



## EAST AFRICAN COMMUNITY

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### IN THE EAST AFRICAN LEGISLATIVE ASSEMBLY (EALA)

#### The Official Report of the Proceedings of the East African Legislative Assembly 129<sup>TH</sup> SITTING - THIRD ASSEMBLY: FIFTH MEETING – FOURTH SESSION

Tuesday, 15 March 2016

*The East African Legislative Assembly met at 2:30 p.m. in the Kilimanjaro Auditorium, Bank of Tanzania Building in Dar-es-Salaam, Tanzania*

#### PRAYER

*(The Speaker, Mr. Daniel Fred Kidega, in the Chair)*

*(The Assembly was called to order.)*

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#### COMMUNICATION FROM THE CHAIR

##### ALTERATION OF THE ORDER PAPER TO SKIP ORDER NOS.2 AND 3

**The Speaker:** Good afternoon, honourable Members. Allow me to invoke the provisions of our rules to allow few alterations on the Order Paper. To avoid the wastage of our dear resource called time, we will skip Order Nos.2 and 3 and go to Order No.4. The Council of Ministers is still on the way but we must proceed in the interest of time.

#### BILL'S

##### FIRST READING

The East African Community Sectional Properties Bill, 2016

**Dr. James Ndahiro (Rwanda):** Thank you, Rt. Hon. Speaker. I rise under Rule 66(2) of our Rules of Procedure to move that the East African Community Sectional Properties Bill, 2016, be read for the first time.

I beg to move.

*(Several Members stood up in their places to second the Motion)*

**The Speaker:** The seconders are hon. Mulengani, hon. Straton, hon. Rwigema, hon. Yves, hon. Patricia, hon. Sarah, hon. Mumbi, hon. Jeremy and all the Members who are standing.

Yes, hon. Dr. Ndahiro, give us a brief justification.

**Dr. Ndahiro:** Thank you, Rt. Hon. Speaker. The East African Community Sectional Properties Bill, 2016 emanates from the Common Market Protocol that provides freedoms to East Africans including the free movement of people and goods.

Hon. Speaker, all our East Africa Partner States are short of properties and enough facilities for accommodation of our people. As a result, you will find that not every East African has the ability to purchase his or her own property and probably given the possibility of purchasing a plot or a building, that individual would not only have accommodation but she or he would have created a positive financial aspect to himself or herself.

This is a financial aspect in the sense that he or she will take the sole title and probably apply for a loan to do other things to enrich himself. Secondly, we have developed committees as Partner States that have the ability to coach developers and to develop in other Partner States the same facilities. Under the consequence, if the legal framework is right, the benefit will not only accrue to the developer himself but to the communities where such developments occur.

Hon. Speaker, it is known that our Common Market Protocol provides the right for establishment and investment. Real estates in general have the potential to attract investments not only within but also even from outside. Therefore, East Africans have the opportunity to enjoy the market by investing highly in that sector and returns are not limited. Therefore, people can expand, communities can benefit and developers would have more work to do.

Hon. Speaker, this Bill is in line with the Treaty establishing the East African Community. It is also people-centred in the sense that we are opening opportunities in the private sector investment and we are enabling

our people to access properties on competitive terms; the assets that they desire and deserve and creating wealth going forward.

I beg to move.

**The Speaker:** Hon. Members, I refer this Bill to the Committee on Communication, Trade and Investment.

*(The Bill was read for the first and referred to the Committee on Communication, Trade and Investment)*

### MOTION

#### FOR THE CONSIDERATION AND ADOPTION OF THE REPORT OF THE COMMITTEE ON ACCOUNTS ON THE OVERSIGHT ACTIVITY UNDERTAKEN WITH THE EAC INSTITUTIONS ON GOVERNANCE, PROJECTS PERFORMANCE AND IMPLEMENTATION OF ASSEMBLY RECOMMENDATIONS

**Mr. Jeremie Ngendakumana (Burundi):** Rt. Hon. Speaker, I would like to present a report on the activities of the EAC Institutions on Governance, Projects Performance and Implementation of Assembly Recommendations (Lake Victoria Fisheries Organisation (LVFO), the Inter-University Council of East Africa (IUCEA) and the Civil Aviation Safety and Security Oversight Agency (CASSOA) for debate and adoption.

**The Speaker:** Where are the seconders? Hon. Mumbi, hon. Yves, hon. Shy-Rose, hon. Nengo and all the hon. Members standing.

Mr. Chairman, proceed and present the report.

**Mr. Ngendakumana:** Rt. Hon. Speaker, I will start with the introduction.

### Introduction

The East African Legislative Assembly is the Legislative Organ of the East African Community responsible for, among other things, carrying out oversight functions on all matters pertaining to the Community. Article 49 (2) (c) of the Treaty Establishing the EAC empowers the Committee on Accounts to discharge oversight functions on behalf of the Assembly on all financial matters of the Community. In accordance with the Rules of Procedure of the Assembly, particularly annex 5A, the Committee on Accounts is particularly mandated to:

- i) Carry out a post audit review and scrutiny of the expenditure incurred by the EAC Secretariat, the Organs and Institutions of the Community the sums appropriated in an annual budget approved by the EALA upon presentation by the Chairperson of the Council of Ministers of the EAC.
- ii) Carry out post audit review and scrutiny of the expenditure based on an annual audit report of the Audit Commission, pursuant to provisions of Article 49(2) (c) and 134 of the Treaty for the Establishment of the EAC. This function is post budget and implementation of the budget by organs and institutions of the EAC.
- iii) Carry out post audit function that encompasses the need to monitor the implementation of the budget in a manner similar to internal audit, pursuant to Rule 72(1) of the Rules of Procedure of the Assembly.
- iv) Present a report with recommendations to the House for debate and adoption after the post audit review and scrutiny.

Mr. Speaker Sir, Article 134(3) requires the Audit Commission to submit its reports to the

Council, which shall cause the same to be laid before the Assembly within six months of receipt for debate, adoption and such other action as the Assembly, may deem necessary.

Over the last couple of years, the Accounts Committee has expressed its disappointment on non-implementation of Assembly recommendations on the EAC Audited Accounts report. It is on this premise that the Committee undertook the oversight activity to assess the implementation status of the Assembly recommendations. The Committee further assessed governance and management systems and performance of programmes and projects both of which were seen as important areas that influence implementation or non-implementation of the Assembly recommendations.

During the review and consideration of EAC Audited Financial Statements for the year ended 30 June 2014, a number of queries were reported especially in the institutions of the EAC namely; the LVFO, the CASSOA and the IUCEA. The issues arose largely from unclaimed VAT, lack of procurement plans, lack of harmonised financial rules and regulations, insufficient funding, late remittance of contributions by Partner States, lack of active ICT Steering Committees, lack of comprehensive disaster recovery plan, lack of best practice in IT Project Management, inadequate IT staff, inadequate IT operations planning, lack of backup procedures among others. It is against this background that the Committee on Accounts decided to carry out an oversight activity to assess the aforesaid EAC Institutions on governance to mitigate persistent audit queries.

The assessment mainly looked into the following:-

- (i) Governance and Management Systems;

- (ii) Performance of programmes and projects;
- (iii) Status of implementations of Assembly recommendations on the EAC Audited Accounts for the year ended 30 June 2014; and,
- (iv) Any other related matters.

Mr. Speaker Sir, Hon. Members, you may recall that we held a planning session in July 2015 and developed and scheduled the Assembly activities, which were communicated to all EAC organs and Institutions. Letters were sent out as follow up and reminder to the institutions the Committee on Accounts scheduled to oversee.

We regret to report that despite postponement requested by the IUCEA, which the Committee accepted, oversight on IUCEA did not take place owing to the fact that the Executive Secretary and his deputy were attending another meeting in Dar es Salaam. A junior officer who had not been officially authorised to act on behalf of the Executive Secretary received the Committee. Therefore, the officer could not provide the necessary information to the Committee.

However, information on governance, performance of projects and programmes and status of implementation of Assembly recommendations was sent and is attached as part three and marked as annex I.

We pray that the Assembly avails time and resources to enable the Committee revisit the institution, interact with management to fulfil the Committee objectives as set out hereunder.

### 1. Objectives of the Assessment

- i. To assess whether the governance and management systems of the above institutions are good enough to

- guarantee performance and proper discharge of duties;
- ii. To establish if the said EAC Institutions are using modern governance and management and new applied technologies to assist them in carrying out their duties;
- iii. To understand any related challenges governance and management systems facing the EAC institutions;
- iv. To assess implementation of Assembly recommendations;
- v. To strengthen governance and management systems of the EAC Institutions; and
- vi. To recommend on the improvement of the EAC Institutions Governance and Management.

### 2. Methodology

As a method of assessing the Governance and Management Systems, Performance of Programmes and Projects and implementation of Assembly recommendations by the EAC Institutions, the Committee undertook the following:-

- i. Observed the work place set up and environment;
- ii. Interacted and discussed with Management of Institutions of the Community;
- iii. Reviewed the reports of the institutions on the implementation status of the Assembly recommendations;
- iv. Received presentations from the Management on governance, management systems and challenges faced while executing their duties; and,
- v. Held plenary discussions.

This report is divided into three (3) Parts namely:-

- The Lake Victoria Fisheries Organisation (LVFO)
- The Civil Aviation Safety and Security Oversight Agency (CASSOA); and
- The Inter-University Council of East Africa (IUCEA)

### **Part One: Lake Victoria Fisheries Organization (LVFO)**

Mr. Speaker, Sir, the Committee met the Executive Secretary and his management team. The Committee briefed the Executive Secretary (ES) on the purpose of the activity as a review and assessment of the governance and management systems, performance of programmes and projects and status of implementation of Assembly recommendations. While doing so, the Committee sought to understand governance systems, status of Assembly recommendations and challenges faced in the process.

The Executive Secretary gave an overview of the functions of the LVFO, financial status and the functions of the directorates and departments. He informed Members that LVFO is a regional inter-governmental organisation formed by the Convention signed in 1994 by the three founding members of the East African Community (the Republic of Kenya, the United Republic of Tanzania and the Republic of Uganda). The Convention has been amended to bring on board all the EAC Partner States as a process to fully mainstream into the EAC. (The LVFO Council of Ministers 29 January 2016, Nairobi Kenya).

The main objective of LVFO among others is to ensure proper management and optimum utilisation of fisheries and other living resources of the lake. In addition, He

informed Members that the institution is faced with serious financial challenges of funding levels mainly precipitated by the decision by (F&A) Committee decision to keep the budget at zero increment. However, he informed the Committee that remittance of contributions arrears from the three founding members have improved as indicated in table 3 of annex II.

### **Governance**

The LVFO's new Strategic Plan of 2016-2020 focuses on enhancing the LVFO coordination role for sustainable management of fisheries and the development of aquaculture to contribute to food security and economic growth in the region.

LVFO management and governance is coordinated through a secretariat headed by the Executive Director. LVFO apex body is the Council of Ministers of the Ministries responsible for fisheries/Sectoral Council.

The Council is advised by the policy Steering Committee, which consists of the Permanent/Principle Secretaries, who are also advised by the executive committee, whose composition is the heads of fisheries management and research institutions. The Executive Committee is advised by the Technical Committees: The Scientific and Fisheries management committee (Directors of Research/Directors of Fisheries management/& BMUs and EAIFFPA - chairs.

The Technical Committees receive technical reports from the Working Groups to prepare regional reports for different thematic/programme areas as per the approved programmes and work-plans of the organisation. The working groups consist of experts from fisheries research and fisheries management institutions who are specialists in that thematic area.

## **Performance of Programmes and Projects**

LVFO has put in place and is undertaking the following programmes:

### **Fisheries Management and Development**

This Programme works in form of a working group. It harmonises fisheries policy, legislation, and institutional set up and processes from what is existing at the national level in Partner States into a regional perspective. Once a product is agreed upon, it is implemented. Under the same programme, another technical working group harmonizes and works out fisheries co-management.

Monitoring control and surveillance is also another working group under the same programme. This working group develops institutions including promoting community participation in development and management of the fisheries resources. It also develops, harmonises, enforces fisheries policies, laws, regulations, and adopts relevant international protocols and agreements to the Lake Victoria situation.

### **Fisheries and Environmental Monitoring and Research**

Under this programme, there are three major working groups:

- i) Stock Assessment (Acoustic Surveys & Environmental Monitoring);
- ii) Catch Assessment and Frame Surveys; and
- iii) Socio-economic Research and Monitoring.

Under the socio-economic research and monitoring, the activities of fisheries – catch composition, fishing effort and fishing gears and methods, fish stocks – biomass, composition, distribution and population structure of fish stock, the biological and

ecological parameters of fishes, lake productivity processes, and the health of the fish habitat; and fisheries socio-economics and marketing is undertaken. These also thematic areas breed specific projects.

