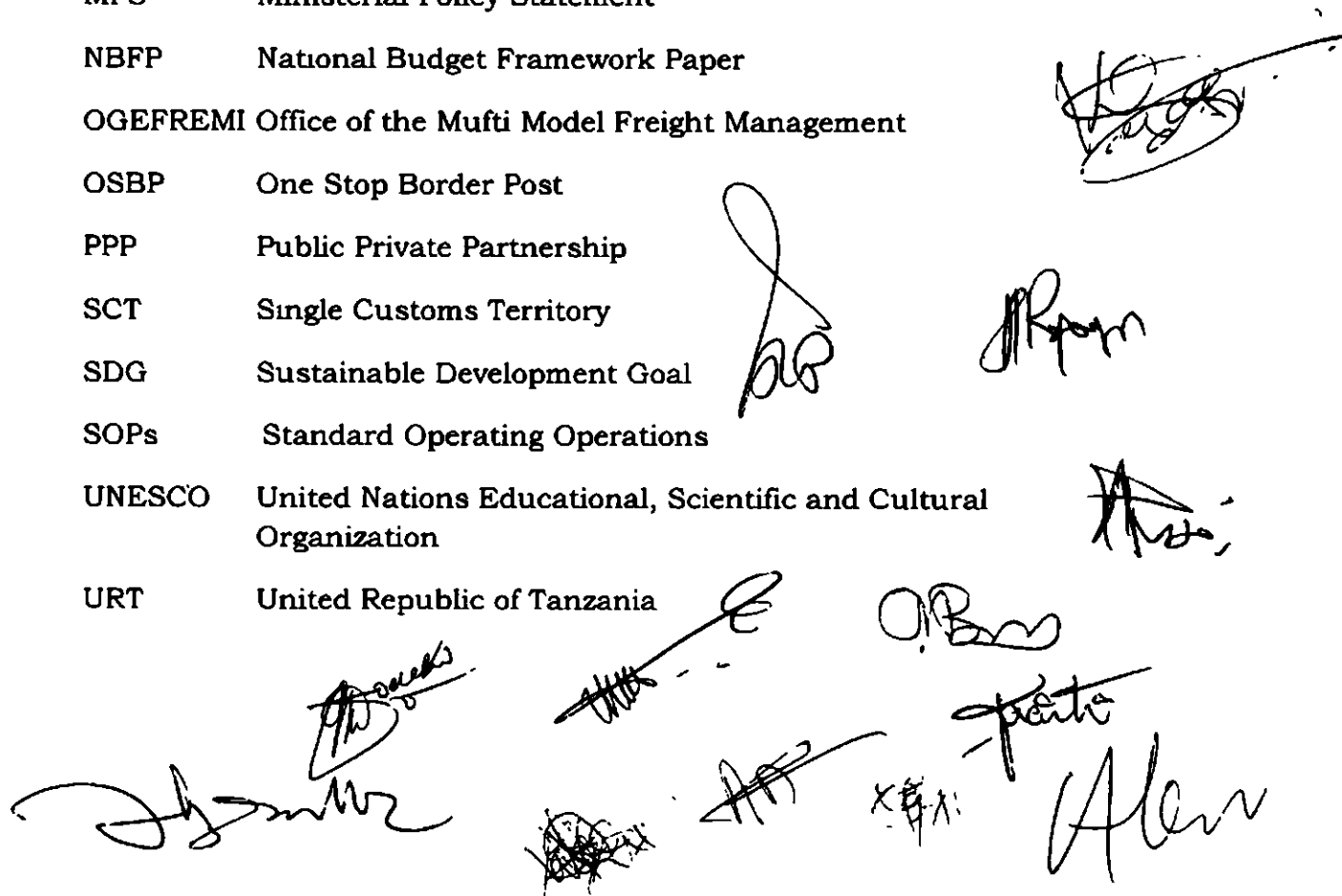


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ACRONYMS

AFCFTA	Africa Continental Free Trade Area
CET	Common External Tariff
CID	Criminal Investigation Department
DPP	Directorate of Public Prosecution
EAC	East African Community
EACJ	East African Community Judiciary
EAMI	East African Monetary Institute
FY	Financial Year
IMTC	Inter-Ministerial Technical Committee
JPC	Joint Permanent Commission
MDAs	Ministries, Departments and Agencies
MEACA	Ministry of East African Community Affairs
MFPED	Ministry of Finance, Planning and Economic Development
MoPS	Ministry of Public Service
MTEF	Medium Term Expenditure Framework
MPS	Ministerial Policy Statement
NBFP	National Budget Framework Paper
OGEFREMI	Office of the Mufti Model Freight Management
OSBP	One Stop Border Post
PPP	Public Private Partnership
SCT	Single Customs Territory
SDG	Sustainable Development Goal
SOPs	Standard Operating Operations
UNESCO	United Nations Educational, Scientific and Cultural Organization
URT	United Republic of Tanzania

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EXECUTIVE SUMMARY

The Committee on East African Community Affairs in accordance with Article 155 (4) of the Constitution of the Republic of Uganda, Section 12 of the Public Finance Management Act, 2015 and Rule 149 (1) and Rule 189 of the Rules of Procedure has reviewed the part relating to Vote 021, Ministry of East African Community Affairs (MEACA) and now reports.

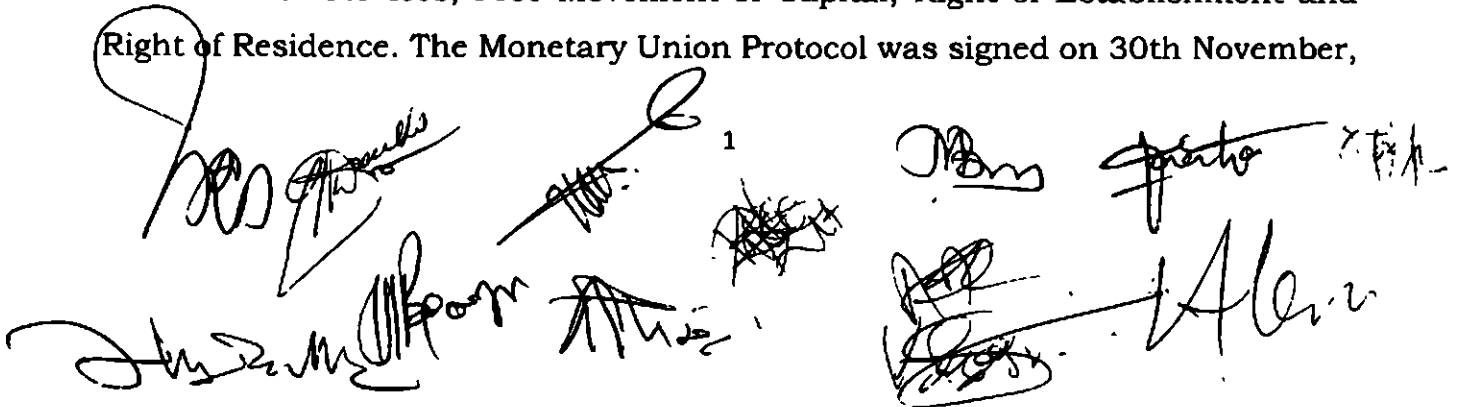
1.0 BACKGROUND

The Ministry of East African Community Affairs (MEACA) was established in 2007 by Article 8(3a) of the EAC Treaty (as amended) which enjoins Partner States to establish Ministries responsible for EAC Affairs. The mandate of the Ministry is to steer Uganda's regional integration agenda in accordance with the objectives of the Treaty for the Establishment of the East African Community. The Summit of the East African Community (EAC) Heads of State agreed to appoint Ministers solely responsible for East African Community Affairs, resident in Partner States' Capitals as a means of expediting the Regional Integration process towards the East African Community Political Confederation.

