EAST AFRICAN COMMUNITY

BUDGET SPEECH

Theme: Stimulating the economy to safeguard livelihoods, jobs, businesses and industrial recovery

PRESENTATION OF THE BUDGET OF THE EAST AFRICAN COMMUNITY FOR THE FINANCIAL YEAR 2020/2021 TO THE EAST AFRICAN LEGISLATIVE ASSEMBLY

BY PROF. NSHUTI MANASSEH, MINISTER OF STATE IN CHARGE OF THE EAST AFRICAN COMMUNITY, MINISTRY OF FOREIGN AFFAIRS AND INTERNATIONAL COOPERATION, REPUBLIC OF RWANDA, AND CHAIRPERSON OF THE COUNCIL OF MINISTERS OF THE EAST AFRICAN COMMUNITY

SEPTEMBER 2020

VIA VIDEO CONFERENCING

LIST OF ACRONYMS AND ABBREVIATIONS

AfDB	African Development Bank
AGOA	African Growth and Opportunity Act
AIP	Agricultural Investment Plan
AU	African Union
AWF	African Wildlife Foundation
BEA-BEA	Buy-East Africa-Build East Africa
BIOMAPA	Biodiversity for Protected Areas Management
BMS	Budget Management System
CAADP	Comprehensive African Agricultural Development Programme
CASSOA	Civil Aviation Safety and Security Oversight Agency
CDD	Community Driven Development
CEDAT	College of Engineering, Design, Art and Technology
CET	Customs External Tariff
CMI	Capital Markets Infrastructure
CMP	Common Market Protocol
CODESRIA	Council for the Development of Social Sciences in Africa
COMESA	Common Market for East and Central Africa
CTC	Counsel to the Community
DANIDA	Danish International Development Agency
DRDM	Disaster Risk Reduction and Disaster Management Bill
DRRM	Disaster Risk Reduction and Management
EABC	East African Business Council
EAC	East African Community
EAC-EU-EPAs	East African Community – European Union- Economic Partnership Agreements
EACJ	East African Court of Justice
EACREEE	East African Centre for Renewable Energy and Energy Efficiency

EADB	East African Development Bank
EAHRC	East African Health and Research Commission
EAKC	East African Kiswahili Commission
EALA	East African Legislative Assembly
EAMU	East African Monetary Union
EAPCE	East African Petroleum Conference and Exhibition
EAPP	Ester Africa Power Pool
EAPPCCO AGM	East African Police Chiefs Cooperation Organization – Annual General Meeting
EASTECO	East African Science and Technology Commission
EATUC	East African Trade Union Confederation
ECOWAS-PF	Economic Community for Western Africa Parliamentary Forum
EGL	Energy for Great Lakes
EPA	Ecosystems Profile Assessment
EU	European Union
FDIs	Foreign Direct Investments
FN	Fast Jet
FSDRP	Financial Sector Development and Regionalization Project
FTA	Free Trade Area
GAVI	Global Alliance for Vaccines
GDP	Gross Development Product
GIZ	Deutsche Gesellschaft fur International Zusammenarbeit
GMP	Good Manufacturing Practice
HIV and AIDs	Human Immunodeficiency Virus and Acquired Immune Deficiency Syndrome
IEC	Information, Education and Communication
ICT	Information and Communication Technology
IMO	International Monetary Organization

IPU	Inter-Parliamentary Union
ITC	International Trade Centre
IUCEA	Inter-University Council for East Africa
IUCN	International Union for Conservation of Nature
IWRM	Integrated Water Resources Management Programme
JAMAFEST	Jumuiya ya Afrika Mashariki Utamaduni Festival
KfW	German Development Bank
KQ	Kenya Airways
LVBC	Lake Victoria Basin Commission
LVEMP	Lake Victoria Environmental Management Project
LVFO	Lake Victoria Fishers Organization
LVWATSAN	Lake Victoria Water Supply and Sanitation Project
MOU	Memorandum of Understanding
MRAS	Mutual Recognition Agreements
MTEF	Medium Term Expenditure Framework
NELSAP	Nile Equatorial Lakes Subsidiary Action Programme
NIRTO	Network of Industrial Research and Technology Organization
NMRAs	National Medicines Regulatory Authorities
NPCA	NEPAD Planning and Coordinating Agency
NPFMPII	Nile Perch Fishery Management Plan
NTBs	Non-Tariff Barriers
OSBPs	One Stop Border Posts
PAP	Pan-African Parliament
PHE	Population Health and Environment
PPS	Public Private Sector Partnerships
PREPARED	Policy, Adaptation, Research and Economic Development
RECs	Regional Economic Communities
RMNCA	Reproduction Maternal New-born, Child and Adolescent Health

RRIS	Regional Reference Information system
RSS	Republic of Southern Sudan
RTOS	Research and Technology Organization in Africa
SADC	Southern African Development Community
SADC-PF	Southern African Development Community – Parliamentary Forum
SALW	Small Arms and Light Weapons
SCT	Single Customs Territory
SCTIFI	Sectoral Council on Trade, Industry, Finance and Investment
SDGs	Sustainable Development Goals
SEZs	Special Economic Zones
SIDA	Swedish International Development Agency
SMEs	Small and Medium Enterprises
SOLAS	Safety of Life at Sea
SoPs	Standard Operating Procedures
SPS	Sanitary and Phyto-sanitary
STEM	Science, Technology, Engineering and Mathematics
SQMT	Standardization, Quality Assurance, Metrology, Testing
TBP	Time Bound Programme
TBT	Technical Barriers to Trade
TCM	Sectoral Council on Transport, Communication and Meteorology
TMEA	Trade Mark East Africa
TORs	Terms of Reference
TTPF	Tax Treaty Policy Framework
UHC	Universal Health Coverage
UN	United Nations
UNFPA	United Nations Population Fund
UNIDO	United Nations
US	United States of America

VAT	Value Added Tax
VC	Video Conferencing
VETGOV	Reinforcing Veterinary Governance in Africa
VIA	Vulnerability Impacts Assessment
WASH	Water, Sanitation and Hygiene
WHO	World Health Organization
WMO	World Meteorological Organization
WTM	World Travel Market

1.0 INTRODUCTION

1) **Mr. Speaker,** I beg to move that this Assembly resolves into a House Committee to debate and approve the proposals by the Council of Ministers for the Budget of the East African Community for the Financial Year 2020/2021.

