



EAST AFRICAN COMMUNITY

IN THE EAST AFRICAN LEGISLATIVE ASSEMBLY (EALA)

The Official Report of the Proceedings of the East African Legislative Assembly 60TH SITTING - SIXTH MEETING – SECOND SESSION – THIRD ASSEMBLY

Wednesday, 4 June 2014

The East African Legislative Assembly met at 10.15 a.m. in the EALA Chambers, EAC Headquarters, Arusha, Tanzania

PRAYER

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

(The Assembly was called to order)

The Speaker: Hon. Members, as a way of welcome, allow me to recognise and welcome the Bomet County Assembly Speaker. *(Applause)* Rt hon. Godfrey K. Korel. You are most welcome, Right Honourable. In his entourage allow me to recognise hon. Beatrice Jedemoi, you are most welcome and hon. Aurelia Runo and Mr Isaac Kitur. This is the Clerk of the county. Other members were here yesterday and I want to acknowledge and appreciate their interest in the East African Community and to you, Rt hon. Speaker, we say be our ambassador to the East Africans so that they know that they are part of this very important process of uniting and integrating the peoples of East Africa.

I want to also recognise Mr Mrisho Gambo. He is the District Commissioner of Korogwe County in Tanga. *(Applause)* You are most welcome and we are happy that you were also one of the contestants for the EALA seat at one time so we know that in you we again have an ambassador to take the ideals of the East African Community. You are welcome.

PAPERS

The Speaker: The Chair, Council, Hon. Shem Bageine representing hon. Phyllis Kandie – *(Interjection)* -

Mr Abubakar Abdi Ogle (Kenya): Procedure, Madam.

The Speaker: Yesterday we had a lot of time on procedure. This time I want to invite the Chair, Council.

Mr Ogle: But Madam, I am standing on procedure, please.

The Speaker: Procedure is privilege of the Speaker or the person holding the floor. I want to invite the Chair, Council and we proceed.

Mr Ogle: Can I raise my procedure, Madam Speaker?

The Speaker: Chair, Council.

Mr Ombasa: Order!

The Speaker: Order to the Chair, Council? Proceed, Chair, Council. You are the one on the floor.

Mr Ombasa: Order!

The Speaker: Chair, Council, you are the one on the floor.

The Chairperson, Council of Ministers (Mr Shem Bageine): Thank you very much, Madam Speaker. May I, in the interest of this House and the Community that we represent, appeal to Members that the discussions of the motion that was talked about at length be stayed so that we can proceed with the Budget. (*Applause*)

Madam Speaker, in accordance with the provisions of Articles 132(1), 132(2), 49(2)(c) of the Treaty, and Rule 73(2) of the Rules of this Assembly, I beg to lay on the table the following:

1. The Revised Statement of Expenditure for the Financial Year 2013/2014 and
2. The Financial Statements and the Estimates of Expenditure for the Financial Year 2014/2015

I beg to lay.

MOTION

FOR THE CONSIDERATION OF THE BUDGET OF THE EAST AFRICAN COMMUNITY FOR THE FINANCIAL YEAR 2014/2015

The Speaker: Chairperson, Council of Ministers.

Mr. Abubakar Ogle: Procedure, Madam Speaker.

The Speaker: We agreed that the procedure is on the precincts of the one holding the floor and if he has not heeded, I cannot do much. So I call the Chair, Council of Ministers to take the floor.

The Minister of State for EAC Affairs, Uganda (Mr Shem Bageine) (Ex-Officio): Madam Speaker, I beg to move that this Assembly do resolve itself into:

- (a) A Committee of Ways and Means to consider and approve the financial statements for the Financial Year 2014/2015 and
- (b) A Committee of Supply to consider and approve the revised estimates of expenditure for the Financial Year 2013/2014 and the estimates of expenditure for the Financial year 2014/2015. I beg to move.

The Speaker: Seconder? Hon. Leontine, hon. Kaahwa and hon. Abdallah. Proceed, Chair, Council.

Mr Bageine: Madam Speaker, may I now invite my colleague, hon. Dr Abdallah Saadalla to present the Budget Speech. I thank you. (*Applause*)

The Speaker: Hon. Abdallah. Actually, for purposes of the camera, the Chair, Council and Dr Abdallah, it is important that the briefcase containing the budget for the East African Community is captured on the camera. Therefore, members of the media, you can come over. Thank you very much, members of the media. You can exit the precincts of the chamber. Proceed, hon. Dr Abdallah.

The Assistant Minister for East African Cooperation (Tanzania) (Dr Abdallah Saadalla): Madam Speaker, allow me, on behalf of the Council of Ministers of the East African Community to present the budget of the East African Community for the Financial Year 2014/2015 to the Assembly of East African legislative Assembly.

Madam Speaker, the budget estimates for the Financial Year 2014/2015 are being presented at a time when the momentum of the integration process is increasing. We expect to fully operationalise the Common Market protocol and realise the time bound objectives we set for ourselves. The EAC Development Strategy 2011-2012, 2016-2017 sets out clearly our targets within the five-year period.

Global Economic Performance

Madam Speaker, according to the International Monetary Fund, world economic outlook global growth picked up in the second half of the 2013 averaging to 3.7 percent from the 2.7 percent recorded during the previous six months.

Overall, the real world Gross Domestic Product (GDP) was estimated to have increased by 3.0 percent compared to 3.2 percent in 2012.

On Sub Saharan Africa, economic conditions in sub Saharan Africa generally remained robust underpinned by improved agricultural products and investments in natural resources and infrastructure. Inflation was estimated to have eased from 8.0 percent in 2012 to 6.3 percent in 2013 while the average current account deficit widened owing to relative lukewarm respects for commodity prices and demands for emerging market economy.

On economic outlook, global economic recovery is expected to improve in 2014. According to the IMF's 24th April world economic outlook, the sub Saharan Africa's economy is projected to expand to 5.5 percent in 2014 from 4.9 percent in 2013. Domestic factors will continue to drive sub Saharan Africa's long-term trend growth.

East African economies are expected to pick up in 2014 riding on a strong performance expected in agriculture, mining, and energy sectors and easing inflation across the region.

Appreciation and Acknowledgements

Madam Speaker, the theme of this year's budget is, 'Consolidating the East African Common Market and commencing implementation of the Monetary Union Protocol'. I repeat, the theme of this year's budget is, 'Consolidating the East African Common Market and commencing implementation of the Monetary Union Protocol'.

In presenting this budget, I would like to thank all those who have been charged with spearheading the regional integration process from the heads of states of Summit, the Council of Ministers, East African Legislative Assembly, East African Court of Justice, the coordinating committees, and members of staff of East African Community, not forgetting the East Africans themselves.

Madam Speaker, the East African budget process has continued to embrace the good practice of inclusive participation of the broad spectrum. The East African Legislative Assembly has been involved from the start of the budget process and we are grateful to this august House for the guidance it has rendered to the Community in its budgeting process.

PART IV: REVIEW OF EAC PROGRAMME PERFORMANCE FOR THE FINANCIAL YEAR 2012/2013

Madam Speaker, in reviewing the Budget performance for the Financial Year 2012/ 2013, execution was 74% percent. I am confident that this good performance will continue with the 2013/2014 budget, which is still currently under execution. I would like to state that we have continued the results-based performance management system, which has been put in place and supported by a Monitoring, and Evaluation system at the EAC Secretariat.

This August House approved a Budget of USD 133,349,402 for the Community which was inclusive of Inter-University Council for East Africa and two Supplementary budgets for the Financial Year 2013/2014 with focus on the following priorities:-

- i. The establishment of a single customs territory
- ii. The progressive implementation of the
- iii. Common Market Protocol and harmonization of financial laws and regulations.
- iv. Implementation of the EAC Monetary Union Protocol.
- v. The development of cross border infrastructure through implementation of on-going programmes and projects in the respective sub-sectors.
- vi. Operationalisation of the EAC Industrialization Strategy and Policy.
- vii. Implementation of the EAC Food Security and Climate Change Master Plan.
- viii. Conclusion of negotiations for the establishment of the Grand Free Trade Area comprising 28 African countries under the Tripartite EAC-COMESA-SADC initiative.
- ix. Implementation of cross cutting interventions on peace and security; trade negotiations (EAC-EU-EPA, EAC-US); and Social Development.
- x. Implementation of the critical activities of Lake Victoria Basin Commission.

In this Budget presentation, allow me to report on these activities under the broad thematic areas for ease of reference, namely an update of the integration process and achievements made under Economic, Infrastructure, Productive and Social Sectors, Political pillars of co-operation, and cooperation in Legal and Judicial Affairs. I will also highlight finance, administration, and other crosscutting issues in the EAC integration and development. My review will also look at developments in the EAC Institutions and Organs.

DEEPENING ECONOMIC CO-OPERATION

Customs Union: First Pillar of EAC Integration Process

(a) Single Customs Territory

Madam Speaker, attainment of a Single Customs Territory was one of the key priorities in the period under review. The framework for operationalisation of the Single Customs Territory was finalized and adopted by the Summit in November 2013. Operationalisation commenced on 1st January 2014. The Single Customs Territory clearance on the Northern Corridor have demonstrated remarkable success whereby Clearance time from Mombasa to Kampala and Kigali has reduced from 18 to 4 days and 21 to 6 days respectively and multiple bonds have been replaced by a single bond. This has led to a cost reduction per container from \$3,375 to \$1,731 for Kampala bound cargo and from \$4,990 to \$3,387 for Kigali bound cargo.

Pilots of the Single Customs Territory systems on the Central Corridor commenced in May 2014 with few products and the rollout to wider range of products will be undertaken in the course of the new Financial Year. I will soon be tabling in this august House the necessary amendments to the EAC Customs Management Act 2004 to facilitate the operations of the Single Customs Territory.

(b) Export Promotion Strategy

Madam Speaker, the Community developed an EAC Export Promotion Strategy 2013 – 2016 in line with the EAC Development Strategy which seeks to promote efficiency in production and promotion of industrial diversification, market access, improving business environment and building capacity of export related institutions.

(c) AGOA Initiative and US-EAC Trade and Investment Framework Agreement

Madam Speaker, during the 12th African Growth Opportunity Act (AGOA) Forum held in August, 2013 in Addis Ababa, Ethiopia, the African Ministers recommended the following: enhanced political dialogue; reauthorization of AGOA for another 15 years; capacity building to generate increased private sector engagement; increase trade and market access; encouragement of U.S. investment in Africa; and, uphold AGOA preferences for items exported from Africa. The United States and the East African Community have agreed to launch formal negotiations on Trade Facilitation Agreement, and a new work plan on Sanitary and Phyto Sanitary (SPS) measures and Technical Barriers to Trade. The U.S. proposed completing the negotiations on the Trade Facilitation Agreement and launching the parallel track on SPS and Technical Barriers to Trade and concluding the Investment Treaty by the time of the first U.S.-Africa Summit to be hosted by President Obama in Washington in early August, 2014.

(d) Export Processing Zones and Special Economic Zones

Madam Speaker, the Community developed a Special Economic Zone (SEZ) Policy as it is envisaged under Articles 75 and 76 of the Treaty. The Policy will ensure that Partner States embrace the evolution of Economic Zones in a structured and harmonized manner. The

policy will enhance regional cooperation by encouraging synergies, expanding market access and establishing necessary linkages required for sustainable development.

(e) COMESA-EAC-SADC Tripartite Arrangement

Madam Speaker, under the Tripartite FTA Agreement, the negotiations on Market Integration will be concluded by June 2014 and signed during the Third Summit of the Tripartite Heads of State and Government in the second half of 2014 and ratified by all the Member Partner States by December 2014. The EAC Partner States are negotiating this agreement as a bloc. *(Applause)*

(f) EAC-EU EPA Negotiations

Madam Speaker, progress has been made on the EAC-EU EPA Negotiations. On 27th March 2014, both Parties finalized negotiations on the Rules of Origin Protocol, and the most Favoured Nation Treatment Clause agreed on provisions for a comprehensive dialogue on Agriculture and Rural Development Policy and transparency on domestic policy measures relating to agricultural support. The remaining outstanding issues which have been referred to the EAC-EU Ministers are: (i) Export Taxes; (ii) Domestic Support and Export Subsidies; (iii) relations with the Cotonou Agreement dealing with countering the proliferation of weapons of mass destruction, human rights and corruption; (iv) Good Governance on Tax Matters; and (v) Consequences from Customs Union Agreements concluded with the EU. The next EAC-EU Ministerial Meeting is expected to be held in June 2014 in the EAC Region.