According to the EAC Treaty, the regional integration process is envisaged to proceed through four pillars namely;- Customs Union, Common Market, Monetary Union, and Political Federation.

1.1 Overview of the Pillars of Integration and Key Achievements

The Customs Union Protocol came into force in 2005. Under this, the Partner States agreed to have zero tariff on goods produced within the region and a Common External Tariff (CET) for goods from outside the region. The Common Market Protocol came into force on 1st July 2010, it provides for Free Movement of Goods, Free Movement of Persons, Free Movement of Labor / Workers, Free Movement of Services, Free Movement of Capital, Right of Establishment and Right of Residence. The Monetary Union Protocol was signed on 30th November,

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2013. It outlines the roadmap for the establishment of a Monetary Union and provides for a progressive convergence of their currencies into a single currency in the Community. Under Political Federation pillar, the 18th Summit of the EAC Heads of State adopted the East African Political Confederation as a transitional model to the East African Political Federation and consultations are in progress.

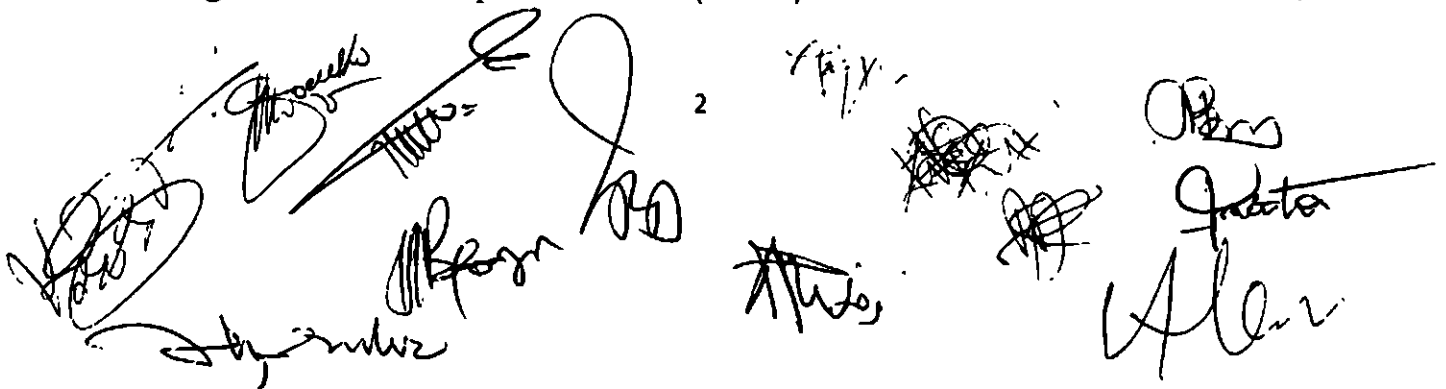
1.2 Key Achievements in implementation of the Pillars

According to the MEACA, the following achievements were registered under the implementation of EAC Pillars;

A. Customs Union

- i. The Ministry facilitated the enhancement of the Centralized Platform under the Single Customs Territory to incorporate modules of the private sector relating to interconnectivity.
- ii. The Ministry facilitated the implementation of the Cargo Tracking systems to enhance traceability of cargo along the EAC transport corridors.
- iii. The Ministry coordinated Uganda's interests in discussions aimed at deciding the maximum Common External Tariff (CET) rate and spearheaded the amendment of the East African Community Customs Management Bill. The Maximum CET rate was set at 35% and implementation began on 1st July, 2022. In the same period, Uganda adopted a four-band structure of the EAC Common External Tariff of 0%, 10% and 25%.
- iv. The Ministry participated in the development of the draft guidelines to ensure smooth operations at the One Stop Border Posts (OSBPs). The guidelines were majorly on the composition, roles and responsibilities of all stakeholders at the OSBPs in creating linkages between the OSBP management at National and Regional levels for situations requiring their intervention. The draft guidelines are still awaiting approval from Sectoral Council on Trade, Industry, Finance and Investment (SCTIFI).
- v. The Ministry participated in the development and implementation of the Digitalized One Stop Border Post(OSBP) Performance Measurement Tool.





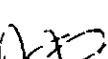
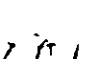
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vi. The Ministry spearheaded Uganda's negotiations on the Africa Continental Free Trade Area (AfCFTA) Protocol on Investment at the Continental level. The Ministry further coordinated the set-up of the National Committee comprised of sector specific representatives so as to ensure that sector specific issues are comprehensively considered during the Experts Meetings.


Uganda is currently implementing the Single Customs Territory (SCT) where direct exports via sea and land borders, transfers of intra trade goods and all imports are all cleared under the SCT while in transit.

- (i) The Ministry participated in the preparation of the EAC Private Sector Development Strategy which was subsequently adopted by Council and aims at catalyzing investment/business promotion in the region and boost the EAC Private Sector Fund.
- (ii) MEACA participated in the preparation of the EAC Fruits and Vegetables Value Chain Strategy and Action Plan, (2021-2031) and the East African Community Post Harvest Loss Management Strategy and Action Plan aimed at promoting EAC value chains. These were consequently adopted.
- (iii) MEACA participated in the harmonization of the Standard Operating Procedures (SOPs) for inspection of maize, beans and rice to facilitate intra-regional trade and these were adopted.

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- (iv) The Ministry participated in the preparation of Standard Operating Procedures to operationalize the East African Community Protocol on Sanitary and Phytosanitary Measures.
- (v) Under the Sectoral Committee on Investment, Private Sector Development, the Ministry participated in the development of the draft EAC Public Private Partnership (PPP) Policy by offering technical support to the Consultant hired to oversee the process. It is expected that this Policy will be approved by the end of June 2023.

C. Monetary Union

- i. The Ministry submitted Uganda's bid to host the East Africa Monetary Institute (EAMI). The Ministry hosted the verification Committee whose report indicated that Uganda was a suitable host for the Institute. The Verification Committee report was presented to the Ordinary Meeting of the Council of Ministers which was held in July, 2022 in Arusha. All the recommendations made by the Committee were referred to the Summit for decision making.
- ii. MEACA participated in Council's decision to adopt an organizational structure for EAMI which is expected to carry out the bulk of the preparatory work towards the establishment of the East African Monetary Institute.

D. Political Federation

The Ministry continued to participate in consultations among EAC partner States on EAC political confederation.

VOTE 021 - MINISTRY OF EAST AFRICAN COMMUNITY AFFAIRS

Half Year Budget Performance, FY 2022/23

The Half-year budget performance for MEACA for FY 2022/23 indicate that of the U.Shs.39.268Bn, which was adjusted to U.Shs.39.401Bn, U.Shs.26.113bns has been released by half year reflecting a 66.5% release performance, while U.Shs. 22.371Bn has been spent reflecting a 57% budget spent, and 85.7% of the release funds were spent.

