



EAST AFRICAN COMMUNITY

IN THE EAST AFRICAN LEGISLATIVE ASSEMBLY (EALA)

The Official Report of the Proceedings of the East African Legislative Assembly 15TH SITTING - - THIRD ASSEMBLY: FOURTH MEETING - FIRST SESSION

Wednesday, 30 January 2013

The East African Legislative Assembly met at 2.30 p.m. in the Chamber of Deputies, Burundi National Assembly, in Bujumbura.

PRAYER

(The Speaker, Ms. Margaret Nantongo Zziwa, in the Chair)

(The Assembly was called to order)

COMMUNICATION FROM THE CHAIR

The Speaker: Hon. Members, I wish to report to you that this morning the EALA Commission had its sitting and during the commission sitting, it has been decided that the plenary session of tomorrow Thursday, 31 January 2013 will be held in the morning starting at 10.00 a.m.

The Committee on Communication, Trade and Investment and any other committee wishing to join the members of CTI to the site of the Bujumbura Central Market will do that activity tomorrow on Thursday 31st January 2013 in the afternoon starting at 3.30 p.m. This is our delegation of EALA to go and express our sympathies to the people who were affected by the fire. So that activity will take place tomorrow at 3.30 p.m. The Chairperson of the Committee on Communication, Trade and investment should also liaise with the Minister of EAC of Burundi so that arrangements are finalised.

The Speaker consequently will meet the committee chairpersons tomorrow 31st January 2013 starting at 2.00 p.m. in the Speaker's office. Thank you.

PAPERS

The following Papers were laid on the Table:-

(by the Chairperson, Committee on Communication, Trade, and Investment (Ms Angela Kizigha)(Tanzania):

The Report Of The Committee On Communication, Trade, And Investment On The Consultative Workshop Between East African Legislative Assembly, Civil Society, And The Private Sector On The Economic Partnership Agreement (EPAs).

(by Ms Patricia Hjabakiga (Rwanda):

The Mission Report for the World Urban Forum 2012 on the Theme “Urban Future”

The Speaker: Thank you very much, hon. Patricia. This report should be committed to the EALA Commission to look at some of the critical recommendations made in the World Urban Forum.

MOTION

FOR THE CONSIDERATION AND ADOPTION OF THE REPORT OF THE COMMITTEE ON COMMUNICATIONS, TRADE AND INVESTMENT ON THE CONSULTATIVE WORKSHOP BETWEEN EALA, CIVIL SOCIETY, AND THE PRIVATE SECTOR ON THE ECONOMIC PARTNERSHIP AGREEMENTS (EPAS)

The Chairperson, Committee on Communication, Trade, and Investment (Ms Angela Kizigha): I thank you once again, Madam Speaker. I beg to move the motion that the report of the Committee on Communications, Trade, and Investment on the consultative workshop between East African Legislative Assembly, civil society and the Private sector on the Economic Partnership Agreements (EPAs) be adopted. I beg to move.

The Speaker: Seconder? Hon. Kidega, hon. Kimbisa. Proceed.

Ms Kizigha: Rt. hon. Speaker, I will start with the background.

Rt. Hon Speaker, The East African Legislative Assembly (EALA) is a legislative organ of the East African Community (EAC). Under the Provisions of Article 49 of the Treaty for the Establishment of the East African Community, it is mandated to exercise both legislative and oversight functions on all matters within the scope of the EAC through meetings, studies, workshops; tours, on spot assessment activities, to mention but a few.

Articles 2, 5 and 74 of the Treaty for the Establishment of East African Community (EAC) place trade at the centre of the integration process. Thus, the EAC Partner States shall develop and adopt an East African Trade Regime and cooperate in trade liberalization and development among themselves and their other trading partners.

In view of the above legal basis, the EAC partner states initiated an agreement in November 2007, to establish a Framework for an Economic Partnership Agreement (FEPA) with the European Union (EU) pending negotiation and the conclusion of the Comprehensive Economic Partnership Agreement (EPAs). The EALA Committee on Communications, Trade, and Investment therefore held a two-day consultative workshop between Civil Society and Private Sector on Economic Partnership Agreement (EPA) in December 9-11, 2012, Nairobi Kenya.

Objectives of the workshop

Madam Speaker, the overall objective of the interactive workshop was to sensitize and build the capacity of EALA's Committee on Communications, Trade, and Investment on various issues pertaining to the EAC EU Economic Partnership Agreements. The specific objectives include:

- i) To update Members of EALA on the current status of EPA Negotiations and how they will impact on EAC;
- ii) To inform Members on Opportunities and Challenges associated with EPAs;
- iii) Coming up with possible recommendations on the way forward for EAC-EU EPA Negotiations.

Participants

The participants at this workshop included the EALA Members on the Committee on Communications, Trade, and Investment, representatives from Civil Society, the Private sector in the EAC Partner States, and the Media.

Findings

Hon. Speaker, from the discussions at the workshop, the committee took stock of the following:-

Concept of Economic Partnership Agreement (EPAs)

EPAs are a continuation and improvement of the Lome Conventions that date back to 1975. The Lome Conventions and its successor Cotonou Partnerships Agreement afforded the African, Caribbean and Pacific (ACP) countries preferential market access to the European Union (EU) market for a period of 25 years. Under this arrangement, most agricultural products and raw materials entered the EU market on duty-free basis up to the year 2007, when the Cotonou Trade regime expired.

The trade arrangements under Lome Conventions and the Cotonou Partnership Agreement were not compatible with the WTO rules. Some aspects of these trade arrangements faced a number of challenges at the WTO level, as it was perceived by non-beneficiary countries as a discriminatory arrangement. As a result, ACP countries and the EU undertook, during the signing of Cotonou Partnership Agreement in 2000 in Cotonou, Benin to negotiate a new trade arrangement that would be compatible with WTO rules. This new trade arrangement is referred to as Economic Partnership Agreements (EPAs)

EAC-EU EPA Overview

EAC-EU FEPA was initialled in November 2007, in Kampala, Uganda in the following areas; - Trade in Goods, Fisheries, Development Clause, and Rendezvous clause. However, the EAC-EU Comprehensive EPA scope includes:

- (i) Customs and trade facilitation;
- (ii) Outstanding trade and market access issues including Rules of Origin;
- (iii) Technical barriers to trade and sanitary and phyto-sanitary measures;
- (iv) Trade in services;
- (v) Trade related issues namely Competition policy, Investment and private sector development, Trade, environment and sustainable development, Intellectual property rights, Transparency in public procurement;
- (vi) Agriculture;
- (vii) An elaborated dispute settlement mechanism and institutional arrangements;
- (viii) Economic and Development Co-operation; and any other areas that the Parties find necessary.

However, both parties agreed to negotiate Trade in Services and Trade Related Issues at a later stage to be agreed by both Parties, therefore they are not part of the current Comprehensive EPA negotiations.

Completed work under FEPA

Negotiations in the following areas have been concluded and the various texts have been migrated to the Consolidated EPA text: -

- (i) Trade in Goods,
- (ii) Fisheries,
- (iii) Customs and Trade Facilitation,
- (iv) Sanitary and Phytosanitary (SPS) and Technical Barriers to Trade (TBT).

Outstanding work under the Comprehensive EPA Negotiations

EPA negotiations are at different levels of completion. The status on the different subject for negotiations is as follows:

1. Economic and Development Cooperation

The text on economic cooperation and development has been completed. The outstanding work relates to completion of the development matrix and development benchmarks to be annexed to the text. The EAC would also like a revisiting of the text to ensure committal language on funding of EPA development projects. The outstanding work on development is due for finalization during the technical session between the EAC and the EU in February 2013.

2. Rules of Origin

Negotiations of the EAC-EU EPA Rules of Origin are about 90% complete. The outstanding work relates to Senior Officials guidance on the divergence between the EU and the EAC positions with regard to -

- (i) Definition of other ACP States for purposes of cumulating,
- (ii) Rules of Origin on marine fisheries,
- (iii) Cumulating with South Africa, and
- (iv) EU position that the proposed rules of origin are transitory and that after five years, EU would like to be accorded the same rules as the rules it accords the EAC exports to the EU.

3. Agriculture

Negotiations of Agriculture text are about 98 percent complete. The pending work relates to domestic support and export subsidy. Both parties are in consensus that the two issues would better be addressed at the WTO. However, EAC is seeking to press for ways of addressing the unfair competition in the EU market due to subsidies given to EU farmers.

4. Institutional Arrangement, Dispute Settlement and Final Provisions

Negotiations of this chapter are about 80 percent complete with the pending areas being classified as policy issues requiring guidance by Senior Officials during their meeting of February 2012, for example linking the EPA to certain provisions in Cotonou Agreement particularly those provisions on Human Rights, and good governance.

5. Market Access Issues

Negotiations of market access issues are about 90 percent complete

EAC-EU-EPA CONCERNS RAISED AND MITIGATING STRATEGIES

1. Revenue Loss

It is projected that there will be government loss after the implementation of EPAs, however, there will also be revenue gain from expanded trade to emanate from domestic taxes (direct and indirect) which has potential to offset the revenue loss, especially if EAC countries exploit the new market opportunities that have been realized under the EPA.