Common Market: Second Pillar of EAC Integration Process

Madam Speaker, during the period under review, pursuant to fulfilling Article 50 of the EAC Common Market Protocol, which requires the development of a framework for monitoring and evaluating the implementation of the Protocol, the Community developed an EAC Common Market Scorecard 2014 that was formally launched in February, 2014.

The EAC Common Market Scorecard:

- i. Covered three fundamental areas namely: capital, services and goods;
- ii. Created a data base of laws and regulations relevant to the reform process and provided a guide on the laws and regulations that should be amended to conform to the Protocol;
- iii. Organized its analysis along key sectors of commitment thereby providing an opportunity for discussions in designing reform programs to accelerate implementation of the Protocol; and
- iv. Made recommendations on the required strategic, organizational, and legal actions to fast track the full implementation of the Common Market Protocol.

The Scorecard should be able to assist Partner States to identify areas of slow or limited progress. During this Financial Year, the Council intends to introduce a Bill to the EALA to deal with this challenge. *(Applause)*

Monetary Union: Third Pillar of EAC Integration Process**(a) East African Monetary Union Protocol**

Madam Speaker, the move towards deeper economic integration in the Community has gained new impetus with the signing of the Protocol on the Establishment of the East African Monetary Union at the 15th Ordinary Summit of EAC Heads of States on 30th November, 2013 in Kampala, Uganda. The EAMU Protocol is a milestone outlining a ten-year roadmap towards a single currency by the year 2024. In order to facilitate commencement of its implementation, the Partner States are expected to conclude the ratification process by July, 2014. *(Applause)*

(b) Coordination of Fiscal Policy

Madam Speaker, the roadmap for the realization of the Monetary Union envisages harmonization and coordination of fiscal policies of the Partner States, and that macroeconomic convergence is achieved and maintained for at least three years prior to the adoption of a Single Currency. The Committee on Fiscal Affairs has identified fiscal policy areas requiring harmonization, which have already been adopted by the Sectoral Council on Finance and Economic Affairs, which include coordination of budget processes; harmonization of tax policies and laws; coordination of public debt management and fiscal management of natural resources in order to safeguard against adverse effects on macroeconomic management.

(c) Cooperation in Statistics Harmonization and Development

Madam Speaker, in order to respond to the growing demand for reliable, timely and comparable regional statistics, the Community is focused on development of a Regional Statistical System and a Regional Statistical Development Plan has been developed providing the strategic vision and themes of the Regional Statistical System.

In order to provide the right institutional framework, and pursuant to the Summit Directive, the assignment of the development of the policy will also include preparation of a Draft Bill for the establishment of the East African Statistics Bureau which will be brought before this august House for enactment.

(d) Financial Sector Development and Regionalization Project

Madam Speaker, during the 2013/14 Financial Year, the Community saw the completion of diagnostic work in three areas, namely *The Study on Risk Based Supervision in the EAC Securities Market; the Assessment of the EAC Pension Industry; and an assessment of compliance to the International Organization of Securities Commission.*

(e) Capital Markets Infrastructure

Madam Speaker, the Key priority for the 2014/15 Financial Year will be the procurement, installation and implementation of the Capital Markets Infrastructure to allow a seamless movement of Securities and Payments between the different EAC Capital Markets, compatible at the regional level, in order to enable the creation of a Regional Financial Market in the EAC that will increase investment opportunities to both regional and non-regional investors.

(f) Investment Promotion and Private Sector Development

Madam Speaker, the Partner States have embarked on aggressive investment promotion initiatives to improve the investment climate of the region. Since 2012, the EAC launched annual *Doing Business Reports* which indicates that the Community is one of the fastest reforming regions in terms of business in the world. (*Applause*) Plans are underway to review the EAC Model Investment Code 2006, which aims at addressing the latest development in the Community.

The Community has partnered with the East African Business Council to mainstream the involvement of the private sector in the EAC integration agenda. The framework has been rolled out with the convening of the Secretary General and Chief Executive Officers' Forum, which rotates in the capitals of the Community.

Madam Speaker, it is my pleasure to report that the initiative to develop a regional Public-Private-Partnership (PPP) policy framework is underway in an effort to establish financing options for regional PPP projects, and the role that the Community can play in addressing infrastructure challenges facing it. Already substantial funding has been sourced from Development Partners to cater for setting up an EAC PPP Centre of Excellence to be housed at the Headquarters of East Africa Development Bank in Kampala, Uganda. (*Applause*)

INFRASTRUCTURE DEVELOPMENT UNDERPINNING PILLARS OF EAC INTEGRATION PROCESS

(a) Roads and Rails

Madam Speaker, the Community completed the detailed designs of the Arusha – Holili / Taveta – Voi road project in February 2013 and both Kenya and Tanzania concluded loan negotiations with the African Development Bank in May 2013 for civil works. (*Applause*) The construction works on the Kenya side of the road have commenced while the Tanzanian portion is under procurement targeted for commencement in August 2014.

The designs for Malindi – Mombasa – Lunga Lunga and Tanga – Bagamoyo road are scheduled to be completed by June, 2014. Preparations are already underway to source for funds for civil works. During the same period, the Community submitted funding proposals for feasibility and detailed engineering designs to the African Development Bank for two roads linking Rwanda and Burundi to the Central Corridor and onward to the port of Dar es Salaam. (*Applause*) These are:

- i. Lusahunga – Rusumo and Kayonza – Kigali road; and,
- ii. Nyakanazi – Kasulu – Manyovu and Rumonge – Bujumbura road.

The Bank has agreed to fund the two roads studies and projects preparations are in progress.

(b) Railways Subsector

The Community received funds (approximately US\$ 1.7 million) from the African Development Bank for the EAC Railways Sector Enhancement Project, whose main objective is to determine the feasibility of constructing new lines, the viability of reviving dormant lines, harmonization of railway laws and standards and an appropriate institutional

arrangement for regional railways development. This study will assess the recommendations from the EAC Railways Master Plan on regional railways development and will advise on a medium to long-term investment strategy for the sub-sector, including the possibility of the establishment of the EAC Railways Regulatory Authority. *(Applause)*

(c) Maritime Subsector

The Community is in the process of finalizing a Baseline Study on Maritime Transport and Ports Sectors in the EAC Region, which covers both inland waterways, sea ports, coastal as well as international shipping aspects. The African Development Bank has agreed to finance the requisite studies.

(d) EAC Corridors Initiatives

A database on the East African component of the Tripartite plus IGAD Corridor Programme for 2013 was finalized. The Programme covers preparation of Project documentation for Ports, Roads, and Railways in the East African Region, which will be used in mobilizing resources towards the implementation of the relevant projects.

A study on *A Regional Transport Intermodal Strategy and Action Plan in the Countries of the East African Community* is underway with support from the World Bank. This Strategy is anchored on a rail-centric development model aimed at facilitating an integrated, efficient, and cost effective transport system in the Region.

Other ongoing initiatives include weighbridges improvements and rationalization, port capacity enhancement and construction of new ports. One Stop Inspection Stations and Road Side Stations along the Central and Northern Corridors respectively and the establishment and operationalisation of One-Stop Boarder Posts at borders within EAC and with other RECs. *(Applause)*

The East African Community One Stop Border Posts Bill, 2012 and the East African Community Vehicle Load Control Bill 2012, which were passed by this august House last year, have been submitted to the Heads of State for assent. The Community has commenced on the development of regulations to support the implementation of the two laws. In order to foster collaborative working relationships for the regional corridors, the Community and the Regional Corridor Authorities in the region concluded a Strategic Cooperation Framework in March 2014 involving the Central Corridor Transit Transport Facilitation Agency; the Northern Corridor Transit Transport Authority and the Lamu Port South Sudan Ethiopia Corridor Authority.

(e) Civil Aviation and Airports Sub Sector

During the year under review, the programme for the EAC Unified Upper Flight Region Follow on Study (UFIR) was approved and whose objective is to bring on board the requirements for the upper airspace management capacities for Burundi and Rwanda and to address the sustainability of the lower airspace in the EAC. The Community will continue coordinating the implementation of the Follow on Study to meet the expected completion date of January 2015.

(f) Communications Sub Sector

Madam Speaker, the EAC Protocol on Information and Communication Technology (ICT) Networks has been adopted and will provide the legal framework for the establishment and operation of cross-border ICT infrastructure and services. In an effort to develop a legal framework for international mobile roaming within the Community, the Council approved the Terms of Reference for developing the framework and Procurement for a consultancy will commence in July 2014.

Partner States continued to implement the EAC Roadmap for Analogue-to-Digital Broadcast Migration and all the five Partner States have committed to completing the migration programme by December 2014. *(Applause)*

(g) Meteorological Sub Sector

Madam Speaker, during the year under review, harmonization of meteorological services continued with the approval of the East African Meteorological Data Policy and the development of the EAC Five Years Meteorological Development Plan and Investment Strategy (2013 – 2018). The Community will embark on implementation of priority projects identified in the Strategy in the next Financial Year.

(h) Third Heads of State Retreat on Infrastructure Development and Financing

As a follow up to the Second Infrastructure Retreat held in November 2012, the Heads of State decided that the 3rd Retreat should be held in November, 2014 to address matters of financing and implementation of infrastructure projects in the region.

COOPERATION IN THE PRODUCTIVE SECTORS**(a) Energy Sector**

Madam Speaker, steady progress has been made towards the establishment of East Africa Centre for Renewable Energy and Efficiency, which will provide a platform for EAC's involvement in the Sustainable Energy for All Initiative of the United Nations.

In preparation for anticipated regional interconnectivity of the power networks in the region, a set of key performance and reliability parameters have been identified that should be regularly collected and monitored. This will also enable the region to provide peer review among Partner States as well as benchmark against international best practices. A model for collecting this information has been developed and is being implemented by all the Partner States through the Regulatory Authorities and the EAC Secretariat. The Inter-Governmental and Inter-Utility MoUs on East African Community Power Pool have been concluded and approved. Interconnection projects currently under implementation include:-

- i. 400 kilo volt interconnection between Kenya and Uganda;
- ii. 220 kilo volt interconnection between Uganda and Rwanda; and
- iii. 220 kilo volt interconnection between Rwanda and Burundi

- *(Applause)* -

The Kenya-Uganda and Uganda-Rwanda interconnectors are expected to be ready for commissioning in the first quarter of 2015 while the Rwanda-Burundi interconnector is expected to be ready for commissioning in mid-2016. Feasibility studies and tender documents for a 400-kilo volt interconnector between Kenya and Tanzania have been completed and funding for implementation is under discussion with the African Development Bank. *(Applause)*

Madam Speaker, the implementation of the sixteen megawatt Kikagati-Murongo hydropower project on the border of Tanzania and Uganda has continued to face delays despite interest from the private sector to implement the project. Continued delay to implement this project will result in fatigue on the private sector developer who has been waiting for over three years and send unfavourable signals on our commitment to cross-border investment in the region. The Council of Ministers calls upon the United Republic of Tanzania and the Republic of Uganda to expedite the signing of the Bilateral Agreement on this project to pave way for its implementation.

During the Financial Year 2013/14, a roadmap was developed for the harmonization of petroleum policies and procedures in order to further enhance the attractiveness of the region as an investment destination for oil and gas prospecting. This work is expected to continue into the new financial year, 2014/15. The United States Agency for International Development (USAID) has provided some resources for 2014/15 to enable the Region tap into the Power Africa Initiative by preparing power projects for private sector participation under the initiative.

One of the highlights for 2014/15 will be the Seventh East African Petroleum Conference and Exhibition, which is scheduled to take place from 4th to 6th March 2015 in Kigali. The Conference will highlight investment opportunities in the petroleum sector.