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Reasons for Under Performance

The reasons for unspent balances under each category are as follows;

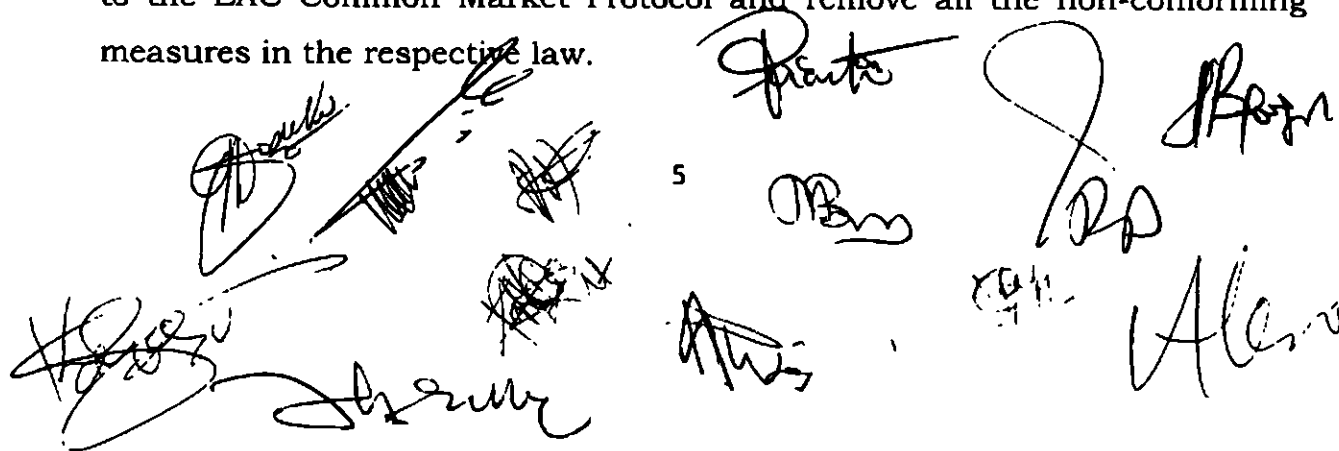
- i. Wage: Under performance was on account of delayed recruitment/ promotion of staff.
- ii. Non-Wage: Under performance was on account of delayed conclusion of the procurement processes mainly for the Jua-Kali activities that were conducted in December, 2022 and activities under Political Confederation. There were also delays of payments on the IFMS affecting timelines in payments consequently affecting expenditures of Quarter 2.
- iii. Development: Under performance was due to delayed conclusion of the procurement processes for acquisition of Motor Vehicles.
- iv. Pension Arrears: Verification and validation of pensioners which is still on going and as such payments of these arrears could not be effected.

Challenges experienced by the Vote.

MEACA informed the Committee of the challenges faced as follows;

The major challenges experienced by the Vote during implementation of its mandate include the following;-

- i. Under release of funds leading to failure to implement various core interventions
- ii. Continuous increase in prices (Inflationary pressures) of some items for example fuel which has resulted into ineffective implementation of activities
- iii. Delayed release of funds for Uganda's annual contribution to the EAC Organs & Institutions
- iv. Inadequate resources to implement the mandate of the Ministry which include;- undertake effective public awareness on EAC programmes, opportunities, market requirements, quality and standards, among others.
- v. Slow pace by MDAs in amending their respective national laws to align them to the EAC Common Market Protocol and remove all the non-conforming measures in the respective law.

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vi. Failure by Uganda to attend some regional meetings due to lack of enough resources.

- i. Sovereignty issues emerging among some Partner States.

Strategies for improvement

- i. Undertake bilateral engagements
- ii. Monitor the implementation of EAC Programmes and Projects by the EAC Organs and Institutions
- iii. Increase sensitization and public awareness on EAC Matters.

MEACA'S BUDGET FOR FY 2023/24

The proposed budget for the Ministry in FY 2023/24 amounts to **US\$38.361Bn**, from **US\$39.268Bn** in FY 2022/23 indicating a 2.3% decline in the budget. Furthermore, during the consideration of the National Budget Framework paper, the budget projections for FY 2023/24 stood at **US\$40.166Bn**, but has now been reduced further to **US\$38.361Bn**.

The wage component is projected to increase by 0.39% i.e from US\$1.280Bn to US\$1.285Bn, while the non-wage is expected to reduce by 1.87% from US\$37.562Bn to US\$36.861Bn. The development component will further reduce further from US\$0.425 Bn to US\$0.215Bn in FY 2023/24 reflecting a 49.41% reduction in the next budget.

In the medium term, the Ministry's budget is expected to increase gradually in FY 2024/25 to US\$38.940Bn, to US\$46.59Bn in FY 2025/26, to US\$62.544Bn in FY 2026/27 while in FY 2027/28 it will remain the same as the year before. The declining budget for the Ministry weakens the efforts of deepening and strengthening the East African integration agenda.

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1.0 INTRODUCTION

In accordance with Article 155(4) of the Constitution of the Republic of Uganda, Section 12 of the Public Finance Management Act, 2015 and Rule 189 of the Rules of Procedure, Sectoral Committees are mandated, among other things to;

- i. Examine and comment on policy matters affecting Ministries and Departments under their purview and;
- ii. Critically examine government recurrent and capital budget estimates and make recommendations on them for general debate in the House

1.1 SCOPE

Under Rule 149 (1) of the Rules of Procedure, the Committee considered the Ministerial Policy Statement and examined the budget estimates for FY 2023/24 of the Ministry of East African Community Affairs (MEACA) Vote-021 and now reports.

2.0 METHODOLOGY

The Committee;

- i. Held meetings with the political and technical leadership of MEACA- Vote 021
- ii. Examined the following documents;
 - The Constitution of the Republic of Uganda
 - The Public Finance Management Act (2015)
 - The Parliament Rules of Procedure
 - The approved National Budget Framework Paper of 2023/24- 2027/28
 - The 3rd National Development Plan (NDP III)
 - SEMI-Annual Budget Performance Report FY 2022/23
 - The Alternative Ministerial Policy Statement, MEACA
 - Report of Equal Opportunities Commission on Gender and Equity Compliance of Ministerial Policy Statements for FY2023/24

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3.0 MINISTRY OF EAST AFRICAN COMMUNITY AFFAIRS

3.1 Compliance of the MPS FY 2023/24 to the PFM Act (2015)

According to Section 13(15) of the Public Finance Management Act, 2015, a Policy Statement should contain the items listed in table 1 below. The Committee assessed compliance of the MPS for the Ministry, and the status is as provided in Table 1.

Table 1: Contents of the MPS of MEACA as per the PFMA, 2015

	PFMA requirements	MPS Status
1	The achievements of the vote for the previous financial year	Provided
2	Certificate of gender and equity	Provided
3	Recruitment plan	Provided
4	Procurement plan	Provided
5	Motor vehicle utilization report	Provided
6	Asset register	Provided
7	Cash flow projections	Provided
8	A statement of the actions taken by the vote to implement the recommendations of Parliament in respect to the report of the Auditor General of the preceding financial year.	Provided
	b) A statement of actions taken as regards Parliament's recommendations	Provided
9	The annual and three months' work plans and outcomes, the objectives, outputs, targets and	Provided

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performance indicators of the work plans and outcomes	
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Source: MEACA MPS FY 2023-24

The Committee observed that the Ministry's MPS complied with the Public Finance Management Act requirements.

4.0 CERTIFICATE OF COMPLIANCE WITH GENDER AND EQUITY REQUIREMENTS

The Gender Compliance Assessment for MEACA has progressively improved over time as indicated in the table below. The current compliance to the gender requirement to the MPS for FY 2023/24 is at 68%.