LVFO using the Fisheries Policy, Legislation, Institutions and Processes has:-

- Developed a draft Fisheries and Aquaculture Policy for EAC;
- Updated Fisheries Management Plan (FMP) for Lake Victoria now they have FMP III for 2016 - 2020;
- Developed Nile perch Fishery Management Plan II;
- Developed Regional Plan of Action for illegal unreported fishing;
- Developed Regional Plan of Action for Management of fishing Capacity;
- Harmonised the regulations and management measures – sizes of fish to be caught, fishing gears to be used and methods of fishing;
- Developed a regional manual for use on Monitoring Control and Surveillance;
- Trained enforcement staff and Beach Management Units;
- Provided enforcement equipment;
- Developed regional guidelines for Beach Management Units (BMUs), LVFO Council of Ministers in their meeting on 29<sup>th</sup> Jan. 2016 directed for their review of 1069 BMUs on Lake Victoria;
- Attained membership of the Regional Chair of Beach Management Units networks who is now a member of Fisheries Management Committee;
- Attained membership of the Regional Chair of Regional Association of Fish processors and Exporters Association who is now a member of Fisheries Management Committee;
- Coordinated initiatives to ensure quality and safety of fish and fishery products;

- Fish and fishery products are exported to more than 26 countries in the world (about 70% exported to Europe);
- Have been exporting fish and fishery products for more than 16 years without any ban;
- Provided Infrastructure for improved handling although still inadequate;
- Developed a regional strategy on the development of aquaculture; and
- Developed draft Regional guidelines for the development of cage culture on Lake Victoria;

### **Information, Communication and Technology**

Knowledge Management and Information Sharing are key components to efficient delivery of the organisation's services. At the LVFO, the ICT directorate collaborates with Database, Information, and Communications and outreaches Regional Working Group and is comprised of the following Cost Centres:-

- Information Systems Management;
- Networks Management and Cyber Security;
- New Technology and Projects;
- Library and Documentation;
- Communications and Outreach.

LVFO has acquired LAN/WAN hardware that supports ICT infrastructure. The programme has partially developed the information database, geo-referenced the landing sites of Lake Victoria, developed the website, improved intranet and internet access and acquired a new Financial Management System.

The Committee was also informed about the following ongoing works in ICT:-

- Storage Area Networks/Network Attached Storages (Data Storage improved – Data warehousing);
- Database Management and Decision Support Systems (Data capture and Processing enhanced to allow for efficient information dissemination and consumption);
- Wide Area Network – integrating the Secretariat and the implementing institutions which will enable seamless sharing of available resources regionally;
- Automated BMU register;
- Communication, Advocacy and Information Packing Strategies and plans.

### **Major Achievements**

The LVFO has registered achievements through management efforts. The following has been put in place:-

The Regional Plan of Action for Illegal, Unregulated and Undocumented Fishing (IUU). The regional plan has prohibited the use of destructive fishing gears; of Beach seines, traps, monofilament nets and cast nets. It has also eliminated illegal fishing and the trade in undersized fish; (Mesh size restrictions (7 inches for Nile perch, 5 inches for Tilapia & 8 mm for Dagaa; Hook sizes 4-9) (Slot size for Nile perch; 50-82 cm TL; and Minimum size for Tilapia – 26 cm TL.

The Regional Plan of Action for the Management of Fishing Capacity.

Boats are registered and licenced – freeze fishing effort at 2006 Frame Survey, Co-management is promoted through Beach Management Units (BMUs), all fishermen must belong to a MBU and there are now 1000+ of them around the lake – with networks at different governance levels to regional level, monitoring the fish stocks and

the environment, assessing the state of the fishery and the level of fishing effort, monitoring commercial fisheries, setting up closed areas and seasons, and aquatic parks, regulating fishing of the recovery species, specifically haplochromines as forage base and also for biodiversity conservation for ecosystem stability, work towards promoting alternative livelihoods- policies to encourage aquaculture and credit facilities especially to women groups and youths with preference to the HIV pre – test Groups (NGO).

Value Addition, Certification and Eco-labelling Initiatives.

LVFO has initiated the following:-

- improving processing and packaging Dagaa and other products to the local and regional markets;
- Certification and Eco-label of Nile perch products – Nature land certification which ensure, socio and ecological sustainability of the fishery – currently piloted in Bukoba and Muleba – under GIZ/ANOVA and VicFISH – currently GIZ has a study through LVFO to roll-out lakewide;
- Marine Stewardship Certification – pre-assessment study was conducted and the recommendations are being followed – to qualify.
  1. Harmonised Regional Action Plan for eradication of illegalities from Lake Victoria.
- LVFO and the fishing industry are working together to eradicate processing and trade in immature fish;
- Self-Monitoring Teams in Fish Processing Factories & MCS Teams at cross border Points to control regional trade of immature Nile perch;
- Fishing boats and fishers are licensed and introduce Species specific licensing system;

- Customs points control the importation of illegal fishing nets;
- Sensitizing all stakeholders on the dangers and impacts of illegalities to their livelihood.

## 2. Aquaculture Management and Development.

- Have in place a Regional Aquaculture Strategy and Investment Plan; and
- Currently developing Cage Culture guidelines and Standard Operating procedures / Certification.

## Challenges

1. Limited funding to implement agreed measures.
2. Inadequate equipment, funding and low compliance to fisheries laws and regulations.
3. Inadequate facilities to ensure proper fish handling, limited value addition, limited diversification of markets.
4. Aquaculture is largely still on small scale, production about 150,000 tonnes compared with Egypt of 1,000,000 tonnes a year due to inadequate skill, quality fish seed and fish feed and extension services.
5. Capacity building at the LVFO institutions require enhancement.
6. Energy availability for continuous operations is inadequate.
7. Data Integrity and Security-Data collected or processed is not reliable and secure.
8. Consumption of fish in the EAC region is low despite WHO recommendation of 25 kilogrammes. The EAC Partner States per capita consumption is below 10 kg
 

(Consumption for Burundi	3.6	
kilogrammes,	Kenya	3.45
kilogrammes,	Rwanda	2.3
kilogrammes,	Uganda	10

- kilogrammes and Tanzania 8 kilogrammes).
9. Aquaculture production in the EAC has remained below 200,000 metric tonnes.
  10. There is inadequate quality seed and feed.
  11. There is limited innovation and technology.
  12. There is inadequate access to fish farming equipment and financial services.
  13. There is limited value addition and diversification; and
  14. Limited networking of farmers to influence the development;

### **Committee Findings and Recommendations**

The Committee noted and commends the efforts by LVFO to amend the convention to accommodate the Republics of Rwanda, Burundi, and any other new EAC Partner State as members of LVFO.

The Committee recommends to the Assembly to urge the EAC Council of Ministers to direct LVFO to:

Expedite validation of the amended convention; Fast track accession of other EAC Partner States to LVFO; and, adopt a new name for the LVFO as “The East African Fisheries Organisation”.

The Committee observed and was informed that LVFO like other EAC organs and institutions experiencing the freeze on budget increment. This has curtailed the growth and performance of EAC organs and institutions. LVFO cannot fill the positions of aquaculture and procurement experts.

The Committee recommends to the Assembly to urge the EAC Council of

Ministers to lift the decision of the Finance and Administration Committee on zero increment of budget to enable implementation of LVFO activities as planned.

The Committee observed that remittance of contributions and arrears by Partner States is still an uphill task. Whereas the Partner States of the Republics of Kenya and Uganda are remitting their contributions through the Ministries responsible for EAC Affairs, the United Republic of Tanzania has not adopted the same method.

The Committee recommends to the Assembly to urge the EAC Council of Ministers to-

- i) Push for harmonisation of remittances of contributions and arrears through the Ministries of EAC Affairs because the mode has demonstrated effectiveness; and
- ii) Urge and lobby responsible authorities in the Partner States to honour and fulfil their obligations.

The Committee further observed that LVFO data on fish is not updated. The organisation reported that the total international trade value in fishery commodities in the EAC Region was estimated at USD 312 million in 2009.

The Committee recommends to the Assembly to urge the EAC Council Ministers to direct EAC Partner States to avail current data of fish to LVFO for updates.

The Committee noted that the EAC Secretariat procured software without consultation and involvement of users. Customization and linkage of such shared systems require increase of the breadth of the bandwidth, which makes it expensive and inefficiency caused by clogging.

The Committee recommends to the Assembly to urge the EAC Council of Ministers to direct EAC Secretariat to decentralize ICT systems and always involve users of software before acquiring or procurement is done.

The Committee noted that quality of fish is declining despite the achievements and initiatives by LVFO.

The Committee recommends to the Assembly to urge the EAC Council of Ministers to direct LVFO Management to-

- i) Implement harmonized regulations on fish farming and handling;
- ii) Carry out comprehensive sensitization, provide all amenities and other facilities to fish farmers; and
- iii) Push for harmonisation of enforcement structure and standards in all EAC Partner States.

#### **Status of Implementation of Assembly Recommendations**

As earlier indicated, over the last couple of years the Accounts Committee has expressed its disappointment on non-implementation of Assembly recommendations on the EAC Audited Accounts report. Upon our visit, LVFO reported on the status of implementation. The Committee has henceforth recommended accordingly and will review the matter again during the review and consideration of EAC Audited Accounts for the year ended 30<sup>th</sup> June 2015.

#### **Harmonisation of LVFO Financial manual with EAC Financial Rules and Regulations.**

The Audit Commission had reported that a review of LVFO's financial manual states that the threshold for capitalization of fixed assets is USD200, while EAC Financial Rules and Regulations provides for USD 250

as the threshold for assets capitalization. The financial manual does not refer to a specific financial reporting frame work such as IPSAS or IFRS instead it refers to generally Accepted Accounting principles while in the real sense the Organisation is using IPSAS in the preparation of its financial statements.

LVFO Management responded that the organisation is in the process of fully mainstreaming into the EAC and in the process, harmonisation of the manuals is one of the priority areas. In some scenarios, LVFO adopts the procedures of EAC where such appear silent in the LVFO Manual. For example, the GAAP vis-à-vis IPSASs.

The Committee recommended to the Assembly to urge the EAC Council of Ministers to direct LVFO Management to-

- i.) Harmonise all its policy documents with those of the EAC and report progress to the Assembly by March 2016;
- ii.) Harmonise its calendar of meetings and other activities with the EAC Secretariat; and
- iii.) Generate through the EAC Council of Ministers, a Bill for the establishment of LVFO.

During the Committee oversight, LVFO reported that at her Ninth Regular Sitting in January 2016, the LVFO Council of Ministers approved the amended Convention, which addresses the mainstreaming of the Republics of Rwanda and Burundi into the Institution. Harmonisation of the operational manuals is one of the priority areas and this has been factored in the 2016/17 work plan. The Committee noted progress and recommends that the Audit Commission verify the status in the subsequent audit.

### **Fully Depreciated Assets Still in Use**

The Audit Commission had reported that LVFO's assets register report as at 30th June 2014 had 834 PPE at Cost of \$ 1,859,255 and Net Book Value of \$ 1,127,727. It was noted that included in the assets register were 693 assets at a cost of \$ 541,147 with zero net book value but still in use by LVFO contrary to IPSAS 17 Paragraph 67 on Property, Plant and Equipment. The 693 assets include office furniture & fixture and office equipment.

The LVFO Management had responded that Management communicated to the Ministry of Works requesting to reassess the useful lives of all LVFO assets; the team had concluded the exercise and a report is yet to be issued to Management. All assets with zero book values have been disclosed in the notes.

The Committee had recommended to the Assembly to urge the EAC Council of Ministers to direct LVFO Management to:

Re-assess its PPE useful lives annually and identify those assets, which are likely to be fully depreciated while they still have economic benefits or service potential -

- i. Ensure that all assets with zero book values should be disclosed by way of a note indicating both their costs and net book values; and
- ii. Adopt a model that allows establishment of economic benefits and service potential of its assets.

During the oversight, the LVFO reported that the Ministry of Works Uganda concluded the reassessment of all LVFO assets on May 31<sup>st</sup> 2015. The Financial Statements for 2014/2015 reflect the revised estimates with the applicable depreciation charges.

The Committee noted progress and recommends to the Assembly to urge the EAC Council of Ministers to direct that the Audit Commission confirm the report in their next audit exercise.

### **Management of Gratuity Account.**

The Audit Commission had reported that a review of the gratuity operations revealed the following irregularities:

- a) Irregular expenditure of staff gratuity

It was noted that in the months of September, October and December 2013, February, March and May 2014, LVFO did not transfer the staff's monthly gratuity contributions amounting to USD 42,090 to the gratuity bank account. The staff's gratuity entitlements were instead utilized to meet other operational costs of the Organisation.

- b) Asset not matching Liability

Whereas the liability due to be paid has accumulated to USD 93,266, the corresponding asset to match this liability stands at USD 64,689 as of 30<sup>th</sup> June 2014 with an unaccounted for difference of USD 28,577.

- c) Borrowed Reserve funds, USD 254,777

It was noted that in the year under review a total of USD 254,777 was borrowed from EAC's Reserves to pay for staff gratuities that were due for payment during the year under audit.

The LVFO Management had responded that due to Partner States' failure to remit their respective obligations in a timely manner at the time, the organisation could not honour the full monthly staff remuneration package, apart from the salaries.

The situation improved following the decision to route the funds through the respective Ministries of EACA, and the entire outstanding gratuity amount is remitted to the gratuity account. To date the gratuity asset and liability component are matching.

The Committee had noted progress, commended the initiative to route the funding through the Ministries responsible for EAC now implemented by the Republics of Kenya and Uganda and discouraged any future mismanagement of the gratuity account.

The Committee had recommended to the Assembly to urge the EAC Council of Ministers to direct LVFO Management to:

- i.) Urge the United Republic of Tanzania to also remit its contributions through the Ministry responsible for EAC Affairs; and
- ii.) Review the rules to enable accrued interest on gratuity belong to the owner and this should apply to all EAC organs and institutions.

During the oversight, LVFO reported that the gratuity asset and liability component are matching and that the position is reflected in the 14/15 Financial Statements and the same is running to date.