(b) Industrialization and SME Development

Madam Speaker, during the period under review, the Community undertook a holistic mapping of regional value chains for agri-business, agro-processing and renewable energy with a view to unveiling investment opportunities in the sub-sectors such as sugar, leather, cotton, textiles, and vegetable oils.

(c) Packaging and Processing Technologies

Madam Speaker, the packaging industry plays a unique role in adding value to the manufacturing and export sectors, and is therefore of strategic importance in influencing the development of EAC economies. It is estimated that Post-harvest losses of fruit, grains, and vegetables in Africa range from 20 to 80 percent of total production. The introduction of proper packaging can greatly help reduce those losses and facilitate the management of the supply chains of agricultural commodities thereby contributing to more food availability, reduced food prices and more food security. In this connection, EAC in collaboration with Development Partners has formulated a comprehensive programme for the development of packaging industry in the region, and has finalized plans to organize the first ever Regional Packaging Exhibition under the theme *EAST AFRIPACK 2014, The Processing, Packaging and Converting Technologies for East Africa Region* from 9th to 12th September 2014 in Nairobi, Kenya.

(d) Extractive and Mineral Value Addition

Madam Speaker, lack of comprehensive and well-designed mineral resources information to support sound policy-making by government as well as investment decisions; and inadequate enabling investment framework for Mineral Value Addition continues to hamper prospects for harnessing opportunities in the Extractive Sectors. To address these challenges, the region has finalized the review of legal and regulatory frameworks for mineral value addition and prepared a roadmap to support the development of extractive and mineral value addition in the region on the Priority Minerals including Iron ore, Coal, Nickel-Copper-Cobalt, and construction materials. These are the minerals, which present the immediate potential for value addition in the Community, and efforts should be directed at providing necessary infrastructural enablers that are critical for their development.

(e) Environment and Natural Resources

Madam Speaker, the Republics of Uganda, and Kenya have already ratified the Protocol on Environment and Natural Resources Management while The United Republic of Tanzania is in the process of expediting her ratification to pave way for its entry into force. In the meantime, preparatory activities towards its implementation through an Operational Strategy and Action Plan are underway.

The process of institutionalizing EAC's joint participation in International Conventions and Treaties on Environment and Natural Resources Management is ongoing to enhance the implementation of several Multilateral Environmental Agreements that the Partner States have ratified. To implement the outcome of the Rio Summit on Sustainable Development: *The Future We Want*, an EAC Post-Rio+20 Plan of Action was developed and approved by Council. Technical preparations including development of regional position papers in readiness for international policy discourse on Biological Diversity, Climate Change and Disaster Risk Reduction under the UN Convention on Biological Diversity, the UN Framework Convention on Climate Change and the Hyogo Framework for Action on Disaster Risk Reduction are ongoing.

The East Africa Water Vision 2025 that reflects how best to use, protect, manage and develop water resources has been developed to provide a clear framework for sustainable management of regional water resources. Resources have been mobilized to undertake the development of an EAC Water Policy and Integrated Water Resources Development Strategy.

The process of promoting conservation and management of shared trans-boundary Natural Resources/Ecosystems for enhanced socio-economic development, improved production and income; and strengthening regional integration through cross border and inter-regional business has been initiated through the Ecosystems Profile Assessment (EPA) that has identified Key Biodiversity Areas (KBAs) for conservation. Towards the implementation of the outcome of the First EAC Lake Tanganyika Basin Development Conference that was held in Bujumbura in November, 2011, an Action Plan has been developed and The Lake Tanganyika Water, Sanitation and Environment Programme (LTWATSAN) was initiated. Plans for its endorsement by Ministers for Water and Environment in the Tripartite EAC-COMESA-SADC region were initiated in July 2013 and are underway. The Programme has

been earmarked for funding under the 11th European Development Fund (EDF-11) as part of the Regional Indicative Programme (RIP).

Madam Speaker, the process of harmonization of policies on Natural Resources management continues. Harmonization of mining and bio safety policies are underway including process for facilitating an EAC regional policy framework on bio safety; key regional priorities on Biosafety have been identified and mechanisms to enhance regional information sharing and networking including establishment of regional Bio safety Clearance House and Advanced Informed Agreement procedures to facilitate decision making, promote compliance, and capacity building have also been identified.

To operationalise the EAC Climate Change Policy, several policy instruments have been developed and approved. These include the Operational Modalities for the EAC Climate Change Fund, Strategy and Master Plan. Two medium term projects are currently under implementation, namely; Climate Change Adaptation and Mitigation Programme in Eastern and Southern Africa (COMESA-EAC-SADC) Region; and Planning for Resilience in East Africa through Policy, Adaptation and Economic Development (PREPARED). Priority activities for implementation during FY 2014/15 under the two projects include: initiation of new and up-scaling of Climate Smart Agriculture pilot projects; establishing an EAC Carbon Credit Exchange Platform with an aim of enhancing the region's active participation in the global carbon trading through the Clean Development Mechanism. Others include: EAC's accreditation and enlisting as a Regional Implementing Entity that can access international climate change financing.

To address the increasing frequency and intensity of both natural hazards and man-made environmental disasters in the region, a comprehensive and proactive Disaster Risk Reduction and Management Framework is in place. This includes the EAC Disaster Risk Reduction and Management Strategy; Disaster Risk Reduction Regional, National Platforms and Disaster Risk Reduction Experts Working Group.

A draft Bill on Disaster Risk Reduction and Management has been developed pursuant to Article 59 (1) of the Treaty and was taken over by the Council for further development and re-introduction in this august House as a Council Bill. The object of the Bill is to provide a legal framework for intervention and assistance to protect people, property, livelihoods, and the natural environment affected by both natural and man-made disasters through integration and comprehensive disaster risk preparedness and response practices in the EAC. The draft Bill is currently undergoing technical review by a multi-sectoral team of experts taking into consideration comments from the Partner States. The draft Bill is expected to be considered by Council in August 2014. (*Interruption*)

The Speaker: I think he expected a clap from hon. Hajabakiga – (*Laughter*).

Dr. Saadalla: Efforts to provide a legal framework for the implementation of the EAC Climate Change Policy through enacting an EAC Climate Change Bill was initiated and a roadmap for its conclusion by June 2015 prepared.

(f) **Agriculture and Food Security**

Madam Speaker, pursuant to the implementation of EAC Food Security Action Plan, priority programmes, are being implemented at different stages. Some of the major interventions undertaken include the development of the EAC Food and Nutrition Security Policy. A regional Food Balance Sheet Framework has been developed.

Development of strategies and measures for control of Aflatoxins contamination in agricultural production is high on our agenda. The EAC Regional Project on Aflatoxin was launched early this year with the aim of preventing and controlling adverse impacts of Aflatoxin along the food and feed value chains in the EAC region. The development of a draft EAC Comprehensive Africa Agriculture Development Programme (CAADP) has been finalized. The EAC seeks to set the parameters for long-term policy priorities, investment commitments, and crucial partnerships to scale up long-term development assistance to the agricultural sector.

We have also made remarkable progress in deliberations aimed at the harmonization of fertilizer market policy, regulatory and institutional instruments in the EAC region.

Madam Speaker, in implementing the EAC Sanitary and Phyto-sanitary Protocol, Sanitary Measures for Fish and Fishery Products were launched this year. EAC is the first Regional Economic Community to launch such measures on the African continent. The aim of the SPS measures is to protect health, enable EAC fish and fisheries products access the international markets and consequently promote the fisheries Sector in the EAC. We are also developing an aquaculture strategy and implementation plan to strengthen aquaculture value chain in the region.

In the area of pest and disease control, regional programmes for control of maize lethal necrosis disease and the control of trans-boundary animal diseases in the region have been developed. A draft EAC Livestock Policy has also been developed as well as a draft Plan of Action for enhancing resilience of pastoralists in Arid and Semi-Arid Lands in the Community. The Action Plan will contribute towards enhancing the livelihoods of pastoralists and build their capacity to cope with climate change and variability. The draft Action Plan will complement the EAC Food Security Action Plan, which provides for the development of an instrument/plan to address challenges experienced by pastoralists in the dry lands. In the next Financial Year, efforts will be made to consolidate the above on-going activities.

(g) Tourism and Wildlife Development

Madam Speaker, the Community continues to promote EAC as a Single Tourist Destination abroad and regionally. This has been achieved by participating at the World Travel Market in London in November 2013 and the International Tourism Fair in Berlin in March 2014. A focused media campaign was implemented whereby, Ministers of Tourism gave joint statements promoting the Region and assuring the world on the measures being taken to ensure the safety and security of the Community.

At the regional level, we continue to encourage citizens of the Partner States to enjoy the various attractions available. A targeted radio and television campaign was launched sensitizing them that all East Africans are to be treated as locals when visiting public tourist attraction sites in the five countries. Preferential rates are being accorded to East Africans in

the Region. The second edition of the *Travel Round and about East Africa Magazine* was issued and it contains useful information to visitors planning multi-destination holidays.

Madam Speaker, in 2011, Partner States agreed on the principle of variable geometry to begin using the East African Tourist Visa. The Republics of Kenya, Rwanda and Uganda launched the initiative in February this year. The Republic of Burundi and the United Republic of Tanzania are expected to come on board as soon as they are ready.

Due to the increase in poaching, Partner States have reiterated their commitment to re-enforce measures to protect our Wildlife. A joint Regional Strategy to stop poaching and the illegal trafficking of wildlife and wildlife products will be launched in the next Financial Year that focuses on enforcing tougher penalties, strengthening joint collaboration on law enforcement and capacity building of local Communities to work jointly with law enforcement to protect wildlife resources.

In the next Financial Year, the Tourism and Wildlife Management sector intends to continue to implement its marketing strategy by using international tourism fairs to inform the world of ongoing achievements and progress in the sector management.

CO-OPERATION IN THE SOCIAL SECTORS

(a) Health Sector

Madam Speaker, under the Reproductive Maternal New-born Child and Adolescent Health Unit, four projects were implemented namely the Open Health Initiative, the EAC-UNFPA Collaborative Sexual Reproductive Health and Rights activities, the EAC regional immunization programme in collaboration with the GAVI Alliance supported by KfW and USAID and the European Commission funded Invest in Adolescents project.

The key achievements for the Financial year 2013/2014 were:-

- i) Supported the United Republic of Tanzania to track both on and off budget spending for reproductive maternal new-born and child health; and
- ii) Facilitated the Fifth and Sixth EAC Regional Inter-parliamentary Forum on Health Population and Development.

The key priorities for the Financial Year 2014/2015

- i. Operationalise the EAC Regional Fund to accelerate progress in women's and children's health;
- ii. Strengthen tracking Reproductive Maternal New-born and child health results and resources and
- iii. Facilitate the scale up of innovations in women's and children's health

Madam Speaker, the key achievement for the Financial Year 2013/2014 was the assessment of the status of legislation, policies, strategies, and status of Sexual Reproductive Health and Rights

The key priorities for the Financial Year 2014/2015 include:

- i. Assessment of laws, policies, guidelines, programs and service status for adolescent and youth friendly sexual and reproductive health services;
- ii. Development of the EAC Regional Policy, and Strategic Plan on reproductive, maternal, newborn child and adolescent health;
- iii. Strengthening and harmonization of standards for quality assurance systems and mechanisms for reproductive health commodities; and,
- iv. Support reproductive, maternal, newborn, child and adolescent health advocacy activities of the Regional Inter Parliamentary Forum on Health, Population and Development.

During the Financial year 2013/2014, regional cooperation on Immunisation was strengthened. The introduction of new vaccines in the EAC Partner States is ongoing. The key priority for the Financial Year 2014/2015 is to undertake activities to support the introduction of new vaccines. A regional Centre of Excellence on Vaccine and Health Logistics will be established.

Under the HIV and AIDS programme, the key achievement for the Financial Year 2013/2014 was the development of the 1st EAC HIV Epidemic Report 2013, and the conclusion of the report on the comprehensive analysis of the EAC Partner States HIV and AIDS Policies, laws, strategies and the development of an EAC regional HIV and AIDS Legal and policy reform aimed at improving the legal and policy environment.

