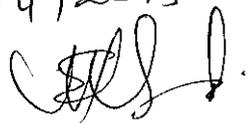


Laid on Table by
Hon. Dr. Masha
Khamug, Chairperson
General Purpose Committee
Kigali, 23/4/2013
Rwanda.




**EAST AFRICAN COMMUNITY
EAST AFRICAN LEGISLATIVE ASSEMBLY**

**REPORT OF THE COMMITTEE ON GENERAL PURPOSE ON THE
CONSIDERATION OF THE EAC ANNUAL REPORT FOR THE FINANCIAL
YEAR 2009/2010 AND 2010/2011**



Clerks Chambers
EAC Headquarters
EALA Wing, 3rd Floor
Arusha, TANZANIA

23rd April 2013

Madam Speaker,

I beg to lay before the House the report of the Committee on General Purpose on the EAC Annual Reports 2009/2010 and 2010/2011.

1.0. Introduction

Pursuant to Article 48 (3) and 49 (2) of the Treaty for the Establishment of the East African Community; and in accordance with Rule 79 (ii) and (2) of the Rules of Procedure of the Assembly, the EAC Annual Reports are considered by the Committee on General Purpose and adopted by the Assembly.

The mandate of the Assembly to consider EAC Annual is in accordance with the Treaty whereby the Assembly is empowered to establish Committees to look into matters of legislation, budgeting and oversight of EAC activities. The General Purpose Committee is mandated to among others; carry out oversight of the progress made in the implementation of those provisions which address matters of general application to the EAC in relation to its role and functions. In this regard therefore, the Committee is required to examine EAC Annual Reports detailing specific work of programmes and projects of the EAC.

The EAC Annual reports for 2009/2010 and 2010/2011 were tabled before the House on 30th January, 2013 by the Hon. Chairperson of the Council of Ministers for consideration by the Assembly.

As mandated, the Committee considered the Annual Reports in Arusha, Tanzania from 3rd – 8th February 2013.

1.0 Methodology

The Committee formed two working groups that considered the Annual Reports. The two groups worked on consideration of the EAC Annual Reports for the FY 2009/10 and 2010/11 respectively. The DSG PI and Officers from the Secretariat staff interacted with the Committee to respond to questions, issues raised and furnished the Committee Members with explanations.

The Committee in part, verified whether the expectations and standards agreed upon between the EAC Secretariat and the Committee in a meeting of 18th April 2012 had been met and fulfilled in the reports since the tabling of the 2007/8 and 2008/9 Reports. The Committee expectations include among others:-

- 2.1. A report that includes challenges met and future outlook in the implementation of EAC activities and programmes;
- 2.2. A report that reflects qualitative and quantitative outputs and presentations of the status of the Community;
- 2.3. A report reflecting inputs and outputs specifically; financial, human resources and other related gaps in terms of linked needs, annual work plans, procurement plans and corresponding actual execution outputs;
- 2.4. Instructive statistics financial statement and summaries relating to the EAC Development Strategy.

In considering the two Annual reports, the Committee also consulted the following documents:

- (i) The EAC Integrated Annual Operational Plans for the years 2009-2010 and 2010-2011;
- (ii) The EAC Cumulative Implementation Progress Reports for 2009-2010 and 2010-2011

2.1. Acknowledgements

The Committee would like to acknowledge and express appreciation to the Rt. Hon. Speaker of EALA for granting leave to the Committee to carry out consideration of the EAC Annual Reports, the Office of the Clerk, EALA for facilitating the Committee's work; the Honourable Chairperson of the Council of Ministers, Minister of State for EAC , Hon. Shem Bageine, Hon. Dr. Abdulla Sadaalla Abdulla, Deputy Minister for the East African Community of the United Republic of Tanzania, Hon. Leontine Nizeyimana, Minister in the Office of the President's Office of East African Community of the Republic of Burundi, Hon. Amb. Dr. Richard Sezibera, Secretary General of the EAC, the DSG Planning and Infrastructure, Dr. Enos Bukuku and Officers for the Secretariat for facilitating the Committee's work and the insightful discussions held with the Committee throughout 4-8th February 2013 and on 16th April 2013. The Committee further commends the Members of the Committee for their endurance and hard work during the period of 4-8th February 2013 and finally, the EAC Partnership Fund for funding the activity.