   The theme of this year's budget is: ***Stimulating the economy to safeguard livelihoods, jobs, businesses and industrial recovery.***

2) The Budget estimates for the Financial Year 2020/21 are being presented at a time that the COVID-19 Pandemic has severely affected the lives and economies of all countries in the world, leading to lockdowns and a slowdown in economic activities. The impact of the Pandemic on EAC Partner States, though not yet assessed fully, is no doubt surmounting.

2.0 ECONOMIC PERFORMANCE AND OUTLOOK

3) **Mr. Speaker,** in 2019, real GDP in East African countries grew by 5.9 percent from 5.7 percent in 2018 and 5.6 percent in 2017 which is the highest growth among all Regional Economic Communities in Africa. This was attributed to increased private consumption especially in the service sectors, investment in infrastructure projects and increased agricultural production because of a number of achievements by EAC under EAC Customs union and Common Market pillars. In line with global trends, growth rate in the EAC Region in 2020 is expected to experience a drop as a direct result of the global COVID-19 pandemic. In this regard, decisive measures are urgently needed to mitigate the economic losses, safeguard livelihoods and promote economic recovery.

4) **Mr. Speaker,** allow to emphasize that this budget will complement other Partner States' efforts and collaborations with development partners to build the Region's Economic Recovery from COVID-19 disruptions.

3.0 REVIEW OF EAC PROGRAMME PERFORMANCE FOR THE FINANCIAL YEAR 2019/2020

5) As Honourable Members will recall, this August House approved a Budget of USD 116,428,004 for the Community for the Financial Year 2019/2020. The performance on implementation of the above priorities by the EAC Organs and Institutions as well as the plans for the next financial year, is as follows:

3.1 EAC SECRETARIAT

3.1.1 DIRECTORATE OF CUSTOMS

(a) Implementation of the Single Customs Territory

Mr. Speaker, the Customs Union remains a cornerstone of the EAC regional integration agenda. In this regard, we have continued to implement the Single Customs Territory (SCT) through which interconnectivity of customs systems and exchange of trade information have been enhanced. The region has continued to operationalize the One Stop Border Posts (OSBPs). The Nimule/Elegu (Uganda/South Sudan border) and Tunduma (Tanzania/Zambia border) were launched in the Financial Year 2019/2020. Further, the Community is in the final stages of concluding a comprehensive review of the EAC Common External Tariff. So far, Partner States have adopted a four-band structure (0%, 10%, 25% and a rate above 25%). Partner States are yet to agree on a rate above 25% as some Partner States are in favour of 30% while others prefer 35%.

Mr. Speaker, despite the above achievements, in the last quarter of the Financial Year,

i. the region has experienced disruptions in the movement of cargo as a result of the
ii. outbreak of the Corona virus (COVID-19) pandemic. Notwithstanding the measures put
iii. in place to contain the pandemic, Partner States have ensured that borders remain
iv. open for the smooth flow of essential goods particularly foodstuffs and medical supplies.

3.1.2 DIRECTORATE OF TRADE

(a) Elimination of Non-Tariff Barriers

Mr. Speaker, efforts have been put in place to resolve the existing Non-Tariff Barriers (NTBs) and encourage Partner States to refrain from imposing news ones as per the EAC Customs Union Protocol. For the period 2019/2020 a total of 16 NTBs were resolved amongst Partner States.

(b) EAC Micro Small and Medium Enterprises Trade Fair

Mr. Speaker, the 20th EAC MSMEs Trade Fair, formally known as Jua Kali NguvuKazi Exhibition was successfully held in Kigali, Rwanda from 13th to 22nd December, 2019. More than 1,000 exhibitors from EAC Partner States attended the Trade Fair. During the Trade Fair, the exhibitors/MSMEs were trained through daily Symposium Sessions, which covered different aspects of regional integration including cross border trade.

3.1.3 DIRECTORATE OF PLANNING

(a) Tracking the implementation of the EAC Common Market Protocol

Mr. Speaker, the EAC Secretariat conducted the first formative Evaluation of the Implementation of the EAC Common Market Protocol since its coming into force. It is anticipated that the Evaluation findings and recommendations will be used by the Council, Partner States and other stakeholders in designing new implementation and programmatic strategies, and approaches for full implementation of the EAC Common Market Protocol.

(b) Cooperation in Statistics Harmonization and Development

Mr. Speaker, in March 2020, the technical and administrative staff for the 5-year EAC/World Bank Statistics Development and Harmonization Regional Project commenced activities. In 2020/2021, the focus will be on Information Technology infrastructural support to regional Statistical Training Centres, and preparation of regional guidelines for compilation of harmonized statistics in all statistical areas of the project focus.