Table 2: Gender Compliance Assessment for MEACA's MPS FY 2023/24

	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
EAC	40%	56%	60.30%	51.80%	59.4%	44%	63.9%	68%

Source: Report on assessment results on compliance of MPS with gender and equity requirements FY 2023/24

The assessment revealed the following concerns:

- The apparent lack of awareness of the regional integration process among citizens creates a gap in articulating the benefits that Ugandans can draw from the EAC integration.
- Lack of plans by the Ministry's budget on how it will engage the East African Community Membership to put a permanent end to trade barriers that restrict or reject Ugandan products in the wake of the EAC integration.
- The inadequate and poor infrastructure among the EAC Member states.

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5.0 COMPLIANCE OF MEACA WITH SDGs

MEACA contributes to Sustainable Development Goal (SDG) 17 which is partnerships for the goals. MEACA's mission is to ensure that East Africans in general and Ugandans in particular participate in and benefit from the East African Community integration.

6.0 MEACA BUDGET PROJECTIONS FOR THE FY 2023/24 and MTEF

The proposed budget for the Ministry in FY 2023/24 amounts to **US\$38.361Bn**, from **US\$39.268Bn** in FY 2022/23 indicating a 2.3% decline in the budget. Furthermore, during the consideration of the National Budget Framework paper, the budget projections for FY 2023/24 stood at **US\$40.166Bn**, but has been reduced further to **US\$38.361Bn**.

The wage component is projected to increase by 0.39% from US\$1.280 Bn to US\$1.285 Bn, while the non-wage is expected to reduce by 1.87% from US\$37.562Bn to US\$36.861Bn. The development component will reduce further from US\$0.425 Bn to US\$0.215Bn in FY 2023/24 reflecting a 49.41% reduction. The declining budget for the Ministry weakens the efforts of deepening and strengthening the East African integration agenda.

Several Budget Committee recommendations were made and adopted by the House during the consideration of the National Budget Framework Paper to increase funding to unfunded areas of the Ministry. However, the Ministry's budget has instead declined.

In the medium term, the Ministry's budget is projected to increase gradually in FY 2024/25 to US\$38.940Bn, to US\$46.59Bn in FY 2025/26, to US\$62.544Bn in FY 2026/27 while in FY 2027/28 it will remain the same as the year before.

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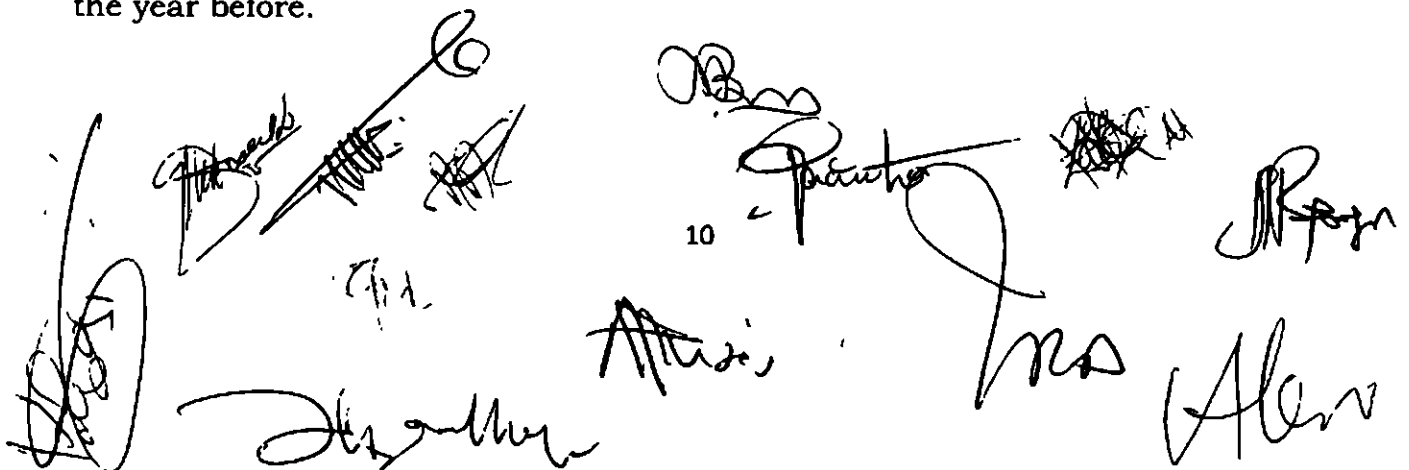
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TABLE 3: MEACA BUDGET PROJECTIONS FOR THE FY 2023/24 and MTEF(Bns)

	APPROVE D BUDGET	H1 BUDGET PERF FY 2022/23	BUDGET ESTIMA TES	MTEF PROJECTIONS				% CHANGE IN BUDGET
	FY 2022/23		FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	
WAGE	1.280	0.524	1.285	1.344	1.479	1.627	1.627	0.39
NON- WAGE	37.562	23.812	36.861	37.380	44.856	60.556	60.556	(1.87)
DEVPT (GOU)	0.425	0.096	0.215	0.215	0.258	0.362	0.362	(49.41)
DEVPT (EXT)	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
GOU TOTAL	39.268	24.432	38.361	38.940	46.593	62.544	62.544	(2.31)
TOTAL GOU+EXT	39.268	24.432	38.361	38.940	46.593	62.544	62.544	(2.31)
ARREARS	9.282	1.178	0.000	0.000	0.000	0.000	0.000	(100.0)
TOTAL BUDGET	48.549	25.610	38.361	38.940	46.593	62.544	62.544	(20.98)
TOTAL BUDGET EXC ARREARS	39.268	24.432	38.361	38.940	46.593	62.544	62.544	(2.31)

Source: DRAFT ESTIMATES FY 2023/24

MEACA BUDGET PROJECTIONS DURING THE NATIONAL BUDGET FRAMEWORK PAPER FY 2023/24.

The table below indicates the budget projections for FY 2023/24 which was at **US\$40.166Bn** during consideration of the National Budget Framework paper, however this has been reduced further to **US\$38.361Bn**.

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Table4: MEACA BUDGET PROJECTIONS DURING THE NBFP 2023/24(Bns)

1.280	0.233	1.280	1.344	1.479	1.627	1.627
37.562	1.419	37.561	38.312	45.974	62.065	62.065
0.425	0.000	1.325	1.325	1.590	2.226	2.226
0.000	0.000	0.000	0.000	0.000	0.000	0.000
39.268	1.653	40.166	40.981	49.043	65.918	65.918
39.268	1.653	40.166	40.981	49.043	65.918	65.918
0.000	0	0	0.000	0.000	0.000	0.000
39.268	1.653	40.166	40.981	49.043	65.918	65.918

Source: MEACA NBFP FY 2023/24

SUMMARY OF VOTE ESTIMATES BY PROGRAMME (UShs.Bns)

The Summary of Vote estimates by programme indicate that MEACA will receive UShs.250Mns under the Agro-industrialisation programme, UShs.1.731Bn under the Private sector development programme and UShs.36.861Bn under the Governance and Security programme.