The key priorities for the Financial Year 2014/2015 include -

- i. Review development of the second EAC Multi-sectoral strategic plan for HIV and AIDS, TB and STIs, 2015 – 2020
- ii. Proposal for financial support to the Global Fund to Fight AIDS, Tuberculosis and Malaria.
- iii. Development of the policy Minimum package of care and a strategy for scaling up Health and HIV and AIDS programming along transport corridors in East Africa; and
- iv. Facilitation of EAC Partner States to implement the EAC regional HIV and AIDS Legal and policy reform aimed at improving the legal and policy environment for HIV programming.

(b) Education, Science, and Technology

Madam Speaker, within the period under review, strategies, and structures leading to the harmonization of the EAC Education system and training curricula were developed. Structures for harmonizing the EAC pre-primary, primary, and secondary education were developed. Both Primary Teacher and Secondary Teacher Education and Training structures were developed. EAC eLearning in Education Strategy 2013-2018 was developed.

To operationalise the East African Science and Technology Commission (EASTECO), negotiations of the Headquarters Agreement between the Community and the Republic of Rwanda for hosting the Commission were concluded in October 2013 and the Headquarters Agreement was signed in April 2014.

The key priorities for 2014-2015 will be the development of the teaching curricula according to the developed structures as guided by the developed strategies. Activities as spelt out in the EAC eLearning Strategy will be conducted. Technical and Vocational Education and

Training Harmonization Strategy will be given priority. The East African Science and Technology Commission will commence operations in July 2014.

(c) Culture and Sports

Madam Speaker, negotiations of the Headquarters agreement between the Community and the United Republic of Tanzania for hosting the EA Kiswahili Commission were concluded in December 2013 in Zanzibar. Budget estimates for initial operationalisation of the Kiswahili Commission has been included in the EAC budget proposals for Financial Year 2014/15. The Draft Bill for the Establishment of the EA Kiswahili Commission has been prepared, will be presented to the 12th Sectoral Council on Education Science and Technology Culture and Sports, and will be tabled to EALA for consideration.

Madam Speaker, a regional Mapping Study of the Creative and Culture Industries is ongoing. During the reporting period, national level mapping was conducted in the Republic of Kenya and the United Republic of Tanzania aimed at collecting socio-economic data on the different segments of cultural and creative industries. It is envisaged that availability of information and statistics on regional creative economy will boost public and private sector investment in the creative arts and culture sector.

The Community continues to promote regional socio-cultural integration through arts and culture as drivers of EAC integration through the East African Arts and Culture Festivals; bringing together East African cultural practitioners and the public to celebrate the rich and diverse cultural heritage of the region. The Festival is also aimed at fostering the economic development of the EAC through creating a market for cultural goods and services, and promotes arts and culture as a tool of communication in branding the EAC. Plans are underway to undertake the second edition of the EAC Arts and Culture Festival during Financial Year 2014/2015 in the Republic of Kenya.

(d) Immigration and Labour/Employment subsectors

Madam Speaker, during the period under review, the Immigration sub-sector focused on the internationalization of the New Generation East African e-Passport. A roadmap has already been adopted and computer generated Sample designs of the Diplomatic, Service and Ordinary East African Passports has been developed. The 28th Council of Ministers in November 2013 directed the internationalization of the New Generation East African e-passports to take effect by November 2015. To realize this timeframe, I am happy to report that Partner States have commenced implementing the roadmap by incorporating the required budget proposals in the 2014/2015 FY for the procurement of the required infrastructure and the Passport booklets. The budget support for this subsector during the FY 2014/2015 will therefore focus on the implementation of the roadmap to facilitate the launch of the New e-passport by November 2015.

Madam Speaker, the immigration subsector has prioritized the need to enhance the capacity of the Immigration Directorates and Departments to develop integrated e-immigration management systems, create a fast, convenient and enhanced e-immigration services by adopting advanced Technology and improving processes and to put in place a secure e-immigration network, through the adoption of biometric technology at all borders to reinforce the national security systems. The 2014/2015 budget will therefore support the finalization of the draft Regional Strategic Framework and Action Plan for e-Immigration and support best

practices spear headed by the Chiefs of Immigration in the region and beyond.

Madam Speaker, the Labour Employment subsector remained underfunded during the FY 2013/2014 and therefore activities implemented focused on monitoring the status of Partner States completion of the national Manpower Surveys. I am happy to report that the Republics of Kenya and Rwanda have completed their Manpower Surveys, while the Republic of Burundi is on the final stages of completing the exercise. The other two Partner States are also at different stages of undertaking the Survey.

During the FY 2014/2015, the subsector has prioritized the development of a joint programme to encourage the exchange of young workers amongst the Partner States as provided for in the EAC Common Market Protocol.

(e) Gender, Community Development, and Civil Society Mobilisation

Madam Speaker, the period under review witnessed the adoption of the following policy documents to guide the mainstreaming of Gender, Community Development and civil Society mobilization

- i. EAC Social Development Policy Framework, 2013
- ii. Participatory Gender Audit Report for EAC Organs and Institutions, 2013
- iii. EAC Framework for Gender and Social Development Outcome Indicators for EAC Development Strategy (2011-2016)
- iv. Guidelines and Checklists for Gender Mainstreaming in EAC Organs and Institutions, 2013
- v. Gender Mainstreaming Strategy for EAC Organs and Institutions, 2013
- vi. Gender Mainstreaming Action Plan for Partnership Fund
- vii. EAC Youth Policy, 2013

The budget proposals for the period 2014/2015 are focused towards the implementation of the mentioned policy documents. The other projects prioritized for implementation during the Financial Year 2014/2015 include -

Development of the EAC Child Policy in partnership with the Inter-Agency Working Group on Children led by Save the Children Sweden,

- i. Implementation of UN Resolution 1325 on integrating gender into peace and security programs in collaboration with Peace and Security Department, and
- ii. The EAC Programme on Empowering Border Communities through Modernization of Locally Shared Markets.

The sector will continue to mobilize the Civil Society and other interest groups in order to build a people centred EAC integration process.

LAYING THE FOUNDATION FOR POLITICAL FEDERATION- FOURTH ^{PILLAR} OF EAC INTEGRATION PROCESS

(a) EAC Political Federation

Madam Speaker, the draft Model of the Structure of EAC Political Federation was considered by the 15th Summit of Heads of State. National consultations on the Model were conducted in all the Partner States to enrich and improve the Model Structure. A meeting of Political Federation Experts together with Members of this august House was held to consolidate comments from national stakeholders and present the revised model to the 12th Extra Ordinary Summit in April 2014. In the coming year, based on the Summit Directives, the Community will initiate the process of drafting a Constitution for the Political Federation and develop a roadmap on what the Constitution making process would involve. The Community will also make a comprehensive evaluation of performance on the implementation of the Customs Union, Common Market and Monetary Union protocols and other laws of the Community.

Madam Speaker, other strategies to lay the foundation for political federation include implementation of the programme on Good Governance. Although the activities towards strengthening democratic governance continue to be implemented, the finalization and signing of the draft Protocol on Good Governance and the draft Protocol on Preventing and Combating Corruption has been very slow. The two instruments are still on the agenda of the Sectoral Council on Legal and Judicial Affairs, to advise on the legality of concluding Protocols on matters other than those spelt out areas of cooperation in the Treaty and whether the Protocol is in contravention of the National Constitutions.

Madam Speaker, accountability, ethics, and integrity issues are at the core of promoting good governance. The Plan of Action for Preventing and Combating Corruption was considered and adopted for implementation by the Council. In the coming year, the Community will embark on enhancing capacities and conducting joint programmes among Anti-Corruption Agencies.

In the meantime, the adoption of the Plan of Action on Promoting and Protecting Human Rights is due for consideration by the Council at its next meeting. The EAC Bill of Rights passed by this Assembly in March 2012 is awaiting assent by the Heads of State. Once adopted, it will form the policy basis for implementation of various joint programmes among the National Human Rights Commissions.

Madam Speaker, strengthening democratic governance through deployment of Election Observation Missions to electoral processes in the Partner States continues. The EAC Principles on Election Observation and Evaluation, endorsed in November 2012 ushered in a structured way of observing elections. The EAC deployed an Election Observer Mission to the Parliamentary Elections in the Republic of Rwanda in September 2013. The EAC plans to deploy Election Observer Missions to the General Elections in the Republic of Burundi in the 4th quarter of 2015. The exercise serves to promote democratic governance leading to a politically stable and peaceful environment.

Madam Speaker, mobilisation, sensitisation, and outreach targeting stakeholders in their diversity to generate greater political will has been at the core of the work of the Community. Mobilisation of the youth through annual debate and appointment of honorary EAC Youth Ambassadors has gained momentum. The Third EAC Annual debate for University students is slated for September 2014. The initiative seeks to create a critical mass of students' ambassadors to advocate for EAC integration among their peers. Plans are underway to hold the Fifth EAC Conference on Good Governance and the EAC Dialogue on Political Integration.

(c) Foreign Policy Co-ordination

Madam Speaker, the Community continues to strengthen engagement with other similar Regional Economic Communities and other regional organizations. This engagement serves to mobilize our partners' support for the EAC integration. It also ensures that our programs are in sync with the continental integration agenda. Similarly, our programmatic/thematic cooperation and collaboration with the United Nations family and other international organisations continues to strengthen.

Madam Speaker, the Partner States under Article 123 of the Treaty commit to define and implement Common Foreign and Security Policies. The Community concluded a Protocol on Foreign Policy Coordination in 2010. The ratification process is yet to be concluded. The Sectoral Council on Foreign Policy Coordination is steering Partner States' deliberations aimed at identifying areas where common foreign policy positions need to be taken. The Council will soon be considering the outcome of those deliberations and the Council will adopt common positions to be implemented by the Partner States as provided for in article 123 (4) (a) of the treaty.

During the period under review, we continued to improve and strengthen interaction with Partner States' Diplomatic missions. Our hope is to empower our Diplomatic Missions with knowledge to drive the integration agenda from their countries of accreditation, including being at the forefront for mobilizing East African Diaspora communities. We also scaled up our engagement at regional and international fora articulating the progress of our integration and calling for sustained support thereof.

(c) Regional Peace and Security Initiatives

Madam Speaker, the Community continues to undertake preparatory interventions within the sector to protect gains already made and promote trust and confidence in the region. Cooperation in the Police, Prisons/Correctional Services, and Counter Terrorism, Disaster Management, and Refugee management has all been scaled up. Simultaneously, measures to promote early response to crisis are under implementation through operationalisation of the EAC Early Warning Centre and establishment of a Mediation Framework.

Madam Speaker, the Peace and Security sector has been largely reliant on donor support for the implementation of its activities. This has not augured well for ownership. As from 2015/16 Partner States will be assuming responsibility of the sector on incremental basis as directed by the Council.

During the period under review, the foundation work on the establishment of a Regional Forensic referral Centre was concluded while nine other Centres were identified in the region to provide training on various policing disciplines. It is envisaged that these interventions, will enhance harmonization of policing practice within the region and serve to promote professionalism and observance of rule of law in law enforcement. Implementation of a Regional Maritime Security Strategy intended to ensure safety and security of the sea-lanes that serve the region commenced and wider interventions will be undertaken in the coming fiscal year.

Madam Speaker, while the role of women in Peace and Security cannot be overemphasized, this has not previously reflected as a stand-alone intervention. Within the confines of the UN

Security Council Resolution 1325, a framework will be developed to ensure greater participation of women in Peace and Security decision making within the region. (*Applause*)

Other Peace and Security interventions envisaged are coordination of the implementation of measures against money laundering and financing of terrorism as well as launch of the use of the Eastern Africa Police Chiefs Cooperation Organisation Motor Vehicle Clearance Certificates both of which are critical to protecting our integration from unintended consequences.

(d) Defence Sector

Madam Speaker, I wish to report that this sector has been one of the most successful and exemplary programmes in the EAC integration process. (*Applause*) Cooperation and confidence among EAC Partner States, Armed Forces have been built to acceptable levels through the conduct of joint military exercises, exchange of information, conduct of Military Games and sharing Defence Technical facilities. Inter-cooperability among the Armed forces has also been enhanced through the formulation of Standing Operating Procedures on Peace Support Operations, Counter Terrorism, Counter Piracy and Disaster Management.