(c) Implementation of Payment and Settlement Systems in the region

Mr. Speaker, in January 2020, the Sectoral Council on Finance and Economic Affairs (SCFEA) considered and approved the draft EAC Banking Certification Policy, its Implementation Strategy and Roadmap, Considered and approved the draft EAC Microfinance Services Policy and its Implementation Strategy and Roadmap, considered and approved the revised draft EAC Insurance Bill. The SCFEA further considered and approved the revised draft paper and the corresponding principles on extending pension coverage to the informal sector in the EAC region.

3.1.4 DIRECTORATE OF INFRASTRUCTURE

(a) Roads Sub-sector

Mr. Speaker, the Secretariat has continued to coordinate development of multinational roads linking the Partner States as updated below:

i. Implementation of the 400 km long Multinational Kenya/Tanzania road: Malindi – Lunga Lunga and Tanga – Bagamoyo road is under tendering stage following the two Governments securing a financing package of EUR 375 million from the

African Development Bank (AfDB) and European Union for construction of road sections in Kenya and Tanzania which is expected to commence in 2020.

ii. Construction of the Multinational Tanzania/Burundi road: Kabingo – Kasulu – Manyovu (260 km) in Tanzania and Gitaza – Rumonge (45 km) in Burundi has commenced following the Republic of Burundi and the United Republic of Tanzania securing financing amounting to USD 322.35 million in the form of grants and loans from the AfDB. Furthermore, the EAC has engaged a Consultant to undertake a detailed architectural and engineering design of the Mugina / Manyovu One Stop Border Post (OSBP) between Burundi and Tanzania after securing a grant from the AfDB amounting USD 480,000.

iii. Mobilization of resources for construction of the 92 km Lusahunga – Rusumo road in Tanzania linking to 70 km Kayonza – Kigali road in Rwanda is ongoing.

Mr. Speaker, feasibility studies and detailed engineering design for the Multinational Tanzania/Uganda road project, Masaka – Mutukula (90 km) in Uganda linking Mutukula – Kyaka and Bugene – Kasulo – Kumunazi Road (160 km) in Tanzania is ongoing funded by a grant secured from the AfDB and is expected to be completed in October 2020.

Mr. Speaker, in the Financial Year 2020/21 the Secretariat will continue to mobilize resources to undertake feasibility studies and subsequent implementation of 12 successor multinational road projects linking Partner States and the Phase II OSBP programme including designing, construction and operationalization of new OSBPs.

(b) Railways

Mr. Speaker, the implementation of the Northern Corridor and Central Corridor Standard Gauge Railways in Kenya and Tanzania respectively is ongoing. Phase 2A from Nairobi to Naivasha was completed in September 2019 (a length of 120 km) together with the dry port in Naivasha completed in December 2019 and launched in March 2020. Likewise, substantive progress has been achieved on the construction of Phases I and II of the

Central Corridor Standard Gauge Railway from Dar es Salaam – Makutupora a length of 722 km

In the financial year 2020/2021, the Secretariat will finalize the development principles of harmonized EAC Railways legal and regulatory framework, which will ensure there are seamless railways operations across the region.

(c) Civil Aviation and Airports

Mr. Speaker, during the year under review, the EAC Secretariat coordinated the implementation of EAC Seamless Upper Airspace Project and this included the harmonization of regulations, Manuals of Air Navigation Services operations and development of common Secondary Surveillance Radar (SSR) codes.

Mr. Speaker, EAC Partner States have committed to fully implement the Yamoussoukro Decision as part of the Common Market Protocol and in line with the ongoing efforts by the African Union Commission (AUC) and the African Civil Aviation Commission (AFCAC) to establish and operationalize the Single African Air Transport Market (SAATM). During the period under review, the EAC Secretariat also coordinated the operationalization of the EAC Aeronautical and Maritime Search and Rescue Agreement and the development of an EAC Agreement in handling Aircraft Accident and Incident investigation.

Mr. Speaker, in the financial year 2020/21, the Civil Aviation and Airports Sub-Sector priorities will focus on implementation of the EAC Seamless Upper Airspace project (2017/18 to 2021/22), and on implementing strategies to reduce the current high cost of intra-EAC Air tickets and air operations including the harmonization of charges and taxes.

(d) Meteorology

Mr. Speaker, under Meteorology, the Secretariat developed strategies aimed at improving the Meteorological Services to produce more accurate and timely weather forecasts.

The EAC Secretariat in collaboration with the World Meteorological Organization and Partner States are expected to complete the implementation of the HIGHWAY project through the support of the UK Department for International Development. The project aimed at upgrading the Early Warning Systems for severe weather events on the Lake Victoria Basin in order to increase the safety of life and to reduce the damage to property caused by thunderstorms and strong winds generated over Lake Victoria.

(e) Communications

Mr. Speaker, under the Communications Sector, the Secretariat will continue to prioritize the harmonization of policies and the full implementation of the EAC Roaming Framework to support the common market protocol provisions on free movement of persons.

3.1.5 DIRECTORATE OF PRODUCTIVE SECTORS

(a) Agriculture and Food Security

Mr. Speaker, the EAC framework for harmonised procedures for conducting pest risk analysis (PRAs) for maize, rice and beans was adopted by the 39th Council of Ministers in November 2019. The plan is underway to develop PRAs for other key agricultural commodities. The 39th Council meeting also adopted the key guidelines required to facilitate testing and registration of pesticides under the EAC harmonised system.

Mr. Speaker, in the financial year 2020/21, the Community will focus on the following key agriculture sector priorities: (i) support harmonization of regional agricultural policies,

strategies and legislation to spur agricultural transformation; (ii) enhance agricultural productivity and competitiveness, food and nutrition security and safety and youth empowerment in the agricultural sector; and (iii) promote livestock and fisheries productivity and trade for sustainable livelihoods.