3.0. Consideration of the EAC Annual Report for 2009/2010

3.1. Findings, observations and recommendations

3.1.1 Delayed reporting, failure to adhere to submission leading to disruption of planning and budget cycles as well as failure to adhere to the expected standard and quality of EAC reports

1. The two EAC Annual Reports presented to the Committee were very late and do not respect the principles and intentions for which an annual report is submitted to the Assembly. **The Committee reiterates its recommendations for annual reports to be submitted to the Assembly on time.**

2. The reports presented to the Committee as confirmed by Dr. Enos Bukuku DSG P and I, while serving other purposes such as being a public relations and marketing tool does not provide the Committee with the required details, explanations and information necessary for the Committee to fulfil its core roles of oversight, legislation and budgetary functions;

3. While the Committee appreciates the efforts made by the Secretariat, there is still need for an agreed upon format that in addition to the Committees Secretariat on the contents, format, required details. This will include reflection of qualitative and quantitative status of the EAC, a reflection of inputs and outputs as well as existing financial, human resources and other related gaps in terms of needs, annual work plans, procurement plans and corresponding actual execution outputs as well as strategies to avert the challenges. The said documents also need to have a clear linkage;

4. There is a need to have as an annexure **all** the policy documents referred to in the annual report for the period under review. This is with regard to policies, protocols and reports;

5. There was a need to plan within the calendar of activities and a structured, detailed briefing prepared for EALA Committees on the projects and programmes of the Community;

6. A need to link the previous annual report to the subsequent one in terms of objectives, priorities, implementation status, challenges and achievements. Closely related to this is the need to show a link between the sequential annual reports and the master documents related to the annual report including the procurement schedules, annual work plans and implementation reports in relation to major objectives and the EAC Development strategy. The Committee noted that the start- stop nature of projects reflects in the non continuity of projects in the subsequent reports hence connectivity on reporting under

specific sectors was lacking reflective of lack of sustainable planning and project management systems to report on short and long term projects;

7. There is a need to thoroughly identify and fill all the information gaps existing during the year under review. For example, the Committee was aware of problems and challenges that do not appear in the report. Examples include: boreholes that were supposed to be sank during the Arusha - Namanga - Athi River Road construction, the lack of access to the EACJ prior to the setting up of sub registers, challenges of the non resident status of the Judges;

8. The need to present facts and reduce latent errors and misinformation in the report. In some cases, erroneous facts are presented and in others, there is a complete lack of information. Examples include:

- The completion levels in percentage of the Arusha - Namanga Athi River Road on page 37 (63 % for the Kenya section and 38% for Tanzania) and in the Secretary General's statement (80 and 70 % respectively) in the same document.
- The fact that due to untimely contributions from the Partner States, an EALA session had to be postponed (Page 100). This is an inaccurate and misleading statement and the truth of the matter is that the Secretary General had to issue an apology for his error and the session took place as scheduled.
- East African "*Legal*" Assembly (Pages 57-61)

9. In terms of presentation and format, while the cross cutting challenges such as financial and staffing challenges can be presented at the beginning of the report, the specific sector by sector challenges should be presented after each sector under review.

10. While there is need to be cautious on details released during reporting as expressed by Dr. Enos Bukuku, the Committee is of the view that the internal challenges highlighted or observed by the Committee during its interrogation of reports and documents requested for and presented by the Secretariat, the presentation of any such details in the Committee report can still be discussed and presented to the Assembly by the Committee in an appropriate manner.

Related to the above, the interaction between the Committee and the Secretariat should involve all the officers to enable ease of reference and access to requisite information in the meetings.

3.1.2. A need to bolster the capacity of the EAC departments of monitoring, evaluation and research

The Secretary General of the EAC should present proposals on how, in the short run, the monitoring and Evaluation and Research units in particular, can be strengthened to provide stop gap measures and ensure efficiency. This is notwithstanding the ongoing institutional review process which while taking an inordinately long time is creating gaps that reflect inefficiency and ineffectiveness of staff and yet this should not be the case.

4. Consideration of the EAC Annual Report 2010/2011

4.1. Findings, observations and recommendations

4.1.1. The Need for Timely Information exchange and providing regular updates to the Assembly

1. Documents to be considered by the Assembly should be availed to the Committee at least seven days before commencement of the activity;
2. The EAC should establish a formal channel/mechanism on information exchange between the EALA and other EAC organs and institutions because particularly due to the fact that there is no feedback mechanism between the Executive and Legislature.

4.1.2. The need to respect budgeting and reallocation principles

1. Re-allocation for any unused funds should always have prior approval from EALA;
2. F & A should indicate the absorption rate of the organs and institutions of the EAC;
3. There is discord and mismatch between the Operational plans and implementation progress reports which reflects mismatch between planned activities and actual implemented activities. This does not conform to principles of planning, reporting, financial accountability as well as principles of budget approval and reallocation;
4. It is highly irregular that contingencies provided in the budgets for activities were all consumed.