1. During the period under review, the Defence Sector addressed issues of terrorism in the EAC region as a priority, re-assessed the national and regional Counter Terrorism capacities developed and adopted an EAC Counter Terrorism Strategy in April 2014. The sector is now in the process of developing an action plan to facilitate the implementation of the strategy. To date, only the Republics of Uganda and Rwanda have ratified the Protocol on cooperation in Defence and duly deposited the instruments of ratification to the Secretary General. I urge those Partner States who have not ratified the protocol to do so as soon as possible.

CO-OPERATION IN LEGAL AND JUDICIAL AFFAIRS

2. Madam Speaker, during the Financial Year 2013/14, legal and judicial support has seen the Community undertake the following: –

- i. the enactment of four important pieces of legislation namely; *the East African Community Holidays Act 2013; the East African Community Appropriation Act 2013; the East African Community Vehicle Load Control Act 2013; and the East African Community Supplementary Appropriation Act 2013;*
- ii. the drafting of the Council of Ministers' Bills namely; The East African Science and Technology Commission Bill 2013; The East African Community Anti-Counterfeit Bill 2013; and The East African Community Assets and Premises Protection Bill 2013, have been approved by the Council and await legal input by the Sectoral Council on Legal and Judicial Affairs. The Council will soon introduce the East African Community Trade Negotiations (Repeal) Bill 2013 in this august House for consideration; and,
- iii. the drafting of The East African Community Integration (Education) Bill 2013; The East African Community Cross Border Legal Practice Bill 2013; The East African Community Co-operative Societies Bill 2013; and East African Community Risk Disaster Reduction Management Bill 2013, which were initiated by some Hon.

Members of this august House pursuant to Article 59 (1) of the Treaty; the latter Bill has since been taken over by the Council for re-introduction as a Council Bill.

Madam Speaker, besides Bills, the Council has also spearheaded action in other aspects of legal and judicial co-operation. Prominent achievements in this regard include –

- i. The completion by the Council, and signature by the Heads of State at the 15th Summit held on 30th November 2013 , of The Protocol on the Establishment of the East African Monetary Union; this development marked a major stride of integration as agreed by the Partner States under the Treaty;
- ii. The revision of the draft Protocol to Operationalise Extended Jurisdiction of the East African Court of Justice to include; jurisdiction on trade and investment disputes, and disputes arising out of the implementation of the Protocol on the East African Monetary Union. Approximation of Municipal Laws in the East African Community context whereby priority was accorded to those laws that have a bearing on the implementation of the East African Common Market; the preparation of a model contract law and a review of intellectual property laws, both of which impact on the free movement of goods, services and capital, is at an advanced stage; and,
- iii. Regional Judicial Training for Judicial Officers at different levels in the Judiciaries to harmonization such aspects in administration of law and justice as judgment writing, teaching techniques and justifiability of economic, social and cultural rights has been done.

Madam Speaker, There has been increased litigation in which the Council or the Secretary General is a nominal defendant in litigation involving the Community. I am happy to inform the august House that the Council has benefitted from a number of decisions, which are guiding on the interpretation and application of the Treaty.

Madam Speaker, during the Financial Year 2014/2015 the Council intends to vigorously pursue projects and programmes stipulated under East African Community Development Strategy 2011/12-2016/17 and to ensure that effective legal practices are in place. The Council will pursue the following matters for purposes of both supporting this August Houses' legislative programme and staying the momentum of legal support in diverse integration endeavours:-

- i. The finalization of Partner States' long outstanding consultations and technical input on such important Bills as The East African Community Privately-Funded Infrastructure Bill; The East African Community Development Fund Bill; The East African Community Industrialisation Bill; The East African Kiswahili Commission Bill; The East African Health Research Commission Bill; The Lake Victoria Basin Commission Bill; and The East African Community Elimination of Non-Tariff Barriers Bill, 2014, all of which have been agreed upon in principle;
- ii. The initiation of Bills to establish East African Community Institutions charged with supporting the East African Monetary Union i.e. an institution responsible for financial services; an institution responsible for surveillance, compliance and enforcement; an institution responsible for statistics;
- iii. Any other institutions necessary for the proper functioning of the East African Monetary Union;

- iv. The initiation of Bills to support the development and running of the Single Customs Territory and other identified aspects of development especially in infrastructure, productive sectors including energy resources, social sectors and institutional development once policy decisions have been taken on the Institutional Review and Sustainable Options for Funding of the East African Community;
- v. The pursuit of complete ratification of such instruments as The EAC Protocol on Co-operation in Defence, The EAC Protocol on Foreign Policy Co-ordination, The EAC Protocol on Sanitary and Phyto-Sanitary Measures, The EAC Protocol on Information Technology, The EAC Protocol on Environment and Natural Resource Protection in order to bring such Protocols into force as intended.

Madam Speaker, the Council undertakes to continue examining some drawbacks in its drive to promote, monitor, and keep under constant review the implementation of the Community's programmes. These include delayed implementation of decisions by the Partner States and some Organs and Institutions, the lengthy and bureaucratic manner of initiating and studying Council of Ministers' Bills, delayed ratification of Protocols and other Annexure to the Treaty, and delayed finalization of the Protocol to Operationalise Extended Jurisdiction of the East African Court of Justice.

FINANCE AND ADMINISTRATION

(a) EAC Video Conferencing Project

Madam Speaker, implementation of the Video Conferencing system has commenced and is expected to be completed by the Financial Year 2014/15. The Video Conference system will be a major milestone in ushering the EAC into the digital era. The facility will facilitate EAC meetings; be an entry point to e-governance and for e-learning. The Video Conference system will also permit regular consultative meetings between any two or more Partner States. Policy, guidelines and procedures will be developed specifically focusing on the effective use of the facility to enhance efficiency and effectiveness of all Organs of the Community. Partner States are giving their full support in the implementation of this project. We expect considerable savings and efficiency in using the system in terms of physical meetings.

ACTIVITIES OF THE INSTITUTIONS AND ORGANS OF THE EAC

Madam Speaker, I would like now to turn to the developments that have taken place in the EAC Institutions and Organs.

East African Legislative Assembly

Madam Speaker, the budget for the Financial Year 2014/2015 has an increment of 11.45 percent over this year's budget. Mainly the following new items in the budget occasion the increment:

- i. Adjustment in emoluments for Members, a total increment of USD 651, 240 has been effected. The new terms become effective from 1st July 2014; (*Applause*)

- ii. The oversight activities for the EALA Committees have been previously funded by the Partnership Fund. EALA and the Development Partners have consistently, and rightly so, argued that oversight is a core mandate of the Assembly and as such should be budgeted for under the mainstream budget of the Community funded by the Partner States. I am pleased to inform this august House that the Council of Ministers has made a provision of USD490, 000 from its Partner States budget to cater for oversight activities – (*Applause*).
- iii. The low level of sensitisation of the *Wanainchi* on the integration agenda has been of concern to this august House. Although the EAC Secretariat and Partner States Ministries responsible for EAC Affairs continue to make efforts at sensitization of citizens, it has been noted that there is need to expand this role to all the main Institutions and Organs of the EAC, starting with this august House. The Council of Ministers has made an initial provision of USD 255, 000 to the Assembly to kick start its sensitisation programme. The Council, and the Partner States are committed to working with EALA to enhance the sensitisation of East African citizens about the EAC integration agenda; and
- iv. Relocation of the Audit Commission Budget from the EAC Secretariat to EALA amounting to USD 357, 000.

East African Court of Justice

Madam Speaker, during the period under review, the Court embarked on structured quarterly sessions where the Court session is normally organized to last one month in both Divisions. This is as a result of registering a significant increase in number of cases filed during the recent years. In the spirit of bringing justice closer to the people of East Africa and enabling them access the Court, the Court decided to review its rules of procedures by removing the court filing fees effective from April 2013. Today a litigant is not required to pay any money as filing fees.

During the period under review, the Court installed a modern Case Management and Recording System, which was launched by the EAC Heads of State Summit during its Extraordinary meeting on 30th April 2014 and has a provision for online filing of cases. This provision will be activated after the Court has amended its Rules of Procedure to bring them into conformity with this IT development. The Court is planning to link its Sub-Registries in Partner States to the Headquarters in Arusha during the Financial Year 2014/15 where it has made a provision of USD 350,000 in the budget.

Lake Victoria Basin Commission

Madam Speaker, during the period 2013/2014, Lake Victoria Basin Commission (LVBC) continued to undertake activities outlined in the Strategic Plan 2011-2016. The key achievements for the Financial Year 2013/2014 and the key priorities for the Financial Year 2014/2015 are geared towards implementation of the aforementioned Strategic Plan.

Given the huge mandate of the Commission and its rapid expansion, strengthening coordination capacity of the LVBC Secretariat has remained one of the key development objectives. The activities carried out relied on the mobilization of resources and as a sign of

confidence in the Commission's capacity and ability to manage financial resources, Development Partners have gradually increased their level of funding of the Commission's programmes. A Resource Centre, which provides access to documents and reports produced by various Programmes of the Commission, was strengthened.

Madam Speaker, the Commission continued its efforts to enhance cooperation between it and other EAC Institutions, organs and stakeholders. Through the Mara Project, LVBC developed a Memorandum of Understanding to facilitate the Governments of the Republic of Kenya and the United Republic of Tanzania to manage the trans-boundary Biodiversity and water resources in Mara River Basin. Through the Lake Victoria Environment Management Project (LVEMP II), the Commission contributed to updating of the Lake Victoria Fisheries Management Plan and to coordinate the development of Water Resources Information System for monitoring surface and ground water and water quality. The implementation of this development objective was supported by the Population, Health and Environment (PHE) project and Lake Victoria Water Supply and Sanitation Programme. The Commission has, through Lake Victoria Water Supply and Sanitation program, contributed to the improvement of water supply and sanitation infrastructure in the five partner's states.

Madam Speaker, the Community is in the process of reviewing the plan of action and cost estimates for the hydrographical survey of main and local navigational routes of Lake Victoria. The World Bank is supporting LVBC to procure and install navigational aids and local routes on Lake Victoria and the implementation of the oil spill and toxic Chemicals Contingency Plan on the Lake. The LVBC continues to be faced by the deterioration of ecosystem, climate change challenges, environmental degradation, droughts, floods, etc. To overcome all these challenges, many activities have been undertaken by the support of Mount Elgon Regional Ecosystem Conservation Programme, Lake Victoria Environment Management Project and the Planning for Resilience in East Africa through Policy Adaptation, Research and Economic Development. LVBC has undertaken the basin-wide strategy for Sustainable Land Management and the regional water hyacinth surveillance and control strategy.

LVBC has established wildlife clubs in 10 Secondary Schools to advocate for anti-poaching of elephants and rhinos in Maasai Mara and Serengeti; the training of 13 members of Mara River Trans-boundary water resources users Forum on Integrated Water Resources Management plans.

Madam Speaker, the promotion of investment and sustainable community livelihood in the Lake Victoria Basin remains one of major objectives for the LVBC. During the Financial Year 2013-2014, the Commission supported two small grant projects in Rwanda and Burundi on Community Driven Development and rural livelihood. LVEMP II is supporting the implementation of Community Driven Development sub-projects for livelihood improvement in the five EAC Partners states. To date, 475 such subprojects are being implemented and at varying stages.

Madam Speaker, after highlighting the LVBC achievements, allow me to point out the key priorities for the financial year 2014/2015. One of the major priorities is the strengthening of institutional and functional capacity of LVBC, which will be implemented by the operationalisation of the Result-Based Management System.

To enhance Partnership and collaboration with EAC Institutions, organs and other stakeholders, the Commission will continue to harmonize policies, laws, and standards to strengthen institutional development and governance in natural resources management. LVBC will undertake studies and put in place strategic plans, regional standards and information systems to boost the sustainable development of natural resources in the region. Improving public health services will continue to be a major component for LVBC interventions during the Financial Year 2014/2015.

The Commission has also included in its priorities the promotion of Integrated Water Resources Management.

