



## East African Legislative Assembly

### PRESS RELEASE

#### IS THE EAST AFRICAN COMMUNITY BROKE?

... Assembly calls for urgent remittances by Partner States to enable bloc meet its obligations

**East African Legislative Assembly, Kigali, Rwanda: March 17, 2017:** The activities of the EAC are perpetually grinding to a halt – unless immediate remedial measures are taken to remit the amount of USD 24,016,930 owed to the EAC by the Partner States.

Deeply concerned by this poor financial state of affairs, EALA has passed a resolution urging the Council of Ministers to immediately convene under matters of urgency to resolve the financial crisis in EAC by ensuring immediate and full disbursement of funds to the EAC.

The Assembly further wants Council of Ministers to invoke provisions of the Treaty (Article 14 and Article 143) to reprimand the Partner States that are defaulting in taking care of their obligations. In the same vein, EALA has moved to establish a Select Committee to investigate the matter of financial paralysis and to report back to the House.

The Motion moved by Hon Nancy Abisai and under Rule 30 of the Rules of Procedure also want the Council of Ministers to be proactive by ensuring the matter is on the agenda of the next EAC Summit meeting as a priority and matter of urgency and public importance.

The Motion avers that out of a total sum of USD 41, 890,538 approved as the budget of the EAC Organs and Institutions funded by equal contributions from Partner States to cater for the Secretariat, East African Legislative Assembly (EALA), East African Court of Justice (EACJ), Lake Victoria Basin Commission (LVBC), the Kiswahili Commission the Health Research Commission and the Competition Authority. The amount so far remitted at the Secretariat stands at USD 18,644,645 which amounts to 44%, three months to the end of the financial year.

The Council of Ministers has previously resolved that all Partner States should be fully paid up by 30<sup>th</sup> December of every financial Year to enable the Community to function and operate smoothly. Each Partner State is required to pay USD 8,378,108. However, currently,

1. Republic of Kenya has contributed \$4,395,707 (52.47%) leaving an outstanding of \$3,982,400 (47.53%)
2. United Republic of Tanzania has contributed \$2,553,203 (30.47%) leaving an outstanding of \$5,824,905 (69.53%)
3. Republic of Uganda has contributed 7,668,419 (91.53%) leaving an outstanding of \$709,689 (9.47%)
4. Republic of Rwanda has contributed \$4,027,316 (48.07%) leaving an outstanding of \$4,350,791 (51.93%)
5. Republic of Burundi has not contributed any amount to this financial year's budget (0.00%) leaving an outstanding of \$8,378,108 (100%) excluding arrears for the previous year amounting to \$771,037.

The figures exclude contributions earmarked for the Lake Victoria Fisheries Organisation, the Inter-University Council of East Africa and the Civil Aviation, Security and Safety Organisation Agency (CASSOA) which is a self-accounting institution of the EAC.

The Assembly is further concerned that non-remittance of the funds is recurring and the move has completely disrupted the functions of the Assembly. The results of which include, non-payment of allowances and personnel emoluments, delays in settlement of supplier invoices

Hon Dora Byamukama said the Community needs to take the matter of remittances seriously and proposed that it may be time for the different Organs and institutions to bid for their contributions directly as opposed to the current form where all monies are disbursed to the Secretariat first, before the Institutions and Organs receive the attendant portion.

*“We are currently electing EALA Members as we speak – but if the matter persists, how will the activities of the Assembly work?”* Hon Dora pondered. She said a good number of staff may be insecure and anxious affecting their overall productivity thus that of the EAC as a whole. Compounding the matter further is that of image said the legislator. *“The Banks may not be sure we will honour the obligations. This is a very serious issue,”* she added.

Hon Patricia Hajabakiga called for total goodwill on part of the Partner States in order to spur integration. She said the African Union which has a bigger membership had managed to finalise discussions on the matter of sustainability – while the EAC bloc which has a relatively manageable membership is yet to realise the objective.

Also rising in support of the Motion were Hon Bernard Mulengani who said salaries and emoluments of all staff and Members of the Assembly were affected. The Suppliers are also affected, he said.

Hon Yves Nsabimana said an analysis of the budget performance was pegged at 45% which he termed as worrying and that the image of the Community was bad calling for immediate remittances to the EAC.

Hon Mike Sebalu noted with appreciation the contribution of Uganda saying it was inspiring even to the other Partner States. *“I encourage everyone wherever they are to meet their obligations”, he said. He called on the EAC to look at alternative funding mechanism. Let us look at the ECOWAS model for example”,* he said.

Hon Dr James Ndahiro rooted for the alternative funding mechanism saying it was reliable, timely and predictable. *“This is not the Community I knew five years ago. Something has gone wrong somewhere...there is loss of appetite to move integration forward”,* he said.

Hon AbuBakr Ogle called for establishment of a Select Committee of the House to look into the predicament of inadequate funds and to report back to the House.

Hon Taslima Twaha remarked that it was a sad and dark day in the history of the Community.

Others who supported the resolution were Hon Valerie Nyirahabineza, Hon Sarah Bonaya, Hon Odette Nyiramilimo, Hon Shyrose Bhanji, Hon Mukasa Mbidde and Hon Susan Nakawuki.

Council of Ministers Dr Susan Kolimba reiterated Council of Ministers commitment to address the precarious funding issue.

Meanwhile, the Assembly adjourned after the successful completion of its 5<sup>th</sup> Meeting of the 5<sup>th</sup> Session yesterday.

**-Ends-**