4.1.3. The need for quality assurance of all EAC Documents and Reports

1. The Secretary General needs to assign specific officers to write the EAC Annual Report and take note of the quality of content and lack of

coherence as well as consistency in format, presentation and layout of the annual report. There is a clear reflection of “cut and paste” culture of reports;

2. The layout of the two reports and presentation of chapters is different. While one is titled under departments in the EAC, the other is titled under priority areas. Additionally, the EAC Annual Report for 2010/2011 which has a total of 71 pages has 5 empty pages, 13 whole pages covered with pictures whose captions are anonymous, misleading or totally erroneous (making 33.8% of the report). For example, on page 54 of the EAC Annual Report 2010/2011 showing the police band from the Republic of Kenya in the foreground is labelled *East African Legislative Assembly, Nairobi 2010*;
3. There is a need to correct the information in the Report in some areas for accuracy, for alignment with the approved work plan, and approved budget and actual expenditures;
4. The Secretariat should develop a Quality Control mechanism for all its documents and all documents related to the Reports of the Community should be proof read before the same are circulated;
5. “Value for money” audit needs to be carried out for all the activities being implemented by the EAC.

4.1.4. A need for clarity, coherence and connectivity in documents utilised in setting of priorities, objectives and generally, in planning of activities for the Community

1. The annual narrative report and all other Community Reports should be written in simple and clear language. The language used in the Implementation and Operational plans is ambiguous and not easily understood;
2. The Implementation Plans are not in tandem with the Operational Plans. Some activities in the Implementation plan are irrelevant to the objectives set and there is a clear and in some instances complete lack of coherence between the Annual Reports and the accompanying documents reviewed by the Committee;
3. There should be better description of what was planned, the achievements and the challenges in the Report’s overview and ensuring that these summarized challenges are reflected in the relevant sectoral areas;
4. Priorities should be set in accordance with the planned activities throughout the planning cycle. Objectives should respond to the expected outputs and in line with the activities to be implemented.

Madam Speaker,

5.0 GENERAL CONCLUSION AND RECOMMENDATIONS

Annual reports provide a mirror image of what an organization has been able to achieve within the established framework of the work it sets out to accomplish within a given time period. It is on this understanding that the EAC Annual Reports are of great interest to the Assembly to interrogate the activities and programmes of the EAC in its quest to deepen and widen the EAC integration process. It is a duty that has been bestowed upon the Assembly by provisions of Article 49 of the Treaty and our Rules of Procedure, that the Assembly has a duty to assess the performance of the Secretariat and other organs and institutions of the Community so that corrective measures are taken.

Additionally, due to the fact that Annual Reports also serve the purpose of public relations and marketing, it is imperative that they without reservation be of high quality and standard.

The Committee initially, did indeed find itself constrained to recommend that the reports be adopted by the Assembly but has reconsidered its position with conditions. ***The report on the sector by sector analysis is herewith attached as annex 1.***

Madam Speaker,

Overall recommendations of the Committee

1. The Committee recommends to the Assembly to adopt the EAC Annual Reports for the years 2009/2010 and 2010/2011 and urges the Council of Ministers to henceforth present reports according to the agreed upon format and standard.
In this regard, **the Committee recommends that before the EAC Budget session in May, the Secretariat organise a meeting with the Committee to agree both on the format for the annual reports and on reporting mechanisms as well updated information to specifically inform the forthcoming budget session.**
2. The Committee recommends that the Council of Ministers and Secretary General critically and strictly supervise the production of EAC reports to ensure adherence to standards as indicated above as well as coherence and accuracy with regard to source documents such as operational and implementation reports.
3. The Committee urges the Council of Ministers to ensure that reporting feedback mechanisms between the Organs and Institutions of the

Community be used regularly and properly utilized to allow information exchange. For example, EALA should consistently be availed with the quarterly performance reports after their consideration by the Council of Ministers.

4. The Committee insists that all the corrections in the addendum as well as all other corrections in the reports be posted on the EAC website for public information in the shortest time possible after adoption of the reports by the House.

The Chairperson of the Council of Ministers while interacting with the Committee on 16/4/2013, acknowledged the errors, omissions and inaccuracies in the reports and expressed deep regret that this happened. He, among other commitments, undertook to ensure, going forward; more strict supervision of the EAC Secretariat by the Council of Ministers. The Chairperson of the Council of Ministers finally made a commitment that all the general and specific comments, observations and recommendations of the Committee would also be taken on board in subsequent EAC annual reports.