European Commission (EC) Offer as provided in EAC-EU FEPA initialled in 2007, indicate that Customs duties in EC will be entirely eliminated on all products of Chapters 1 to 97 of the Harmonized System, except -

- (i) Those of Chapter 93 (Arms and Ammunition and parts thereof), where MFN duties will apply,
- (ii) Rice and sugar, which are to be liberalized gradually as follows: rice, by 1st January 2010, and sugar, by 30 September 2015 Rice has already been liberalised from 1st January 2010.

The Implication EU Offer for EAC

1. New opportunity for increasing exports to the EU for over 1000 tariff lines whose tariffs were reduced to zero with effect from 1st January 2008 following the initialled EAC-EU FEPA e.g. Beef products, dairy products, and other agricultural products that were subjected to seasonal tariffs in the EU, and the market size for these products in the EU is quite huge.
2. Food Security, EPAs may not have adverse effects on food security and rural livelihoods because this has been shielded through the sensitive list and provision for review and safeguard clauses whenever threats emerge during the implementation of the EPA.
3. Regional Integration, Regional integration is safeguarded through the sensitive list, whose development was informed by identification of products of EAC countries export interest in the EAC market. All stakeholders including the Private sector Associations were involved in ensuring that the industry's regional market interest was safeguarded through this list.
4. Contentious Issues in FEPA and EAC Response, the contentious issues in FEPA, which include Export taxes and Most Favoured Nation (MFN) clause are being negotiated under the comprehensive EPA process;-

(i) Export Taxes

The FEPA preserves EAC's right to continue to levy existing export-related taxes, while allowing the introduction of new export-related taxes in order to foster the development of domestic industry (i.e. value addition) or for foreign exchange stability. The decision on whether to allow the use of export tax on the conditions specified is to be made by the EPA Council, which will also review its effects after 24 months.

The EAC's concern with this article is the impact that this restriction will have on its policy space in the use of export taxes as a trade policy instrument. The EAC Customs Management Act, 2004 provides for prohibited and restricted goods and it is to this effect that export of certain goods may be prohibited or restricted under the Act. Currently, some EAC Partner States apply export taxes. Under the WTO, there are no rules prohibiting the use of export taxes.

(ii) Most Favoured Nation Clause

Article 16 of the FEPA provides that for future free trade agreements -

- (1) If the EC gives better treatment to a third country, they have to give it to the EAC as well;
- (2) If EAC gives better treatment (i.e. deeper market access) to a developed country or any country accounting for more than 1 percent or regional entities (such as a customs union) accounting for over 1.5 percent of world merchandise trade, EAC has to extend the same treatment to EU; and
- (3) Members of the ACP group and other African countries are not covered by the MFN provisions covered in (2) above.

EAC's concern is that the current provision would have an impact on EAC Partner States' possible bilateral negotiations, since any preference would be automatically extended to the EC. The WTO rules allow for bilateral preferences between developing countries in promoting South-South trade.

EAC adopted cautious approach to the Singapore issues/Trade Related Issues - (Government Procurement and Competition Policy, Intellectual Property Rights and Investments) and other related issues under the EPAs. These issues will be negotiated at later stage.

Introduction of New Issues

Hon. Speaker, the EU has introduced new issues, which they want to be part of the comprehensive EPA negotiations, namely: -

- (i) Good Governance in the Tax Area

The issue was not part of the Rendezvous Clause (Article 37) of FEPA on issues agreed for comprehensive EPA negotiations. Although any new issues introduced to Article 37 needs to be mutually agreed by both parties, the EU has unilaterally introduced this issue for negotiations. However, the EAC has strongly objected to this introduction of new issues.

- (ii) Trade, Environment and Sustainable Development

Both parties had agreed that trade related issues will be negotiated at a later stage. However, the EU has introduced and insisted that Trade, Environment, and Sustainable Development be negotiated in the on-going negotiations.

- (iii) Obligations/consequences from Customs Union Agreements the EU concluded with Third Parties.

In view of this, EAC has strongly objected to the subject being negotiated now and has clearly told EU that introduction of new issues in EPA negotiations will delay completion of negotiations.

EC Regulation 1528/2007

This Regulation is an interim measure that allows ACP Countries, which initialled EPA Agreement to export to EU market duty free quota free pending conclusion of the comprehensive

EPA agreement. The Republic of Kenya and other EAC countries are currently exporting to the EU on duty free quota free because of the EC Regulation 1528 of December 2007.

The EU has proposed to amend this regulation so that countries that will not have concluded and ratified the EPA by January 2014 will be denied duty free and quota free market access in the EU. EU Parliamentary Committee on International Trade had voted for this deadline to be extended to January 2016. However, the EU Council has rejected the proposal to extend the deadline. This underscores the need and pressure for the Republic of Kenya and other EAC countries to conclude the EPA on time to allow for ratification and domestication.

EAC Position. EAC is committed to conclusion of the negotiations. However, EAC does not agree with proposed deadline to conclude the negotiations since it will put pressure on the negotiation process. EAC Sectoral Council of Ministers agreed to elevate the contentious issues and proposed deadline issue to political level to lobby like the EU Member States and EU Parliament. EAC Ambassadors in Brussels also continue to lobby the EU Parliament to drop the proposed deadline to amend Regulation 1528/2007.

EAC-EU EPA Negotiation Road Map

Joint Ministerial meeting held in June 2010 had directed that the negotiations to be concluded by December 2010 but the deadline was missed due to funding constraints. Road map developed in December 2011 has been reviewed and both parties agreed on a new joint roadmap that runs up to July 2012 when the EPA negotiations were targeted to be concluded in line with the EAC Council of Ministers Directive to conclude the negotiations by July 2012. However, this deadline has been missed due to more outstanding work in the Rules of Origin and other areas. Negotiation meetings at technical and senior officials' levels have been scheduled for February 2013.

RECOMMENDATIONS

Madam Speaker, the committee recommends as follows;-

1. EAC should insist that the EU maintains the Regulation 1528/2007 until full EPAs have been signed and implemented because the withdrawal thereof would run counter to the primary aim of the EPAs, which is to provide stable and increased market access for ACP exports covered by the EPAs.
2. The EAC EU EPA Negotiators should maintain the need to have policy space/flexibility on issues of export taxes and Most Favoured Nation (MFN) to allow value addition and industrial development.
3. Trade policy and trade negotiations have to be aligned with the industrial policy requirements and potential trade-offs need to be made explicit.
4. The European Union to support EAC to develop infrastructure such as energy, roads and railways so as to address the region's supply side constraints and create trade predictability and sustainability.

5. The EAC ensures that the EPA process must take into account the regional integration agenda so that agreements reached can contribute to deepening the regional integration process as well as foster economic growth and development.
6. The EAC Council of Ministers provides regular briefs to EALA on the progress of EPAs.
7. The EAC Partner States continue as a bloc to negotiate and conclude the Economic Partner Agreement.

CONCLUSION

Madam Speaker, the EAC, and EU Commitment to EPAs were made in good faith and the in-built promise was that EPAs would be tools for economic development. The unilateral setting of deadlines by EU for concluding the negotiations will not spur on the EAC region, because it is only the substance of the issues under consideration that will drive the negotiation process, and not an arbitrarily determined schedule, which does not take into account the institutional constraints of the EAC countries. However, with political will on both sides of EU and EAC, a mutually acceptable approach to address legitimate concerns such as contentious issues including the export taxes and MFN should be found to successfully complete the EPA negotiations.

ACKNOWLEDGEMENTS

1. The committee wishes to express its utmost appreciation to the Rt. Hon. Speaker of EALA for the commitment and support offered to successfully hold this workshop.
2. Special thanks go to the office of the Clerk of EALA for the tireless efforts portrayed in all logistical arrangements to make this workshop a reality.
3. The committee is also indebted to the Permanent Secretary Ministry of Trade Kenya and his technical officers including the private sector and civil society stakeholders for having spared their precious time to participate in this workshop.

Hon. Speaker, I beg to move – (*Applause*).

The Speaker: Thank you very much, Chairperson of the Committee on Communication, Trade, and Investment. Honourable Members, the motion on the floor is that the report of the Committee on Communications, Trade, and Investment on the consultative workshop between East African Legislative Assembly, civil society and the Private sector on the Economic Partnership Agreements (EPAs) be adopted. Debate is open.

Mr. Daniel Kidega (Uganda): Thank you, Rt. hon. Speaker. I am a member of the Communication, Trade, and Investment Committee. I therefore rise to support the motion that the report of the committee be adopted.

I would also like to take this opportunity to salute the work done by my Chairperson of the committee and the entire committee during the workshop and coming out with this report.

Madam Speaker, negotiations, trade or otherwise is a very sophisticated process with far reaching implications that require time and experts of different walks of discipline in order for the different sides or the negotiators to reach a position where one side is not cheated or finds itself or herself low in terms of gains of the negotiations.

I would like to take this opportunity in a special way to appreciate the work done by our experts. If you look at the sophistication of EU vis-à-vis East African Community, ordinarily if our negotiators were not firm, by now they would have pushed us to levels, which are not comfortable for our communities or our countries. So our negotiators have been very firm and we need to appreciate their work.

Madam Speaker, I would also like to implore leaders; political and otherwise to stand by our negotiators all the time. It is sad to know that at times, our negotiators lack proper or effective funding for their activities to the extent that we find their activities or operations being supported by the other party we are negotiating with that puts us as a Community in a very awkward position.

I would like to call upon this parliament and all the leaders of the Community to make sure resources are found to support our experts in the negotiation if we are to realise good outcomes out of this negotiation.