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Table 5: SUMMARY OF VOTE ESTIMATES BY PROGRAMME (UShs. Bn)

SUMMARY OF VOTE ESTIMATES BY PROGRAMME (UShs.Bn)		
	APPROVED ESTIMATES FY 2022/23	DRAFT ESTIMATE S FY 2023/24
PROGRAMME 01 AGRO-INDUSTRIALISATION		
021 Ministry of East African Affairs	0.251	0.250
Total Programme 01 Agro-industrialisation	0.251	0.250
PROGRAMME 07 PRIVATE SECTOR DEVELOPMENT		
021 Ministry of East African Affairs	1.731.000	1.731.000
Total Programme 07 Private Sector Devpt	1.731.000	1.731.000
PROGRAMME 16 GOVERNANCE AND SECURITY		
021 Ministry of East African Affairs	37,285.215	36.380.940
Total Programme 16 Governance and Security	37,285.215	36.380.940
Grand Total	39,267.603	38,361.231

Source: DRAFT ESTIMATES FY 2023/24

MEACA HALF YEAR BUDGET PERFORMANCE FY 2022/23

The Half-year budget performance for MEACA for FY 2022/23 indicate that of the UShs.39.268Bn, which was adjusted to UShs. 39.401 Bn, UShs.26.113Bn has been released by half year reflecting a 66.5% release performance, while UShs.22.371Bn has been spent reflecting a 57% budget spent, and 85.7% of the released funds were spent.

Table 6: MEACA HALF YEAR BUDGET PERFORMANCE FY 2022/23

	APPROVED BUDGET FY 2022/23	REVISED BUDGET FY 2022/23	RELEASED BY END Q2	SPENT BY END Q2	% BUDGET RELEASED	% BUDGET SPENT	%RELEASES SPENT
WAGE	1 28	1.28	0.643	0.446	50 2%	34 8%	69 4%
NON-WAGE	37 562	37.696	25.045	21.829	66.7%	58 1%	87 2%
DEVPT (GOU)	0.425	0.425	0.425	0.096	100 0%	22.6%	22.6%
DEVPT (EXT)	0.000	0.000	0.000	0 000	0 0%	0 0%	0.0%
GOU TOTAL	39 268	39.401	26.113	22.371	66.5%	57 0%	85.7%
TOTAL GOU+EXT	39.268	39.401	26.113	22.371	66.5%	57.0%	85.7%
ARREARS	9 282	9.282	9.282	1.178	100 0%	12.7%	12.7%
TOTAL BUDGET	48 549	48.683	35.395	25.549	72.9%	48 5%	66.5%
TOTAL BUDGET EXC ARREARS	39 268	39.401	26.113	22.371	66.5%	57 0%	85.7%

Source: MEACA MPS FY 2023/24

Several Budget Committee recommendations were made and adopted by the House during the consideration of the National Budget Framework Paper to increase funding to the unfunded areas of the Ministry. However, the Ministry's budget has instead declined.

6.1 MEACA MAJOR ACHIEVEMENTS OF THE FIRST HALF OF FY 2022/23

MEACA informed the Committee of their achievements as follows;

- i. Successfully coordinated, organized and hosted the 22nd EAC MSMEs Trade Fair which was held from 8th -18th December 2022 at Kololo Independence Grounds in Kampala, Uganda. The theme of the Trade Fair was "Buy East Africa to Build East Africa for Resilience and Sustainable Development".
- ii. Coordinated the hosting of the second Annual EAC Judicial Officers Conference which attracted over 300 guests. In addition, MEACA also hosted the EACJ Court session from 1st November to 30th November, 2022.

- iii. Conducted a high-level training for Judges of the East African Court of Justice and Judges of the Judiciary of Uganda on international and regional standards on freedom of expression, access to information, safety of journalists and digital challenges related to Internet supported by UNESCO.
- iv. Spearheaded Uganda's efforts in the resolution of Non-Tariff Barriers in the region (quickenning the process of obtaining DRC Office of Mufti Model Freight Management (OGEFREM) certificate.
- Eliminating the charging of Business Visa of USD 250 to EAC business persons entering United Republic of Tanzania (URT).
 - Harmonizing the collection of charges charged on milk by Tanzania, Discriminatory treatment (Excise duty) (verification charges) of Kenyan manufactured products especially pharmaceutical products (imposed by Uganda against Kenya).
 - Resolved the Non recognition of Truck specifications approved and registered in Uganda (imposed by Kenya against Uganda).
 - Resolved the denial of Market access for Happy sausage Ltd into Kenya (imposed by Kenya against URT).
 - Held engagements with relevant institutions on managing complaints reported through the web-based NTB monitoring system.
- v. Coordinated Uganda's participation in various technical and policy level meetings in areas of cooperation under the EAC Treaty including mobilization of participants at all levels, mapping country positions, preparing policy briefs to inform some of the negotiations as well as holding press briefings on the outcomes of the Council of Ministers meetings.
- vi. Undertook engagements with various stakeholders such as the Inter-Religious Council, Parliament, Cross border women Traders on integration issues.

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- vii. Facilitated the opening of Mpondwe One Stop Border Post OSBP and launched the regional Boarder market. Additionally, the Ministry facilitated the commissioning of the construction of a border market at Mutukula One Stop Border Post.
- viii. Under the Market Access Program (MARKUP), facilitated the linkage of Ugandan traders and manufactures in Cocoa with potential business partners in the Netherlands, USA and Germany. This arrangement has led to an increase in coffee and cocoa exports to the EU market.
- ix. Engaged and received inputs from various stakeholders on proposed Political Confederation following countrywide consultations. The key areas of consultation included areas of cooperation under the confederation arrangement, the governing structure, mode of decision making, governance principal, relationship between states and the confederal authority, financing mechanism and mode of adopting the confederal constitution among others.
- x. Coordinated the construction of the Suam-Lokiriama One Stop Border Post (OSBP) that is approximately to 70 percent completetion and tarmacking the 73Km Kapchorwa-Suam road all aimed at linking with Kenya and facilitate the flow and movement of Goods
- xi. Conducted an assessment at Elegu border on Governance issues of immigration, refugee management and security. Also engaged youth and women in promoting peace and security in the region.
- xii. Rolled out the Quality Management System and consolidating the functions including Capacity building of staff, process reviews, System audit by external Auditors.
- xiii. Undertook field visits to fast-track validation of defunct EAC Pensioners and their payments.

- xiv. Sensitized farmers on value addition and standards as well as Sanitary and Phytosanitary measures in eight districts of Eastern Uganda.

6.2 CHALLENGES EXPERIENCED BY THE VOTE.

The Ministry informed the Committee that the Vote experienced the following challenges;

- i. Budget cut and delayed remittance of funds. MEACA on several occasions has faced budget cuts. Equally the delays in release of funds leads to ineffective implementation of activities
- ii. Continuous increase in prices (Inflationary pressures) of some items for example fuel which has resulted into ineffective implementation of activities
- iii. Inadequate funding to effectively implement the obligations and mandate of the Ministry Delayed release of funds for Ugandans annual contribution to the EAC Organs & Institutions
- iv. Inadequate resources to undertake effective public awareness on EAC programs, opportunities, market requirements, quality and standards, among others
- v. Slow pace by MDAs in amending their respective national laws to align them to the EAC Common Market Protocol and remove all the non-conforming measures in the respective law
- vi. Sovereignty issues emerging among some Partner States
- vii. MEACA lacks statutory representation on relevant Boards and commissions that have impact on EAC Integration
- viii. MEACA has an old fleet that makes it difficult for the Ministry to coordinate and monitor the implementation of all OSBP's and all EAC institutions and organs both within and outside Uganda
- ix. MEACA lacks an enforcement mechanism to enforce compliance among the MDA'S to implement the EAC integration agenda and or agreed and

negotiated positions. There might be need for issuance of certificate of compliance.