(b) Industrialization and SMEs Development

Mr. Speaker, taking into account emerging developments such as the fourth industrial revolution, biotechnology, oil and gas explorations, African Continental Free Trade Areas (AfCFTA) and importance of protecting nascent industries, the region has already embarked on the preparation of a new EAC Industrial Policy Strategy and Action Plan for the next five years (2021-2026).

Mr Speaker, EAC developed competitive Cotton, Leather, Automotive, Fruits &Vegetables; Pharmaceutical and Extractive and Mineral Value Chain Strategies for the region. To support the implementation of the strategies, the region established public private sector coordination platforms. The region continues to develop the pharmaceutical sector and has identified products that can be procured locally; established a task force to oversee the procurement and is developing a Pharmaceutical Manufacturing Bill. The region has also kicked off the process of developing fruits and vegetables and extractive and mineral value chains strategies.

(c) Energy Sector

Mr. Speaker, during the financial year 2019/2020 EAC continued implementation of priority energy projects from the Regional Power System Master Plan. The installed capacity increased from 5209.7 MW in 2018 to 5857.9 MW by June 2019 hence adding 648.2 MW to the Regional Power Network. EAC Secretariat secured 3 million Euros from the AfDB as funding gap for the component of Burundi interconnector. Construction of 14 MW Kikagati/Murongo hydropower project continued and the project was expected to finish by July 2020.

Mr. Speaker, EAC Secretariat together with the Centre of excellence for East African Centre for Renewable Energy and Energy Efficiency (EACREEE) designed and secured funding to the tune of EUR 5,902,894 for a project on 'Energy Efficient Lighting and Appliances for Eastern and Southern Africa (EELA). The implementation phase commenced in June 2019.

Mr. Speaker, in the financial 2020/2021, the Energy Sector will continue implementing priority projects from the Regional Power System Master Plan, will prepare for the 10th East African Petroleum Conference & Exhibition 2021 (EAPCE'21) to be held in 2021 and will continue supporting the Centre of Excellence for the East African Centre for Renewable Energy and Energy Efficiency.

(d) Environment and Natural Resources

Mr. Speaker, during the financial year 2019/2020, EAC started implementation of two new projects with tangible impact on the livelihoods of EAC citizens: (i) Intra-Africa Caribbean and Pacific Countries (Intra-ACP) Global Climate Change Alliance Plus (GCCA+) Programme under EU support, and; (ii) Conservation and Management of Natural Capital in EAC Program under USAID/Kenya & East Africa support.

(e) Tourism and Wildlife Development

Mr. Speaker, the priorities for the Tourism and Wildlife sector for the next financial year include: (i) finalization of the Protocol on Tourism and Wildlife Management; (ii) implementation of the tourism recovery interventions; (iii) finalization of the review of the Classification Criteria for tourism accommodation establishments; (iv) continued implementation of the Strategy to Combat Poaching and Illegal Trade and Trafficking of Wildlife and Wildlife Products; and (v) development of a regional policy on wildlife conservation and management.

3.1.6 DIRECTORATE OF SOCIAL SECTORS

(b) Culture and Sports

Mr. Speaker, the 4th Edition of the EAC Arts and Culture Festival (JAMAFEST) was successfully held in Dar es Salaam, Tanzania from 21st - 28th September, 2019. The theme of the event was: "***Cultural Diversity: A Key Driver to Regional Integration, Economic Growth and Promotion of Tourism.***"

Mr. Speaker, plans to hold the 2nd Edition of the East African Community Games 2020 in Kigali Rwanda have been put on hold due to the COVID 19 Pandemic.

(b) Immigration Sub-sector

Mr. Speaker, the regional EAC e-Immigration Policy is being developed, and once adopted it will, among other things, promote efficient, effective and transparent e-immigration services in the Community and access to and protection of Immigration information. The draft Policy will be presented for adoption to the Council in November 2020.

(c) Gender, Community Development and Civil Society Mobilization Sector

Mr. Speaker, in collaboration with COMESA and ECOWAS, the Community is implementing a Project called 50 Million African Women Speak Networking Platform Project funded by the African Development Bank. The Project funding was used to create partnerships with ICT companies and ICT regulatory authorities to mobilize support for platform usage; to build capacity for women in business groups, associations, etc. on the use of the Platform, including identification of mentors and professional networks.

(d) Education and Training

Mr. Speaker, the Technical Committee on Technical and Vocational Education and Training (TVET) met to finalize the TVET harmonization strategy, and align it to the African Union (AU) continental TVET strategy.

Mr. Speaker, the 2019 EAC Essay Writing Competition was conducted successfully and winners for both national and regional levels determined. The regional awards shall be held during the next ordinary meeting of the Summit of the EAC Heads of State.

3.1.7 POLITICAL AFFAIRS

(a) EAC Political Federation

Mr. Speaker, Interventions in the next fiscal year will focus on conclusion of national consultations on the Draft constitution of the EAC Confederation and submission of the same to the Summit of Heads of State for consideration and further direction. The Community, in promoting democratization will deploy electoral observer teams in scheduled elections in the United Republic of Tanzania and Republic of Uganda. The EAC Youth Ambassadors platform will continue to be supported to promote peer participation in the integration process.

(b) International Relations

Mr Speaker, continuous engagement at multi lateral level is critical to projection of regional diplomatic convergence to the advantage of the region. In this respect efforts will be dedicated towards consolidation of collective diplomacy through joint candidatures at international level, strengthening East African Diaspora engagement, coordination with other like minded Regional Organizations and visibility at global level.