The Committee noted progress and recommends to the Assembly to urge the EAC Council of Ministers to direct LVFO Management to present progress report to the Audit Commission for verification in the next audit exercise.

Unclaimed VAT – USD 13,118.80

The Audit Commission had reported that during the year under review, the Organisation paid taxes amounting to USD 10,812.80 in its procurement of goods and services. As at the year-end, the total

unclaimed VAT was USD 13,118.80, which included the previous financial year's unclaimed tax of USD 2,306 contrary to Section (1) subsection 1(e) of the annex to the convention establishing the LVFO.

The LVFO Management had responded that the tax body introduced a new system for filing at the end of 2013 and the Organisation was re-registered from 1<sup>st</sup> May 2014. Management wrote to URA requesting the VAT Registration to be backdated to 1<sup>st</sup> July 1996 to allow to claim VAT for the period not covered. As at 30<sup>th</sup> April 2015, LVFO has filed a total of US\$73,811,418 to the tax body.

The Committee had recommended to the Assembly to urge the EAC Council of Ministers to direct LVFO Management to:

- i) Always file and submit for tax refunds;
- ii) Assign an officer to make a regular follow up on VAT refunds; and
- iii) Show evidence of steps taken on VAT claims in the next audit.

During the oversight, LVFO reported that it files all her VAT refunds in a timely manner. As at to-date, a total of Uganda Shs. 111,822,571 (USD 32,888.99) had been filed to the tax body. URA has so far made a refund of USD 1,284.41 to LVFO.

The Committee noted slow implementation of Assembly recommendation and further recommends to the Assembly to direct the EAC Council of Ministers to ensure strict implementation of Assembly recommendations.

Secondly, the Committee recommends that the Audit Commission verify the report in the next audit exercise.

### **Payment of Salary In Lieu of Leave USD. 5,500**

The Audit Commission had reported that a total of USD 12,000 was paid to LVFO staff as compensation for 30 days leave not taken in the previous financial year ended 30<sup>th</sup> June 2013. However, it was observed that, payment of leave was calculated by using the rates of daily subsistence allowances of USD400 per day for 30 days. The officer therefore was paid USD 5,500 in excess of what he is entitled to monthly basic salary of USD6, 500.

The LVFO Management had responded that although the LVFO Staff Rules and Regulations state that annual leave can be converted into monetary payment with the approval of the Executive Secretary, the manual does not specify what method of payment should be applied. The former Executive Secretary applied this rule to execute the payment.

The Committee had observed abuse of office and conspiracy and noted that excess amount should have been deducted from the staff's terminal benefits. The Committee recommended to the Assembly to urge the EAC Council of Ministers to direct LVFO Management to:

- i.) Re-enforce internal mechanisms of recovery in such cases; and
- ii.) Follow up the matter and recover from the officer who processed the payment and report progress in the next audit.

During the oversight, evidence was availed to the Committee on the communication made to the ex-staff vide letter dated 26<sup>th</sup> August 2015 regarding the subject, payment voucher and response by the ex-staff all attached as Annex III.

The Committee revisited the matter with concern and recommends that:

- i) The Clerk of the Assembly summon the ex-staff to appear before the Committee in May 2016; and
- ii) In the event that he does not respond to the summons, inform the EAC Council of Ministers to direct EAC Secretariat to initiate proceedings against the ex-staff and recover the amount of money in question including damages accrued thereof.

### **Lack of an Investment Register**

The Audit Commission had reported that as at 30<sup>th</sup> June 2014, LVFO had invested USH 28,749,324 in fixed deposits. The Organisation does not maintain an investment register contrary to LVFO's Financial Manual Chapter 6 (6.2.10 b).

The LVFO Management had responded that the Investment Ledger has been opened to track the Organisation's investments and provided to the Auditors.

The Committee had recommended to the Assembly to urge the EAC Council of Ministers to direct LVFO Management to report progress in the next audit for verification.

During the oversight, LVFO confirmed to the Committee that it maintains an Investment ledger, which is available for verification.

The Committee noted progress and recommends that the Audit Commission verify the report in the next audit exercise.

### **Lack of Approved Annual Procurement Plan**

The Audit Commission had reported that during the year under review, LVFO lacked an approved procurement plan to LVFO's financial manual Chapter 5 (5.2.3)

period without being collected as indicated below:

The LVFO Management had responded that due to a bleak position on the ground then, insufficient/ doubtful funding and grossly under budgeted lines, Management failed to come up with a procurement plan for the period. Indeed no major procurements occurred during the year. The situation has however improved and the approved procurement plan will be in place.

The Committee had recommended to the Assembly to urge the EAC Council of Ministers to direct LVFO Management to avail the procurement plan to the Audit Commission for verification in the next audit.

During the oversight activity, LVFO management reported that the approved LVFO budget in the Budget Management System (BMS) run concurrently with the Procurement Plan; an approved Annual Procurement Plan (2015/2016) is in place.

The Committee noted progress and recommends that the Audit Commission verify the report in the next audit.

### **Long Overdue Outstanding Receivables USD.1,712,391**

The Audit Commission had reported that as at 30 June 2014, LVFO had outstanding receivables from Partner States on regular contributions and supplementary emergency budget. Receivables from fixed deposit in bank of USD 1,712,391 were also outstanding. The aging analysis indicated that USD 663,343 (39 percent) and USD 1,049,048 (61 percent) were outstanding for more than 12 months and 24 months respectively. The concern is the recoverability of these amounts, as some of them may remain outstanding for a long

PARTNER STATES	<i>Outstanding Up to 12 months</i>		<i>Outstanding more than 12 months</i>		<i>Total</i>	
	<i>Amount USD</i>	<i>%</i>	<i>Amount USD</i>	<i>%</i>	<i>Amount USD</i>	<i>%</i>
Govt of Kenya (Annual contribution)	122,208	18.42	0	0	122,208	7.14
Govt of Kenya (Nile Perch Fund)	0	0.00	29,093	2.77	29,093	1.70
Govt. of Tanzania (Annual contributions)	270,050	40.71	212,777	20.28	482,827	28.20
Govt. of Tanzania (Nile Perch Fund)	0	0.00	414,987	39.56	414,987	24.23
Govt. of Uganda (Annual contributions)	270,050	40.71	230,142	21.94	500,192	29.21
Govt. of Uganda ( Nile perch)	0	0.00	159,840	15.24	159,840	9.33
SUB Total	662,308		1,046,839		1,709,147	
Bank of BARODA-Fixed Deposits Interest	1,035	0.16	2,209	0.21	3,244	0.19
	663,343	100	1,049,048	100	1,712,391	100

The LVFO Management had responded that following the LVFO Eighth Council of Ministers decision recommending the rerouting of funding through MEACAs of the respective Partner States, which was followed by a directive of the 28<sup>th</sup> EAC Council of November 2013, the situation has improved. As at to-date, the receivable figure has reduced to US\$ 703,875.41.

Follow up with the Bank was concluded and the status of the Fixed Deposit is up to date.

The Committee had observed reluctance of the LVFO Management to claim interest on fixed deposit accounts and recommended to the Assembly to urge the EAC Council of Ministers to direct LVFO Management to:-

- i.) Always follow up and claim interest on contributions and fixed deposit accounts; and
- ii.) Report progress on the outstanding receivables for verification in the next audit.

During the oversight activity, LVFO Management reported that through written and telephone communications has consistently reminded Partner States of their respective outstanding obligations; as at 15<sup>th</sup> February 2016, the outstanding position (including arrears), stand at USD 1,423,204.92 (63%).

The Committee recommends that the Audit Commission verify information provided in the next audit exercise.

### **Procurement of Goods and Services using Uncompetitive bidding methods**

Review of procurement procedures, records and other related documents of LVFO had revealed that, the Agency entered into agreement with various suppliers for procurement of goods and services without competitive bidding procurement process contrary to Section 5.2.1 of the LVFO

financial manual. A sample of the procurements conducted is given here under:

PV	CHQ	AMOUNT USD	Payee
5505	93046	1,050	2 Morrow Consult
5544	93085	1,990	Extra Mark Solution
6430	93549	2,633.56	Technology Associates Ltd
5487	641476	534.95	Mike Chris Kiganda
300	198	3,154.9	Ridar Hotel Ltd
TOTAL		9,363.41	

The LVFO Management had responded that the Providers are among the pre-qualified list of 'Service Providers' for 'Minor Works, goods and Services' for FY 2012/2013 and FY 2013/2014. In future thorough procurement bidding procedure will be emphasized.

The Committee had observed that procurement procedures were breached in the disguise of minor works and recommended to the Assembly to urge the EAC Council of Ministers to direct LVFO Management to:-

- i.) Always comply with procurement procedures; and
- ii.) Report rectification of the anomaly for verification in the next audit.

During the oversight activity, LVFO Management reported that LVFO acquires all her goods and services as per the EAC procurement guidelines. Currently, all goods and services acquired are competitively procured.

The Committee noted and recommends progress subject to verification by the Audit Commission during the next audit exercise.

### **Insufficient funding of the Organisation**

The Audit Commission had reported that the Organisation had budgeted to receive a total of USD. 3, 203,041 of which USD. 810, 150 was expected from Partner States and USD. 2,392, 891 from development partners. However, during the year under review, no funds were realized from the Partner States in respect of that financial year while USD 579,631 was received from donors. This represents a paltry performance of 37 per cent the annual approved budget. A sum of USD 600,146 received during the year from Partner States was in respect of contribution arrears, which at the yearend amounted to

USD1, 709, 147. According to management, this inadequacy in funding the Organisation operations has resulted into LVFO failing to implement its planned activities which included:-

- Recruitment of the senior scientist a gap that is considered by the Organisation to be critical for the effective delivery of its mandate.
- Data gaps in updating the management indicators for sustainable utilization of the fisheries resources.
- Delaying in the process of amending LVFO convention in order to improve the visibility of the organisation and widen its scope.

The LVFO Management had responded that in the Financial Year 2014/2015, two Partner States started forwarding Country Contributions through the Ministry of East Africa Community Affairs. Management has advertised for the post of the Senior Scientist, and interviews are planned in March 2015.

With support from EAC/Partnership Fund, LVFO conducted Hydro-acoustic Survey and with support from LVEMP II Project, it conducted a lake wide Frame Survey on Lake Victoria in December 2014. LVFO is preparing Project Proposals to source funding for the core programme activities, which update the management indicators and review regulations and other management measures for sustainable management of the fisheries and development of aquaculture. A Donors' Conference is planned towards the end of May 2015. LVFO is also involved in the Development of the EDF 11 Programme and focus is in commercialization of aquaculture and the provision of Guidelines and Operating Procedures. The 8th Session of LVFO Council in November 2013 requested Partner States to budget for resource monitoring activities to improve the

information base on fisheries management (3.4 (I&II).

The Committee had observed that the organisation's funding required enhancement and recommended to the Assembly to urge the EAC Council of Ministers to direct LVFO Management to:-

- i) Initiate mechanisms for additional resources mobilization;
- ii) Always follow up on non-remittances of the committed funds and take appropriate actions; and
- iii) Develop a proposal on increasing annual Partner States contributions.

During the oversight activity, the LVFO Management reported that the status of Partner States contributions for the Financial Year 2014/2015 greatly improved with the overall contribution at USD 1,408,153.73 52 per cent compared to USD 600,146.51, 30 per cent for previous Financial Year 2013/2014. As at to-date, the position stands at 37 per cent.

The LVFO Senior Scientist and an Internal Auditor were recruited and were in office by August 2015.

Support for other core programme activities also improved. The activities include:

- i) Review of the Fisheries Management Plan and development of a Fisheries and Aquaculture policy received funding from WB/LVEMP II;
- ii) Finalisation/reorganising the Nile perch Fisheries Management Plan II received technical support from SMART FISH Project;
- iii) Development of the new LVFO Strategy Plan 2016/2020; Information and Communication Strategy; Resource Mobilisation Strategy; all received funding from the EAC – Partnership Fund);

- iv) Conducting the main resource monitoring surveys, the Hydro-acoustic (Sept. 2014); Catch Assessment (May 2014) and Frame Surveys (Dec. 2014) received funding from EAC – PF; LVEMP II – National Project Funds and TASP II.

NEPAD also provided some funding for a study on – realigning LVFO as a Regional Fisheries Management Organisation (RFMO) in January, 2015 while FAO collaborated with LVFO to Organise an African Regional Workshop on Aquaculture genetics in Entebbe in July 2015.

The LVFO approved Budget for 2015/2016 has an increment of almost 50% for the Partner States contribution indicating their commitment to support the Organisation.

The Chairperson of the LVFO Council of Ministers took the lead in the process to amend the Convention. He wrote to the Depository of the Convention, the Director General FAO Legal Department and the Director General of FAO wrote to the three Contracting Parties informing them about the proposed amendments on 15<sup>th</sup> May 2015. The LVFO Council was to convene ninety days from the date of notification to consider the amendments. However, due to Presidential Election in October in Tanzania, the convention of a Special Council has not been possible.

The Committee noted progress and recommends to the Assembly to direct the EAC Council of Ministers to direct LVFO Management to follow up all the matters to the logical conclusion and report to the Audit Commission for verification.

### **Inadequate Control over Cross Border Fish Trade**

The Audit Commission had reported that cross border fish trade within the Partner States is mainly informal with some consignments crossing the borders without being recorded or inspected to guarantee safety of the fish being traded. Only few borders have systems in place to monitor consignments crossing the borders.