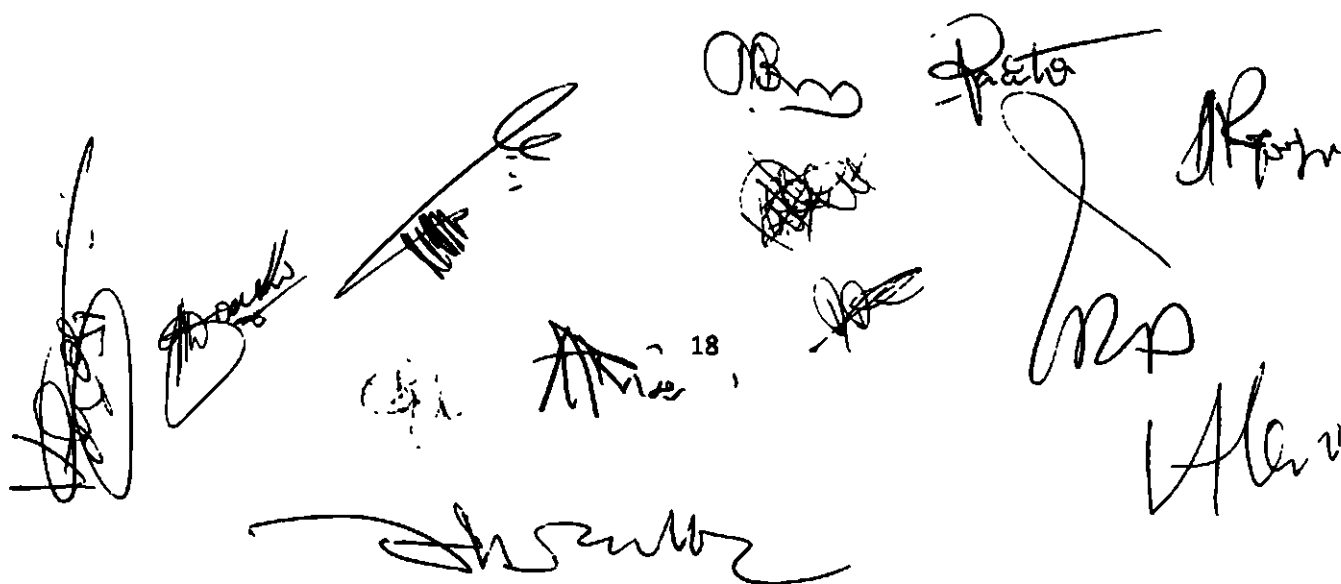
- x. Lack of accommodation; MEACA does not have a permanent home. The funds used in paying for rent is too high amounting to **UShs. 1.87Bn**. This negatively affects the Ministry's Budget.

7.0 MEDIUM-TERM STRATEGIC PLANS

The Ministry informed the Committee of its mid- term strategic plans in line with the EAC Vision 2050, Uganda Vision 2040, and the NDP III as follows;

The Ministry will;

- i. Undertake continuous coordination of the mainstreaming of EAC programmes (as enshrined in the National Policy on EAC Integration) into MDA plans and budgets.
- ii. Coordinate regional and national efforts towards the drafting of the EAC Political Confederation Constitution.
- iii. Coordinate the progressive implementation of the commitments in the EAC Monetary Union Protocol, including harmonization of national laws and establishing legal & institutional framework which will support the Common Currency.
- iv. Enhance sensitization and public awareness, especially among farmers, traders, producers, and manufacturers on the issues of quality/standards of goods and service, quality measurements, trade procedures and EAC market access requirements.
- v. Facilitate Uganda's statutory annual subscription to the EAC Organs and Institutions.



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8.0 COMMITTEE OBSERVATIONS AND RECOMMENDATIONS

8.1 Inadequate allocations of funds for core activities;

Observation

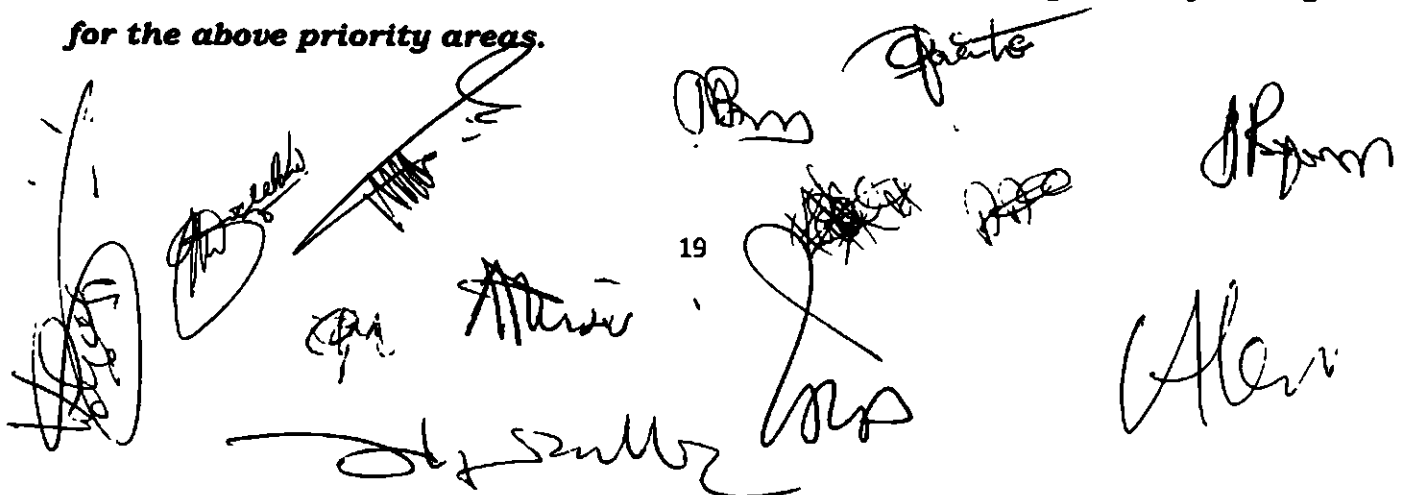
The Committee noted that during the consideration of the National Budget Framework paper, the Budget Committee made several recommendations to provide additional funding to MEACA to enable it undertake various activities which include the following;

- **UShs.1.762 Bn** for countrywide data collection and verification of all claims of the defunct EAC employees using existing District Local Government structures. The exercise is to be concluded within one Financial Year.
- **UShs. 2.2Bn** to facilitate MEACA to participate in key regional mandatory and statutory meetings and Ministerial engagements.
- **U Shs.1.4Bn** to facilitate MEACA to source for market information to effectively carry out public sensitization and awareness of the EAC integration on trade opportunities for the benefit of all Ugandans.
- **UShs. 0.460Bn** to facilitate MEACA for coordinating regional and national efforts towards the drafting of the EAC Political Confederation Constitution, for FY 2023/24
- **UShs.3.25 Bn** for coordination and promotion of Kiswahili as an official Language.
- **UShs.0.680 Bn** be provided to enable the Ministry to participate in international engagements.

However, none of the recommendations were considered by Ministry of Finance, Planning and Economic Development.

The Committee reiterates its earlier recommendation to provide funding for the above priority areas.

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8.2 Payment of EAC Gratuity and pension arrears.

Observation.

On 12th April, 2023, the House adopted the report of the Committee on payment of former employees of the defunct EAC in which the Ministry was instructed to hold countrywide verification and validation of pensioners and reconstruction of files for the pensioners whose files were incomplete.