Madam Speaker, not so much has changed in terms of the concerns that we have raised or I have raised on this floor in relation to EPAs or the negotiation process. My Chairperson has mentioned the disturbing facts. One of the most disturbing matter is the change of goal posts by our partner with whom we are negotiating; introducing new ideas or new issues on the negotiation table unilaterally without the agreement of both parties. This is unfair, and we stand with our negotiators to resist that kind of behaviour and we as a political class are firmly behind our experts. We shall not accept unilateral introduction of issues on the table without parties sitting down to agree.

The other matter, which my chairperson has raised, is the issue of briefing stakeholders. We don't lack confidence in our team but the volume of ignorance on the issues going on or the negotiation is still abundant both within the political class and within other quarters of our leadership.

We are grateful as EALA because we have been interfacing so regularly now with the issue of EPAs negotiations. We would like to implore that after every encounter of negotiation, a debriefing be made to EALA and our national parliament such that the politicians are on the same page with the negotiators or the technical people. That is very important, Madam Speaker.

The issues, which are highlighted like those of the most favoured nation principle...we thank our negotiators for standing firm and not succumbing to the interests of EU to make sure they benefit from any other position or trade agreement or trade framework that we shall enter with other trading blocs.

Madam Speaker, I am not saying there is a new world order but the economic trends are clear that the Asian part of the world is becoming a serious competitor or participant in the world

economy. I don't know, maybe the Secretary General or the Chairperson, Council of Ministers will help me to know whether we have got any trade framework already in place or in the offing with the Asian tigers or countries that are growing in terms of economic strength like China.

If we look at our trade flows today, we may find that there is a shift in terms of our trade flows from EU to other parts of the World. So as we negotiate this agreement, we need to put into our minds that there are other trading blocs, which are developing in strength that may be more lucrative to us as a Community.

We encourage our negotiators to be firm on the issues of development clause. The contention has been that there are other development agreements other than EPAs, which are in place so development should not only be looked at from the perspective of EPAs. I think those are two different aspects of negotiations. We are proud that our negotiators have stood on those positions.

Even if the EU gives us 100 percent quota free or tax-free access to their markets, if special attention is not given to TBT and SPS, these are technical areas that under the guise of protection of human and animal health, our products may still fail to access the EU market.

We are briefed that our negotiators are paying keen attention to this. We implore them to make sure they understand our weaknesses in terms of sophistication of technology and the level of the economies that are involved in this negotiation.

For example, I don't think it will be very easy in the near future for beef or bovine products from the Community to access the EU market even if we are given 100 percent quota free or tax free access because of the sanitary and phyto-sanitary conditions that they will put on these kinds of products. So this negotiation should take care of this kind of thing.

Regarding the agricultural aspects, in all our five countries, agriculture is the main stay of our economies so the negotiations should take strong consideration into these aspects. These issues have been raised before, Madam Speaker and I am just repeating them.

Madam Speaker, there is a very interesting politics I am sensing in the negotiation the politics of divide and rule. We are a Community of five countries. The framework was initialled as EAC now they are trying to look at us as least developed and developed country being Kenya. I think our interest must be defined as a Community and the highest stake should be where we put our interest.

In this case, Kenya is the one with a peculiar situation, compared to the other four. But still, Kenya is part of us and the stake that is the highest, which is Kenya should be our highest point of negotiation to make sure that what best fits the interests of Kenya is what best fits the interest of other East African Countries without separating us - *(Interruption)*

Mr. Harelimana: Thank you, Madam Speaker for allowing me to give information and thank you, my colleague hon. Kidega for giving way. The information I am giving is the word from His Excellency President Museveni, which he said in the Kigali Summit on issues of rich and

less rich in the East African Community countries. He said for him he does not believe in a tall pygmy and a short pygmy. All of them are just pygmies. Thank you, Madam Speaker.

Mr. Kidega: Thank you. We appreciate such wisdom from our leaders; it unites us and gives us focus in terms of what we want to do.

Madam Speaker, yes it is true that in terms of international practice and other international institutions like the WTO, there are flexibilities that least developed countries enjoy that developing countries do not enjoy but there is also a practice where in a regional bloc, the majority of the membership are actually least developed countries. That bloc can be treated as least developing countries or blocs.

So we would like to encourage our negotiators to move firmly on this matter that there should not be any treatment of Kenya uniquely different from other aspects of the membership of East African Community. We should pursue the aspect of the East African Community being treated as an LDC because that is the majority membership of the Community.

Madam Speaker, it is also true that there are other frameworks of trade in place that if we are treated as such we can benefit from. That is the 'All But Arms'. I think that allows us to continue trading with EU without necessarily changing goal posts.

Finally Madam Speaker, the interim framework that has been given by both parties until negotiation is concluded – I think we need to be firm on this. We should not allow disruption of trade between the two blocs because of deadlines, which are going to be put, and which we may not be able to meet. We should maintain the interim position until complete or comprehensive EPAs have been concluded.

Finally and most finally, it is always the practice of these sophisticated negotiators to use time as a tool to arm twist the weaker side. We should not commit to any time; there is no hurry in signing this agreement or concluding it as long as the interim framework is in place, and until we conclude all the issues which have been bracketed or which have not been agreed upon.

I encourage the EAC negotiation team not to hurry or be arm twisted to hurry in signing this agreement. This is the advice most experts from the civil society and from all walks of life have given us and we are not going to be indifferent to the advice. Thank you, Madam Speaker.

The Speaker: Thank you very much.

Mr. Frederic Ngenzebuhoro (Burundi): Thank you, Madam Speaker. I rise to fully support the motion on the floor and I would like to also say that I am a member of that committee.

I would also like to say that in linking with what has been said by hon. Kidega, I would like to insist on one of the important recommendations made by the committee, and that is recommendation number seven to insist that EAC continues to negotiate as a bloc. We must avoid being divided and not negotiate separately as there seems to be an attempt to at this moment.

I would like to emphasise and say that to be a bloc, it became essential for us, but if we are divided, automatically we will be very weak.

Madam Speaker, I would like to raise two concerns I have at this moment. First of all, I would like to state that it is unfortunate; that the EAC Joint Trade Negotiations Act assented to in 2008 has been denied the enforcement by the Council of Ministers. This for me weakens our capacity to negotiate and I would like to take this opportunity to urge the Council of Ministers again to finally allow the enforcement of that Act by urgently bringing in amendments where necessary.

That is the first concern I have because if that Act is not enforced, automatically we are in a very bad situation to negotiate.

Secondly, I would like to record that according to the Treaty and especially Article 74, Partner States abide to adopt an East African Trade Regime and cooperate in trade liberalisation. Once again, it is unfortunate that a trade regime has not yet been established. Consequently, this hampers our negotiation capacity.

This House should urge the Council of Ministers finally to establish that regime. If not, this House should know where the obstacles are to the establishment of that trade regime. If it is a problem of drafters, if really the Council of Ministers is short of drafters of Bills, I would like to say that the Treaty allows us to move Private Bills and I am sure that this House will be able to avail experts for that purpose.

If it is another problem, even then this House should know and help in how to sort out such problems if there are problems. Otherwise, I think that there are no great problems; it is possible to go ahead and establish that regime.

Having said that, Madam Speaker, I would like to reiterate that I fully support the motion. Thank you.

The Speaker: Thank you very much.

Mr. Christophe Bazivamo (Rwanda): Thank you very much, Rt. hon. Speaker for giving me this opportunity. I also thank the chairperson for the good presentation.

Rt. hon. Speaker, given the fact that it is not the first time this issue of EPAs is discussed on the floor of the House and given that the recommendations in this report are clear and firm, compared with previous deliberations in the House, I rise to support this report.

However on the issue of dispute settlement, it has always been the trend in the past that any matter arising in trade is referred to an arbitration centre in Europe, for instance in London or North America. This, in general, has never been in favour of African businessmen or women as it becomes very expensive for them to reach these arbitration centres, and because sometimes they lose court cases due to non-participation.

Rt. hon. Speaker, in the interest of the citizens of the East African Community and the other traders settled in the region, we already have business arbitration centres in the region, for

example, the one in Kigali, the Kigali Arbitration Centre. Also, we have a wish to have an East African Community Arbitration centre. This is an issue that has also been discussed some time ago here in the House, I wish then that the House do recommend the possibility to also give room for dispute settlements in existing or in to be created arbitration centres in our region.

Rt. hon. Speaker, I beg to support the motion. Thank you. (*Applause*)

The Speaker: Thank you very much, hon. Christophe.

Mr. Zein Abubakar (Kenya): Thank you, Rt. hon. Speaker for giving me this opportunity. I would like to start by thanking the Chairperson and the committee who are our framework for intervention to such important matters and bringing important information to the House concerning the progress of negotiations between the European Union and us.

First, I would like to note that the workshop was very important because it involved the civil society and private sector. If you look at the civil society, and you understand it to mean the space occupied outside state institutions and outside the market then it is the majority of our people. The civil society represents the majority of our people and if you add the market, which is through the participation of the private sector, then we are talking about the overwhelming majority of our people.

So it is important for us to have an engagement that allows for the participation of the private sector and the participation of civil society.

Madam Speaker, allow me to thank our Secretariat and our negotiators and say that we as a House owe them a debt of gratitude for the good work that they are doing but also to say to them that if there are things that they want us to take as politicians and as members of Parliament that we can raise with other members of Parliament including members of the EU Parliament and EU Commission, they should be able to do that and we should be able to pursue that at a political level.