(c) Peace and Security

Mr. Speaker, the Community will strengthen the implementation of the Early Warning Mechanism, promote development of regional mediation capacity, upscale police cooperation and strengthen border security. In undertaking these tasks, coordination and complementarity with AU and other sub-regional organizations with Peace and Security mandate will be given attention.

3.1.8 DEFENCE LIAISON SECTOR

Mr. Speaker, during the 2019/2020 FY, the Defence Liaison Sector realized the following achievements:

i. Organisation and Execution of the 2nd EAC Armed Forces Civil Military Cooperation (CIMIC) Activities Week in Rwanda;
ii. Organisation and Execution of the EAC Military Games and Cultural Event 2019 in Nairobi;
iii. Conduct of the Forum of EAC Counter Terrorism Stakeholders to review the Staffing Component, Zero Draft SOPs and Budget to include options for East Africa Counter Terrorism Centre (EACTC);
iv. Execution of the EAC Armed Forces Command Post Exercise USHIRIKIANO IMARA 2019; and
v. Conduct of the Defence Experts Working Group Meeting (DEWG) of the Chief/Instructors & Heads of Writing Team of Senior Command & Staff Colleges (SCSC) to Develop & Harmonize Subject/Topics on Emerging Security Threats to be taught at EAC Armed Forces SCSC.

Mr. Speaker, below are some of the Defence Sector's planned activities for the FY 2020/2021:

i. Organisation and conduct of Kenya Defence Forces (KDF) CIMIC activities to mark the KDF Armed Forces Day and the 3rd EAC Armed Forces CIMIC Activities Week in Kenya; and
ii. Execution of the EAC Armed Forces Field Training Exercise USHIRIKIANO IMARA 2020 Uganda.

3.1.9 COOPERATION IN LEGAL AND JUDICIAL AFFAIRS

Mr. Speaker, in the coming months, consistent with the legislative calendar of the Council, the Council intends to introduce Bills relating to the implementation of the Protocol on the Establishment of the East African Monetary Union, particularly with regard to Article 21 thereof. In that context, work is on course for a Bill on the financial services and another on matters of enforcement and compliance.

3.1.10 CORPORATE COMMUNICATIONS AND PUBLIC AFFAIRS

Mr. Speaker, the Department's priorities will be fourfold, namely: to finalize and launch the 2nd EAC Communication Policy and Strategy; enhance the popular participation of EAC citizens in the integration process through improved Media Relations, and Social Media engagement; the Finalization of the EAC Brand Architecture Strategy and Popularization of the New Brand Identity; Production and Distribution of Infomercials and Public Education Programmes on the integration.

3.1.11 RESOURCE MOBILIZATION

Mr. Speaker, Resource Mobilization Efforts were made in the FY 2019/2020, which led to the signing of financing agreements totaling USD 170,244,372 from Development Partners including African Development Bank (AfDB), USAID, European Union (EU), the Federal Republic of Germany, Swiss Development Agency, China, and the Green Revolution in Africa (AGRA).

During the next financial year 2020/2021, the Secretariat plans to undertake Donor Missions to existing and potential Development Partners, engagements with major Development Partners during their annual meetings, and focused Donor Roundtables for specific sectors.

3.2 EAST AFRICAN LEGISLATIVE ASSEMBLY

Mr. Speaker, during the current financial year, the Assembly undertook significant activities. On the legislative front, this August House passed the East African Community Supplementary Appropriation Bill, 2020. In the same vein, a number of Bills have been referred to the relevant committees for scrutiny: The East African Community Competition (Amendment) Bill, 2020; The East African Community Pharmaceutical Bill, 2020; The East African Community Customs Management (Amendment) Bill, 2019; The East African Community Integrity and Anti-Corruption Bill, 2019, and; The Lake Victoria Basin Commission, Bill 2019.

Mr. Speaker, the Assembly adopted a number of recommendations to the Council of Ministers and Partner States aimed at improving the overall performance of the Community in the implementation of its integration agenda.

In respect of representation, the Assembly carried out sensitization and outreach activities to assess Partner States' implementation of the Common Market Protocol in relation to cross-border trade in the EAC Region in the wake of the COVID -19 pandemic. The Assembly has also maintained excellent relations with the National Assemblies of the Partner States through, participation and coordination of the meeting of the EAC Speakers' Bureau, exchange and attachment programmes and the 10th Inter-Parliamentary Games (held in Kampala, Uganda).

Mr. Speaker, with regard to the Assembly's plans for the next financial year, financial provisions have been made to enable it discharge its legislative, oversight and representation functions.

3.3 EAST AFRICAN COURT OF JUSTICE

Mr. Speaker, the number of cases filed before the Court increased rapidly especially in the second half of the Financial Year. The Court's priority interventions in the next

financial year are to increase the number of cases concluded at the earliest possible time, enhance the skills of judges and staff for delivery of justice, conduct sensitization and awareness programmes in the Partner States and enhance collaborations with other regional and international Courts.

3.4 LAKE VICTORIA BASIN COMMISSION

Mr. Speaker, for the Financial Year 2019/2020, the Commission put in place mechanisms to deal with the main environmental stresses within the Basin such as the adoption of cleaner production technologies by 120 enterprises. The Commission has also supported the Republic of Burundi to enhance flood and soil erosion control measures and the Republic of Rwanda in installing rainwater harvesting plastic tanks.