As a result of this directive, MEACA will require a provision of **U.Shs.10Bns** to pay former employees whose files would have been fully verified or fully reconstructed.

Following the adoption of the report by the House, the Committee noted that;

- A complete approach and conclusive settlement of the benefits and claims of the former Ugandan employees of the defunct EAC should be used.
- MEACA in conjunction with district local government should undertake a one-off comprehensive verification exercise across the country to generate a complete list of unpaid/partially paid claimants within three months to inform budgeting and onward settlement of the claims.
- The Ministry of Public Service, in liaison with the Directorate of Public Prosecutions, initiates investigations into the purported beneficiaries who, unscrupulously, are currently getting paid as former employees of the defunct EAC.
- CID and DPP should return the missing files taken during the investigation of the pension scam in 2012. Where the Ministry cannot retrieve the lost files, the available records should suffice.
- MoPs and MEACA should compile a comprehensive list of beneficiaries who were affected by the pension scam for their details to be verified and subsequently paid.
- The retirement benefits are paid to pensionable former employees, pension arrears effective 1st July 1977 to the date of payment and thereafter, monthly

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pensions, in accordance with the laws governing the former employees of the defunct EAC.

The Committee recommends that, the Ministry of Finance, Planning and Economic Development avails UShs. 1.762Bn to facilitate MEACA for verification and validation exercise of former employees of the defunct EAC.

In addition, a provision of UShs. 10Bn should be made for payment of eligible former employees whose files would have been fully verified and their files fully reconstructed.

8.3 Low sensitization and public awareness of EAC integration matters

The Committee observed that despite its earlier recommendation to enhance awareness, there is still low public awareness and sensitization of Ugandans on EAC integration which continues to disadvantage Ugandans from benefiting from the EAC Integration.

Due to the funding gap of **U.Shs.1.702Bn** MEACA cannot hold consultative meetings to abreast the citizens, political leadership at central and local government to steer the integration agenda in Uganda. Sensitization and public awareness activities proposed by MEACA should be supported to enhance public awareness on EAC integration agenda.

The Committee noted that there is urgent need to compliment current efforts to enhance public awareness/public sensitization on EAC integration and participation in EAC activities especially through trade for Ugandans to reap the benefits.

Recommendation.

The Committee recommends that the Ministry of Finance, Planning and Economic Development should avails UShs.1.702 Bn to facilitate MEACA

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to effectively carry out public sensitization and awareness of the EAC integration for the benefit of all Ugandans.

8.4 Inadequate funding for the implementation of the EAC resolutions and directives.

Observation

The Committee observed that the implementation of EAC resolutions and directives continues to be curtailed by the apparent inadequate funding which consequently hampers the implementation of the integration agenda in Uganda. Additionally, lack of a legal framework mandating MEACA to compel affected MDAs to domesticate EAC resolutions and directives into policies, laws, budgets and programs continues to frustrate integration. The Ministry only performs a coordination and supervisory role which is not only critically underfunded but also EAC resolutions are often not given priority by most affected MDAs.

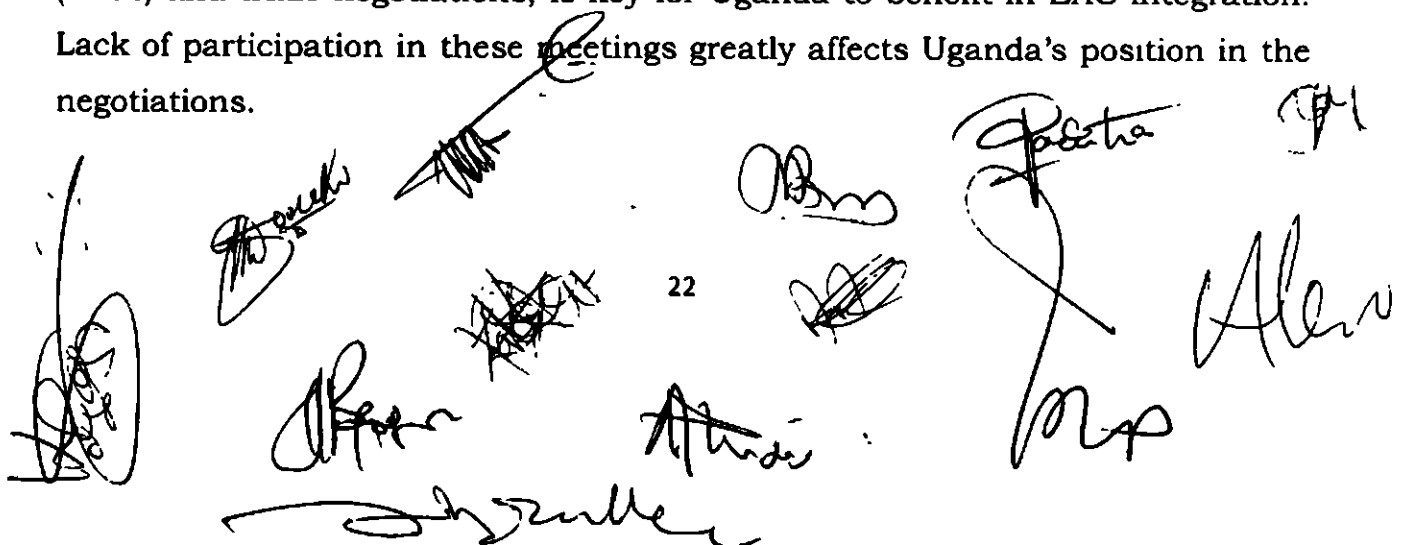
Recommendation.

Ministries, Departments and Agencies should prioritize implementation of EAC resolutions passed by the Council of Ministers and the Summit. All MDAs should work towards domesticating and implementing all EAC resolutions and directives into policies, laws, budgets and programmes.

8.5 EAC Mandatory and statutory meetings

Observation

The Committee was informed that, MEACA has on a number of occasions failed to participate in key regional meetings due to lack of funding. Attending regional meetings, participating in bilateral engagements, Joint Permanent Commissions (JPCs) and trade negotiations, is key for Uganda to benefit in EAC integration. Lack of participation in these meetings greatly affects Uganda's position in the negotiations.



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Recommendation.

The Committee recommends that the Ministry of Finance, Planning and Economic Development avails funding UShs.2.2Bn to facilitate MEACA to participate in key Ministerial, statutory and regional mandatory meetings.

8.6 Development funds/ Retooling of the Ministry of East African Community Affairs;

The Committee was informed that upon recruitment of the new staff in MEACA, the Ministry requires UShs.0.215Bn for retooling to enable the new recruited staff to perform their duties.