Also, it is important for us to look at our civil society as a strong and important member in the negotiation process because the civil society and private sector have also contacts in the EU. Our civil society in East Africa can lobby civil society in the EU for fair treatment in our negotiations.

Allow me to single out one particular issue that I think is critical to all of our five Partner States including Kenya, which is being isolated for unfair treatment. That is you look on page five, I saw agriculture has been given four and a half lines and it says that negotiations of agriculture are about 98 percent complete. I am very worried when I read that because if you read the following text, it goes to the heart and meat of it. It says, "The pending work relates to domestic support and export subsidy."

We know that the backbone of our economies in the five Partner States is still agriculture, and we know that the largest percentage of our exports is agriculture based. So, as long as the European Union continues to give subsidies to their farmers and to put non tariff barriers to our

agricultural products - including through health certification - we will not be able to have fair trade.

So, I encourage our negotiators that they have our full support and the support of this important committee, to continue to work. They may call it two percent but I think if you look at our exports, they are more than 80 percent. If you talk about our coffee, our tea, our pyrethrum, our horticultural products including flowers and vegetables, they consist of more than 80 percent of our economies. So the two percent is equal to 80 percent so for me this is where the meat is and I would like to tell our negotiators that if they want us to reach out to the European citizens through civil society, through the private sector, through political action, we will be happy to help.

I thank this committee and I thank you, Madam for giving me this opportunity. *(Applause)*

Dr. James Ndahiro (Rwanda): Thank you, hon. Speaker. I would like to ask my colleagues hon. members of this house to join me and thank our negotiators for the good work done so far. *(Applause)*

Hon. Speaker, we would like to hear from our Council of Ministers on the status of our previous recommendations. How much of those recommendations have been implemented? The reason is that the motion on the floor of the House has specific recommendations that actually relate to previous recommendations. Probably at an appropriate time, we might be able to receive such a report.

Let me embark on some facts in this report. Hon. Speaker, the point of departure between EU and EAC is on one thing and that is EAC feels that this EPA process can be used as a development tool or is a development tool whereas EU believes that this is a trade agreement. Now reconciling the two is what causes problems in our negotiations. Either we also have to appreciate that we want to engage partners in trade and therefore we should be prepared to trade and negotiate deals for trade. Are we there yet? The problem is our economies of scale.

At what point shall we demand European Union to come and help us develop our supply side constraints and then be able to trade with them? Madam Speaker, it is like asking x to go and bake a cake for you and then after baking the cake you ask, what portion can I give you? It is most likely that unless that person is a saint, he will determine the proportions that you are going to share.

Hon. Speaker, the – *(Interruption)*

Dr. Nyiramilimo: Thank you, Rt. hon. Speaker, and I thank hon. Ndahiro for giving me way. Actually, I wanted to ask what was included in these negotiations since it was stated on page four that both parties agreed to negotiate trade in services and trade related issues at a later stage. I was wondering which kind of services they are now pushing further instead of negotiating them today. We arrived at a place where they are now taking of rice and sugar and all these.

Is it now agreed that both parties can sell to one another rice and sugar? It is not very clear, maybe it is because I am not very conversant with the EPAs but I would like hon. Ndahiro to explain a bit on that. Thank you.

The Speaker: I think you are being unfair to hon. Dr. Ndahiro. I think the Secretary General later or the Chairperson, Council of Ministers, the Counsel to the Community, or perhaps the Chairperson will help you but I think it is not Dr. Ndahiro. Proceed, Dr. Ndahiro.

Dr. Ndahiro: Thank you very much, Rt. hon. Speaker. The other issue I wanted to comment on was on introduction of new issues in our text. The issue of tax cooperation in tax areas was smuggled from the Cotonou agreement - I think Article 33 - but in that particular agreement, it was agreed that Europe would support best practices in tax areas including transparency and sharing of information. Now they have added one other point, which is fair competition.

My worry is that our fiscal policy space is being attacked again. When you talk about fair competition and you want it under operation in tax areas, what are you inviting? You are inviting a situation where Partner States will not be able to have the flexibility, either to lower taxes or bring them up depending on the circumstances of the day.

An example would be for instance if an entrepreneur in one of the Partner States maybe is going to develop a manufacturing plant in a rural area where there is shortage of electricity or water. Probably he then comes forward to offer either to generate water into his plant or electricity in the area to support his manufacturing plant and the rural area. Wouldn't the government for example be in position to say, okay because of such investments we allow you a period or two or five years either tax-free or lower taxes?

That should be within the powers of governments but once you allow such an article into the agreement the European Union is going to stand firm and say that is unfair competition. We are introducing many potential disputes and we had better be clear on what we want. What is it that we really want to negotiate? And, we should not focus on short term gains, we should look far; 20-50 years ahead because the generations to come will suffer from our mistakes if we are not careful and history might not judge us kindly.

Hon. Speaker, there is an issue of areas that cover good governance. Good governance is broad. When you talk about human rights, where do you begin, where do you end and what powers do we give to the EPA Council to interrogate or intervene in our human rights directions in our Partner States. I thought that now that should remain a sovereign issue. How would we differentiate political issues and trade related issues? Because if you bring cross cutting areas like human rights, environment- And by the way, hon. Speaker, the issue of environment was fought bitterly by European Union and United States in WTO negotiation. They never wanted environmental issues and other issues to be on the agenda and that is why today it is said that the Doha agreement is dead. It is dead because there are areas that those two powers wouldn't want to see on the agenda. Now they come to us and say that we have to negotiate these, but what is embedded in those factors or points, which is peculiar to us and cannot be negotiated under WTO arrangement?

Madam Speaker, I think the issue of the Most Favoured Nation clause I have explained. They have also smuggled another item into the MFN Clause. Initially, it was FPA, which was defined as legalised trade, and now it is going beyond that to include bi-lateral trade agreements also. Are we in position to handle over ourselves and our future without any flexibility at all to tell our partners that we have a better focus and different vision? If we agree on all these points, then Madam Speaker, it will be problematic at the end to implement. There is an issue in the in the text on the exit mechanism or trade development chapter and the matrix. It is said that the matrix will be implemented and they have given commitment that they will be able to look into it but that commitment is not legally binding. We need to see a legal mechanism to make sure that we are not subjected to their moods. They wake up one morning, they say Dr. Ndaïro, you smile at me and so I withdraw my support. Such situations might not help us going forward and therefore we have to be firm if we have agreed on any kind of support and it has to be legally binding and that legal mechanism should be negotiated now and not referring it to EPA Council.

Madam Speaker, I believe, thought I might not be sure, that the EPA Council that will come as an institution and it is likely that European Union will fund it. It is also more likely that they will manage it but my strong belief is that European Union will probably manage it indirectly or directly. Now referring issues of such importance to that Council, to me is not being helpful to the process. *(Applause)*

We better negotiate everything now and agree on the way forward. Otherwise, Madam Speaker, I would like to thank the Committee and our negotiators. They have reached a point where they have told the European Union, where they have said they cannot move ahead.

We are referring the rest of those points that we could not agree on to our politicians. Now the next round will be between the politicians, who will decide to either move to the next round or decide otherwise. So, our focus now should be on our politicians and on the Council of Ministers. I totally agree with hon. Frederic that the Council of Ministers owe us a report to tell us exactly how far and where we are so that as a link between ourselves and the Executives in the Partner States, they can fully transmit our recommendations and our feelings. Thank you, Rt. hon. Speaker, and I support the motion. *(Applause)*

The Speaker: Thank you very much, hon. Dr. Ndaïro. Hon. Members, we have power surges and that is why you hear that little noise which is a bit uncomfortable. Let us bear with it and soon it may be handled.

Ms Sarah Bonaya (Kenya): Thank you, Madam Speaker. I would like to congratulate the Committee on Trade, the chairperson and the entire team for the exemplary work they have done and presented to this Assembly.

Madam Speaker, I would also like to give my voice in this very important issue of international trade through EPAs. As a region, I think we have actually failed to own this process right from the beginning and that is clearly indicated in Article 4.3 where in 2010, the road map to negotiations could not be followed due to lack of funding. I think this Assembly is aware of what transpired. We needed the region to own the process and own whatever is happening because the

negotiation is ours and it is for our benefit that we have to own this process and commit ourselves to the entire process.

Because of what we failed to do through our own mistakes, we have failed to generate the text that is followed through these negotiations and that is why we could not unpack the issue of development being mixed up with trade negotiation.

As we all know, trade is between two parties; one has demand and the other has supply of commodities that are required and in most instances our trade commodities are agro based and very perishable. So for us to be told to set our commodities aside while we negotiate other development matters which are not our priority at that particular moment, I think is a way of ensuring that we lose focus on the objective of our negotiation.

Instead of working on our produce and using that for development, we are forced to beg for development funds as we wait for our produce to rot in our farms and so that we get that perpetual loss to our farmers regardless of the heavy farm inputs that they have to incur and the poor prices they get at the end of the day.

Then the issue in Article 2.41 is when the text dictates that we discuss the issue of development as a priority. Article 4.2 also prioritises trade negotiation as opposed to trade environment negotiation and sustainable development as opposed to trade negotiation. So we are being told, put aside your trade issues, but let us discuss the trade environment and sustainable development. That is why we used the European Union money to go, sit, and listen to them. We had commodities to sell and we needed good prices. Instead of helping us to focus and get our produce sold at competitive prices, we are being told to put our commodities aside and please, let us negotiate on sustainable development.