The LVFO Management had responded that with support from NEPAD and AU-IBAR, LVFO would collaborate with the respective Countries to handle the issue of informal fish trade.

The Committee had observed that uncontrolled fish trade might be going to importing countries in unhygienic conditions and recommended to the Assembly to urge the EAC Council of Ministers to direct LVFO Management to:-

- i) Liaise with directors of fisheries in Partner States to work out control strategies; and,
- ii) Carry out training and sensitization sessions with fish traders on the importance of records.

During the oversight activity, the LVFO Management reported that the Ninth Regular Session of LVFO Council of Ministers held on 29<sup>th</sup> January 2016 urged Partner States to establish a functional Monitoring Control and Surveillance inter-agency structure and support a single spine enforcement with appropriate funding. The LVFO Council of Ministers meeting of 29<sup>th</sup> January 2016 also approved the Nile perch Fishery Management Plan II and Lake Victoria Fisheries Management Plan III, which include strategies to handle the cross-border trade.

LVFO has also received support from Smart fish Project to develop a manual for fish

inspection to be used by fisheries inspectors at the border points.

The Committee was informed of the progress and recommends to the Assembly to urge the EAC Council of Ministers direct LVFO Management to relay progress report to the Audit Commission for verification.

### **Lack of Harmonisation of regulations between importing and exporting countries on fishing of immature fish**

The Audit Commission had reported that while fishing and exporting small sizes of fish in Kenya, Tanzania and Uganda is illegal, in other EAC states of Rwanda and Burundi and the neighbouring countries of the Democratic Republic of Congo and South Sudan its importation is not illegal.

The LVFO Management had responded that efforts are underway to broaden the scope and mandate of LVFO to include the Republics of Rwanda and Burundi and this will include harmonisation of fisheries regulations. LVFO will continue to engage stakeholders for compliance while urging Partner States to intensify enforcement of the regulations.

The Committee had observed that the decline of Nile perch and tilapia fish in Lake Victoria is because of fishing of immature fish. This would certainly affect the sustainability of the fishing industry within the region and recommended to the Assembly to urge the EAC Council of Ministers to direct LVFO Management to:

- i. Enhance collaboration with Partner States to devise strict control measures of banning exportation of immature fish;
- ii. Liaise with Partner States to destroy, ban importation and local

manufacturing of small nets used to fish pre-mature fish; and

- iii. Carry out training and sensitization sessions with customs officers on all to forms of illegal fishing practices and control thereof - (*Interruption*) -

**The Speaker:** Mr. Chairman, sorry for the interruption. I think this report was circulated last week. You have just done half the report. That means that you will proceed with it for another hour or so at the rate we are proceeding.

If you go word by word, we will not even have time for debate on this report. I do not know how to advise you. However, I suggest that where you think you can skip – so that you refer us to the report – you skip and save time for debate. That will be very good.

Thank you very much.

**Mr. Ngendakumana:** Thank you Mr. Speaker. I will not come back to the previous recommendations of the report because they are supposed to be known. We are at number 12.

### **Lack of harmonisation of regulations between Importing and Exporting to Countries and Fishing of Immature Fish**

The queries on these are known and the recommendations are known. The Committee was informed that progress had been made and recommended to the Assembly to urge the Council of Ministers to relay progress on the Audit Commission for verification. Something has been done but it is subject to verification by the audit commission report.

### **Lack of Adequate and Robust Control of Illegal Fishing Practices**

There have been queries and recommendations. During the oversight activities, the LVFO management reported that the regional meeting of officers responsible for fisheries enforcements was held in January, 2016 and made recommendations that were proposed by the LVFO to the Council of Ministers. The Ninth Regular Session of LVFO Council of Ministers held on 29 January 2016 urged Partner States to establish a function monitoring control and survey interagency structure, reported, and support a single span of enforcement with appropriate funding.

The LVFO Council of Ministers meeting held on 29 January 2016 also approved the Nile Perch Fisheries Management Plan II and Lake Victoria Fish Management Plan II, which includes strategy to strengthen control of irregularities of fishing.

The Committee was informed about the progress and of course needs confirmation of this by the Audit Commission in the next audit exercise. The lack of harmonisation from the development of Aquaculture is a query that was also raised in the last report. During the oversight activity, the LVFO Management reported that it coordinated and drafted \* from the development of cage culture by technical officers from Partner States. It was said that those were to be discussed at the national level for input and ownership before a regional validation and approval from AVFA Council of Ministers. Here also, the Committee was informed of the progress so far made and recommended to the Assembly to urge the EAC Council of Ministers to direct the LVFO Management to relay progress report to the audit commission for verification.

### Lack of Regional Standards for Fish Feed Manufacturers in the Region

The query was that there are no standards in fish feeds in the region. During the oversight activity, a LVFO management reported that the issue of standards for fish feeds manufacturers in the region is addressed in the draft regional guidelines for cage culture. This also is the progress so far made in the implementation of our recommendations, it is also subject to verification by the audit commission, and we expect to meet that in the next audit exercise report.

### The lack active ICT Steering Committee

The query is that there is no ICT Committee in place. During the oversight activity, LVFO management reported that the ICT Steering Committee has formally been established now and it is expected to meet three times in a year. This also is an improvement in the report but it also needs to be confirmed by the audit commission report of the next exercise. The lack of comprehensive disaster recovery plan

During the Oversight, LVFO management was informed the Committee that the Disaster Recovery Plan has been comprehensively updated and approved by the LVFO Executive Committee. This also is a status that was given but it will be confirmed in the next audit report.

### Lack of Best Practices in the IT Project Management

During the Oversight activity, the LVFO Management reported that the project plan and the project management guidelines had been customised and would be used in future, projects with single value of USD20,000 or just around that much. The Committee was

informed about that but the Audit Commission will confirm the information.

### Inadequate IT Staff

During the oversight activity, LVFO Management informed the Committee that the process of recruiting and upraising the database is already in progress and is expected to be complied with by the end of the Financial Year 2015/2016. The Audit Commission also must confirm this.

### Inadequate IT Operation Planning

During the oversight, the LVFO Management reported that the process of revising the ICT Strategy is ongoing and has been sent to the Partner States for discussions before it is approved by the next LVFO Council of Ministers meeting. We have been informed of the progress that has so far been made. As previously done, we need the confirmation by the Audit Commission in the next exercise.

### Lack of Back-Up Procedure

During the oversight exercise, LVFO Management reported that the data backup and restoration procedures have been improved and approval was done during the Ninth LVFO Council of Ministers. This also is the response from the management, which must be confirmed during the next audit exercise by the audit commission.

Mr. Speaker, Sir, we will now move to the second part of the Report.

### Civil Aviation Safety and Security Oversight Agency (CASSOA)

First of all, we met the CASSOA Management. The Committee met with the Executive Director who presented an overview of CASSOA establishment,

governance and performance of programmes and projects. The Committee briefed the Executive Director on the purpose of the activity as an oversight activity to assess institutional governance, performance of projects and programmes and implementation of the Assembly recommendations.

The Executive Director gave an overview of CASSOA, its objectives and the achievements so far registered. The Executive Director also briefed the Committee on the challenges faced by the agency. The CASSOA came into existence following the recommendations from International Civil Aviation Organisation to pull the region resources together to create safe and orderly development of international civil aviation. In the international arena, the existence and effective operation of regional organisations is a demonstration of regional solidarity and increases the involvement of individual states in aviation activities relating to the region and sub region.

On 18 April 2007, the EAC Council of Ministers approved the establishment of the EAC Civil Aviation Safety and Security Agency (CASSOA) as an autonomous self-accounting institution of the EAC. It has the fore mandate as provided for by Article 92 of the Treaty to assist Partner States in their undertaking to make air transport services safe, efficient and profitable while adopting common policies for the development of the civil air transport in the region. About the governance of CASSOA, the supreme organ of this is the Council of Ministers followed by the Board of Directors to which the Executive Director reports.

The proposed internal audit section shall report to the Board of Directors whereas the Medical Assessor, the Deputy Executive Director in charge of Technical matters and

the Deputy Executive Director in charge of Finance and Administration the Legal Officer report to the Executive Director. These are the major departments with staff to man other relevant sections.

Regarding the programmes and projects of CASSOA, this organisation is undertaking projects and programmes. The following activities are ongoing and have been undertaken and to this end:

1. Harmonized seventeen (17) Safety and Security Regulations
2. Developed Technical Guidance Materials for the seventeen (17) Regulations
3. Assisted Partner States in preps for ICAO USOAP and USAP, and thereafter developing CAPs
4. Done Capacity building for safety and security inspectors
5. Establishment of EAC Centre for Aviation Medicine
6. Harmonised computerized EAC Aviation Examination System
7. Harmonized EAC ITS for AIR and FOP Inspectors
8. Developed a Safety Oversight Facilitated and Integrated Application software – SOFIA, which assists Inspectors to carry out their safety oversight obligations effectively.

CASSOA has registered some achievements. The major achievement since its establishment has been the harmonisation of regulations and development of guidance of materials, which have been promulgated in the Partner States. CASSOA has also trained inspectors in Partner States to oversee the aircraft. Each aircraft has an inspector despite the challenges of new aircrafts whose technological knowledge is limited to supervisors.

CASSOA has also faced some challenges, and it requires more funds for continuous training of inspectors to catch up with the emerging new technology. However, inspectors are shared among the EAC Partner States.

The Committee in its findings and recommendations observed that like other EAC institutions, CASSOA has a budgetary problem making it more attractive to qualified personnel. To this end, the most important central and core area of security is not catered for. This further explains why most of the key positions of CASSOA are not filled and yet CASSOA organogram is very good with relevant and vacant positions. The Committee recommends to the Summit to urge the EAC Council of Ministers to ensure that CASSOA funding is given priority by exploring funding options and to expedite recruitment to bridge security gap in air and navigation services. To this end, positions should be filled in phases considering priorities.

The Committee observed that the Assembly does not approve the CASSOA budget and yet the Assembly reviews CASSOA audit reports. The non-approval of CASSOA budget by the Assembly is inched on the protocol establishing CASSOA. The protocol provides that the power with the financial approval of the CASSOA budget rest with the Council. The Committee recommends to the Summit to urge the EAC Council of Ministers to:

1. Lay before the House the CASSOA Budget for information.
2. Amend the CASSOA protocol to enable the Assembly approve CASSOA budget in accordance with the Treaty.

The Committee observed also that the agency has developed beautiful regulations whose

promulgation process consumed substantial amount of time. The EAC Partner States exercised different processes to promote the regulations.

The Committee recommends to the Assembly to urge the EAC Council of Ministers to direct the EAC Partner States to expedite promulgation of the regulation. The Committee noted that CASSOA has never been issued with land titles despite provisions of the land title despite the provisions of the headquarter agreement. The Committee was informed that the formal process has started but is taking very long.

The Board had also directed the CASSOA Secretariat to employ informal processes. The Committee recommended to the Assembly to urge the EAC Council of Ministers to ensure that CASSOA Land Title is issued and the Headquarters as required by the headquarter agreement.

### **The status of implementation of Assembly recommendations**

First of all, we have lack of segregation of duties. During the oversight activity, the Committee was informed that the Directive was implemented and that claim payment and retirement are void of the application. The Committee was informed of the progress and it recommends to the audit commission to confirm the implementation of the Committee recommendation. Management of bank accounts was also a query and raised recommendations. During the oversight activity, the Committee was informed that the agency now is in the process of moving some bank accounts to Barclays Bank Uganda Limited. This is a way of implementing our recommendation, which must be confirmed by the audit commission report.

### **Expenditure**

This is not adequately supported with USD86,969.85 and for this reason there were missing receipts and boarding passes and attendance sheets. The CASSOA informed the Committee that the directive was implemented. Today, receipts, boarding passes and meeting attendance sheets where applicable, support all payments. This also needs to be confirmed by the Audit Commission Report.

Mr. Speaker Sir, as I said in my introduction, that the top management of the Inter-University Council of East Africa (IUCEA) did not availed itself to interact with the Committee. The junior staff that we met were not the right people the Committee was to meet. The information about governance, performance of projects and programmes, the status of implementation of the previous recommendation of the Assembly are given as an annex of this document or report and not subject to debate because we have not allowed them to interact properly.

To conclude, the EAC institutions have clear mandate that promised to fulfil the EAC potential. This has been expressed by achievements registered despite budgetary constraints. The EAC Council of Ministers should fully support strategies on the EAC institutions. Funding is a prerequisite to capacity building, quality assurance, sustainability and effective competition. There is need for increased funding from the EAC institutions.

The EAC Council of Ministers should overrule the decision by the F&A Committee on zero increment of budget. By doing so, it will enable institutions to implement the planned activities and Assembly recommendations. The EAC Council of Ministers should also play their role to ensure

Assembly recommendations are implemented especially with specific required council action.

On acknowledgements, the Committee on Accounts wishes to thank the Rt.Hon. Speaker, the Clerk and the entire administration of the Assembly for allowing it to carry out its oversight function. The Committee further appreciates valuable time accorded to it by the institutions visited.

Mr. Speaker, Sir, I submit - *(Applause)*.

**The Speaker:** Thank you so much, Mr. Chairman, hon. Jeremy for the good presentation of the report. It has been a long one. In future, the Office of the Clerk should be helping the Chairpersons of the Committees. When we have very huge reports, we should produce bridged copies for Chairpersons to present. The main report should be circulated in time. This one was circulated last week and the Chairperson should not have laboured this long. However, thank you very much.