Inter University Council of East Africa

Madam Speaker, in collaboration with the National Commissions and Councils for Higher Education, Higher Education Institutions in the Partner States, and other stakeholders, IUCEA has continued to develop instruments for harmonization of higher education systems in the Community in order to allow free movement of students and to facilitate mutual recognition of qualifications among the Partner States. The instruments being developed include a harmonized regional quality assurance system, a regional qualifications framework for higher education, a higher education policy and implementation strategy, academic programme benchmarks, and modules for training University staff in quality assurance. These tools are geared towards transforming East Africa into a *Common Higher Education* area by 2015.

IUCEA has developed guidelines for the development of a Postgraduate Programme in Climate Change and Food Security, to assist Universities. IUCEA has also developed guidelines for mainstreaming HIV/AIDS in the University curriculum, so that the curriculum addresses awareness on the issues related to mitigation factors on dealing with the pandemic. The two documents have been submitted to the National Commissions and Councils for Higher Education in the Partner States for implementation.

In collaboration with the East African Business Council and the East African Development Bank, IUCEA organized the Second Academia – Private Sector Partnership Forum and Exhibitions 2013, which was held in Nairobi, Kenya on 24th – 26th October 2013 aimed at providing a convergence platform for the academia and the private sector to discuss and strategize on effective mechanisms for promoting academia/private sector partnership in East Africa, which would enhance regional integration. As a follow up to the recommendations from the Forum, IUCEA in collaboration with EADB and EABC is developing a regional research and innovation programme for East Africa to promote enterprise evolution and growth. The programme will be rolled out in the Financial Year 2014/2015.

Madam Speaker, after completion of the final design of the IUCEA Headquarters premises, a contractor for the construction of phase 1 of the building has been selected. The construction costs for phase one will be USD 1,537,695. Construction works will commence in July 2014 and will take 36 weeks. The IUCEA Executive Committee has decided that the construction should start while the Government of the Republic of Uganda is processing the change of the certificate of title deed to be in the name of IUCEA, in order to avoid the risk of giving the contractor the possibility to change the construction costs if deadlines are not observed.

During the Financial Year 2014/2015, IUCEA will focus on harmonization of higher education systems for transforming East Africa into a common higher education area.

Lake Victoria Fisheries Organization

Madam Speaker, the Lake Victoria Fisheries Organization (LVFO) continued to execute its mandate to coordinate the management of the fisheries resources of Lake Victoria for sustainable development and utilization and to spearhead aquaculture development in the region as provided for in the Convention establishing the Organization and the Strategic Vision 1999-2015. In the FY 2013/2014, LVFO registered a number of achievements despite limited funding. Only 36 percent of the approved budget was remitted as at April 2014 as funding from Partner States. At its Eighth Regular Session, the LVFO Council of Ministers resolved that funding for the Organization should be routed through the Ministries of the East African Community Affairs, since LVFO is an organ of the EAC.

Provision of scientific information to guide the management of the fisheries resources was achieved through support from LVEMP II and EAC Partnership funds, which funded Hydro-acoustic, and Catch Assessment Surveys coordinated regionally but conducted at national level by the respective working groups. Capacity building in the harmonization of fisheries and aquaculture policies, and enforcement of fisheries regulations through joint patrols were facilitated under the African, Caribbean, and Pacific Group of States FISH II and Smart Fish Projects. The efforts focused on reviewing the Fisheries Management Plan 2009-2014, and in the elaboration of species management plans by developing the Nile Perch Fisheries Management Plan 2014-2019.

LVFO initiated the process to mainstream its operations into EAC by conducting a study on widening its scope and mandate and transforming into East African Fisheries Organization. The LVFO is revising the Convention establishing it to bring on board the Republics of Burundi and Rwanda as provided for under Article XXI of the Convention and also as directed by the Eighth LVFO sectoral Council of Ministers; and the 28th EAC Council of Ministers in Nov. 2013.

Madam Speaker, LVFO has been operating with under-budgets following the ending of projects, which contributed over 50% of its operation/recurrent budget. The full mainstreaming of LVFO to EAC has added unforeseen expenses. The New Headquarters handed over to the organization has also added costs of running and maintaining the premises, while the MTEF Budget process dictated a 'ZERO' increase in budget estimates from 2011/2012. As a result, the LVFO over the years has continued with a budget, which is not realistic, and thus operates with over-expenditures and borrowings, which are escalated by late remittance or failure of Partner States/Fisheries Departments to remit Country Contribution.

Madam Speaker, sustainable funding to LVFO is given priority in the next financial year budget to ensure the visibility of the organization is enhanced and different development Partners and Collaborators are engaged in the efforts to manage the fisheries resources. The Sustainable management of the fisheries resources guided by sound scientific data and information through the resource monitoring studies is a key area of focus in the budget of FY 2014/2015. Effective Monitoring, Control, and Surveillance operations are intended to ensure the illegalities in fishing and trading of immature fish are controlled and the declining trend of Nile perch is reversed as directed by the LVFO Council.

LVFO adopted a co-management approach to managing the fisheries resources of Lake Victoria and established grass-root institutions, the Beach Management Units (BMUs) to be partners in management. The Budgets for FY 2014/2015 has prioritized the building of the capacities of these institutions through training and mentoring and strengthening the networks at different levels of governance at national levels. The Budget for FY 2014/2015 has factored in the establishment of the National Management Committee as foreseen in the Convention establishing LVFO.

LVFO is also targeting to improve its internal controls through the migration to the SUN Accounting System and recruiting an Internal Auditor. The efficiency of the organization will be enhanced with increase of manpower to fill up the approved positions in the structure. However, due to budget limitation, the positions will be filled in the following financial year. LVFO strategy is to develop concept notes and mobilize resources to enable the implementation of the identified interventions. LVFO is committed to undertake its mandate to ensure sustainable management and utilization of the fisheries resources and develop aquaculture in the region for socio and economic benefits of the East Africans.

EAC Civil Aviation Safety and Security Oversight Agency (CASSOA)

Madam Speaker, the Civil Aviation Safety and Security Oversight Agency (CASSOA) made several achievements during the Financial Year 2013/2014. Notable of these are:

- i. Provision assistance, support and guidance to the Republic of Burundi in the preparation and performance of the International Civil Aviation Organization (ICAO) Comprehensive Systems Approach Audit. A dedicated team was stationed at Burundi Civil Aviation Authority from October to December 2013. Burundi successfully completed the audit;
- ii. The Agency continued the operationalisation of the Centre for Aviation Medicine by engaging a Medical Assessor to provide guidance, support, and assistance to the Partner States to comply with the ICAO Standards and Recommended Practices relating to aviation medicine, which have been identified by ICAO during the audit as lacking in four of the Five Partner States.
- iii. the Agency hosted training for technical experts in Runway Safety, Airworthiness, Flight Data Management and Dangerous Goods in partnership with AviAssist, CSI Aviation and International Civil Aviation Organisation; and,
- iv. The Agency has developed a harmonized EAC Examination system that will facilitate issuance of harmonised personnel licensing in the Partner States.

The Agency has a number of priority activities planned for Financial Year 2014/2015 including;

- i. Conducting of all-inclusive Stakeholders' consultations and sensitization programmes to ensure that a harmonized path is achieved in the implementation of the EAC Regulations and Technical Guidance Materials is realized in all Partner States in collaboration with the Civil Aviation Authorities;
- ii. Assisting the Partner States to develop and implement the developed Corrective Action Plans arising out of the ICAO Audits. Country missions to the Partner States will be strengthened to assess the levels of compliance to the regional regulations. Development and implementation of a Communications/Visibility Strategy to boost the image of the Agency. The Agency will be introducing additional IT based systems

such as the Computer Based Training targeting increased awareness of the aviation security requirements at aviation facilities and installations.

East African Development Bank

Madam Speaker, during the year under review, the Bank's net worth grew by 15 percent to USD 166 million by end of December 2013 as compared to USD 144 million in 2012. The program to inject further USD 90 million-share capital, which commenced in 2007, is progressing well. By the end of 2013, the shareholders had paid-in USD 36.7 million of the commitment. The Bank is leveraging its capital to mobilize additional resource from non-EADB Members such as Organization of the Petroleum Exporting Countries (OPEC), European Investment Bank (EIB) and African Development Bank Group (AfDB). These additional resources are critical in realizing the Bank's vision of promoting socio-economic development in East Africa.

The Bank's portfolio increased by 46 percent from USD 78.5 million in December 2012 to USD 115 million in March 2014. The non-performing loans have declined from 5.8 percent in 2012 to 1.3 percent in March 2014. The Bank has maintained a sustainable income since 2009 as it recorded total comprehensive income of USD 7.029 million in 2013.

Overall, the performance of the Bank is rated strong. During the year under review, Moody's Investor Service assigned the Bank a Ba1 (stable) rating, a notch below the investor grade and the highest grade on any institution in East Africa. The Association of African Development Finance Institution (AADFIs) rated the Bank as "AA" based on AADFIs Rating System thus making the Bank second best financial institution in Africa out of 39 institutions that were assessed. The ratings reflect marked progress in strengthening governance and risk management policies and capabilities.

Madam Speaker, in March 2014, the EADB in partnership with DLA Piper law firm organized a seminar on International Business Transaction negotiation and drafting, which took place in Kigali. Forty-seven public sector lawyers attended the seminar from Uganda, Kenya, Tanzania, and Rwanda.

I am happy to report that on 21st March 2014, the Republic of Burundi applied to become a Member of the Bank. The Board of Directors is currently working with the Government of the Republic of Burundi on admission modalities. Burundi's joining will boost her efforts towards financial inclusion necessary for transforming the economy of Burundi and the region as a whole.

Looking ahead, during the year 2014/15, the Bank will continue to work more closely with the EAC in addressing infrastructure deficit which pose a major constrain in realizing private sector led growth and access to social services. In so doing, the Bank will continue to work closely with the EAC Secretariat and Partner States in developing a legal and institutional framework for the East African Community Fund and operational modalities for the Public-Private Partnership Resource Centre. The EADB will continue to partner with other organs namely, IUCEA, CASSOA, LVBC, and LVFO.

Supplementary Budget for Lake Victoria Basin Commission

Madam Speaker, Lake Victoria Basin Commission received a Fund from United States Agency for International Development to support coordination of the integrated Population, Health and Environment in January 2014. Some of the activities outlined in the Assistance Agreement are very urgent and need to be implemented during the Financial Year 2013/14 to ensure the Program meets the targets agreed upon with the Development Partner. These activities included:

- i. Participation of 4 staff for 3 days in the LVBC coordination meetings (2 meetings) for PHE activities;
- ii. To convene Regional Policy Steering Committee meetings for PHE for 2 days for 15 participants (10 from Partner States and 5 LVBC staff) in Kisumu;
- iii. To hold a meeting with Technical Working Group and Stakeholders to develop a basic package of integrated Family Planning, Reproductive Health, Maternal Health;
- iv. To support provision of Family Planning commodities and Reproductive Health /MCHP and nutrition services to CBOs and groups working with MERECP and LVEMP 11;
- v. To attend PHE international conference in Washington for 5 days;
- vi. To validate a PHE Strategic Plan for 3 participants of each Partner State in Kisumu for 3 days; and
- vii. To undertake a workshop to develop PHE Monitoring and Evaluation Framework.

The request for the Supplementary Budget is to the tune of US\$ 147,370 to allow the implementation of the activities enumerated above during the Financial Year 2013/14

PART V: CHALLENGES AND WAY FORWARD

Madam Speaker, a number of global and regional level challenges have slowed down the process of implementing programmes, projects, and activities of the Community. Within the region, the issue of establishing predictable and sustainable financing of the regional programmes is still pending. Domestication of national laws to conform to the EAC Common Market Protocol to enable the citizens enjoy the rights and freedoms enshrined in the Protocol and its subsequent implementation is yet to be fully done by all the Partner States. There is still the re-occurring Non-Tariff Barriers (NTBs) or restrictions other than customs duties or tariffs and other specific market requirements that make importation or exportation of products difficult and costly within the region namely weighbridges, police roadblocks, non-recognition of the EAC certificates of origin, lack of mutual recognition of quality marks, re-testing of products, delays by statutory boards in releasing the results of analysis of samples and delays in issuance of import licenses among others. As leaders, we need to intensify sensitization and awareness creation among our people for them to realize the full benefits of the integration process.