Of course, with our produce and the good price we get, we can sustain ourselves as a region and we are endowed with plenty of resources. They know this but our negotiators tend to get distracted because as I have already mentioned, they go at their own terms not at our terms.

Then the issues of linking trade issues with human rights and good governance under the Cotonou Agreement which has nothing to do with EPAs is also another detractor which actually helps to make us lose focus of why we initially went the full length to go and negotiate with our partners.

Of course, we appreciate the partner's role in supporting us as we are resource constrained in many instances but I think this kind of arrangement where we are encouraged to lose focus and end our farmers in incurring huge losses is something that as a region we have to safeguard. We have to protect our farmers because we are the people entrusted with the leadership.

How would I guarantee my people food security when food that is supposed to go for export at competitive prices, issues of negotiation are putting on the side, the farmers perpetually make losses while farmers in Europe actually get subsidies for their commodities?

So Madam Speaker, I thank you and I support the motion.

The Speaker: Thank you very much, hon. Bonaya.

Mr. Fred Mukasa Mbidde (Uganda): Thank you very much, Madam Speaker and hon. members. I equally stand to support the motion. I will equally propose three other recommendations as an amendment to be added to the seven to make them ten at the end of my submission.

Madam Speaker, again I have one other request to make before the august House, that for purposes of such very good reports at a later date - because it might be late for the budgetary year that we are concluding - we may need to sustain committees and the Secretariat more in terms of budgetary support for purposes that we obtain such reports in advance and we make preparations for substantive debates to be made before the House.

Madam Speaker, the reason is that we are equally dealing with the Council of Ministers and the Secretariat and these are not ordinary men and women of ordinary intelligence. If we do not make substantive researched material as our contribution, we are running a risk of our resolutions and submissions being relegated into mere petulance and they do not even act in accordance to them.

Secondly, to reinforce the Community for purposes of negotiations again, I think we need advance knowledge of such particulars for purposes that we can also be equally and substantially useful. But, in this vein, I have a contribution to make and this is going to be in addition to the submission by hon. Zein towards this.

We are not going to be annoyed because when you look at the third paragraph of the second page, the East African Community initiated these talks with the European Union. For us in law we have what they call a doctrine of election that whoever accepts the benefit must not do away with the burden that comes with it. So, we must now begin to deal with the burden that has come with the negotiations that we started.

First of all, it was entirely good for us to have begun EPA negotiations but what are the major issues that we must be arming our negotiators with to teeth? One, what is the likelihood of a product list that we want to negotiate for East Africans to sell. Two, what is the intention of the European Union for purposes of market access within the EAC?

In terms of industrial production, we are still low. I don't think we are actually too ambitious for purposes that we want their markets to be open for shirts created in the East African region by way of industrialisation. But, what benefits do we have for purposes of agriculture and in terms of our product list being predominantly agriculturalist in nature to be sold in the EU market?

Now subsidies have become a problem and that usually creates the difference between Singapore and Doha issues. At Cancun that once agricultural products are subsidised at the homes of European Union for example, the meaning is that first of all the prices are lower than any product that is being imported from East Africa without subsidies for example at home here.

Now then, what must be done? As you negotiate, we must arm our negotiators that without subsidies being a major topic in terms of negotiations, we might as well consider ourselves having not yet started because this is the gist of the matter because agriculture per say is predominantly land intensive and that is where we are better.

European countries no longer have land. What was adopted as a policy framework by way of foreign direct investment for example in Thailand was for purposes that their foreign direct investment in relation to their economies were to make sure that they facilitate all those investors in land intensive mechanisms like agriculture to occupy African land. Then those whose production relations do not require land would then remain in Thailand and that is what has led to the production of telephones and all that majorly in Thailand whereas their agriculturalists are also flooded everywhere in Africa.

Now what is the benefit that we can obtain? Where we have a richness of land as a factor of production, we can engage our energies in terms of negotiation for purposes that we can be assisted. So this Madam Speaker, I would like to thank because on page eight, page four and page seven, you see that our negotiators have really stuck to their guns that where Singapore issues are in play, they are hesitant. They have used words like being cautious and I think we must support them over that. We need subsidies to be removed from European economies for purposes that we can trade properly with them because this is where we are better.

Madam Speaker, my recommendations include that one that the negotiators continue to push for removal of agricultural subsidies at EU markets. Two, trade partners within EPA should adopt partnership support for agriculture zoning in the East African Community region.

Madam Speaker, zoning in terms of our agriculture is extremely urgent and important. Today, if you drove into Bujumbura or Uganda looking for *matooke*, there is no specific area where the people would tell you that if you want 120 Lorries of *matooke*, drive to this village. What happens is that every village has farmers that have a multitude of agricultural products being produced.

Uganda by colonial times had an economy growing at the rate of Great Britain who was the colonisers. What was that that caused it? Of course, Uganda is the size of Great Britain but at that time, we knew that tobacco would come from West Nile, *matooke* from Buganda, Bugisu and Eastern Uganda would produce cotton and that it was easy for market location, market access and all buyers would be directed to a single stop area for purposes of acquiring a single-

Now what agriculturalists in governments of East Africa are now doing is good but it is not the best. We have programs that have assisted every homestead to obtain a goat. The meaning is that who will sell to the other because even the domestic market itself has been tampered with. You find countries with agricultural programs but where we do not have specialisation obviously, we are not going to have substantial production that can be called a market in terms of agricultural products.

Madam Speaker, we need assistance here and that is my second point; that partnership support should be engineered towards agricultural zoning in the East African Community bloc.

Number three, which is the last one, Madam Speaker is creation of a review mechanism. Once a review mechanism is not created, we find partners renegading on agreed programs and plans. We can use the review system as was established under the Africa Action Plan when NEPAD adopted it as a program by establishing the Africa Peer Review Mechanism.

So, we need a mechanism to be established for purposes of overseeing the developments within the negotiations and implementation of the agreement once done. I thank you, Madam Speaker.

The Speaker: Thank you very much, hon. Mbidde. I just take note that hon. Mwinyi is outside the Chamber, I don't know whether he realises that he is outside the Chamber so that he can join the members in the Chamber.

Ms Susan Nakawuki (Uganda): I thank you, Madam Speaker. I stand to support the motion, but with serious reservations. Madam Speaker, I am going to talk like a typical villager from Busiro, because when I read the framework of the Economic Partnership Agreements, it really gives me a lot of reservations and fears.

Madam Speaker, the way events are unfolding with the immense time pressure and threats really gives me this fear that the EU is probably up to something. This is because when I was growing up, my mother told me that if you see a man rushing to take you to bed, just know that he is up to chewing your things and running away; a hit and run – (*Laughter*). It is the same thing with the EU with serious threats. Hon. Members, I am serious about this.

Madam Speaker, I beg that we take the recommendations of the committee seriously because the East African Community is required to open up its borders for tariff free goods and services from Europe. I would also love it for us to put into consideration the disastrous consequences that come with these EPAs.

In this entire report, we are talking about the benefits that we are going to get from these agreements but at the same time, we mention for example that we are going to lose revenue. Yes, we are going to lose revenue and at the same time you are saying, we are going to benefit.

Madam Speaker, personally I am seeing imbalances and inequalities from this and I pray that our negotiators put special considerations to these consequences. For example if we are talking about conducting trade, are we going to match up with the competition in the EU market? Are we going to cope up with the standardisation policies they have in place? Because Madam Speaker, if you tell me that I am free to take bananas to the European Union Market and then you tell me they should be straight, they should not have a scratch, it is as good as you telling me not to take them.

Madam Speaker, if you tell me that I can take vegetables but then you set the bar too high, I cannot manage it. Instead, it is going to turn out that we are creating market for goods from the European Union, and in turn, we are affecting our local entrepreneurs.

Industrialisation in East Africa is going to be jeopardised as well because of the strict rules of origin. So, Madam Speaker, I request that as we go in there, we go with caution.

I am also convinced that it is going to complicate and frustrate this whole integration process because as you are all aware, as East Africans we are treated differently in the eyes of the European Union. For instance, Kenya is taken as a more developed country, which is not the same case with Uganda, Tanzania, Rwanda, and Burundi who are taken as low developed

countries. I am afraid that if our regional governments lose revenue, in turn the population is going to suffer for loss of social services.

So, Madam Speaker, I want us to really look out for a scale of preference. Are we benefitting more or we stand to lose more? I thank you and I beg to move.

The Speaker: Thank you very much. I think I want to invite the Secretary General.

The Secretary General (Amb. Dr. Richard Sezibera): Thank you, Madam Speaker. I rise in support of this motion and congratulate the committee. I also hope that I will convince hon. Nakawuki to support the motion and support it strongly, mother's advice notwithstanding.

Madam Speaker, this is the first time I rise in support of a motion by members of the House on EPAs and I am extremely happy it has happened. It gives me a lot of pleasure because this report is thorough, it is well studied and the recommendations therein meet indeed the concerns of the negotiators and I wish to thank the committee for this excellent work.

Madam Speaker, I also wish to thank all the members who have appreciated the very hard work done by the negotiators in this area. It has been a very tough job but they have done an extremely excellent job in negotiating as a Community and they have been able to match our European partners item by item, article by article and this has meant that they have spent a lot of time building their own capacity to negotiate.