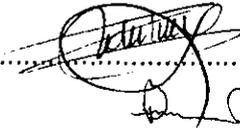
The Committee therefore recommends to the Assembly, that the House adopt the Committee report on the EAC Annual Reports for 2009/2010 and 2010/2011 taking into consideration the motion and addendum moved before the House on 23rd April 2013 by the Hon. Chairperson of the Council of Ministers.

Madam Speaker, I beg to move.

REPORT OF THE COMMITTEE ON GENERAL PURPOSE ON THE EAC ANNUAL REPORTS 2009/2010 AND 2010/2011

3RD – 8TH FEBRUARY 2013, ARUSHA, TANZANIA

1. Hon. Dr. Martin Nduwimana


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D. Nduwimana

2. Hon. Dr. James Ndahiro

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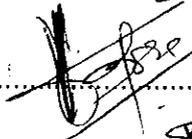
3. Hon. Dr. Odette Nyiramilimo


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Odette Nyiramilimo

4. Hon. Valerie Nyirahabineza

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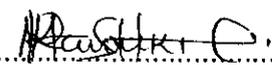
5. Hon. Hafsa Mossi


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Hafsa Mossi

6. Hon. Emerence Bucumi

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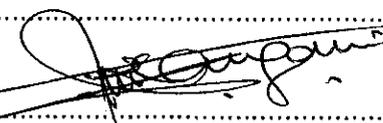
7. Hon. Susan Nakawuki


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Susan Nakawuki

8. Hon. Nusura O. Tiperu

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9. Hon. Bernard Mulengani


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10. Hon. Dr. Nderakindo P. Kessy

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11. Hon. Maryam Ussi Yahya

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12. Hon. Shy Rose S. Bhanji

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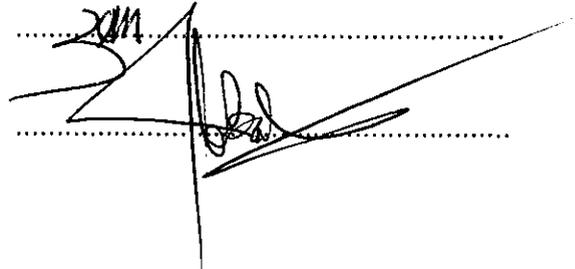
13. Hon. Nancy Abisai

Nancy Abisai
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14. Hon. Abubakar Zein Abubakar

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15. Hon. AbuBakr Ogle Abdi


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AbuBakr Ogle Abdi

Annex 1

Specific comments on the sector by sector analysis

1. Consideration of the EAC Annual Report 2009/2010

1.1 Implementation of the Customs Union and promotion of Regional Trade

The Committee noted that the implementation of the Customs Union and updated matrices need to be provided showing all the existing problems and including NTBs as well as policies and efforts to eliminate them. The Assembly through Committee reports has made various recommendations and levels of implementation by the Partner States and the EAC need to be shown in the matrices. **The Committee recommended that these updated matrices should form part of the report.**

1.2. Progress in the implementation of the EAC Common Market and laying foundation for the Monetary Union

The Committee noted with concern that the progress in this sector was being slowed by the fact that while the High Level Tax Force to negotiate the EAC Monetary Union Protocol had met several times in the recent past, the Sectoral Council on Finance supposed to give guidance to the HLTF does not meet as convened and this has stalled the process.

The Committee noted that there is also need for flexibility in the composition of delegations that constitutes quorum whereby there is need to allow available ministers to attend on behalf of the partner state when need arises.

The Committee **recommends that the Sectoral Council convene to carry out its functions and flexibility with regard to the composition of quorum for EAC meetings be reviewed with a view to ensure efficiency and effectiveness.**

1.3. Cooperation in political Affairs, Defence, Peace and Security

The Committee noted that the Annual Report refers to a process of the upgrading of the MOU on cooperation in the Defence Forces into an EAC Protocol on Cooperation in Defence Affairs after it was finalised was at the time, due for Council approval.

The 16th Meeting of the Council held on 13th September 2008 directed the formation of a Directorate for Defence Liaison and the subsequent 18th Meeting held on 4-9 September 2009 upheld the same decision as per Council resolution. **The Annual Report is silent on implementation the Committee requires an update on the same.**

1.4. Development of Regional Infrastructure

1.4.1. Surface Transport/ Roads

The Committee took note of the progress recorded at the time in the construction of the Arusha- Namanga-Athi River Road but raised questions from a retrospective perspective on the following challenges that still exist. **The Committee believes and hopes that the challenges faced and resultant non compliance have provided lessons for prospective and subsequent infrastructure projects of the same magnitude.**

- The boreholes that to date have still not be sank (in Kenya) that were part of the initial contract;
- The gaps caused by non compliance that have emerged with audited accounts and Committee report of the Accounts Committee on EAC Audited Financial Statements ending June 2011

1.4.2. One Stop Border post

The Committee took note of the progress recorded in the Annual Report 2009/2010 and required to know the status of the project. The Committee noted that the One Stop Border Post Bill had only just been tabled before the Assembly and was currently before the Committee on Communications, Trade and Investments and the delay in tabling the bill may also have affected the progress in implementation.