Mr. Speaker, as part of efforts to improve the livelihoods of over 45 million people in the Lake Basin, the LVBC launched the Lake Victoria Basin Integrated Water Resources Management Programme in February 2020 worth 31.9 million Euros through the support of the Federal Republic of Germany and EU.

Mr. Speaker, the LVBC's priority interventions in the financial year 2020/2021 shall focus on the recruitment of consultants and contractors to start construction of a Regional Maritime Rescue Centres in Mwanza and two National Maritime Rescue Centres in Kisumu and Entebbe. Furthermore, the Commission shall finalize the feasibility studies and complete detailed designs for the High Priority Investments (HPIs) in the cities of Mwanza, Kampala, Kigali and Kisumu.

Mr. Speaker, the LVBC shall finally commence the construction of the first phase of its Headquarters in Kisumu Kenya on the 2.8ha piece of land donated by the Republic of Kenya in 2007.

3.5 INTER-UNIVERSITY COUNCIL FOR EAST AFRICA

Mr. Speaker, with support from development partners and timely contributions by majority of the Partner States, IUCEA has made significant achievements in the financial year 2019/20, namely:

A scholarship scheme to support graduate studies in STEM for gifted young scholars in the EAC to study in a Partner State other than their own has been operationalized;

i. Ten (10) scholars from each Partner State have been offered scholarships and 56 of them commenced their studies this year;
ii. The Regional Center of Excellence in Embedded and Mobile Systems (CENIT) has been enhanced and in the financial year 2019/20 has awarded 25 scholarships;
iii. Capacity building programme for postgraduate supervisors; and a leadership programme for Vice-chancellors of Members Universities have been developed and first phases implemented;
iv. Fifty (50) postgraduate supervisors have already been trained under the programme.
v. Subject benchmarks for Mathematics at undergraduate, masters and PhD levels have been completed in this financial year.
vi. Under the staff mobility programme, 39 scholars and researchers have been enabled to travel outside their home countries to offer their skills and expertise in other EAC Partner States in teaching, research, and community engagement activities and hence contribute to operationalization of the EAC common market protocol.
vii. All the participating countries in the East Africa Skills for Transformation Project (EASTRIP) have become effective and 100 scholarships for study in China in the next five years negotiated and implementation initiated.

Mr. Speaker, in the financial year 2020/2021, IUCEA will be focusing on the following key institutional priority areas:

i) Continued implementation of the EAC Common Higher Education Area. Enhancement of University Industry linkage for appropriate/relevant skills development.

Ii) Strengthening of capacities of universities in the management and use of technology for education and development in the region;

iii) Establishment of centers of excellence and networks of higher education institutions in the Partner States;

iii) Efficient service delivery to all IUCEA clients including Member Universities, Partner States, Development Partners and other stakeholders.

3.6 LAKE VICTORIA FISHERIES ORGANIZATION

Mr. Speaker, the Lake Victoria Fisheries Organization continued with implementation of four (4) existing projects, commencement of two (2) new projects, mobilization of resources for three (3) new projects, collaboration with FAO and several international universities in three (3) capacity building programmes, development of two (2) new guidelines for harmonized resources management, and review of the institutional and legal framework to provide for expanded scope and mandate of LVFO following amendment of the Convention in 2016.

On capacity building, LVFO convened a training and sensitization workshop for the Republic of Burundi as a new member of the organization to build the capacity of (a) the Competent Authority in official controls regarding fish and fishery products quality and safety (b) Fisheries Inspectors to understand the requirements on quality and safety of fish and fishery products; and (c) Fish Traders to comply with fish quality and safety standards. In addition, LVFO also trained 84 women and youths from the four LVFO Partner States (Burundi, Kenya, Uganda and Tanzania) in *dagaa (omena)* fish post-harvest handling, trade, marketing and enterprise budgeting.

A lake-wide fish stock assessment carried out in Lake Victoria through hydro-acoustic survey in October 2019 reported overall increase of 21% in commercially important fish

species compared to the previous year 2018, from 2.21 to 2.68 million tons. Nile perch increased by 48%, while Dagaa increased by 42%. The increase is attributed to enhanced enforcement operations by the Partner States in the recent years.

Mr. Speaker, the priority areas for the FY 2020/2021 shall include developing of LVFO Strategic Plan (2021-2025), and review of the LVFO Resource Mobilization Strategy. Other priority areas shall include capacity building of operational instruments in Burundi, and review of Fisheries Management Plan III. LVFO will also review of MCS operations develop a framework for their coordination and implementation, undertake joint/coordinated fisheries enforcement operations and build capacity in enforcement, compliance and prosecution procedures. The organization will also review fisheries co-management strategies, assess fish stocks, undertake various scientific studies to aid management decisions in the region, and promote fish farming in the EAC.

3.7 EAST AFRICAN KISWAHILI COMMISSION

Mr. Speaker, In the 2019/2020 Financial Year, the East African Kiswahili Commission worked together with governments and other key stakeholders to realize the following achievements:

a) Completed capacity assessment of the development and use of Kiswahili in Partner States and published its findings and policy recommendations;
b) Developed a Draft EAC Kiswahili Language Policy and Plan;
c) Designed Kiswahili Training Programmes in each Partner State based on identified needs, strategic interests and priorities as follows:
    i. Republic of Burundi: *Kiswahili Training for Basic Education Teachers*
    ii. Republic of Kenya: *Kiswahili Training for Parliament*
    iii. Republic of Rwanda*: Kiswahili Training for Trade and Business*
    iv. Republic of South Sudan*: Kiswahili Training for Secondary School Teachers*

v. United Republic of Tanzania*: Training Experts to teach Kiswahili to users of other languages*

vi. Republic of Uganda*: Kiswahili Training for Parliament.*

Mr. Speaker, in 2020/2021 Financial Year, the Commission will continue working with Partner States governments and other stakeholders on an implementation strategy designed to develop and promote Kiswahili by building capacity of the institution and that of members of the Community.