Hon. Members, the Motion before the House is that the Report of the Committee on Accounts on the Oversight Activity undertaken with the EAC institutions on governance, project performance and implementation of the Assembly recommendations be adopted.

*(Question proposed)*

**The Speaker:** Honourable Members debate is open.

**Ms. Shy-Rose Sadrudin Bhanji (Tanzania):** Thank you Mr. Speaker, Sir for giving me this opportunity to contribute to the report of the Accounts Committee.

Mr. Speaker, Sir, I stand to support the Report. To begin, I want to declare that I am

a Member of this Committee even though I did not attend the oversight activity because I was equally privileged to be in Uganda during the elections among the Election Observation Mission. I want to congratulate the Chairperson of the Accounts Committee and the whole team of the Committee for the comprehensive and informative report.

On the look of things, the LVFO is an integration agenda given the extent at which it impacts on our Partner States. The Lake Victoria has many multi-sectoral dimensions. For example, Lake Victoria is a source of income to many of our communities in East Africa. Lake Victoria is a sufficient source of food for our people in East Africa. It is also a source of employment to many of our people in East Africa. In this report, we are being told that one of the biggest challenges facing Lake Victoria Fisheries Organisation is lack of funding.

The potential of this huge lake is an asset to the EAC. It is high time that the LVFO was empowered and strengthened so that we can realise more benefits in future. It is high time that Partner States of the EAC introduced capacity building to the LVFO so that they can conduct their activities in terms of reference smoothly. Other than that, they will be working in very difficult conditions.

Mr. Speaker, Sir, at the moment, it is very sad to note that the LVFO is facing financial problems. Any time we sit and debate in this Assembly, one thing that always crops up is lack of funds for different activities and projects in the EAC. When will this problem end?

For the LVFO to carry out its operations successfully, the Partner States have to contribute more funds to this organisation because it is still very young and has to grow so that we can realise its impact. We have

seen, in this report, some of the Partner States have not fully contributed to Lake Victoria Fisheries Organisation as they are supposed to. Let me take this opportunity to remind Partner States to do so because the LVFO has an obligation to carry out their activities. It is very sad that Tanzania is among those countries. I am calling on Tanzania and all the Partner States to fulfil this obligation.

Likewise, I would like to call upon the Lake Victoria Fisheries Organisation to put in place sensitization strategies to various stakeholders, private, public, and different sectors. When the awareness is great, the public knows what exactly the organisation does, and its functions, it will be very easy for them to carry out their work smoothly.

Mr. Speaker, Sir, if we were to ask any ordinary East African about the LVFO and its functions, I want to guarantee you and the House that very few would tell us what exactly it does. Once LVFO is fully empowered, it will be easy for it to conduct its monitoring and evaluation on different malpractices such as illegal fishing, undersize fish, environmental degradation and also make a follow up on tax evaders and different other malpractices.

Mr. Speaker, Sir, in conclusion, I want to emphasise that without investing in Lake Victoria Fisheries Organisation, the Lake will suffer in terms of reduction of food in this case fish. It will also suffer many other challenges.

With those few words, once again I would like to support the Committee's report. Thank you Mr. Speaker.

**The Speaker:** Thank you hon. Shy-Rose. Hon. Rwigema and then hon. Yves.

**Mr. Celestin Pierre Rwigema (Rwanda):**

Thank you Mr. Speaker, Sir for giving me the Floor. I want to thank the Government of Tanzania for the warm welcome and the hospitality we are enjoying now. They did very well and we congratulate them.

Now we are enjoying the admission of South Sudan. I take this moment to congratulate the Summit and the Council of Ministers for the hard work.

Rt. Hon. Speaker, Sir, last week, the Secretary General took us through the excellent achievements of the community during his term as the Chief Accountant of the Community. I take this moment to congratulate him for the hard work done.

Rt. Hon. Speaker, I am a member of this Committee. I take this moment to congratulate the Chairperson for the comprehensive report. Yes, the report was long but it was a good lesson. We now realize that next time we can get a short report, which is also comprehensive.

I have a few comments. One is concerning LVFO. The main problem I have seen is the very slow implementation of the recommendations of this House. This should attract our attention and push the organisation to be in accordance with what we pass as recommendations.

Secondly, as I had said concerning the admission of South Sudan, we have the Republic of Rwanda and Burundi, which need to be accommodated. The South Sudan also needs to be accommodated. Some countries have lakes, which have fish. Farmers can always make some good profits from this. I am also a fish farmer. I know that this is a very important sector in our food security, which can make our region improve on food matters.

Secondly, we also have to carry out harmonisation and get standards in all new Partner States; mainly, the new ones; Rwanda, Burundi and South Sudan.

Lastly, we did not get an opportunity to visit the university council. I was personally disappointed even if they were attending another meeting. They should have responded since this august House had invited them. This cannot pass without us taking any action to correct the misconduct.

**Mr. Yves Nsabimana (Burundi):** Thank you hon. Speaker, Sir for giving this opportunity to contribute to this report. This is the first time to speak since I arrived here in Dar-es-Salaam. I want to thank His Excellency, Dr. John Pombe Magufuli, the Government of Tanzania, and the people of the United Republic of Tanzania and in a special way, our Tanzania chapter for their warm welcome that they reserved to us. May God continue to bless them forever!

Coming to our report, hon. Speaker and Members, I want to raise one or two issues that I consider very important in this report. This is the issue of insufficient funding of institutions and non-remittances on time of contributions by Partner States and Development Partners.

In LVFO these issues have caused a lot of problems to the institutions like irregular expenditure of staff gratuity, borrowing reserve funds, non-recruitment of Senior Scientist which is considered by the organisation to be critical for the effective delivery of its mandate, lack of updating data to help them to manage indicators for sustainable utilization of the fisheries resources and delaying in the process of amending LVFO convention in order to improve the visibility of the organisation and widen its scope. In brief, bad budget

performance and non-achievement of the planned activities.

In CASSOA, Mr. Speaker, Sir, this insufficient funding has caused this institution not to be attractive to qualified personnel. The consequence of this is that the most important core area of security is not catered for and this explains why most key positions are not filled.

Hon. Speaker, Sir, we can now understand that without means, our community will fail to achieve its mandate and it can even collapse. We have found that when EALA, Kenyan Chapter went back home to push their Government to pay their contributions and arrears on time, this institution improved. I commend the Kenyan Chapter.

It will be good if other chapters can follow the example given by the Kenyan Chapter. To conclude, if my Chairperson accepts, I will add one recommendation as follows.

The Committee recommends to the Assembly to request the Council of Ministers to deliver to this august House every four months during the second, fourth and sixth plenary meetings a report on funding of the community and on the remittances of contributions and arrears by the Partner States and Development Partners. This is a recommendation I want to add because I am a member of this committee. I wish I had brought it up when we were discussing the report. If my Chairperson accepts, we will add it. This will help this Assembly to monitor the execution of the budget and the implementation of projects and programmes. This is very important for the community. I beg to support.

**Mr. Emmanuel Nengo (Burundi):** Thank you Rt. Hon. Speaker for giving me the Floor to allow me to contribute to this Report.

It is my first time to speak during this session and I take this opportunity to thank the Government and the people of the United Republic of Tanzania for the warm hospitality they extended to us in this peaceful and wonderful City of Dar es Salaam.

Hon. Speaker, Sir, with regard to this report, I do not have much to say. What impressed me during this oversight is the way the two institutions; LVFO and CASSOA implemented the recommendations by this House.

Mr. Speaker, Sir, this report is very clear and comprehensive. I think what LVFO is doing is commendable. What the LVFO has done to implement the recommendations is very commendable and good. You will find that during the Ninth Meeting of the Council of Ministers on 29 January 2016 they touched on the recommendations by this House. That was very interesting. I also found that during our discussions on the recommendations regarding payment of salaries in lieu of leave of USD 5,500 were very difficult to be implemented by the LVFO. It was said that they must recover the money from the officer who processed the payment.

When we discussed this, we found that the LVFO management would not recover this money. They have so far sent the letter and they are still waiting to hear from the former Executive Secretary to give back the money. Until today, there has not been any response. The recommendation of the House is to summon the ex-staff. It is not easy to recover the money because the ex-staff may not wish to pay his air ticket to come meet the Committee on Accounts.

I do not think that he will do that. I would like to know either from the CTC or the Secretary General whether it is possible to take this

former staff member to court so as to discourage bad practices in the EAC. That is how I think this money can be recovered.

Coming back to the LVFO again, we were taken to an interesting excursion to Lake Victoria and shown how fish processing is done. We noted that the quantity of fish has reduced. However, as I said, the initiative, which have been taken by the LVFO management, for example, to control the importation of illegal fishing, control of the trade of immature Nile Perch fish will help to increase the fish capacity.

Mr. Speaker, Sir, others have talked about the ICA. We had planned to meet the ICA on the last day. However, we did not meet them. On that morning, we were informed that the Executive Secretary and the Deputy Executive Secretary were not around. This was about 8.00 am when we were informed that they were not around. We did not meet them. I think what CASSOA has been doing is not good. In our Committee meeting on the consideration of the financial statement, we did not meet the Executive Secretary. For the four years I have been in this Committee, I have not seen the Executive Secretary of the ICA. It is only last year when we had a new Executive Secretary who showed up. However, I did not meet the former Executive Secretary of the IUCEA even when we went to Kampala to meet them during our oversight committee meeting. We should find a way to encourage the IUCEA to cooperate or collaborate efficiently with EALA. If now, I think Members of the Committee should tell us whether they want to improve and what EALA needs to do or if they do not need us. That is why I supported the recommendation of the Accounting Committee.

I support the Report. Thank you Mr. Speaker, Sir.

**Ms. Agnes Mumbi Ng'aru (Kenya):** Thank you Right Hon. Speaker, Sir. Since it is my first time to speak since we arrived in the United Republic of Tanzania, allow me to thank the Tanzanian Chapter; the Government and the people of the United Republic of Tanzania for their warm welcome to us. I take this very personally because when I fell ill last week, hon. Maryam Ussi and Members of the Tanzanian Chapter through, my Chairperson of the Agriculture Committee, understood my predicament and arranged for me to be taken to the AAR clinic. I am now feeling better. Thank you to the Members who took care of me in the room until I went home. I want to thank Senior Clerk Assistant, Beatrice, who even arranged for somebody to accompany me to go home. Wherever she is, I thank her very much. I am back and strong - *(Interjection)*.

**Mr. Benard Mulengani (Uganda):** On a point of information. I would like to inform my colleague, whom we stayed in the same hotel, that I also met her on the corridor and wished her well. I also deserve a thank you.

**The Speaker:** Thank you hon. Benard. Hon. Mumbi, proceed.

**Ms. Mumbi:** Thank you hon. Mulengani. You are very many. I have hon. Ogle, hon. Sarah, hon. Zziwa, hon. Pareno, hon. Odette, hon. Martin, hon. Valerie and many other Members who encouraged me. Thank you very much. There are those who called me on phone and those who were with me in the room. There is also Dr. Ndahiro who was very good.

I thank the Office of the Sergeant-at-Arms who arranged for me to be taken to the AAR clinic. I really appreciate. It is when you are unwell that you understand that we are a family. That is when we become one big

family. That is a very good feeling. Through your office, the Clerk arranged for me to be taken care of and on the second day, he gave me permission to go home so that I am seen by my doctor. Thank you very much.

I am a Member of this Committee and I was one of those who undertook the oversight activity. Right from the onset, this appeared to be very good. The institutions were waiting for us. They had been told that we were going. They knew what to expect from us. We also knew what we wanted to oversight and it was almost too good to be true until we made an observation, as a Committee, that the next audit commission confirmed that most of the things that we were following up had been done.

About the IUCEA, I want to give them benefit of doubt. We happened to be in Uganda during the last days of the campaigns and yet we were supposed to go and see them. This was on the voting date. However, going back to the history we have had with this institution, I support the feelings of the Committee that we should be enabled to visit this particular institution to carry an oversight activity on them.

As a Committee we were thinking of inviting them to Arusha when we are having our next plenary. We did not know that they were that uncooperative. I do not know what issue they have with EALA or with the Accounts Committee. The level of being uncooperative is so much that it needs to be noted by the whole House. For instance, with my colleague, hon. Nengo, for the last four years we have been in this Committee, we always had issues.

I remember our previous Chairperson who later went back home and took up other appointments, hon. Jackeline who was very firm with them because they did not treat us

very well. Then came hon. Straton who had a very interesting interaction with them. This was an interaction of disrespect. I will not fear calling it by name. I will urge this House to support this institution. We should not allow them to treat a Committee of the Assembly – (*Interruption*) -

**The Speaker:** Hon. Mumbi, the Committee should take note that it has powers enshrined in our Rules of Procedure and the Treaty to summon any officer who is not attending to its duties. Take advantage of the powers that you have to do work and then report to this House.

Thank you, proceed.

**Ms. Mumbi:** Thank you Rt.Hon. Speaker, Sir. I thank you for putting that weight. However, I was giving that example as an indication of what is happening. It is not as if the Committee has not recommended summoning. But four years is a long time for an institution to do one, two, and three until the fourth year. Something is not right somewhere. With those remarks, I support the Report.

**Mr Christophe Bazivamo (Rwanda):** Thank you hon. Speaker, Sir for giving me this opportunity. I want to highlight that our countries have committed themselves to put an end to hunger by 2025. This is Info Malabo Declaration, which was clearly highlighted. All African countries should put, at least, 10 per cent of their budget into the agricultural sector to increase production and productivity.