I wish to thank the Partner States for having agreeing to work with us, and the Council of Ministers for really building the capacity of our negotiators. The work that they are doing is testimony to the fact that those efforts are bearing fruit.

Madam Speaker, I have had the occasion to say so before and I will say it again that I strongly believe that East Africa needs to negotiate her terms of trade with our development partners. I do not believe that Africa and East Africa in particular should continue to depend on unilateral offers. Lome was a unilateral offer, Cotonou was a unilateral offer, everything but Arms is a unilateral offer, AGOA is a unilateral offer, and whoever makes a unilateral offer can unilaterally take away that offer.

Therefore, that we are negotiating terms of trade and their terms of trade, it is an Economic Partnership Agreement so it has a development component but it also is a partnership, which involves trade, and we should continue to negotiate terms of trade with Europe.

Madam Speaker, you might recall that in our region this is the first time in the history of our region that we negotiate terms with Europe. In the past Europe and the rest of the World considered us as colonies but even worse, they considered us at some point as tradable goods and they traded us. Therefore, that we are now negotiating the terms of trade with them is extremely important and we should continue to support this process.

Madam Speaker, I have had the occasion to lay before the Second Assembly a detailed state of play on the EPA negotiations. If we had had the chance and if I had known that this was coming

up, we would still have done the same for the Third Assembly, but we are willing to do so whenever the time is availed, Madam Speaker.

In terms of negotiations, it is my considered opinion that negotiations at a technical level have come to a conclusion. Our technical people have negotiated very hard, but only the senior officials and the ministerial council can resolve the remaining issues. Therefore, the senior officials will begin negotiation in February 2013.

Those areas outstanding have been clearly marked in this report. They are especially on page seven; export taxes, MFN clause and a few emerging issues. On export taxes, East Africa is very clear that we need policy space in order to industrialise East Africa and that will still be our position. I think we will be able to convince our European partners. There has been a lot of convergence and I am confident that at the senior officials' level, we will get agreement on this one.

On MFN clause Madam Speaker, let me say that East Africa is not opposed to MFN clause because MFN is a WTO requirement. However, East Africa insists that she should have the flexibilities that developing countries have within the MFN process and so let nobody say that East Africa does not want the MFN clause. No, it is our obligation under WTO but we are simply saying that we need those flexibilities under the MFN clause.

I also wish to inform this House that Europe has a free trade arrangement with Turkey, and because the European Union has a free trade arrangement with Turkey, whatever we negotiate with Europe will apply to Turkey. This means that goods that come from East Africa under the EPA will be able to enter into Turkey and this is a challenge that the European Union has put on the table which is part of the reason they had wanted extension of the MFN clause to them.

We have, as of now not agreed but there are proposals on the table, which seem to be bringing us closer to agreement and so I also hope that at the senior officials level, we will be able to conclude this matter.

Madam Speaker, the new issues; the Singapore issues, we have agreed that we will not negotiate them now precisely because they are within the Singapore round so we would not want to preempt some of those issues, which are very difficult including domestic subsidies for agriculture in Europe and I must say so. Europe's domestic subsidies for agriculture are part of the WTO global agenda and that is why there has been some flexibility. That is why we have said that issues like the Singapore issues and other outstanding WTO issues, we shall not negotiate under the EPA.

Madam Speaker, we have also agreed that as far as East Africa is concerned, we would not like to see cross listing of the EPA with Cotonou provisions especially in the areas of governance as hon. Ndahiro mentioned. The governance areas under Cotonou are prescribed but there is also an Article 8 provision for dialogue between Europe and Africa on governance under Cotonou. However, we do not think that these are matters, which should necessarily come into the EPA text at this point.

Madam Speaker, the East African Community Industrial Policy as well as the East African Agriculture and Food Safety plan having formed East Africa's positions as we negotiate with the European Union. This is why, if you look at the details of the areas that have been opened for Europe under the Market Access negotiations, there are those areas that are already zero rated under our current arrangement.

There are intermediate products, which are required for East Africa's industrial development, and those intermediate products are contained in our Industrial Development Action Plan. There are very few capital goods that East Africa does not produce now and is not likely to produce in the medium and long term but are critical and essential for the wellbeing of the people of East Africa. Those are very few.

So, that is what has informed our position. The sensitive list, the closed list for East Africa which has been accepted by Europe includes all our food and agricultural products; almost all of them. So, the EPA is not meant and will not destabilise East African agriculture and this matter has been accepted by Europe at this point.

Madam Speaker, the EPA Council raised by hon. Ndahiro is part of the issues that are still outstanding. It is part of the institutional arrangements. The idea of an EPA Council is agreed; we have not yet agreed with our European partners what the remit and extent of that Council should be. Our European partners have a more expansive view of what it should be, we have a much narrower opinion on what it should cover, but I am also confident that we will be able to reach agreement on this one.

Madam Speaker, the development matrix has now moved into the main text and therefore will be part of the text meaning it will be legally binding. The challenge we still have is that the development matrix also contains a list of priority projects and those projects change. For example, the list we had in 2010, some of these projects either have received financing or have been overtaken by events. So, the challenge is what to do about the detail of those priority projects and there is language on which we have to agree but this is I think not a very complicated one.

Madam Speaker, a question was raised about Article 15. It is true that the Commission has requested for an expiry date on this Article. They wanted it to end in 2014; we made our opinion very clear and categorical that this was not acceptable. Firstly, that this is a deadline, which is unilateral, and therefore it is not right to have unilateral deadlines during a negotiation, and secondly, that we as East Africa, that deadline notwithstanding, will still negotiate as East Africa. *(Applause)* - We refused the idea that one country is more developed than the other is. We are all at the same level of development and third that we will do everything possible to at least inform them of how unacceptable this is to us.

I wish to thank this House for having also added your voice to this and it was very helpful. I am informed in the last meetings we held with Europe that it looks like the European Parliament idea of extending it to 2016 might carry the day. Even 2016 violates our principles but it certainly is better than 2014 but this is a European problem. As I said Madam Speaker, because it is a

unilateral offer, we are not even consulted when they want to withdraw unilaterally certain provisions. We can only continue to fight and make our voices heard as much as we can.

Finally, Madam Speaker, in 2011, the European Commissioner for Trade proposed a firm deadline for negotiations in an official letter to me. That firm deadline was rejected, and we let him know that as far as East African is concerned, we are negotiating substance not deadlines. *(Applause)*

I am glad to report to this House, Madam Speaker that this position was accepted and although we in East Africa want to conclude these negotiations as soon as possible because it is in our interest to have firm relationships with Europe on terms we understand, this does not mean that any partner should impose unrealistic or unilateral deadlines.

Madam Speaker, I have listened to hon. Mbidde and his three proposals for addition. On the first one, the push for Europe to remove subsidies as I said is part of the trade agenda and I think it should be left at that level where it is currently being dealt with.

Agricultural zoning is an excellent idea. I have seen it work in some countries, in Rwanda, I think they now have agricultural zoning but I don't think we are at a position in which we should ask Europe to support us in this. This is something we can do ourselves.

A review mechanism is already contained in the comprehensive EPA, the EPA Council and I think once we agree on this mechanism then it is a review mechanism. The draft also contains a rendezvous clause where after some time -five years, or so- we shall review the EPA to see whether it is contributing to our agreed objectives. The most important objective of that EPA is the development of East Africa and the integration of East Africa. This is a text, which has been agreed in the preamble. We are very firm about it, and our partners have already agreed to it.

With those few comments, Madam Speaker I beg to support. *(Applause)*

The Chairperson, Council of Ministers (Mr. Shem Bageine): Thank you very much, Madam Speaker. I have listened very carefully to the chairperson of the committee when taking us through the report and to the many voices from those who contributed. I want to thank the members of the committee and their negotiating team for being firm and focused on what we should get out of these negotiations.

Madam Speaker, on one of the pages, I saw something to do with encouragement of exporting foodstuffs and raw materials to Europe. And in regard to that, some members have raised issues of other conditions that touch on the food products that may make it difficult for them to access markets in Europe, which leaves us with the raw materials that they appear to be mostly interested in.

Madam Speaker, when you look at the report and the discussions we have had, it gives me the impression that perhaps we are negotiating from a position of weakness. Given the value of our products, the raw materials for which we are looking for markets against the likely imports from Europe, which are finished products, this trade pact will certainly leave us in the same position of being net importers with negative balance of trade situations.

When this happens, we end up having our currencies eroded against the European currencies because when you are a net importer, you are not doing well. Let us remember that these people are obviously taking into account the interests of their farmers, industrialists and other traders. So, we have to be very cautious, and I want to thank the negotiating committee for just not jumping ahead and signing for the sake of signing. I want to thank them for their caution and focus during their deliberations.

Madam Speaker, we can talk and talk and talk...some people say “until the cows come home”, but what I think we should be looking at is how we can develop areas where we have comparative advantage, so that our products have added value and they can compete favourably on the world market. And so, this calls for intensive investment and as I mentioned yesterday, perhaps collectively should address strictly the issue of investment in our natural resources and adding value to them so that we can compete favourably on the World market.

One thing I wanted to ask was we are talking about exporting to Europe. Does anybody have any statistics on the quantity of products we hope to export to Europe and corresponding values of these exports vis-à-vis what we are likely to import from Europe and corresponding values? I believe that it is important that we get some information in this regard so that when we are negotiating, we know that there are some areas where we are likely to benefit.