PART VI: EAC BUDGET ESTIMATES FOR FINANCIAL YEAR 2014/2015

Madam Speaker, I would like now to highlight the broad features of the Budget Estimates for the Community for the Financial Year 2014/2015. The details of these Estimates for the priority areas to be funded under the 2014/2015 Budget have been forwarded to the General Purposes Committee for scrutiny.

Assumptions

The EAC Budget for Financial Year 2014/2015 has been developed taking into consideration the following key assumptions:

- i. Continued and consolidated political support for the EAC integration;
- ii. Availability of adequate financial resources and timely remittances;
- iii. Continued financial support from Development Partners;
- iv. Political stability and good governance;
- v. Conducive macro-economic and business environment in the region; and lastly
- vi. Global economic stability.

Global Priorities and Estimates for FY 2014/2015 Budget

At its meeting held in August 2013, the 28th Council adopted the following key priority interventions to be implemented over the Financial Year 2014/15:

- i. Operationalisation of the Single Customs Territory including setting up of the institutional and administrative framework to manage the Single Customs Territory, complete elimination of customs related Non-Tariff Barriers (NTBs), and internal tax harmonisation;
- ii. Full implementation of the EAC Common Market Protocol, particularly focusing on the free movement of goods, services, labour and capital, and the rights of establishment and residence;
- iii. Implementation of the Roadmap towards the EAC Single Currency, particularly establishment of the institutions to support the transition to the EAC Monetary Union;
- iv. Development of cross-border infrastructure with particular focus on implementing the decisions of the Summit Retreat on Infrastructure.
- v. Implementation of the Tripartite Free Trade Area (COMESA- EAC--SADC);
- vi. Implementation of the EAC Industrialization Policy and Strategy for equitable industrial development;
- vii. Implementation of the EAC Food Security Action Plan and Climate Change Master Plan;
- viii. Sensitization of East Africans towards deepened East Africa Integration;
- ix. Implementation of EAC Strategy on Regional Peace and Security;
- x. Implementation of activities under Political Federation; and
- xi. Revitalisation of the activities of Lake Victoria Fisheries Organisation.

BUDGET OUTLOOK FOR FY 2014/2015

(a) Sector-specific Priority Areas for 2014/15

Madam Speaker, the key sector-specific priorities during the FY 2014/15 include the following:-

- i. Strengthening of Customs Administration through policy dialogue;
- ii. Enhancement of market access (removal of NTBs), trade and competitiveness including harmonization of administrative procedures and regulations;
- iii. Enhancement of collection and dissemination of trade information (on-line data generation, compilation and analysis);

- iv. Implementation of key regional infrastructure projects (development of Regulations for implementation of the EAC Vehicle Load Control Act, 2013; and co-convening of the 3rd EAC Heads of State Retreat on Infrastructure Development and Financing);
- v. Promotion of investment and private sector development (negotiation, conclusion, and operationalisation of the Legal and Policy Framework on investment; promotion of PPP dialogue; and show-casing of investment opportunities in the Region);
- vi. Diversification of tourism products and promotion of sustainable use of wildlife resources (finalization of the legal framework of collaboration in Tourism and Wildlife Management; advertisement through in-flight magazine; and finalization of the Single Tourist Visa);
- vii. Strengthening and expansion of regional integration in the health sector through harmonization of the regional HIV/AIDS policies, standards and protocols, implementation of a regional integrated sexual, reproductive health, adolescent health, child health and maternal health; and institutional development and strengthening of EAC Partner States' Ministries responsible for Health to implement the Open Health Initiative (OHI) to Improve Reproductive, Maternal, Newborn and Child Health;
- viii. Promotion of regional social cohesion and economic development through culture and sports (establishment of Culture and Sports networks at regional and Global level);
- ix. Promotion of gender, community development and empowerment (operationalisation of the EAC Social Development Framework; and formulation and dissemination of EAC strategies of promoting youth and women in socio-economic development and business);
- x. Maximization of the benefits of a safe, secure and efficient air transport system in the region (operationalisation of regulations for liberalization of air transport services and unification of flight information in the region);
- xi. Development and harmonization of statistics in the region (implementation of the Regional Statistics Development Plan);
- xii. Establishment/enhancement of Numerical Weather Prediction Units in Partner States;
- xiii. Institutionalization of regional standards and benchmarks on good governance into national policies (The Model and Framework for Political Federation);
- xiv. Implementation of the EAC industrialization Policy and Strategy Action Plan including a study to establish development and investment opportunities in fertilizers and agro-chemical industries; finalization of the baseline survey on the availability and access to finance by industry and SME sectors; and strengthening of the institutional mechanism for implementation of the EAC Industrialization Action Plan;

- xv. Promotion of regional peace and security (harmonization of policing practices across the region; partnership, coordination and networking with other partners and RECs on peace and security matters; and procurement of priority forensic equipment);
- xvi. Increased access to sufficient, reliable, affordable and environmental friendly energy resources in the region (development of Operating Guidelines for EAC Power Pool to govern power exchange in the region; and promotion of investment in the power sector);
- xvii. Implementation of the Institutional Review recommendations;
- xviii. Implementation of the Food Security Action Plan through the "EAC Regional Agricultural Inputs System Development Project" to improve accessibility and availability of agricultural inputs in the region; and harmonization of regional policies, regulations, standards, and procedures for farm inputs and animal feeds in the EAC region;
- xix. Strengthening of the EAC infrastructural capacity for climatic data, information and knowledge management systems; and facilitation of the development of regional climate change legal and regulatory instruments to address climate change challenges in the region;
- xx. Sustainable financing for regional development projects and programmes (finalization of the Study on Alternative Financing Mechanism of the EAC Integration);
- xxi. Enhancement of information, education and communication, and popular participation of the East African citizenry in the EAC integration process (holding the EAC Communication Policy & Strategy Forum);
- xxii. Strengthening of the capacity of the East African Court of Justice (Quarterly Sessions of the Court, and training of all Judges on Civil and Common Laws); and
- xxiii. Enactment of Laws (The East African Community Disasters Risk Reduction and Management Bill, 2013; The East African Community Anti-Counterfeit Bill, 2012; The East African Community Development Fund Bill, 2012; The East African Community Bill on Industrialization, 2014; The East African Community Privately-Funded Infrastructure Bill, 2009; The East African Community Science and Technology Commission Bill, 2013; The East African Community Kiswahili Commission Bill, 2014; The East African Community Health Research Commission Bill, 2014; The East African Passport Bill, 2014; The East African Community Oaths Bill, 2014;, 2013; The EAC Non- Tariff Barriers Elimination Bill, 2014; The East African Monetary Institute Bill, 2014; and The East African Statistics Bureau Bill, 2014).

(b) Allocation as per Priority Areas

Madam Speaker, the Budget for the Financial Year 2014/2015 is allocated to the Key Priorities as follows:

- a. Operationalisation of the Single Customs Territory USD 2,267,790 (1.83%);
- b. Implementation of the EAC-Common Market Protocol USD 25,636,170 (20.66%);
- c. Implementation of the Roadmap towards the establishment of the EAC Monetary Union USD 23,088,690 (18.61%)
- d. Development of cross-border infrastructure with particular focus on implementing the decisions of the Summit Retreat on infrastructure USD 3,896,470 (3.14%)
- e. Implementation of the Tripartite Free Trade Area (COMESA-EAC-SADC) USD 1,281,960 (1.03%)
- f. Implementation of the EAC Industrialization Policy and Strategy USD 377,950(0.30%)
- g. Implementation of the EAC Food Security Action Plan and Climate Change Master Plan USD 5,601,712 (4.51%)
- h. Sensitization of East Africans USD 1,147,800 (0.93%)
- i. Implementation of the EAC Strategy on Regional Peace and Security USD 6,339,285 (5.11%)
- j. Implementation of the activities under Political Federation for the East African Community USD 1,052,175 (0.85%)
- k. Revitalization of the Lake Victoria Fisheries Organization USD 1,979,629
- l. Personnel Emoluments and other Support Services USD 51,399,994 (41.43%)

PART VII: ALLOCATION OF THE BUDGETS TO INSTITUTIONS AND ORGANS FOR FY 2014/2015

Madam Speaker, after this presentation of the priorities for the next Financial Year, allow me to table the Budget Estimates for the Community for the Financial Year 2014/2015 totalling

USD124,069,625 The Budget is allocated to the Institutions and Organs of the EAC as follows:

- i. East African Community Secretariat; USD 76,074,052;
- ii. East African Legislative Assembly; USD 15,489,836;
- iii. East African Court of Justice; USD 4,582,190;
- iv. Lake Victoria Basin Commission; USD 13,372,466;
- v. Inter-University Council for East Africa; USD 9,411,320;
- vi. Lake Victoria Fisheries Organization; USD 2,813,771;
- vii. East Africa Science and Technology Commission USD 679,821;
- viii. East Africa Kiswahili Commission USD 722,102; and
- ix. East African Health Research Commission USD 924,067

Madam Speaker I think I have to repeat these three. Should I go ahead? (*Laughter and Applause*)

The Budget for the Financial Year 2014/2015 will be funded as follows:

- i. Partner States Contributions through the Ministries responsible for EAC Affairs: USD 41,890,538;
- ii. Partner States through other Agencies: USD 5,067,735
- iii. Development Partners support: USD 73,180,446;
- iv. IUCEA-Member University USD 375,190
- v. Ministry of Education-IUCEA HQs USD 1,247,038
- vi. General Reserve USD 2,102,828
- vii. Other Income USD 205,850

Madam Speaker, on behalf of the Council of Ministers, I beg to move. (*Applause*)

The Speaker: Thank you very much, hon. Dr Abdallah on behalf of the Council of Ministers for the efficient way in which you have delivered the East African Community Budget Speech 2014/2015.

Particularly, I want to appreciate because on your page 62, you have been able to list the business for the august House and we look forward to seeing these Bills coming to this august House.

Hon. Members, the motion on the floor is *that the Assembly do resolve itself into a Committee of Ways and Means to consider and approve the Financial Statements for the Financial Year 2014/2015, and the Committee of Supply to consider and approve the Revised Estimates of Expenditure for the Financial Year 2013/2014, and the Estimates of the Expenditure for the Financial Year 2014/2015.* I now put the question.

(Question put and agreed to.)

The Speaker: Hon. Members, I will suspend the House to 2.30 p.m. and when we resume, we will proceed with the Order Paper as it is. Hon. Dr Martin Nduwimana, prepare to make the presentation on behalf of the Committee of General Purpose.

The House is suspended to 2.30 p.m.

(The House was suspended at 12:58 p.m.)

(On resumption, at 2.35 p.m. the Speaker presiding_)

The Speaker: Honourable Members, I wish to invite hon. Dr Martin Nduwimana to present the Report of the General Purpose Committee on the Budget.

The Chairperson, Committee on General Purpose (Dr Martin Nduwimana) (Burundi): Thank you very much Rt. Hon. Madam Speaker, I beg to start by laying on the Table the Report of the Committee on General purpose on the EAC Budget Estimates of Revenue and Expenditure for the Financial Year 2014/2015.

(Dr. Martin Nduwimana laid the Report on the Table)

The Speaker: Thank you very much Dr Nduwimana, please proceed to present your report.

Dr. Nduwimana: Madam Speaker, pursuant to the provisions of Articles 49 and 132 of the Treaty Establishing the East African Community and in accordance with Rules 72 and 79 Annex 5 (F) (iii) of the Rules of Procedure of the Assembly, I beg to present to the House for Consideration and debate the Committee Report on estimates of Revenue and expenditure of the East African Community for the Financial Year 2014/15.

In accordance with provisions of Articles 49(2) and 132 of the Treaty for the Establishment of the East African Community as well as Rules 73, 74, 75 and 76 of the Rules of the Assembly the Annual Estimates of Revenue and Expenditure of the East African Community, in form of budgetary proposals is presented to the Assembly for consideration and approval. The Committee on General Purpose is mandated by the Assembly Rules of Procedure through its budgetary function to analyse the proposals and make recommendations thereof to the Assembly. The mandate is specifically premised on Rules 79 (g) as well as paragraph (c), (d) (e) and Annex 5 (f)(iii) of the Rules of Procedure.