We also know that one of the ways to ensure food security in our region is through increasing fishing production. Unfortunately as the Chairperson of the Committee has said, this is not so. I congratulate the committee for the report. As I highlighted, actually

production in fisheries when it comes to Lake Victoria production is not increasing but decreasing. This is not only in Lake Victoria but has also been observed in our other lakes and rivers.

Our region has many lakes and rivers but our production in fisheries is not yet enough for our population. We have seen that vis-à-vis what is internationally recommended and noted how low our consumption of fish is in our region in all Partner States. We have heard from the Chairperson of the Committee and it is true that Partner States in addition to LVFO try to practice Aquaculture to cater for the lack of fish that we are observing. This practice of Aquaculture can only be successful only if we have available and accessible quantities and quality fish feeds.

It is known that in our region, when it comes to fish feeds, there is a very big problem. The quality and quantities have a problem. We cannot succeed or even increase production in Aquaculture if we do not have these feeds. One of my wish would be to see LVFO focusing on this issue of solving the problem of feeds when it comes to fish farming. When the Chairperson of the Committee agrees with that, I will propose an additional recommendation towards LVFO. This recommendation is to request...I have given my recommendation to the honourable Chairperson of the Committee. This is towards ensuring availability of fish feeds. If agreeable, the recommendation will be as follows.

The LVFO should put more emphasis on fish feeds production and help Partner States to put in place adequate measures to ensure availability and accessibility of fish feeds for our fish farmers.

Rt. hon. Speaker, Sir, with that, I support the report.

**The Speaker:** I will give hon. Mulengani, hon. Frederic and then put the question on this matter. The Order Paper is still very long.

**Mr. Benard Mulengani (Uganda):** Thank you Mr. Speaker, Sir. I wish to thank the Tanzanian Government and its leadership for the hospitality. It is, indeed, my first time to take the Floor in this House. I want to use this opportunity to thank my colleagues for the support they rendered to me when I lost my sweet mum on 25<sup>th</sup>. She was laid to rest on 27<sup>th</sup>. I want to thank colleagues who represented you during the burial, hon. Straton and hon. Yves. Thank you very much. Indeed, just like other people who have benefitted from the collegiality contributions of this House, it is in times of challenges that you realize that we are a family. Thank you very much.

I will go back to the report. This is a report where all the institutions that we visited, there is something that has come out which is the zero budget increment. This is a disease coming from F&A to which I think Council has a solution. If we will attain the recommendations of this House and those of the Summit and for the Council itself when it pronounces itself in Council decision, the issue of zero increment should stop. Otherwise, we will be blowing our own trumpets but moving nowhere. The institutions we visited, we keep on recommending staff and certain activities, which need budget increment. However, year in year out, there is zero budget increment. We are kindly requesting Council to relook at this structure, F and A, which is not a Treaty mandate. This was created by the Council to provide technical input to the Council to see whether Council cannot stand on its leg and check the decisions of F&A for the betterment and achievement of the implementation of the integration objectives.

Indeed, when you look at our recommendations, you will see that they need council action. There are also recommendations on which the management ordinarily took action. However, there are also budget related actions in our recommendations. So, for as long as the budget will have zero increment - *(Interjection)* -

**Ms Byamukama:** On a point of clarification, I thank you hon. Mulengani for allowing me. I was also a Member of the Accounts Committee as you may remember. I am just wondering about something. He has made a very good point blaming the F&A. I would like to seek clarification. Is this really a problem of the F and A, or the resource envelop, which comes from not having alternative sustainable sources of funding? I seek that clarification from you Sir.

**Mr Mulengani:** Thank you hon. Dora. In clarifying to you, I would like to say that this is a double-paged challenge. The resource envelop is a reality and a challenge. However, on the side of F&A some decisions taken at times seem not to have been thought through seriously as far as attainment of integration are concerned. As much as the resource envelop is the same. With regard to the resources envelop, one can economically reason that all the five Partner States are claiming development and growth.

Growth does not come without a resource envelop. Where is it replicated within the budget that is contributed to the integration? That is the question. I do not want to go into issues of statistics of Partner States, which are used at regional level for planning purposes.

I hope, hon. Dora, I have responded to you. However, at an appropriate moment, Council

in responding to me can also give a word and direction.

Mr. Speaker, Sir, with regard to issues of procurement, I am glad that we have heard that there is a Bill, which is being crafted to bring a Procurement Act from the Procurement Bill. Maybe this will go a long way to save the Community. Procurement is a source of corruption and a source of abuse if procedures are not well laid down. We were in with the LVFO and they told us that they are basing their procurement on the Procurement Procedures of the East African Community. In that meeting, I told them that the auditors had also queried the EAC Procurement procedures. They queried lack of quorum. I asked them whether they are following that. That brought us to another issue when we wanted to look at their procurement plan.

They told us that there is a new system called the Budget Management System (BMS). This is a budgeting system. That system is facing challenges in the way it is operating and I stand to be disapproved on this Floor. It has challenges in monitoring and other challenges of clogging up the systems. It needs a lot of address to achieve something. It also has challenges, and if there were anything to do with the changes done, since it is centralized, then it would create a problem in other institutions. It is facing a big challenge that needs to be addressed. At this point, I will leave the BMS issue until budget time.

Mr. Speaker, Sir, on the issue of payment in lieu on page 18 of our Report. I really wonder what to say because the auditors raised this issue. Is it the onus of the oversight body, Parliament, to keep on talking about the issue as if the Executive is not seeing the audited accounts report? I wonder because we have been doing our oversight. We are wrangling

with how to recover funds of the community. However, it seems as if the Executive is not bothered to see how we can ably recover resources that have seemingly been embezzled.

If a Chief Executive can command that the funds be recovered from a junior staff who approved the documents to base calculations of lieu of leave on your per diem and not your salary and you pay yourself 400 times 30 days which is USD12,000 instead of paying yourself USD6,500 I think that is theft. A person who was an executive who is supposed to know the financial rules and regulations of the institutions did that. So, I think we need to call upon Council to help this Assembly to recover that money. From our interactions, the LVFO staff, out of the meeting, confessed that they were unable to recover this money from the Director. They said that the former Executive Secretary is arrogant and the responses he writes to them cannot be read in public. He is very abusive and, indeed, he is because I happen to have interacted with him when he was retiring. He rubbished the entire Committee. Those who were in the Second Assembly in the Committee of Accounts can remember.

It is high time, whether it is USD100 or just USD1 for as long as this is money that belongs to the Community and has been taken wrongfully, not following the procedures, whether somebody has retired, as long as that person is alive, precedence is set to recover public funds of the Community.

Mr. Speaker, Sir, I now want to move to the next point on page 21 regarding insufficient funding. We want to commend our colleagues from the Kenyan Chapter because the contribution of Kenya through the Ministry of Agriculture, Livestock and Fisheries and was going to zero. The balance is about 1 per cent. They told us that they had engaged their Ministry as a chapter.

I want us to copy what they have done in their country so that as chapters we follow up some of these things with the relevant ministries. We should have meetings back home to ensure that our obligations and commitments as countries are met.

The other issue I want to correct is on page 23 where we talked about 50 per cent increment. The 50 per cent increment is not as per their budget. The LVFO got a zero per cent increment. The 50 per cent is what they proposed as being able to implement with regard to all the recommendations of the audit commission and that of the Assembly. I think that was a typographic error.

The other one is on the convention. We want to thank the Council of Ministers for concluding the issue of inclusion of Rwanda and Burundi but what is pending is the validation workshop to finalise the convention. Finances are also hindering this. Maybe the Council may want to look at the reserve funds. At least the Council can, without a lot of deterrence from F&A, sit and discuss so that they enable LVFO to implement this validation.

Lastly, is on the issue of IUCEA. I think the IUCEA is just something we need to deal with as an Assembly. The Executive Directors are not Ugandans and I do not think they had left to go for voting as much as it was time for voting. They must have been around Kampala. We were to meet them on 17<sup>th</sup>. It was only 18<sup>th</sup>, which was a public holiday. So, ordinarily, they should have spared some few hours for the Committee so that we fulfil our duties. It is amazing that when the Committee went to their offices, there was not even a junior staff. I think the person we found was a messenger who keeps the place open and clean. I do not think it was a junior staff. Spending funds to fly Members to meet an institution that is already aware of

the meeting and the institution decides to be absent is not small to think about. The report they sent after was just a profound document. When we do oversight, we want to interact. We did not call for responses. We wanted to interact. Out of the interactions, there are certain questions and observations that ensue that create other questions. Out of interactions, you may see other issues. You may not need to ask anything but you will see and ask a question depending on what you have seen.

As a Committee, we were unable to give this House full response about the implementation of the inter-university council because we did not have any interface. Therefore, we do not have any reason to base recommendation to this House.

In conclusion, I can see some acknowledgements. The Committee has acknowledged the Offices of the Speaker and the Clerk. I want to add, with the permission of my colleagues, that we encourage ourselves by congratulating ourselves especially those who attended to take on this activity of the Assembly.

I thank you for the opportunity.

**The Speaker:** Thank you. Hon. Mulengani is suggesting that we document on the report that we thank the Members of the committee for doing their work. That reminds of the story of the lizard that falls down and nods the head.

I had ruled that I would give a chance to hon. Frederic and then get a response from the Chairperson in the interest of time. I have seen hon. Nancy and the rest who wanted to contribute.

Hon. Frederic: Thank you hon. Speaker, Sir. In the interest of time, I will be brief. I stand

to support the report by the Accounts Committee because it is a very important one, not only for the LVFO but also for the EAC.

There is a recommendation that is very important here and I commend it. This is that Burundi and Rwanda be part of the convention. That is very important for very many reasons. Until now, Burundi and Rwanda especially Burundi, have been benefitting from fish from Lake Victoria. If you go to the market in Burundi, you will find fish from Lake Victoria, which is affordable. Even if they have fish from Lake Tanganyika, at least, they have fish from Lake Victoria. Therefore, they have every reason to attend ratify that convention. This will allow the organisation to improve its activities. That is one.

Second, in the report, it is said that one of the challenges is the wrongful consumption of fish. According to the World Health Organisation (WHO), it is recommended that we consume per capita of 25 kilogrammes. I do not know whether that is daily consumption or what. In any case, Burundi and Rwanda's amounts are very low. I do not think this could be consumptions for a year. Two kilogrammes is very low. I am wondering whether they take into account the other fish that is found in other lakes and rivers in Burundi and Rwanda.

Lastly, it is recommended that they adopt a name. It is proposed that they adopt the name East African Fisheries Organisation (EAFO). That is the proposal of the Committee. I would like to know why they want to change the name. What value will it add if they change the name from Lake Victoria Fisheries Organisation? Personally, I would like to have further clarification regarding it. This would mean amending the Treaty.

**Mr. Jeremie Ngendakumana (Burundi):** Chairman: I would like to seek clarification on the LVFO. When we accommodated Burundi and Rwanda that meant that, we are talking about Lake Tanganyika, the lakes in Rwanda and the lakes in other countries. If we talk about LVFO and mention Lake Victoria, that meaning will not describe properly what we mean. That is why I talked about LVFO. We will be talking about fisheries in all the Partner States of East Africa and not just about Lake Victoria. Lake Victoria only serves Uganda, Tanzania and Kenya.

**Mr. Abubakar Abdi Ogle (Kenya):** On a point of information, Mr. Speaker, Sir. This is in response to the statement that was read by the Chairperson of the Accounts Committee. I am referring to Article 9(3) of the Treaty.

Article 9(3) is very clear that upon the entrant force of this Treaty, certain institutions including the East Africa Development Bank and the Lake Victoria Fisheries Organisation which were remnants of the previous Community prior to shall be constituted as institutions of the Community. I think it was wrong for the Accounts Committee to suggest the renaming of that institution in relation to that provision of the Treaty.

**Ms. Patricia Hajabakiga (Rwanda):** On a point of information, Mr. Speaker, Sir. The Summit has already passed a directive that the LVFO should become an organisation of the EAC. That does not include Rwanda and Burundi. It is not within our mandate to give names. Why are we even debating this issue? Why can we not leave it to organs, which have competence regarding this matter? We should agree with the recommendation that it needs to be renamed but we should not really dwell on it for very long.

**Mr. Frederic Ngenzebuhoro (Burundi):** Mr. Speaker, Sir, I would like to thank those who have given clarification. However, if we are talking about LVFO, then that is exactly what hon. Ogle talked about and it is under Article 9(3). To change this would mean that it is done during Summit. If we talk about Lake Tanganyika, Lake Victoria and other lakes, that will bring complications.

**Mr. Martin Ngoga (Rwanda):** Thank you Mr. Speaker, Sir. I think the provision of the Treaty is being misinterpreted. What the provision of the Treaty seeks to achieve is to affirm the status of those institutions. However, that is not about names. The names can change as of when the need arises. I am not emphasizing on the need for that because even if it changed, that would be inconsequential for me. However, the provision of the Treaty was not meant to confirm the names. It sought to provide the status of those institutions.

**The Speaker:** Thank you for that. Most importantly, as information given by hon Patricia, let us not go into areas of work where we may not be authorities.

**Mr Ngenzebuhoro:** Mr. Speaker, Sir, if that is your decision I am not going to oppose it. However, it is better for us to remain with the Treaty.