3.8 EAST AFRICAN SCIENCE AND TECHNOLOGY COMMISSION

Mr. Speaker, the notable achievements of EASTECO during the financial year 2019-2020 include development of the EAC regional Policies for Science, Technology and Innovation (STI) Intellectual Property (IP), and regional innovation-led Bio-economy Strategy; The publication and launch of the East African Journal of Science Technology and Innovation (EAJSTI); the development of the Regional Research and Development Agenda and management Framework, development of Research Technological Organisations Database; holding 1st EAC regional STI Conference; Regional training on scientific writing for manuscripts and grant proposals; and conducting the East African Digital Health and Interoperability Assessment.

Mr. Speaker, building on the results achieved in the Financial Year 2019/20, the EASTECO priority activities planned for implementation in the FY 2020/21 include: dissemination of the STI Policy; IP Policy and the Regional Innovation-led Bio-economy Strategy; Development of EAC Regional Indigenous Knowledge and Technology Strategy, and the EAC Regional Innovation Strategy; Operationalization of the East African Regional Collaborative Research Programme with EAC Research and Innovation Fund; publication of the EAJSTI;

Mr. Speaker, other priority interventions will include: Convening the 3rd EAC e-Health and Telemedicine Workshop, Ministerial Conference and International Trade Exhibition;

Convening the first EAC regional bio-economy Summit; Training on scientific paper writing; and Design, development and implementation of Regional STI Reference Repository. Others are: support of talented youth and establishment and operational of the EAC Youth Innovation Forum; Identification and evaluation of appropriate technology solution in processing conservation and distribution of agriculture products for use by SMEs and farmers; and Support for ICT incubation services through a coordinated regional network of ICT hubs.

3.9 EAST AFRICAN HEALTH RESEARCH COMMISSION

Mr. Speaker, the notable achievements of the East African Health Research Commission during the Financial Year 2019/2020 include the following:

i. Strengthen Young East African Research Scientists in leadership and in research skills by mentorship, short training, networking;
ii. Implementation of the joint statements of Digital REACH Initiative Resource Mobilization Workshop;
iii. Redesigning the East Africa Cross Border Health Services Pilot Programme, and;
iv. Midterm Review of the implementation of the EAHRC 2016-2021 Strategic Plan focusing on the challenges encountered and proposed solutions for mitigation.

Mr. Speaker, During the Financial Year 2020/2021 the Commission will focus on the following key priorities:

i. To strengthen Young East African Research Scientist (YEARS) in research ecosystem skills;
ii. To establish East African Health Cloud (EAHC) interoperable health information systems that will enable real-time capture, store, analysis, and retrieval of health data
iii. To implement telemedicine linking East African Centres of Excellence with other health and academic facilities across the EAC region;

iv. To operationalize the East Africa Cross Border Health Services Pilot Programme, and;

v. To hold the 8th East African Health and Scientific Conference that will reflect the implementation of Sustainable Development Goal (SDG) number three in EAC Partner States.

3.10 EAST AFRICAN COMPETITION AUTHORITY

Mr. Speaker, the key achievements of the East African Competition Authority (EACA) in the year 2019/20 are as follows:

i. The EAC Competition (Amendment) Bill, 2020 was drafted in order to address gaps in the EAC Competition Act, 2006. The Bill is now before EALA for consideration;

ii. EACA commenced amendments to the EAC Competition Regulations, 2010, to address gaps identified and align the Regulations with best practices;

iii. Finalized development of EACA Outreach and Advocacy Strategy, which is awaiting approval by SCTIFI. The Strategy's goal is to firmly establish and deepen the competition culture and promote consumer protection in the Community;

Mr. Speaker, the EACA will undertake the following key interventions during the Financial Year 2020/2021:

i. Finalize the EAC Competition (amendment) Bill, 2019 and amendments to EAC Competition Regulations, 2010;

ii. Finalize on Merger and Acquisition Regulations and Guidelines to facilitate analysis of the merger transactions;

iii. Development of Regulations and Guidelines in Regard to Restraints to Enterprises;

iv. Development of Subsidy Register and Subsidy Guidelines to address part V of the EAC Competition Act, 2006;

v. Finalize on EACA Website;
vi. Finalize on Enforcement Prioritization framework; and
vii. Sensitizing key stakeholders on the benefits of competition policy and law in the EAC region, among others.

3.11 AUDIT OPINION FOR THE FINANCIAL YEAR 2018/2019

Mr. Speaker, I am happy to report that, as result of enhanced internal controls and accountability across the Organs and Institutions, the EAC Audit Commission issued an unqualified (clean) audit opinion to all Organs and Institutions of the Community, as well as projects and programmes implemented, for the financial year ended 30th June 2019. The Secretary General, as the Accounting Officer, has assured the Council of Ministers that this momentum will continue during the next financial year and beyond.

4.0 SUPPLEMENTARY BUDGET FOR FINANCIAL YEAR 2019/2020

Mr. Speaker, in this part of the Budget Speech, the Council is seeking the approval by the Assembly of a Supplementary Budget totaling **USD 815,582** in order to accommodate activities implemented by IUCEA. The activities are as follows:

i. The EAC/KfW Scholarship Programme (Leadership to Foster Regional Integration) project for an amount of USD 719,852; and
ii. Support To Conduct A Study On Enhancement Of Research Management Capacities For Improved Performance Of Higher Education Systems In East Africa for USD95,730.