Having said that, the areas, which have not been concluded and wisely, so, I think that was a wise decision, the Council of Ministers is going to take them up. This is my first time to get anything like this. As you appreciate, I am still being inducted into the system and I will spend time to read these reports and interact with the other members of the Council and the Secretariat so that we take decisions on the issues that have not been concluded.

But, please bear in mind that the emphasis should be on how we can add value to our products before we export them. Madam Speaker, I thank you. *(Applause)*

The Speaker: Thank you very much, Chairperson of the Council of Ministers. Now I wish to invite the chairperson of the committee.

Ms Kizigha: I thank you once again, Rt. hon. Speaker. I rise to thank all members who have contributed to this report of the CTI committee on the consultative workshop between EALA, the civil society, and the private sector on the Economic Partnership Agreements (EPAs).

Specifically, I would like to thank hon. Chairperson of the Council for a very good explanation, hon. SG Sezibera also for a very good explanation and elaboration, hon. Daniel Kidega, hon. Frederic, hon. Zein, hon. Ndahiro, hon. Odette, hon. Sarah Bonaya, hon. Mbidde and hon. Susan Nakawuki. Your contributions are valuable and the committee has taken note of them accordingly. I therefore take this opportunity, Madam Speaker to request and encourage all members of this august House to support the report so that it can be passed. Madam Speaker, I beg to support.

The Speaker: Thank you very much, Chairperson of the Committee on Communication, Trade, and Investment. Hon. Members, the motion on the floor is that the report of the Committee on

Communication, Trade and Investment on the consultative workshop between EALA, the civil society and the private sector on the Economic Partnership Agreements (EPAs) be adopted.

I now put the question.

(Question put and agreed to.)

MOTION

FOR A RESOLUTION OF THE ASSEMBLY TO CONGRATULATE PRESIDENT BARACK OBAMA UPON HIS RE-ELECTION AS THE 44TH PRESIDENT OF THE UNITED STATES OF AMERICA

Ms Hafsa Mossi (Burundi): Rt. hon. Speaker, thank you for giving me this opportunity. I beg to move that a resolution of the Assembly congratulating President Barack Obama upon his re-election as the 44th President of the United States of America be adopted. Madam Speaker, I beg to move.

The Speaker: Secunder? Hon. Kimbisa. Hon. Hafsa Mossi proceed.

Ms Mossi: Madam Speaker:

“WHEREAS President Barrack Obama took oath of the office on the 20th day of January 2013 upon his re-election as the 44th President of the United States of America

NOTING that President Obama has remained steadfast in his efforts to eradicate the threats and acts of terrorism globally and at the same time promoting the peaceful existence of all the nations of the world

RECOGNISING that during his presidency there has been increased collaboration between the United States of America and the East African Community as envisaged by the message of Her Excellency Rebecca Blanc, the United States Assistant Secretary of Commerce during the EAC Heads of Summit meeting in Nairobi on November 30th, 2012

This Assembly do resolve as follows:

- 1. To extend its very warm congratulations to His Excellency Barack Obama on his re-election as the 44th President of the United States of America*
- 2. To call upon the East African Community to seize this opportunity to renew its collaboration with the United States government in upholding the values of democracy and to seek development opportunities.”*

Madam Speaker, I beg to move.

The Speaker: Thank you very much, hon. Hafsa Mossi. You can proceed to give justifications.

Ms Mossi: Thank you, Madam Speaker for giving me this opportunity. Madam Speaker, His Excellency Barack Obama the President of the United States of America is a president that East

Africans should be proud of. Most of us admire his intellect, his sense of timing, his understanding that change is a knack in history. He has been America's first black president and he has been the first president of the United States of America with East African origin.

Madam Speaker, his re-election is a fresh start in the spirit of collaboration between the United States of America and East African countries and all of us should be proud of him.

Madam Speaker, the President of the United States of America has been an inspiration to many Africans and especially East Africans that everything is possible. His achievements in achieving ambitious legislative social and foreign policy has been successes to all of us East Africans.

Madam Speaker, you all know that one of the most significant legislative achievements is the vast reform of the National health Care system in America. Also, we all know that His Excellency President Barack Obama is a very committed President to civil rights in the world.

With those few justifications, Madam Speaker, I beg that this House do resolve to support this motion.

The Speaker: Thank you very much, hon. Hafsa Mossi.

Mr. Adam Kimbisa (Tanzania): Madam Speaker, I rise to support the motion. Actually, it is not the first time this House is doing something like this so even for that reason alone- The reasons, which were there by then still stand firm.

Two, of course yes it is a big country. Who wouldn't like to associate himself or herself with US unless some of your issues are infringed but since they are not, I think it is better and reasonable to associate ourselves with that big nation.

Madam Speaker, leave it or take it, he is one of us. Him being the first Black American President to sit in that position, honestly he is because he is not called white there, he is called black, and we are blacks.

Actually, Madam Speaker, he got more votes from blacks and Hispanics than anybody else. If they managed to give him votes, are we only failing even to say congratulations? Is it so expensive to say congratulations? Madam Speaker, I support the motion.

Mr. Leonce Ndarubagiye (Burundi): Thank you very much, Rt. hon. Speaker for giving me the floor. I rise to support the motion and the resolution and to congratulate the mover.

I just rise to give some statistics. According to a world known American magazine, 93 percent of 100 black voters voted for Barack Obama. 76 percent of Asian voters voted for Barack Obama. 71 Latin Americans voted for Barack Obama. It may seem normal but the rare miracle is that 39 of white Anglo-Saxon Protestants voted for Barack Obama. It is a miracle. Thank you very much.

The Speaker: Thank you very much for that information.

Mr. Pierre Celestin Rwigema (Rwanda): Thank you, Rt. hon. Speaker. I rise to support the motion but with caution. I thank hon. Hafsa Mossi for bringing this motion on the table but I have some reasons that I would like to explain. It is true that the US President Barack Obama is the first African American to become President and it is not so easy to be elected as a President of the United States. Among 44 presidents, he is the only one.

Secondly, US President Barack Obama has his origin in Kenya, one of the Partner States. It is one of us, it is true, I am proud, and everybody here must be proud of that; of having one of us leading that great nation which is the United States of America.

US President Barack Obama is a great president. He has been awarded a Nobel Prize in his first term. He is a great leader advocating for democracy, for human rights, equal rights and for development. I agree and I support the motion but even if it has been done once or twice, this can be a precedent, which can be bad, unless there is some criteria that we can follow every time someone is elected as president. This is the reason why I support this motion with caution. Thank you, Madam Speaker, and I beg to support.

The Speaker: Thank you very much.

Mr. Abubakar D. Abdi Ogle (Kenya): Thank you, Madam Speaker. For the simple reason that he is Barack Hussein Obama, a native of Kogelo village in Kenya, I support the motion. *(Laughter)*

Madam Speaker, it does not matter that President Obama has had a very successful national agenda - at least in moving the Health Care Bill or those kinds of things. It does not matter that he is a man who killed Osama Bin Laden, history will always remember Barack Obama as the first black man in America and I think for the foreseeable future, for that reason Madam Speaker I beg to support.

The Speaker: Thank you very much.

Dr. James Ndahiro (Rwanda): I would like to add a recommendation that at the end we also have to thank the American people for having transcended the race issue and elected a politician who is going to deliver for the American people, if the mover so allows.

The Speaker: Okay, I think the mover has heard.

Mr. Abubakar Zein Abubakar (Kenya): Thank you, Rt. hon. Speaker for giving me this opportunity. I would like to support this motion and say, that warm congratulations are deserving to this son of the soil, and as an East African American, we are proud of him. We are also proud of the young people. Many young people voted for him. I would also like to pray and hope that in the true character of the American system, he will have a lot more flexibility in his second term to work on his legacy, so that the encumbrances of the first term will not stop him in his second term to make sure that the American foreign policy is inculcated with a culture of respect, willingness, and understanding to work with other communities and countries.

That he will have done us even more proud as a son of Kogelo, to work in his second term on a legacy that would be informed by supporting democratic principles in the world, and supporting human rights in the world. We hope and pray that after our successful elections in Kenya, he will be able to come home and celebrate with us. Thank you, Madam Speaker.

Mr. Daniel Kidega (Uganda): Thank you, Rt hon. Speaker. I rise to support the motion and congratulate hon. Hafsa Mossi for doing this great thing for this institution of the Community; EALA.

I want to underscore two things. The first one is the direct benefit that East African Community has already gained from the first election and the re-election of Mr Barack Hussein Obama as the President of United States of America.

If you went to that part of Kenya called Kogelo and you see the influx of tourists that are coming to see the kind of people who come from that area, you will not believe it. To the extent that there are people now who are giving themselves names that they import from that province of Kenya.

So, to me, it has given prominence and presence to the region. If you went on Google Maps today and put Kogelo, it is so prominent. So, all these are features that have brought direct benefits to the region. When I want to tell an American person who does not know the geography of Africa very well, I say I am about 300 kilometres away from Kogelo and I am easily located.

Most importantly, this thing is really important to the Black race. I bothered to watch school-going children in the United States speaking about the inspiration they have from the election of Barack Obama as President of the United States and it is not a light matter.

There lived once in our minds that the Black race is inferior to the whites and this has gone a long way to erase this feeling in the minds of so many young people and so many other people. So I think, as hon. Ndahiro has put it, that it has shown the world that racism is something which is a dying phenomenon now. So, for me, I am very glad and happy to associate myself with it.