**The Speaker:** Hon. Members, let me invite the Chairperson to respond to the general debate.

**The Chairperson, Communications, Trade and Investment Committee (Mr Jeremie Ngendakumana) (Burundi):** Thank you Mr. Speaker, Sir. It is my pleasure to report to you that two institutions have implemented some of our recommendations. I will not come back to them because they did

their best except when the recommendations were beyond what they could deal with.

Mr. Speaker, Sir, let me talk about the two proposed recommendations. The one by Yves where he proposed that the committee requests to the assembly to request the Council of Ministers to deliver to this august House every four months during the fourth and sixth plenary meeting, a report on the funding of the Community and on the remittance of contributions and arrears by Partner States.

I would like to say that we have just assessed two institutions. The sample is not enough to make recommendations for the whole Community. However, we will soon be dealing with the financial statement of the whole Community. That will be an appropriate time to come up with these recommendations. So, we can first leave this recommendation so that we deal with it when we are dealing with the financial statement of the whole EAC.

There is also a recommendation from hon. Bazivamo. He said that the LVFO should put more emphasis on fish feeds production and health. Partner States should put in place adequate measures to ensure availability and accessibility of fish feeds for the EAC fish farmers. I would like to rectify this and to say that the LVFO should emphasise on standardized fish feeds. I can take this recommendation.

Mr. Speaker, Sir, I would like to thank Members who contributed to this Report. This Report is very important and I would like, first of all, to thank the Speaker who gave enough time for this report to be debated properly. I thank hon. Shy-Rose for her contribution, hon. Rwigema, hon. Yves, hon. Nengo, hon. Mumbi, hon. Bazivamo, hon. Mulengani and hon. Frederic. We request

that we get more time to carry out the same exercise with the IUCEA. This exercise should also be carried out among all other organs and institutions. That means the Secretariat, EALA and EACJ to ensure that they are also implementing our recommendations. I thank you.

**The Speaker:** Hon. Members, just before I put the question, the Committee needs to help this House. It is not acceptable that any institution of the Community eludes the supervision of the oversight of this Assembly for four consecutive years and nothing is critically done. So, I plead with this Committee to take this matter seriously. If it finds any difficulties, it can refer to the Office of the Speaker and so that we see how best, we can take this up. It is within our interest that the oversight function of this Assembly is undertaken.

Hon. Members, the Motion before the Assembly is that the Report on the Committee on Accounts on the Oversight Activity undertaken with the EAC institutions on Governance, Project Performance and Implementation of the Assembly Recommendations be adopted.

*(Question put and agreed to)*

## **BILLS**

### **First Readings**

The EAC Supplementary Appropriation Bill, 2016

**The Third Deputy Prime Minister, and Minister for EAC Affairs, Uganda (Dr. A. Kirunda Kivejinja) (Ex-Officio):** Rt. Hon. Speaker, I beg to move that the EAC Supplementary Appropriation Bill, 2016 whose objective is to make provision for the supplementary appropriation out of the Budget of the EAC with specified amount of

money for the services and purposes of the Community for the Financial Year ending 30<sup>th</sup> June, 2016, be read for the first time.

**The Speaker:** Thank you hon. Minister. Where are the seconders? Hon. Secretary General, hon. CTC, thank you.

*(The Bill was read for the First Time and it was referred to the Committee on General Purpose for processing)*

### BILL'S FIRST READING

The East African Community Customs Management (Amendment) Bill, 2016

**The Third Deputy Prime Minister and Minister for EAC Affairs, Uganda, (Dr. Kirunda Kivejinja) (Ex-Officio):** Rt. Hon. Speaker, Sir, I beg to move that the *East African Community Customs Management (Amendment) Bill, 2016* whose objective is to amend the *East African Community Customs Management Act, 2004* to facilitate smooth implementation of the Act, and particularly on the implementation of the commitment of the Partner States made under the protocol establishing the East African Community Customs Union, be read the First Time.

During the negotiations of the Common External Tariff under the East African Community Customs Union, 2004, the Partner States agreed to honour their obligations that existed before and to review the obligations to comply with the World Trade Organisation (WTO) requirements.

The obligations included the COMESA and SADC preferential tariff arrangement, which the Partner States agreed to honour.

The purpose of this Bill is, therefore, to provide for the application of the COMESA

and SADC preferential tariff arrangement which Partner States agreed to implement. I beg to move.

**The Speaker:** Yes, seconders? Hon. CTC and hon.SG.

*(Dr. Richard Sezibera and Dr. Anthony Kafumbe seconded the Motion)*

*The Bill was read – read the first time – and referred to the Committee on Communication, Trade and Investments*

### QUESTIONS FOR ORAL ANSWERS

**Question: EALA/PQ/OA/3/03/2015.**

**Ms. Isabelle Ndahayo (Burundi):** Thank you Rt.Hon. Speaker, Sir. I would like to ask the Chairperson, Council of Ministers to respond to the following question:

*“The Treaty establishing East African Community spells out principles that shall govern the practical achievement of the objectives of the Community which include (a) people-centred and market driven cooperation as well as (f) the equitable distribution of benefits accruing or derived from the operations of the Community and to adopt measures aimed at to addressing economic imbalances that may arise.*

*In that regard, the Secretariat was requested to draw clear criteria to enable benefits be redistributed equitably so that no partner state is more advantaged than others are. But obviously today, we observe that some member states host or/and head institutions and or organs more than others. In the same direction, some member states have more employees in different institutions and organs than others.*

*(a) Could the Chairperson of the Council of Ministers; inform this House why the*

*benefits of the community are still unfairly distributed?*

*(b) What are the challenges behind the implementation of the principle of equitable distribution of benefits?*

*(c) What is being done to ensure that these imbalances are resolved as the Community through its different institutions/organs continues to recruit new staff notwithstanding the Institutional Review?*

*(d) Going by the list of applicants on the EAC website, it is clear that some Partner States are missing or featuring less, why is this so and what were the job descriptions in the recently concluded interviews; and also, that the entire EAC establishment in the professional category including projects – (Interruption) -*

**Mr. Abubakar Abdi Ogle (Kenya):** Thank you Mr. Speaker, Sir. I stand to seek clarification. When I went through the question, in its entirety, there seemed to be some gaping holes. The person asking the question should be referring to specific instances where there has been inequitable distribution of resources and imbalances. We should be talking about particular countries, which have been treated unfairly. I do not seem to understand this question. There is something missing. She should tell us the countries, which have been treated unfairly. The question should be framed differently.

**The Speaker:** Hon. Ogle, you are ordering and infringing on the Member's privilege to ask questions. The Member, in her wisdom, found this matter to be of relevance and importance to the Community and has raised it to the Office of the Clerk and the Speaker. The question is already on the Order Paper. You could do a follow up with a

Supplementary Question so that you get the clarification you are seeking.

**The Third Deputy Prime Minister and Minister for EAC Affairs, Uganda (Dr. Kirunda Kivejinja) (Ex-Officio):** Mr. Speaker, Sir, when the republics of Burundi and Rwanda joined the East African Community the Council took a deliberate affirmative action to ensure that citizens of these two Partner States are given opportunities and are employed in the EAC in order to fast track their integration.

Some professional staff positions were reserved and filled by the candidates who were recruited from the two Partner States. These reserved positions are held for the whole tenure of the contract period before being opened up for competition by candidates from other Partner States. Therefore, for operationalizing the principle of equity in the recruitment of staff to fill in the positions in the East African Community and to ensure that candidates from every Partner State are given an opportunity to serve in the Community, the Council, in its wisdom approved the implementation of the EAC Quota System in staff recruitment. This principle, which is based on quota points, ensures that every Partner State gets an opportunity to provide candidates to fill various vacant positions in the EAC Organs and institutions without compromising the principle of merit and the interest of the EAC integration.

Mr. Speaker, Sir, regional integration by its very nature may create imbalances in case Partner States do not take effective measures to maximize the prospective potential benefits and minimize costs. This makes it essential that Members assess the benefits and costs of regional integration to boost gains and to minimize losses. Projects and programmes of our regional integration entity

should therefore contain strategies for transparency, equitability and minimal regional disputes and minimize of losses. The issues of trade creation and trade creation and trade diversion scale under competition efforts.

Investment flows including cross border and foreign direct investment. Relocation of production enhanced bargaining powers implication for peace, security and conflict, macro-economic convergences and infrastructure all become pertinent in balancing the impact of integration process. Equitable sharing of benefits and costs of jobs opportunities at the Community's organs and institutions are all very relevant aspects of our integration process.

Great strides have been made. Major milestones have also been reached in deepening and widening our regional integration agenda. As the Community marks its Sixteenth Anniversary since its rebirth and pursuant to Article 6(e) and 7(f) of the Treaty on the Establishment of the East African Community on the fundamental and operational principles of the community, there is need to review and consider the principle of equitable distribution of benefits accruing to or to be derived from the operations of the Community as, indeed, raised by hon. Ndahayo.

Let me take this opportunity to shed some light on some of the major benefits, which have occurred in our integration efforts in the past sixteen years. The process of trade and financial integration, mostly FDI and the cross border investment in the EAC region has developed to a reasonable extend as shown by the standard indicators of economic indicators of economic interdependence.

In real growth terms, the region's combined GDP has risen upwards to USD100 billion

from USD20 in 1999. The population has also shot to about USD 140 billion thus making economic sense to invest in the region. This figure is bound to go up following the admission of the Republic of South Sudan.

Mr. Speaker, Sir, with the consolidation of the Customs Union and the establishment of the customs market, East Africa has been greatly energized and, indeed, the regional programme has reached its threshold. Most of the region's development master plans, which had lingered for a long time in the planning and the study phase, have been taken to implementation stage. This include projects and programmes in critical areas of infrastructure, roads, railways, inland water ways, ports and harbours, communication, ICT, energy and civil aviation which have been prioritized under the Fourth EAC Development Strategy 2011/2016.

The others are the one network mobile phone communication, single tourist visa that will enable tourists to visit all the five Partner States, Lake Victoria Development Programme and a single customs category. Enormous benefits continue to accrue to the business community due to the introduction of this facility thereby boosting export of hitherto landlocked Partner States. For example, goods clearance time in the case of Uganda has reduced from 18 to three days. This is with regard to goods being moved from Mombasa to Kampala and there is massive reduction in all tariff barriers to trade NTBs.

We note that in the East African Community Integration model, every Partner State benefits, but not equally. They benefit differently. You cannot equal the needs of people. Our Community is policy driven. There is need to strengthen our institutions and guide the process to remove the

distortions arising from the market driven process. Given the disparities and levels of economic devolvement in our Partner States that benefit less from the EAC integration process will have to be confronted, discussed and agreed.

With all humility, I wish to note that undue premier has been placed on sharing of employment opportunities in the Secretariat under the institutions and organs of the Community. Therefore, prevalent is the lobbying for these positions and of equal worry is the glamour to pay hosts to regional organs and institutions. If these issues are not urgently addressed, quality professionalism may be sacrificed and undermined at the altar of Pan Africanist interests contrary to Article 72(1) of the Treaty. Whenever any of the established positions become vacant, the positions are advertised in the major newspapers in all Partner States and in the EAC website in accordance with the provisions of the EAC staff rules and regulations as well as the requirements of the EAC quota system manual.

The recent recruitment to fill the vacant positions were approved by the Council of Ministers to replace staff who had retired or resigned and had been pending for a long time adversely affecting the operations of various departments of the EAC institutions.

When positions are advertised in the main newspapers in all Partner States and in the EAC website as indicated above, the EAC has no control over the number of applications received.

The Council appeals to the Ministries responsible for EAC Affairs to help in sensitizing their respective qualified citizens to apply for advertised positions. That is it.

**The Speaker:** Thank you, Chairperson, Council of Ministers. Hon. Isabelle, do you have supplementary questions?

**Ms. Ndahayo:** Thank you hon. Speaker, Sir. I will say that I am not totally convinced or satisfied by the response given by the Council of Ministers. That is why I would like to ask two or three questions.

One, with regard to employment opportunities, I would like to know whether the Council of Ministers has also observed imbalances. What are they doing to resolve this? Secondly, he said that when they are recruiting, they refer to the requirement of the quota system. How is this operationalised? That is the quota system manual. According to his response, he also said that the role of the EAC is limited to advertisement and sensitisation of EAC citizens to apply.

I now want to talk about the qualifications. Why can we not put a team composed of Members from all Partner States to ensure that there is equity in recruitment process?

**The Speaker:** Thank you hon. Isabelle. Hon. Minister, you may respond to those questions then I pick other Members.

**The Third Deputy Prime Minister and Minister for EAC Affairs, Uganda (Dr. Kirunda Kivejinja) (Ex-Officio):** I must be grateful that I am the one answering this question on behalf of my colleague. I want to remind people that our individual countries are our identity. We cannot change that but we have come together because of common interests and the security we need to expand the common interests. That should be the basis of us being here. None who is recruited to serve in the EAC should be parochial. There is a way that we can attend to all these common problems, which are ticklish. That said, the hon. Member is aware that there is a

quota system manual. It may not be perfect. However, when you start something, you must begin somewhere. If there are loopholes, we could ask the Secretariat to ensure that the loopholes are addressed.

In the long run, we may require a public service commission for East Africa so that we screen people who are willing to further the interests of all of us. Once they are here, they should know that their fate is in the success of deepening and strengthening the community and maximizing the EAC interests. So, that will be the second stage. But let start somewhere. I can give you an example.

When we were trying to struggle to bring up our country; in our ten points programme, point number eight was that we address the distortions in our society, which were created by history.