5.0 EAC BUDGET FOR FINANCIAL YEAR 2020/2021

Mr. Speaker, the MTEF for the Financial Year 2020/21 – 2022/23 has been prepared in line with the global and sector-specific priority areas adopted by the 39th Meeting of the Council of Ministers held in November 2019 on recommendation by the Pre-Budget

Conference, various Summit and Council Directives and Sectoral/Departmental projections.

(a) Priority Interventions for the FY 2020/2021 Budget

v. **Mr. Speaker,** during the FY 2020/21, the Community will focus on the following key priority programmes:

i. Consolidation of the Single Customs Territory (SCT) to cover all imports and intra-EAC traded goods, including agricultural and other widely consumed products;
ii. Infrastructure development in the region;
iii. Enhancing free movement of all factors of production and other areas of cooperation across the Partner States as envisaged under the Common Market and Monetary Union Protocols;
iv. Enhancement of regional industrial development through investment in key priority sectors, skills development, technological advancement and innovation to stimulate economic development;
v. Improvement of agricultural productivity, value addition and facilitation of movement of agricultural goods to enhance food security in the region;
vi. Promotion of regional peace, security and good governance; and
vii. Institutional transformation at the regional and Partner State levels.

(b) Expected Outcomes during Financial Year 2020/2021

vi. **Mr. Speaker,** it is expected that the implementation of the above sector specific priority programmes will result into the following outcomes:

i. Consolidation of the Single Customs Territory (SCT) will enhance intra-EAC trade and lead to a further reduction in the time taken by travellers and trucks at the borders and overall cost of doing business in the region;

ii. Implementation of programmes under Infrastructure will improve transport inter-linkages, increase efficiency in the delivery of freight and passenger services, lower transport costs, ease movement of persons and goods and enhance regional trade;

iii. Effective implementation of the EAC Common Market Protocol will result in the realization of accelerated economic growth and development of the EAC region, particularly towards promotion of employment and improvement of standards of living and working conditions within the Community;

iv. Enhancement of regional industrial development, agricultural value addition, skills development, technological advancement and innovation will boost the region's export competitiveness for faster economic development;

v. Implementation of the Roadmap towards the EAC Monetary Union through harmonisation of fiscal and monetary policies and establishment of the requisite EAMU institutions will facilitate economic integration for sustainable growth and development of the Community;

vi. Promotion of regional peace, security and good governance, and Constitution-making for the EAC Political Confederation are critical for the attainment of a stable and politically united East Africa, factors that will be necessary for the successful implementation of socio-economic programmes to further support growth and development of the EAC region;

vii. Implementation of the envisaged institutional reforms will ensure that operational systems are fully streamlined to achieve the desired level of efficiency, accountability, and value for money; and

viii. Implementation of the cross-cutting projects and programmes will complement those that are specific to the four Pillars of the EAC integration towards the realization of the Community's objectives both in the short and medium term.

(c) Budget Proposal and Allocation to Organs and Institutions for FY 2020/2021

Mr. Speaker, the Council submits a budget amounting to USD 97,669,708 for the next Financial Year. Out of this amount, USD 55, 698,916 (57%) will be contributed equally by Partner States or raised as other internal revenues and USD 41,970,792 (43%) is expected to be sourced from the Development Partners.

The Budget is allocated to the Organs and Institutions of the EAC as follows:

(i) EAC-Secretariat: USD 48,564,400;
(ii) East African Legislative Assembly: USD 16,755,725;
(iii) East African Court of Justice: USD 3,970,406;
(iv) Lake Victoria Basin Commission: USD 8,380,057;
(v) East African Science & Technology Commission: USD 1,536,751;
(vi) East Africa Kiswahili Commission: USD 1,399,318;
(vii) East Africa Health Research Commission: USD 1,879,600;
(viii) East African Competition Authority (EACA): USD 1,128,240;
(ix) The Inter University Council for East Africa: USD 10,977,276; and
(x) Lake Victoria Fisheries Organization: USD 3,077,934.

Mr. Speaker, as you know, the budget delivers anticipated impacts when financial commitments are fully honored. As Council of Ministers we should commit to engage our Partner States to remit our financial allocations on time as per the financial rules and regulation, 2012 to enable the EAC Organs and Institutions mentioned above to execute their mandate.

(d) Budget Assumptions

Mr. Speaker, The budget for financial year 2020/2021 has been developed taking into consideration the following key assumptions:

a) Continued and consolidated political support for the EAC integration;
b) Availability of adequate financial resources and timely remittances;

c) Continued financial support from Development Partners;
d) Political stability and good governance;
e) Safe and stable security across the region;
f) Conducive macro-economic and business environment in the region; and lastly
g) Success in efforts to mitigate the impact of the covid-19 pandemic.

(e) Acknowledgements

Mr. Speaker, please join me in recognizing and appreciating the continued cooperation and support from both Partner States and the following key Development Partners:

(i) African Development Bank;
(ii) World Bank;
(iii) United States of America and its Agency (USAID);
(iv) European Union (EU)
(v) United Nations Environment Programme (UNEP)
(vi) The Federal Republic of Germany through its agencies, GIZ and KfW;
(vii) Swedish International Development Agency (SIDA);
(viii) Alliance for Green Revolution in Africa (AGRA); and
(ix) The People's Republic of China.

The EAC looks forward to strengthening and expanding cooperation and collaboration with these Development Partners.

Mr. Speaker, I beg to move.

East African Community
Arusha, Tanzania
September 2020