The Committee was informed that the infrastructure to house the staff from the partner states at the border points have still not been constructed and seeks to know the reasons why this has not been done.

The Committee therefore **recommends that EALA fast track the passing of the bill and the Secretariat give priority to operationalisation of the Act.**

Secondly, **the Committee recommends that the partner states fast track the construction of the building to house the staff at the border posts.**

1.4.3. Railways

The report does not reflect the status of the Railways Master Plan that was completed in January 2010 and it is not revisited in subsequent reports

The Committee took note of the progress reported and required an update on the Energy Master plan with regard to the feasibility studies, if they were completed particularly the exchange power master plan and study to include the Republics of Rwanda and Burundi.

The Committee observed that the Kampala – Kigali pipeline mentioned on page 33 has not commenced as yet and required an updated status

The Committee **recommends that an alternative pipeline be considered for the extension of the oils products pipeline.**

1.4.4. Civil Aviation and Airports (CASSOA)

The Committee took note of the report on CASSOA particularly on the need for increased funding as well as the serious constraint in staffing caused by the lack of qualified staff caused by lack of capacity to pay salaries commiserate to international stands.

The Committee noted with concern that this was an unsustainable situation and **recommends the following:**

- **That alternative funding for CASSOA be urgently sought;**
- **That with reference to other Regional Economic bodies, best practices such as financing through a levy be considered for adoption**
- **That all outstanding arrears be urgently cleared by the partner states**

1.4.5. Communications

The Committee while appreciating that the partner states had made progress and were still within the given deadline of 2015, required to know the status of implementation in the partner states of the process of the transition from analogue to digital.

With regard to development of model cyber laws for the region, the Committee noted with concern that the activation of the ADB BIN Grant for the **Lake Victoria Broadband Integrated Network** has not been possible because two partner states have not signed. **The Committee recommends that the partner states yet to sign to activate the grant do so.**

1.4.6. Maritime Transport

The Committee took note of the progress reported under the sector and required an update on the outcomes and operationalisation of the Common Legal Framework to fight piracy in the Indian Ocean.

The Committee noted that **the Republic of Uganda has not as yet ratified the Lake Victoria Water Abstraction Policy and recommended that this be done.**

1.4.7. Meteorology

With regard to the EAC Climate Change policy and Fund adopted by Council, the Committee required further information on points (i) to (v) and status to date particularly given that the EAC budget has consistently reflected budgetary requests in pursuance of the Fund.

Under infrastructure, the Committee made reference to the Headquarters building and made the following observations:

- During the design of the building, the failure to take into account expansion, growth of the Community in terms of staff and necessary infrastructure;
- According to the Secretary General, there were **savings** realised during the construction of the Headquarters. The Committee would like to be briefed on **the amount and proposed utilisation of the said savings and if there are any plans for expansion;**
- What is to be done about **the flaws in structure and design** that are apparent for example in the Chamber of the Assembly;
- The **conflict in the proximity of the EACJ and the Executive** being in the same premises;
- The need for **lessons** to be learnt **with regard to errors** made in the building
- The reasons as to why the bigger plot offered by the United Republic of Tanzania was not utilised for the construction of the new Headquarters building.

2. Social and Productive Sectors

The Committee raised the following issues under the sector:

1. The Committee required an update on the Lake Victoria Basin Commission Bill 2009; that was withdrawn by the Council of Ministers;
2. An updated report on the status of achievement of the Millennium Development Goals in the Partner States to date;
3. An update on the draft EAC HIV/AIDS strategic plan.

And under **the sector support programme**, explanations are sought on:

4. The usage, utilisation of and outcomes of the harmonised regional statistics directly related to the implementation of the CM protocol and preparations for the EA Monetary union. The same applies to the standard formats for reporting on the progress in the implementation of the EAC projects and programs including the implementation of decisions and directives of the Council and Summit that were adopted and operationalised.

The Committee took note of the persistent issue of lack of staff in EAC departments including the Statistics and Monitoring and Evaluation

departments and observed that the EAC Secretariat needs additional staff to enhance their capacity to ensure efficiency and optimum output.