For example, this is an issue of affirmative action. Women were not considered very important in the management of society. We had to bring them on board. The lame people and Muslims had been neglected during the colonial system. With the attainment of our Independence, we only had two graduates from the community out of 103. You were not going to correct these issues in one day. But once you realize it, you begin working. After sometime, we will be moving together. I want to emphasise that. When we are here, let us see ourselves as a part of a bigger unit where we can gain more interests and push them forward. Once we are there, we will forget the small ticklish problems that pierce our states.

**The Speaker:** Before I give hon. Ogle, hon. (Dr) Ndahiro and hon. Mwinyi, I am privy to information, which I think I should give to this Assembly. The Council of Ministers has already passed; in its decision, that Partner States, shall nominate two offices from the

public service commission of partner states to form a committee that will deal with the recruitment of staff who are supposed to be recruited in the implementation of the institutional review outcome. So, what you have requested has already been addressed to some extent by the Council of Ministers.

I encourage you to read the Council report of the last Council meeting – (*Interruption*) -

**Mr Abubakar Abdi Ogle (Kenya):** On a point of order, Mr. Speaker, Sir. With a lot of respect to the Chairperson, Council of Ministers, the response he has given was very long and rhetoric and short on substance. In fact, what he succeeded in doing was to give a political statement. When an answer contains issues like “great strides have been made in deepening and widening integration”, those are the kind of statements we make out there.

**The Speaker:** Hon. Ogle, we may wish to proceed in a way that is good for us. Nevertheless, this is a rule-based House. We are dealing with a question addressed to the Council of Ministers. Once it has been answered, priority goes to the person who has put the question to the Council of Minister to raise supplementary questions.

You are only left with a chance to raise another supplementary question. There is no debate on this matter. So, stick to the rules and ask a supplementary question.

**Mr Ogle:** Mr. Speaker, Sir, I am conscious of the ruling you have given. However, I do not entirely blame the Minister for giving that kind of speech. That depended so much on the question that he was asked which was equally very thin and shallow with a lot of respect.

Could the Minister give us the specific numbers of how many Burundians, Kenyans,

Rwandese, and Ugandans are working in different departments, and how many of these institutions of the Community are located in various Partner States? That would be more specific.

**The Third Deputy Prime Minister and Minister for EAC Affairs, Uganda (Dr. Ali Kirunda Kivejinja) (Ex-Officio):** Hon. Speaker, Sir, I think that is a substantive question. I will ask my colleague to put that specific question and he will get an answer.

**Dr. James Ndahiro (Rwanda):** Thank you Rt. Hon. Speaker. My question is about alternative funding of this Community. Would it not be prudent if the Council of Ministers fast tracked this decision so that – *(Interruption)* -

**The Speaker:** Hon. Ndahiro, you are also making my work a little difficult. As per the provision of our Rules of Procedure, supplementary questions should remain within the confines of the subject. Alternative funding mechanism is completely a different subject in terms of the question raised by hon. Isabelle.

**Dr. Ndahiro:** Mr. Speaker, Sir, I am guided. The questions are related this way. Funding mechanism might influence the modalities of employment and even influence the quota system. If we choose one model or way of funding of the Community, that will go with its own obligations.

**The Speaker:** I may have to help because some Member may raise a point of order for no good reason. I would like to insist on my guidance that the context of the question of the Member was in terms of sharing benefits and yes, there are several contributory aspects that can lead to the issue of contribution. Those are subjects of their own

standing, one way or the other. I want us to confine ourselves to the matter.

You can raise a substantive question to the Council of Ministers on that particular matter of alternative funding mechanism and the Speaker will prioritise it.

**Mr. Abdullah Ally Hassan Mwinyi (Tanzania):** Thank you hon. Speaker, Sir. Page four of the last paragraph of the honourable Minister's response he noted that there is undue premiere on the sharing of employment of opportunities in the Secretariat and other institutions and organs of the Community.

My question is, is this undue premier, do you not think has been placed as a result of the placement of the quota system?

**The Third Deputy Prime Minister and Minister for EAC Affairs, Uganda (Dr. Ali Kirunda Kivejinja):** Mr. Speaker, Sir, first of all, there has not been an institutional review. With an institutional review, all these things will be looked into and solutions will be found. We will continue moving the way we have been moving. I was trying to give the status quo.

**Ms. Nancy Abisai (Kenya):** Thank you Mr. Speaker, Sir. I would like to ask a further supplementary question to the Minister. Is the quota system based on any rules, criteria, and guidelines because that could be the reason why we have these anomalies that the Member who asked the question has brought out?

Number 2: If this is supposed to be an affirmative action principle, does it have a time frame or guidelines? If it had guidelines, then we would not have the anomalies we have. It would be set on certain set procedures. Is the quota system based on a

gentleman's agreement or how is it carried out? This question has been asked many times and I just want to understand, as an affirmative action principle, its basis.

**The Third Deputy Prime Minister and Minister for EAC Affairs, Uganda (Dr. Ali Kirunda Kivejinja) (Ex-Officio):** Thank you, hon. Speaker, and honourable Member for raising that supplementary question. First of all, the quota system was adopted in 2012. This has been the basis under which the Community has been recruiting. The intention has been an in-waiting system. When we interview, we agree on points and what should take points so that ultimately, you do not end up with a community being dominated by people from one section. That was the whole rationale behind this. It has been the basis for recruitment so far. But the organisation is only 12 years old. We are now jumping to the next stage, not of a federation but that of a confederation. At every stage, there will be different ways of handling issues.

Already, a framework has been working. There are countries that did not have participants. For example, for a long time in history the EAC has been a dominant arena for Uganda, Kenya and Tanzania. You cannot expect that since we accepted South Sudan that they will come in and everything will balance. We will move slowly but ultimately, we will reach there.

**Mr. Issa Twaha Taslima (Tanzania):** Thank you Hon. Speaker, Sir. First of all, thank you for the information you have given this House about the formation of that Committee of two officers from two officers from each Partner States. My supplementary question is to the Chairperson, Council of Ministers on whether that Committee has started doing its work and if so, the results that have been registered.

**The Speaker:** It is very unfair to pose the question to the Chairperson, Council of Ministers for a matter that he did not know about. But I can help by saying that this is the most recent decision and countries have not yet nominated officers. It is only one country, Rwanda, which has nominated two officers. This is work in progress.

**QUESTION: EALA/PQ/OA/3/05/2015**

**Mr. Celestine Pierre Rwigema (Rwanda):** Mr. Speaker, Sir, I beg to ask the Chairperson, Council of Ministers to answer my question:

*“The inadequacies in staffing levels are factors that could hamper performance and progress within the EAC organs and Institutions. A number of functions such as Internal Audit, monitoring and evaluation, procurement, travel, ticketing, among other issues across organs and institutions are under staffed with, a one-person department. A number of positions have remained vacant for a long period of time. This affects the effectiveness of service delivery of the staff in place. In absence of the required number personnel, the community may not achieve its objectives. Moreover, more than 60 per cent of EAC staff will retire soon, which could paralyse activities of organs and institutions of the community.*

*Article 67(3) of the Treaty provides that the Secretary General shall be the Principle Executive Officer and Accounting Officer of the Community.*

*Could the Chairperson, Council of Ministers inform this August House:-*

*Why the Community has not utilized the powers given to the Secretary General under Article 67(3) of the Treaty to recruit staff;*

*What factors hinder speedy recruitment of staff at EAC and what measures should be instituted to improve the process; and, apart from the internal audit, which has its shortcomings, what measures or specific units are put in place to monitor financial, budgetary and managerial performance of EAC Organs and Institutions?*

I beg to submit.

**The Third Deputy Prime Minister and Minister for EAC Affairs, Uganda (Dr. Kirunda Kivejinja) (Ex-Officio):** Thank you Mr. Speaker, Sir. I thank the honourable Member for raising this question, which allows the Council of Ministers to know what is on the ground. Regulation 23(7) and (8) of the EAC Staff Rules and Regulations 2006 provide that the Council is the appointing authority of for all professional staff. Regulation 23(9) gives the Secretary General the mandate to appoint General Staff of the EAC Organs. To that extent, the Community is utilizing the powers given to the Secretary General and the Council appropriately.

Going by the recruitment process at the EAC, a number of factors can be identified as reasons for causing delay in the recruitment process. One, lengthy decision making process considering that the decision of appointing staff has to pass through various levels of council of hierarchy, finance and administration committee, senior officials coordination committee and, finally, the Council of Ministers. The Council has constituted an *ad hoc* public EAC Public Service Commission that will address this challenge as I had earlier said.

Partner States interests tend to come into play when it comes to this selection process, therefore, delaying decisions to finalise appointments. Some of the officials from Partner States within the various decision

making process have direct interest in the positions either as candidates or as interviewing panellists. The Council has constituted an *ad hoc* EAC Public Service Commission that will also address this challenge.

Mr. Speaker, Sir, to minimize some of the recruitment delays, the Council; approved the use of an independent recruitment consultant in order to minimize possible conflict of interest in the shortlisting process; directed the establishment of an EAC Public Service Commission on *ad hoc* basis which will operate independently in matters of staff recruitment.

In addition, the Council at its 33<sup>rd</sup> meeting held in Arusha from 22<sup>nd</sup> to 29<sup>th</sup> February 2016, deliberated and concluded the long-standing institutional review process, which will now form the basis for EAC Structure. The details will be finalised by the EAC Commission, which has been established. It is anticipated that the implementation of the institutional review recommendations will address the issues of inadequate number of staff.

The Council instituted the performance contracting system, which ensures that staff performance is monitored and evaluated by-annually. Further, the following internal oversight unit committee has been established to monitor the performance of the organisation; Monitoring and Evaluation Unit, Budget Committee, Risk Management Committee, QMS Steering Committee, Performance and Evaluation Committee.

In addition to the above, there is also an audit and risk Committee established by the Council that provides Council with advice on audit and risk issues.

I beg to answer.

**The Speaker:** Thank you. Hon. Rwigema, do you have supplementary questions?

**Mr. Rwigema:** Mr. Speaker, Sir, I have a supplementary question. Part of my question was not answered and this concerns 60 per cent of the EAC staff who will retire soon. Will the Institutional Review Committee answer this?

**The Speaker:** Hon. Minister, did you get him clearly?

**The Third Deputy Prime Minister and Minister for EAC Affairs, Uganda, (Dr. Kirunda Kivejinja) (Ex-Officio):** Mr. Speaker, Sir, I am not here to give the House answers that I am speculating. Work will have to be done. Let us see what will come out. I cannot predict what will be done.

**The Speaker:** Any other supplementary question? Thank you hon. Minister. I would like to refresh the memory of this House. In the second EALA, there was a Bill moved by one of the Members, hon. Dr. Masha. However, it did not see the light of day in terms of legislation process. Maybe the questions coming up are awakening question to this Assembly to revisit the Bill that lapsed. It lapsed in the hands of the Committee on Legal, Rules and Privileges. So, it is glaring that there is need for legal framework in this area. The ball is in the court of the Committee of Legal, Rules and Privileges.

#### COMMUNICATION FROM THE CHAIR

##### (1) PERSISTENT ABSENCE OF MEMBERS OF THE COUNCIL OF MINISTERS FROM THE HOUSE

**The Speaker:** Thank you hon. Members. Before I adjourn the House, I have a few concerns and announcements. The Speaker had to restructure the Order Paper to begin

with Order No.5. I would like to appeal to the Chairperson, Council of Ministers to take my appeal to the Members of this House who are Members of the Council of Ministers. The House starts at 2.30p.m. They are Members of this Assembly. We appeal for their attendance in this House. I will, very soon, consult the CTC to advise me on Rule 93 of our Rules and Procedure and its application on ex-officio Members. This matter has become persistent, it is derogative to the decorum of this House, and it is not acceptable.

##### (2) LOSS OF HON. TIPERU'S BROTHER

Hon. Members, on a sad note, our colleague, hon. Tiperu lost her brother. The immediate follower of hon. Tiperu was involved in a motor accident and died yesterday but one. This is very unfortunate. I request you to stand in prayers with her.

On that note, I request that we stand up for one minute to observe a moment of silence.

*(Hon. Members stood in their places to observe a moment of silence)*

##### (3) EALA PRAYER MEETING

Finally, still on prayer mood, I have an announcement from the coordinator of the prayer meeting of EALA. We will have a prayer meeting on Thursday morning. The time is 8 a.m. at Mukwawa Committee Room at the Parliamentary precincts.

**Mr. Abubakar Abdi Ogle (Kenya):** On a point of order, Mr. Speaker, Sir. Further to your communication regarding the notorious absence of the Members of the Council of Ministers from the proceedings of this House, you will remember that in Nairobi, this House took the opportunity to express itself on that matter. Further to the invocation of

Rule 93, I want to suggest that this House be given a chance to express its dissatisfaction particularly towards Members who have hardly been here. The one from Kenya was last seen a year ago. The Rwandese Minister is also missing in action.

**The Speaker:** Hon. Ogle, the Speaker's Communication has been made. As per our Rules of Procedure, if you want to express yourself, go and dig deeper into Rule 93. You can then raise the matter to the Speaker and to the Committee on Legal Rules and Privileges, which is on standby. Thank you.

#### **ADJOURNMENT**

The Speaker: Hon. Members, with those remarks, I adjourn the House to tomorrow 2.30 p.m.

*The House rose at 6.30 p.m. and adjourned to Wednesday, 16 March 2016 at 2.30 p.m.*