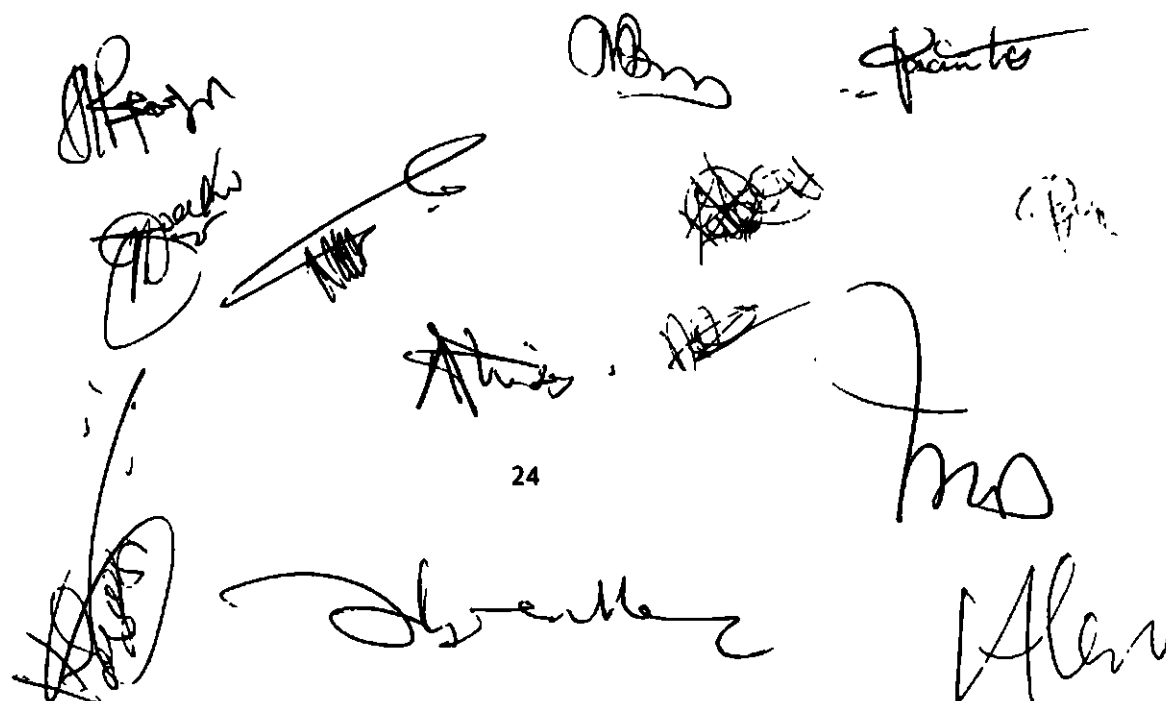
Furthermore, the Committee was informed that UShs.1.78Bn is needed to purchase one Vehicle for the Deputy Prime Minister and Minister of East African Community Affairs, two pickup vehicles to boost the 1st Deputy Prime Minister and Minister of East African Community Affairs Security, two motor vehicles for technical officers and two vehicles to compliment public awareness campaigns.

The Committee recommends that that Ministry of Finance, Planning and Economic Development avails UShs.1.995 Bn to facilitate MEACA for Development expenditure.

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Table 5 SUMMARY OF THE FUNDING GAP

Expenditure Item	Funding Requirement
Verification and validation of pensioners	1.762Bn
Public sensitization and awareness of the EAC integration Agenda	1.702Bn
Participation in key Ministerial, statutory and regional mandatory meetings	2.2Bn
Coordinating regional and national efforts towards the drafting of the EAC Political Confederation Constitution	0.460Bn
Development expenditure for retooling and purchase of vehicles.	1.995Bn
Coordination and promotion of Kiswahili as an official Language.	3.25 Bn
Participation in International engagements.	0.680 Bn
Payment of former employees of defunct EAC	10Bn
Source for market information to effectively carry out public sensitization and awareness of the EAC integration on trade opportunities	1.4Bn
TOTAL FUNDING GAP	23.449Bn


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PROPOSED BUDGET ESTIMATES FOR FY 2022/23

Rt. Hon. Speaker and Hon. Members, the Committee recommends that Parliament adopts this Report and approves the budgetary estimate as follows; for the FY 2023/24, U.Shs, 1,285,111,000/= for Wage, U.Shs 36,380,231,000/= for Non-Wage, and U.Shs 215,180,000/= for GOU Development.

(U.Shs. 38,361,231,000Bn)

TABLE 6: SUPPLY TABLE FOR THE BUDGET FOR FY 2023/24(U.S\$S)



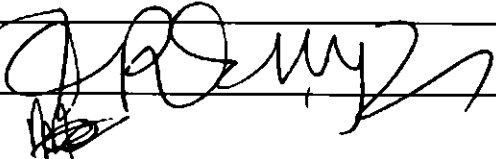
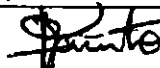
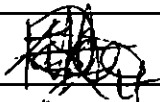
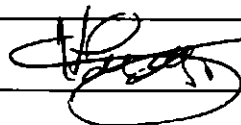
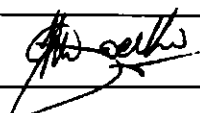
VOTE 021: MINISTRY OF EAST AFRICAN AFFAIRS

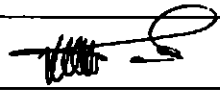
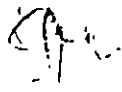
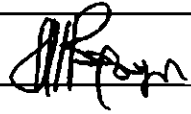

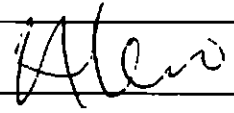
Expenditure Item	Proposed Budget FY 2023/24
Recurrent	
o/w Wage	1,285,111,000/=
o/w Wage	36,380,231,000/=
o/w GOU Development	215,180,000/=
GRAND TOTAL(exc Arrears)	38,361,231,000/=

Madam Speaker and Hon. Members, *I beg to move.*

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EAC COMMITTEE MEMBERSHIP - 2nd SESSION, 11th PARLIAMENT

NO	NAME	CONSTITUENCY	PART Y	SIGNATURE
1	Hon. Noeline K. Basemera C/P	DWR Kibaale	NRM	
2	Hon. Abdi Fadhil Kisos Chemaswet D/CP	Soi County	NRM	
3	Hon. Achia Remegio	Pian County	NRM	
	Hon. Amede Agnes	DWR Butebo	INDEP	
5	Hon. Atuto Jacinta	DWR Kapelebyong	NRM	
6	Hon. Baba James Boliba	Koboko County	NRM	
7	Hon. Ekudo Tom Julius	Gweri County	FDC	
8	Hon. Esenu Anthony	Kapelebyong	NRM	
9	Hon. Kahunde Hellen	DWR Kiryandongo	NRM	
10	Hon. Kamara John Nizeyimana	Bufumbira North	NRM	
11	Hon. Kayagi Sarah Netalisire	DWR Namisindwa	NRM	
12	Hon. Kyobe Luke	Luuka North	NRM	
13	Hon. Leku Joel	Terego West	NRM	
14	Hon. Lomwar Ismail Muhammad	Kotido Municipality	NRM	
15	Hon. Lutaaya Geoffrey	Kakuuto County	NUP	
16	Hon. Masika Apollo	Namisindwa County	NRM	
17	Hon. Mawanda Micheal	Igara East	NRM	

18	Hon. Mukasa Aloysius Talton	Rubaga South	NUP	
19	Hon. Musila John	Bubulo East	INDEP	
20	Hon. Nakayenze Connie Galiwango	Woman Rep. Mbale City	INDEP	
21	Hon. Nantaba Idah Erios	DWR Kayunga	INDEP	
22	Hon. Ngoya John Bosco	Bokora County	NRM	
23	Hon. Nsubuga Paul	Busiro North	NUP	
24	Hon. Ogwal Moses Goli	Dokolo North	NRM	
25	Hon. Okullo Aabuka Jallon	Lamwo County	NRM	
26	Hon. Olanya Gilbert	Kilak South County	FDC	
27	Hon. Tom Alero Aza	West Moyo	NRM	
28	Hon. Wakikona David	Bushigai County	NRM	