The Committee required detailed information on **how much money has so far been used in the ongoing institutional review process, an elaboration on the origins, value addition and essence of the performance contracts.**

The Committee recommends the following:

1. **That the Secretariat needs to be given adequate facilitation commensurate with its coordination role;**
2. **A need to reinforce capacity of the EAC departments in the short term despite the ongoing institutional review process and the freeze on recruitment through projects;**
3. **That the EALA use its working relations and linkages with National Parliaments to strengthen its oversight role by intervening in specific areas so as to strengthen the EAC organs and institutions realise their objectives. EALA should be given the necessary resources and facilitation to carry out its oversight role effectively.**

3. EALA

The Committee noted that in carrying out its mandate, the Parliament has final outcomes that include **resolutions, questions and Bills** and required to know **how far the Secretariat puts these into consideration** and **results of follow up on these including the commitments made by the Council of Ministers** in this regard.

The Committee observing that there was need for the Assembly to be regularly updated on activities of the Assembly, **recommends that the bi-annual report by the EALA Commission be regularly tabled, debated and adopted by the House.**

In compliance with the same provision in the Administration of EALA Act that **the Assembly appoint and give mandate to a committee to prepare regular reports on the activities of EALA.**

4. EACJ

The Committee took note of the progress made by the Court but observed that **challenges that were well known in the EAC did not appear in the report and yet should appear in an annual report.** These challenges include:

- The perceived inappropriate proximity of the EACJ and the Secretariat as not reflective of the separation of powers;
- The design of the new headquarters building reflecting the above mentioned situation that should have been rectified then;
- The challenges of non residency of the Judge President and the Principle Judge.

5. Lake Victoria Basin Commission

The Committee noted the progress registered but **requires a detailed briefing on the Water Abstraction policy guidelines that ensure sustainable utilisation of water resources.**

- The **need to revive the LVBC Bill;**
- The reasons for the failure of the Republic of Uganda to sign to allow activation of the ABD grant;
- An update on RV Jumuiya whose operation has several challenges that do not appear in the report.
- The status on the Headquarter Agreements and immunities and privileges of staff of LVBC which are not respected by the host partner states including the privileges to the citizens who are EAC staff. This would also require an update on the status on all organs and institutions in EAC.

6. IUCEA

The Committee took note of the progress made and required information as follows:

- The challenge of Headquarter agreements with the host partner state with regard to the status of EAC staff
- The status of IUCEA Amendment Bill 2011 that was passed by the Assembly;
- The steps, processes and practical utilisation undertaken/carried out by the IUCEA to ensure optimal use of the research carried out by Universities in the under its supervision as well as the collaborative initiatives with partner institutions

7. Lake Victoria Fisheries Organisation

The Committee while taking note of the progress made at the time, made the following observations:

- The need to be briefed on the procurement of vessels and if it is not possible to work with LVBC to ensure optimal use of the existing vessels;
- The need to be briefed on the operations of LVFO and its projects and activities in the sustainable management of resources;
- The use and collection of revenue from the landing site user fees;

8. East African Development Bank

The Committee raised the following issues:

- The need for an update on if the EADB is an organ of the Community, the composition and status of the shareholding, the status of the Headquarters agreement with the Republic of Uganda and why it is presently not audited by the Audit Commission;
- The need to be briefed on the status and progress of the EAC Development Fund;
- The issue of the Republic of Burundi not being a member of the EADB

9. Financial status of the EAC

The Committee noted the following and requires further details:

- The expenditure was greater than the revenue;
- There is a need for consistent structure and presentation of the status in the Annual Reports

10. Consideration of the EAC Annual Report 2010/2011

10.1. Office of the Secretary General: Internal Audit Department

The Committee observed that a good percentage on implementation was achieved although qualitative elements of the unit were not captured in the report. There is no mention of the Internal Audit unit in the Annual Narrative Report.

The Committee recommends **that qualitative as well as quantitative elements be reflected in reports.**

The Committee recommends that all master documents should reflect a flow and coherence in terms of content, themes, flow and chronology and this should reflect in the outlay and format of the report.

The Committee noted that only 70% of the activity was carried out yet 100% of the funds were utilized. The Committee sought to know if the Internal Audit Unit had under-budgeted for the activity. It further recommended that the budget expenditure should be in tandem with the activities performed.

10.1.1. LEGAL AND JUDICIAL AFFAIRS

The Committee noted that there was no clear break down of funds used to implement activities; there is no marginal error on the budget approved vis a vis the actual expenditure and activities are not clearly spelt out.

There were also anomalies in the amounts when the Implementation Plans and Operational plans are compared; the budget officer from EAC Secretariat to be asked to explain the anomalies in the figures and the implementation under this sector.

