## EAC unveils austere budget for 2016/17

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By ADAM IHUCHA Special Correspondent

he East African Community has unveiled its budget with a 20.2 per cent reduction in donor dependency and 8.4 per cent cut in spending.

In the \$101.4 million budget estimates for the 2016/17 fiscal year, the bloc reduced expenditure by \$9.3 million and slashed the donor aid target by \$11.8 million.

The budget for the year ending June 30, 2016 was \$110.7 million.

EAC Secretary-General Liberat Mufumukeko termed it the most efficient budget, reflecting the austerity measures ordered by the EAC Heads of State.

But critics termed the cuts contradictory in the face of expanding regional programmes among the six member countries.

"The EAC membership has expanded, meaning more expenditure m executing programmes and projects, but the budget reflects a sharp slash," said East African Legislative Assembly member Abdullah Mwinyi of Tanzania.

South Sudan was admitted into the EAC by the 17th EAC Summit and the signing of the Treaty of Accession on April 15. Juba is expected to submit the instruments of ratification to the Secretary General before the end of the year.

The Secretariat has been tasked with putting in place mechanisms that will facilitate the follow-up on the ratification by South Sudan, and develop a roadmap for the subsequent processes that are required to integrate Juba fully into the EAC's programmes, projects and processes.

All these processes,

understandably, will result in an increase in expenditure.

Tabling the budget, Tanzania's deputy Minister for Foreign Affairs and East African Cooperation Susan Kolimba said input from development partners would drop from \$58.6 million in the 2015/16 financial year to \$46.7 million in 2016/17.

Contribution from partner states is at \$47.6 million, the same as allocated in the current financial year.

The EAC member Universities will inject \$431,923, compared to \$385,420 for previous year, while general reserves doubles its input to \$6.4 million compared to \$3.9 million for current fiscal year, while miscellaneous revenue also augmented to \$305, 440, up from \$232,540 in 2015/16.

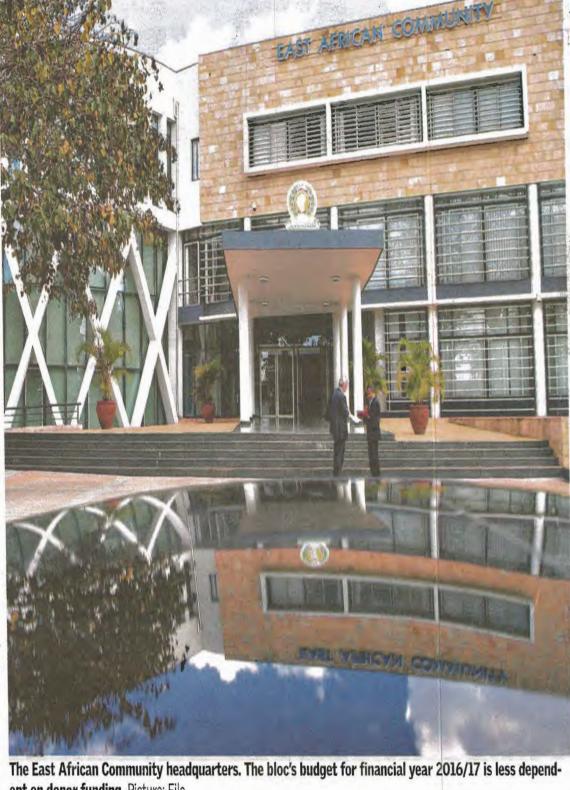
Dr Kolimba said the EAC would also receive \$4.5 million from Trade Mark East Africa (TMEA). The breakdown shows that the Customs Union and Common Market Protocols will consume \$2 million each, and \$500,000 will go to Institutional strengthening project.

## Allotment

The EAC Secretariat has been allocated \$57.9 million, EALA \$16 million, and the East African Court of Justice \$4.3 million.

The Inter-University Council for East Africa will receive \$4.6 million, Lake Victoria Basin Commission \$11.2 million, and \$2.1 million is earmarked for the Lake Victoria Fisheries Organisation.

The East African Science and Technology Commission will receive \$1.2 million, East African Kiswahili Commission \$1.1 million, and the East African Health Research Commission \$1.4 million. The East African



ent on donor funding. Picture: File

Competition Authority has been allocated \$587,565.

Analysts said the reduction of donor support and sharp cuts in spending are a good start.

"The EAC is headed towards the right direction, but the timing could be wrong because Burundi may not be able to contribute as it should due to its political crisis," said Daniel Mghwira of Miradi Associates.

Mr Mfumukeko, who took over the post of Secretary-General in April 26, said the EAC is going through challenging financial times and that forecasts for the month of June show a deficit of more than \$11 million.

The situation has been aggravated by the crisis Burundi, which has failed to remit its dues.

development In addition, partners who were expected

to provide 70 per cent of the current budget have delayed the disbursement of funds to the Secretariat over allegations of financial malpractice. Just a month before the end of this financial year, development partners have disbursed only 30 per cent of their pledges.

Sweden, Belgium, Canada, Denmark, Finland, France, Germany, Japan, Norway and the

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United Kingdom contribute to EAC Partnership Fund. Other contribitors are the European Commission and the World Bank.

The new budget prioritises implementation of the EAC Single Customs Territory, the EAC Common Market Protocol, additional especially the commitments, interconnectivity of border immigration systems and procedures across partner states, and enhancement of productivity and value addition in key productive sectors.

Ms Kolimba said other priorities include strengthening legal and judicial systems, and enhancement of Information, Communication and Education programmes to promote participation of citizens in the integration process.