000
	To procure install upgrade and commission translation and interpretation equipment and services in the EALA Chamber and Committees; publish key legal programmes	30,000
	SUB-TOTAL	1,980,480
East African Kiswahili Commission	Stakeholder engagement for sensitization and training for data collection for the baseline study on the development and Kiswahili in DRC	28,500
	Hold stakeholders meeting on the translated EAC Treaty	38,600
	Hold 2 nd Kiswahili conference on 29th June – 1 st July 2023	33,800
	Celebrate the 2 nd Kiswahili World Day on 7 th July 2023	26,800
	SUB-TOTAL	127,700
East African Competitions Authority	Conduct capacity building for government officials on Authority legal instruments and policies to facilitate implementation of the EAC Competition Act, Tripartite, and AfCFTA negotiations on Competition Policy.	13,150
	To conduct two multi-sectoral stakeholder's sensitization meetings on obligations and benefits of implementation of the EAC Competition Act, Tripartite, and AfCFTA Competition Protocols.	22,200
	To conduct consultations/negotiations and bilateral meetings with DRC Competition Commission to conclude an MOU and integrate them into the Authority activities	9,700
	Convene an experts' meeting to consider and draft EAC Competition Restraints by Enterprise Regulations and Guidelines.	4,500
	To investigate and assess anti-competitive business practices with cross border effects (unilateral and concerted conduct and abuse of dominance) in the common markets	11,000
	SUB-TOTAL	60,550
TOTAL		2,478,736

Annex 5

A SCHEDULE FOR RATIONALISATION/REALLOCATION OF FUNDS UNDER THE SECOND SUPPLEMENTARY BUDGET FOR FY 2022/2023

SN	ORGAN/INSTITUTION TO REALLOCATE FUNDS FROM	PROGRAMME/ACTIVITY	FUNDING SOURCE	AMOUNT IS USD	PAGE OF THE 43 RD ORDINARY MEETING OF THE COUNCIL REPORT	ORGAN/INSTITUTION TO ALLOCATE FUNDS TO
1.	East African Legislative Assembly	To replace IT equipment for staff	Partner States	77,000		East African Legislative Assembly 1. To facilitate the inaugural outreach of the EAC region to appreciate the level of integration (Customs Union, Common Market Protocol, EAC Institutions and facilities) USD798,950
		To procure, install, upgrade and commission translation and interpretation equipment and services in the EALA Chamber and committees; and publish key legal instruments	Partner States	362,310		
		To facilitate the DRC Members of the Audit Commission to participate in Audit Commission activities and verification and on-spot follow-up of EAC Projects and Programmes	Partner States	33,150		
		To facilitate the DRC SAI and team to participate in Audit activities and the verification of EAC projects	Partner States	33,150		
		To facilitate Members with ICT Equipment in offices	Partner States	50,000		

2.	Inter-University Council for East Africa	To procure/equip translation room; translate documents and provide interpretation and translation services	Partner States	242,900		2. To facilitate the consideration of the Supplementary Budget and the EAC Budget for 2023/2024 USD164,030
3.	East African Community Secretariat	To facilitate meetings of Permanent Secretaries on Institutional review	General Reserve	90,670	88-89	
		To facilitate recruitment process for various vacant positions	General Reserve	73,360	86-88	
	TOTAL			962,540		

ANNEX 6

SCHEDULE OF AMENDMENTS TO THE EAC SUPPLEMENTARY APPROPRIATION BILL, 2023

Clause	Proposed amendment	Justification																											
2	The Clause be amended to read as follows: " <i>The sum of United States Dollars eleven million, nine hundred and four thousand, three hundred and twenty-nine is allowed out of the budget of the Community to meet additional expenditure for the Organs and Institutions of the Community, as specified in the Schedule, for the financial year ending 30th June 2023</i> "	To give effect to the funds voted to the various Organs and Institutions during the Committee of Supply																											
The Schedule	<p>The schedule be amended as indicated below:</p> <table border="1"> <thead> <tr> <th>Vote</th> <th>Organ/Institution of EAC</th> <th>Amount in USD</th> </tr> </thead> <tbody> <tr> <td>001</td> <td>EAC – Secretariat</td> <td>2,965,416</td> </tr> <tr> <td>002</td> <td>East African Court of Justice</td> <td>287,106</td> </tr> <tr> <td>003</td> <td>East African Legislative Assembly</td> <td>3,069,870</td> </tr> <tr> <td>004</td> <td>Lake Victoria Basin Commission</td> <td>1,117,858</td> </tr> <tr> <td>005</td> <td>Inter-University Council for East Africa</td> <td>2,868,510</td> </tr> <tr> <td>006</td> <td>Lake Victoria Fisheries Organisation</td> <td>1,036,291</td> </tr> <tr> <td>007</td> <td>East African Science and Technology Commission</td> <td>134,000</td> </tr> <tr> <td>008</td> <td>East African Kiswahili Commission</td> <td>165,703</td> </tr> </tbody> </table>	Vote	Organ/Institution of EAC	Amount in USD	001	EAC – Secretariat	2,965,416	002	East African Court of Justice	287,106	003	East African Legislative Assembly	3,069,870	004	Lake Victoria Basin Commission	1,117,858	005	Inter-University Council for East Africa	2,868,510	006	Lake Victoria Fisheries Organisation	1,036,291	007	East African Science and Technology Commission	134,000	008	East African Kiswahili Commission	165,703	To give effect to the specific recommendations No.1, No.2 and No.3 of the Report of the Committee on this supplementary budget
Vote	Organ/Institution of EAC	Amount in USD																											
001	EAC – Secretariat	2,965,416																											
002	East African Court of Justice	287,106																											
003	East African Legislative Assembly	3,069,870																											
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007	East African Science and Technology Commission	134,000																											
008	East African Kiswahili Commission	165,703																											

	009	East African Health Research Commission	134,425
	010	East African Competition Authority	125,150
		Total	11,904,329