The actual expenditure for some activities not spelt out, tracking of implementation of activities is not clear;

The Committee observed that no clear activities were drawn in the Operational Plan to clearly inform the Implementation Plan. The Committee therefore recommends that the Legal and Judicial Affairs clearly states what its activities are to enable it to achieve its strategic objectives.

The Committee further noted that some activities e.g. rendering legal services within 7 days from the time of request had no approved budget.

Under compliance with EAC Laws and Regulations ensured throughout, the budget in the Operational Plan is USD49,500 while in the Implementation Progress Report it states only USD13,000. Why such a difference?

- **The Committee also noted that there were anomalies in the amounts when the Implementation Plans and Operational plans are compared; the Committee therefore recommends that the EAC budget officer to be tasked to explain the anomalies in the figures and the implementation under this sector;**

- The Committee noted that in some instances, the actual expenditure was not indicated. **The committee recommends that for purposes of proper planning, actual expenditures be indicated.**
- Re-allocation of funds done without the same being brought to EALA for approval; The Committee observed that in some instances the Secretariat re-allocated funds for activities that had not been carried out. **The Committee recommended that funds for re-allocation should be brought to the attention of EALA for approval.**

10.1.2. CORPORATE COMMUNICATIONS AND PUBLIC RELATIONS AFFAIRS

The Committee observed that no clear distribution mechanism of promotional materials stating the number of materials distributes; where are the materials distributed; how are they distributed;

- Due to the fact that excess funding is used to produce materials and then distribute the materials. The Committee **recommended that templates be sent to the Ministries for EAC Affairs in the Partner States to produce the said materials to cut down on dispatching/distribution which would be cost effective.**
- Under training of journalists on the EAC integration process, question is what criterion was used to select who gets trained?
- Increase in public awareness on EAC matters. How is this measured?
- How does M& E determine the indicators to capture the level of awareness of the East Africans on the integration process?
- Increased collaboration between the EAC and Media in the integration process. Which media? Clarity is needed.

10.1.3. HUMAN RESOURCES AND ADMINISTRATION

- The Committee observed that under the planned activity "facilitate language classes for staff" the Operational Plan states that the amount available is **USD15,000** under the EAC Partnership Fund while the Implementation Plan states **USD10,000**. **The Committee recommends that the figures need to be harmonized.**

10.1.4. INFORMATION, COMMUNICATION AND TECHNOLOGY

The Committee noted that this is a critical department in the EAC and ambiguity and uncertainties should be condensed;

- There should be clarity in figures;
- Figures of activities done should be accompanied with annexes;
- Matrices should give explanatory notes;
- There should be clear information on the absorption rate of the department;
- Clarity on where EALA needs to put more emphasis;

11. PLANNING AND INFRASTRUCTURE

11.1. MONITORING AND EVALUATION

- M & E Reports/Framework should be forwarded to EALA;

11.1.1. STATISTICS

The Committee **recommended that a Copy of the model DTAs should be presented to the relevant committee of EALA and in general , all Community Agreements should be tabled to EALA or reference be made to the relevant Committee.**

11.1.2. PLANNING AND RESEARCH

- Clearly state what the Planning Departments role is;
- A proper job description for the planning department is required;
- Clear terms of reference need to be drawn;
- Some of the meetings held by Secretariat should incorporate EALA staff for exposure and learning purposes;
- EAC needs to standardize the Consultancy rates per day;
- Agreements signed by EAC and Development Partners should be brought to the Parliament either before or after.

11.1.3. METEOROLOGY

- The Protocol on Cooperation in Meteorology Services finalized. This needs to be presented to EALA as an annex;
- Procurement for a Climate Change Master Plan, to be availed to EALA;

12. PRODUCTIVE AND SOCIAL SECTORS

- No introduction;
- No numbering;
- There is need for explanations on the changes or the fluctuations in budgets;
- (Page 55 and Page 67) lots of inconsistencies between the implementation reports and operational plans. **An example cited is holding meetings to achieve the implementation of new food projects. The Committee recommended that practical activities that will achieve certain objectives be clearly thought out.**

12.1. AGRICULTURE, FOOD SECURITY AND RURAL DEVELOPMENT

- The Committee observed that two meetings were held in third and fourth quarters and wondered if these meetings were necessary?
- In most instances the objectives were irrelevant and costly where food security activities have only been limited to meetings?
- Food security has not been given the much attention it requires; this is a key priority area for the region; only two activities under this sector;
- Not clear on how the Partner States have harmonized the prioritized activities;

12.2. LIVESTOCK AND FISHERIES

The Committee observed that there was no status in the Implementation Plan;