A comedian called Chris Rock cracked a joke when Obama was elected in his first term. He was really pitiful upon the candidate who was running against Barack Obama because it is a hard task to run against a Kenyan while drawing his experience from the athletics so we are very proud of what Barack Obama has done for us. Thank you.

The Speaker: Thank you very much.

Mr. Twaha Issa Taslima (Tanzania): I thank you very much, Madam Speaker. Because of time, I will not say much but I would like to support the motion and congratulate hon. Hafsa Mossi for the thought she had and the way she has presented it.

Madam Speaker, it is true that we as East Africans at least have to associate ourselves with the blacks of the United States. As the honourable Member has said the statistics show how he got his votes, and most of the votes came from the blacks and therefore most of the congratulations could also come from the blacks and we are a part of the blacks.

Madam Speaker, when President Obama took office, in his first speech he actually reminded the world and the Americans of the words that were said by the late Martin Luther King who said that he had a dream and that dream was about a black American once down the history becoming the president of the great USA. That one has come, if at least for the sake of remembering what Martin Ruther King was doing during those times. We should really congratulate Barack Obama.

I end by saying that I propose that our Rt. hon. Speaker write a letter to the President of the US imparting to him the feelings that we have expressed here in our meeting today. And along with that, the letter should say something about what hon. Zein has said concerning leaving a legacy behind by turning now to the African continent. Now that he is in his second and last term, he should do something, more than what he has done, and that is it.

I support the motion, Madam Speaker.

The Speaker: Thank you very much.

Dr. Odette Nyiramilimo (Rwanda): Thank you, Rt hon. Speaker. When I saw this motion, I was cautious at the beginning because I was thinking that if we adopt this motion, will we be able to congratulate all the presidents that we respect who will be elected in the future? But hearing the hon. members speaking and myself remembering how when His Excellency Obama was elected for the first term – I remember as EALA we were in Zanzibar and we celebrated. First of all we did not go to sleep but all followed the last count of elections. We were crying, singing, yelling and after we went back home, I was so excited that I did not even want to stay there while Obama was sworn in. I took a flight and went to the US for his swearing in the first time.

Maybe you will find this funny, but I had bought a new *mushanana* to dress in on that day of his swearing-in. The temperature was negative nine, and my friends, I was lucky to be invited by the Speaker of the Congress so I was even well seated and I was with some friends who had made me to be invited. They said, Odette you cannot dress in a *mushanana* and I said, can I put it covering this big coat and they laughed at me and I forgot the *mushanana* but I was there.

If I say all this for us Africans, it was a change of the world while looking at maybe the black people because the Europeans, the Western people used to look on Africans as less intellectual, less of this but once Obama acceded to that office, I think we are regarded differently and the respect has risen from that day.

Him being elected is like the whole Africans have also benefited from his election and therefore I wish to support this motion and thank hon. Hafsa Mossi for having brought it in the House. Thank you, Madam Speaker.

Mr. Chris Opoka-Okumu (Uganda): Thank you, Madam Speaker. I rise to support the motion. I would like to congratulate hon. Hafsa Mossi for having brought this motion that is long overdue.

President Obama has not only distinguished himself as an African in his academic work at Columbia University and Harvard University but also very importantly in his books, the first one

Dreams from my father. He highlighted about Africa very fondly. He made Africa look less primitive than what is thought in the United States and that is such a big thing.

Secondly, as the hon. Taslima has suggested and as suggested also by hon. Zein, this being his last term...in the first term hon. Obama visited West Africa. This time round, Madam Speaker, as suggested by hon. Taslima, it would be nice if the committee could craft a letter inviting him to come to East Africa, very important and of course as honourable colleagues are suggesting, maybe address EALA as well.

Madam Speaker, with those few words, I would like to support warmly the motion by hon. Hafsa Mossi. Thank you.

Mr. Yves Nsabimana (Burundi): Thank you, hon. Speaker for giving me way to speak. I want to support the motion and congratulate the mover. I support this motion for one reason. If Barack Obama was not re-elected as president, in history the Americans could say that it was an accident. This is to prove that Americans with African origin can also provide presidents who are competent and capable. If he had not been elected, the Americans could say that it was an accident to elect an African.

So, I congratulate hon. Hafsa Mossi for moving this resolution because now Americans with African origin have proof that they capable of managing a big country like USA. They have proved that East African Community countries can provide a man or a woman who can manage big countries. This is a pride of Eats African Community.

This is to congratulate hon. Hafsa Mossi for bringing this to the Hose and I congratulate and support the motion. Thank you.

Ms Patricia Hajabakiga (Rwanda): Thank you, Rt. hon. Speaker. I rise to support the motion and thank the mover. Rt. hon. Speaker, I also want to support the recommendation by hon. Dr Ndahiro because of one reason that apart from America being the biggest economy in the World, they are the very first country to show how democratic they can be by breaking the ice and the race tendencies, which have otherwise governed the world in the past.

Rt. hon. Speaker, last night I had an opportunity to follow the Citizen TV talk show on the upcoming Kenyan elections. There was a discussion where they were confronting some of the candidates, asking them whether they are seeking to be elected because they are going to the people from their own tribes or if it is because they want to deliver to the Kenyans.

Rt. hon. Speaker, the debate was long, and many people responded. Most of them showed that the tendency of the elections in Africa, and particularly in Kenya, was most likely tribal, religious, or constituency, unlike the American people who could go beyond race tendencies to elect an African American.

I wish to call upon the African citizens, the East African citizens, and the Kenyan citizens to look at this important example. That even beyond our borders, in America where the African American people were looked at as people of less importance compared to the whites, they have gone beyond that and they have elected a black African American president. So, we need to get

an example from them, and particularly that His Excellency President Barack Hussein Obama is a son of our continent. Going by the patrilineal culture of our region, he is really a son of our continent, a son of East Africa, and a son of that country Kenya in which we are all looking forward to see how the next election will be conducted.

On that note, Rt. hon. Speaker, I wish to support the motion and support the recommendation of hon. Ndahiro.

The Speaker: Thank you, I will invite hon. Jeremie to conclude. Hon. Chairperson, Council will you be able to comment? Okay. After hon. Jeremie.

Mr. Jeremie Ngendakumana (Burundi): Thank you, Madam Speaker. When Obama was elected for the first time, one would say that it was just confidence given to him by the Americans. They were not sure that he was going to give response to their expectations. It was just maybe his speech to make him get confidence for the Americans but for the second elections, it means that the Americans have recognised that President Obama who gave the response to their expectations. They came to see that Obama was the man who could fit well in the White House. It was therefore not only confidence, but also that what he did was talking louder than what he said.

With these comments, Madam Speaker I support the motion. (*Applause*)

The Chairperson, Council of Ministers (Mr. Shem Bageine): Thank you very much, Madam Speaker. I just want to observe that we, while supporting President Barack Obama, should put less emphasis on the fact that he belongs to our race and instead put emphasis on what he stands for in terms of fighting for the rights of those downgraded communities of the world.

Also, I would like that we support the motion as I said not because Obama originates from Kenya but because Obama will, before he leaves office, do something for Africa. I am aware that during last November we signed a Memorandum of Understanding with the Secretary of Commerce and recently before I came here I had a meeting with a follow up team and they seemed to be serious about having the Trade Investment Partnership (TIP) develop further.

So, let us support Barack Obama for what he stands for, what he can do for us and not mainly because he is an African. I thank you.

Ms Mossi: Thank you, Madam Speaker. I wish to thank you, Rt. hon. Speaker for allowing me to move this motion but also I wish to thank all those members who supported this motion for so many reasons that were stated here by all members. I wish to acknowledge the contributions of hon. Chairperson of the Council, hon. Taslima, hon. Leonce, hon. Odette, hon. Ndahiro, hon. Okumu, hon. Rwigema, hon. Jeremie, hon. Zein, hon. Kidega, and hon. Yves.

Madam Speaker it has been highlighted that East African region has benefitted a lot from the re-election of President Barack Obama and one of the reasons is because our region has had exposure to the world contrary to what was happening before.

For those reasons, Madam Speaker, I wish to beg to move that the motion be adopted with the amendments as proposed by members. Madam Speaker, I beg to move.

The Speaker: Thank you very much, hon. Hafsa. Hon. Members, the motion on the floor is that the Assembly do resolve to congratulate President Barack Obama upon his re-election as the 44th President of the United States of America. I wish now to put the question.

(Question put and agreed to.)

The Speaker: Hon. Members, I wish to thank you. We have come to the end of today's session. For purposes of reminding ourselves of our program for tomorrow, I want to announce again that tomorrow the House will sit at 10.00 a.m.

Secondly, I want to also mention that the Committee on Communication, Trade and Investment along with other members who may not be engaged at that time, you have been selected to represent EALA to the place where the tragedy of the fire occurred. Hon. Chairperson of the Committee on Communication, Trade, and Investment, you are asked to liaise with the Minister of EAC of Burundi to make sure that all the necessary information is disseminated.

Hon. Members, I also want to remind you that this evening we have a very important invitation from the Burundi chapter. We are being invited at Club du lac hotel to witness the graciousness of Burundians. So be reminded and the Sergeant will work as usual to make sure that you are there on time.

With those announcements, House is adjourned to tomorrow 10.00 a.m.

(The House rose at 5:25 p. m and adjourned until, Thursday 31 January 2013 at 10.00 a.m.)