- Page 69 of the Operational plan states that this sector produces promotional/informational materials which is the role of the Communications Department. The Committee observed that the Livestock Department was also tasked with distribution of IECs. **The Committee in its view thought that this was an over-lapping role under the Corporate, Communications and Public Relations and recommends that IECs are centralized in the EAC.**

12.3. ENERGY

The Committee wondered what the Overseas training received in the UK contributes to the Sector and observed that the Implementation Plan does not outline activities funded under the EAC Partnership Fund whereas the

same is included in the Operational Plan. **The Committee recommends that all activities are captured in both documents for ease of reference;** The Committee further observed that the EAC Partnership Fund Contributions are not included in the Implementation Plan and brings about lack of clarity in the Operational Plan. **The Committee recommends that all activities as well as all budget lines/sources are included in the two documents for clarity.**

12.4. TOURISM AND WILDLIFE

The Committee noted that Ministers, Permanent Secretaries and Director responsible for Tourism and Wildlife, Ambassadors of the EAC Mission in the UK and Germany were presented with plaques of appreciation from SG but concluded that this was not an activity.

12.5. INDUSTRIAL DEVELOPMENT

The Committee noted a discrepancy in approved budget and actual expenditure; **The Committee observed that USD107, 800 was earmarked for this sector and only USD65,070 was spent even though one activity was not carried out. The Committee recommends that funds are allocated carefully for all activities.**

The Committee wondered why EAC spend money on development of TORs and the role of the Desk Officer and **recommended that EALA should as a matter of principle refuse to approve money for development of TORs;**

12.6. EDUCATION, SCIENCE AND TECHNOLOGY

The Committee observed that the activities under the Implementation and Operational Plans were did not match. **The Committee recommended that in future, the two documents should complement each other for ease of reference.**

- Planned activities are not corresponding with the outcome;
- Copy and paste from the Common Market Protocol!

12.6.1. HIV/AIDS Policy in Education, Science and Technology

- **“Budget Neutral”** is an unclear term that needs to be explained. The
- Under “Implementation Strategy for HIV/AIDS Policy in the Education, Science and Technology Culture Sports Sector finalized by June 2011”and while there was no approved budget for this activity **USD 19, 600** was spent?
- The Committee observed that no awareness creation activities were included under the HIV and AIDs unit. **The Committee recommended**

that awareness creation was a very important activity under this unit and hence must be included under the Operational Plan as well as in the Implementation Plan.

12.7. GENDER, COMMUNITY DEVELOPMENT AND CIVIL SOCIETY

The Committee requested for The EAC Protocol on Gender Equality and the MDGs report on the EAC.

12.8. HEALTH DEPARTMENT

The Committee observed that the status on the EAC Health Commission needs to be outlined and that EAC Regional Pharmaceutical Manufacturing Plan of Action: 2012 – 2016 that was developed and approved be presented to the Assembly.

12.9. LABOUR, IMMIGRATION AND REFUGEE MANAGEMENT

The Committee noted that activities were not consistent with the stated objectives;

- Implementation does not correspond with planned activities; too many inconsistencies;
- Harmonization of policies; nothing corresponds to it page 92 (OP) and Page 70 (IP)

12.10. ENVIRONMENT AND NATURAL RESOURCES

The Committee observed that activities in Operational and Implementation Progress reports do not correspond and while there are only 2 activities under this sector, it is an area that needs a lot of attention due to the fact that the World is dealing with Climate Change issues.

13. POLITICAL FEDERATION

There is a need for the Secretariat to prioritise its activities so that the Community can at least register some achievements related to the four (4) pillars of the integration. Specific priorities related to the already signed protocols for example the Customs Union, Common Market are long overdue in terms of implementation. We must take necessary steps to fully implement as well as inform the public on accomplishments registered.

13.1. INTERNATIONAL RELATIONS

The Committee required to know how much was spent to implement activities under this sector, who represented EAC and who paid for the activities?

13.2. PEACE AND SECURITY

The Committee observed that the key output in the Implementation Plan stated that the Conflict Early Warning and Response mechanism would be operationalised by 2014. On the other hand the Operational Plan stated that the CEWR would be operationalised by 2012. **The Committee recommends that this anomaly be corrected to give accurate information.**

4. CUSTOMS AND TRADE

The Committee noted that The African Growth and Opportunity Act (AGOA) was signed into law on May 18, 2000 as Title 1 of The Trade and Development Act of 2000. The Act offers tangible incentives for African countries to continue their efforts to open their economies and build free markets. The Committee observed that the EAC had participated in AGOA Meetings but **recommended that it be made clear what exactly the EAC is getting or selling from its relationship with AGOA.**