The estimates of Revenue and Expenditure of the East African Community for the FY 2014/15 were submitted to this August House by the Chairperson of the Council of Ministers on Wednesday, 4 June 2014, and subsequently referred to the Committee on General Purpose.

The Council of Ministers requests approval of USD 125, 069,625 as compared to USD 133,349,402 of the current financial year. The decrease of the budget is due to the removal of the project budget of the current financial year under LVBC, which will be directly to the Partner States.

The Council of Ministers also requests approval of a supplementary budget of USD 143,370 from USAID East Africa to support implementation of the PHE (Population, Health, and Environment) program activities at the Lake Victoria Basin Commission.

The SIDA Fund that supported the program ended in October 2012 then through USAID East African an agreement was signed on 12 November 2013, which provides for additional USAID contribution to support both the EAC Secretariat and LVBC up to 30th September 2017. Part of the support will be used to strengthen the coordination of the Population, Health, and Environment (PHE).

The Committee was informed that the funds requested for are to realize the broad objectives of this year's budget theme:

“Consolidating the EAC Common Market and commencing the implementation of the Monetary Union Protocol.”

Under the budget theme, the Community will focus on the following key priority programmes in line with the 4th EAC Development Strategy 2012- 2016.

- a) Operationalisation of the Single Customs Territory;
- b) Implementation of the EAC Common Market Protocol;
- c) Implementation of the Roadmap towards the establishment of the EAC Monetary Union;
- d) Development of cross border infrastructure with particular focus on implementing the decisions of the Summit Retreat on Infrastructure (held in November 2012);
- e) Implementation of the Tripartite Free Trade Area (COMESA – EAC – SADC);
- f) Implementation of the EAC Industrialisation policy and strategy;
- g) Implementation of the EAC Food Security Action Plan and Climate Change Master plan;
- h) Sensitisation of the East Africans;
- i) Implementation of the EAC Strategy on Regional Peace and Security;
- j) Implementation of the activities under Political Federation for the East African Community, and;
- k) Revitalisation of the Lake Victoria Fisheries Organisation (LVFO).

Madam Speaker, for the Community to implement the above global priority programmes planned for implementation during the financial year, the Council of Ministers request is as shown in Table I below. The table also shows the source of funds and allocation to the key priority areas.

TABLE I

S/N	Key Priority	Partner State Contribution (USD)	Development Partners' Support (USD)	Total in (USD)	% of the total budget to the priorities
1	Operationalisation of the Single Customs Union	320,680.0	1,947,110.0	2,267,790.0	1.83%
2	Implementation of the EAC Common Market Protocol	6,310,484.5	19,325,685.0	25,636,170.0	20.66%
3	Implementation of the Roadmap towards the establishment of the EAC Monetary Union	803,350.0	22,285,340.3	23,088,690.0	18.61%
4	Development of cross-border	942,969.9	2,953,500.0	3,896,470.0	3.14%

	infrastructure with particular focus on implementing the decisions of the Summit Retreat on infrastructure				
5	Implementation of the Tripartite Free Trade Area (COMESA-EAC-SADC)	325,750.0	956,210.0	1,281,960.0	1.03%
6	Implementation of the EAC Industrialisation Policy and strategy	70,450.0	307,500.0	377,950.0	0.30%
7	Implementation of the EAC Food Security Action Plan and Climate Change Master Plan	112,150.0	5,489,562.0	5,601,712.0	4.51%
8	Sensitization of East Africans	521,250.0	626,550.0	1,147,800.0	0.93%
9	Implementation of the EAC Strategy on Regional Peace and Security	932,335.0	5,406,950.2	6,339,285.0	5.11%
10	Implementation of the activities under Political Federation for the East African Community	555,175.0	497,000.0	1,052,175.0	0.85%
11	Revitalization of the Lake Victoria Fisheries Organization	196,652.0	1,782,977.6	1,979,630.0	1.60%
12	Personnel Emoluments and other support services	39,797,933.1	11,602,060.8	51,399,994.0	41.43%
	Total	50,889,179.5	73,180,445.9	124,069,625	100%

ACHIEVEMENTS DURING THE FY 2013/14

Budget Performance and Priority Programmes for Implementation during the FY 2013/14

Madam Speaker, the priority programmes that were planned for implementation during the last financial year 2013/2014 and the respective achievements, challenges and the strategies adopted to counter the challenges follow here below.

The programmes that were planned were:

- a) Establishment of a Single Customs Territory including the necessary legal and administrative framework to manage the Single Customs Union and complete elimination of Customs related Non-Tariff Barriers (NTBs);
- b) Progressive implementation of the Common Market Protocol by putting into place the necessary legal and institutional frameworks and closely monitoring progress in its implementation. This effort was to be complemented through implementation of the Institutional review exercise that was to enable the Organs and Institutions of the Community to effectively coordinate the implementation of the protocol. In addition, financial laws and regulations were to be harmonized as a move towards the establishment of a Single Market for financial services in the region;
- c) Implementation of the EAC Monetary Union Protocol including harmonization of fiscal policies, coordination of monetary and exchange rate policies and establishment of legal and transitory institutions for the monetary union;
- d) Development of cross border infrastructure through implementation of on-going Programmes and Projects in the respective sub-sectors including roads, railways, air transport, maritime transport, ICT and Meteorological services;
- e) Operationalisation of the EAC Industrialisation Strategy and Policy with particular focus on agro-based industries;
- f) Implementation of the EAC Food Security and Climate Change Master plan;
- g) Establishment of the Tripartite Free Trade Area under the EAC-COMESA-SADC initiative; and
- h) Implementation of the critical activities of Lake Victoria Basin Commission (LVBC) aimed at protecting Lake Victoria.

Key Achievements during the FY 2013/2014

The Committee was informed that for the period covering the first half of the FY 2013/2014, the following are the achievements so far:

- (i) The framework for the operationalisation of the Single Customs Territory Framework has been finalized. The framework encompasses three pillars of free circulation of goods, revenue management system and legal and institutional framework each with guiding principles and respective pre-conditions for implementation of the Single Customs Territory. The Road map for implementing the framework has also been developed. It was expected that full implementation of the Single Customs Territory will be attained by 1st July 2014;
- (ii) Technical negotiations for the EAMU Protocol have been completed and the Protocol signed by the Heads of State during the 15th Meeting of the Summit;

- (iii) Key achievements on infrastructure development include: Completion of detailed designs for the Arusha-Voi Road and enactment of the One Stop Border Post Bill and the Vehicle Load Control Bill (both awaiting assent by the Heads of State);
- (iv) The Action Plan for implementation of the EAC Industrialisation Policy and Strategy has been developed. The Action Plan outlines measure needed for development of EAC strategic regional industries;
- (v) Progress made towards implementation of the EAC Food Security and Climate Change Master plan include; finalization of the EAC SPS Protocol, ongoing development of the EAC Food Security and Nutrition policy; as well as finalization of the EAC strategy on prevention and control of Transboundary Animal and Zoonotic diseases with emphasis on “one health” approach;
- (vi) Negotiations for establishment of the COMESA- EAC-SADC Tripartite Free Trade Area (TFTA) progressed well and it is expected that TFTA will be launched in June 2014 in accordance with the Roadmap adopted by the Tripartite Summit of the Heads of State and Government.

During the interaction with DSG F & A, the Committee was informed that attainment of the above mentioned key priority programmes was influenced by a number of global and regional level challenges, which slowed down the process of implementation of programmes, projects and activities of integration. The key challenges include food, energy, water crisis, human and technological capital and environmental management Treaty and insecurity amongst others.

At the EAC level, inadequate staffing (particularly development in filling vacant positions) lack of Human Resource utilization strategy, limited financial resources as well as long decision-making processes have constrained the pace of implementation of prioritized programmes and projects.

Strategies for mitigating the above challenges

Madam Speaker, the Committee was informed and took note of the following strategies proposed by the Community to mitigate the effects of the challenges which are as follows:

- i. Elimination of NTBs to facilitate growth of trade thereby enhancing prosperity among the people of East Africa;
- ii. Implementation of the priority projects in infrastructure, especially in rail transport, energy, ports and harbours as well as inland waterways, and the critical road network required to hasten movement of goods;
- iii. Finalization of the Alternative Financing Mechanisms for a more sustainable source of funds for implementation of Community Projects and programmes;
- iv. Increasing investment in ICT systems for enhanced efficiency in operations and timely information;
- v. Finalization and implementation of the Institutional Review Exercise;
- vi. Intensifying follow up on financial commitments; and
- vii. Enhancing human resource capacity for effective delivery on the Community's commitments to the people of East Africa.

METHODOLOGY

The Committee considered the following documents:

Annex No.	Description
1.	EAC Procurement plans FY 2014/14 a) Procurement Plan Consulting Services b) Procurement Plan Goods and Non Consulting Services
2.	EAC Annual Operational Plans
3.	EAC Budget Performance up to March 2014
4.	EAC Progress Report up to March 2014
5.	Annex to the EAC Budget FY 2014/15 (Summary)
6.	EAC MTEF Budget FY 2014/15
7.	EAC Budget by Deliverables
8.	EAC Staff Recruitment Plan
9.	EAC Budget Explanatory Notes
10.	Supplementary Budget for Lake Victoria Basin Commission Financial Year 2013/14
11.	28 th Report of the Council of Ministers 29 th Extra-Ordinary Council of Ministers Report
12.	EAC Budget Performance FY 2012/13

The Committee also made reference to the remarks by DSG F & A during the meeting to consider the EAC Budget Estimates for the FY 2014/15, the letter transmitting EAC Budget Estimates for FY 2014/2015 to Clerk EALA, dated 30th April 2014 referenced F & A/1/5/1 from DSG F & A as well as the Report of the Committee on General Purpose on the EAC Budget Estimates for Expenditure and Revenue for the FY 2013/14 that was adopted by the Assembly on 4 June 2013.

CONSIDERATION OF THE BUDGET ESTIMATES FOR THE FY 2014/15 **General Observations and Recommendations**

During the period of 5th – 15th May 2014, the Committee considered and discussed the estimates of the Departments of the Organs and Institutions of the EAC with the DSG F & A and technical Officers of the EAC and makes the following observations and recommendations. The questions put to the team and respective explanations and justifications provided by the officers are herewith attached as Annex I.

Notable Progress in several areas and sectors

The Committee appreciates and commends the continued efforts of the EAC Council of Ministers who have maintained the significant gains the Community is registering to date.

The Committee commends the continued efforts to improve the budgeting process including developing budget proposals based on agreed priorities in the Pre-Budget Conference, production of relevant documentation etc. The Committee would like to encourage the EAC Secretariat to ensure further improvements.

The Committee commends the Council of Ministers for finding it appropriate to allocate more days for the Committee on Accounts, General Purpose 14, and 12 days to consider the Audited Accounts and the EAC Budget Estimates respectively. Additionally, EALA received an allocation for carrying out sensitization, enhancing EAC corporate image, and formulating an Monitoring and evaluation framework on oversight as well as funds for Kiswahili language training.

The Committee appreciates the funds allocated to the setting up of the three new EAC Commissions, namely the East African Kiswahili Commission, the East African Health Research Commission and the East African Science and Technology Commission although budget estimates do not match all their set up needs as will be pointed out under the specific sectors.

The Committee further appreciates the adherence to the EAC Budget Act, 2008 with regard to the submission of the budget estimates to EALA in April of 2014.

Lastly, but not in any way least, the Committee would like to register its appreciation to all the Development Partners and Donors of the Community who have in one way or another contributed to the visible gains and success that the EAC is registering as it makes significant progress in its integration process.

Contingency Allocation for the Office of the Secretary General

The issue of contingency allocation needs to be re-visited in order to properly anticipate unforeseen expenditure including addressing emergencies as well as risk analysis and mitigation. For a start, given constraints of the current financial rules and regulations, the Committee recommends establishing a Budget line for continuous/periodic risk management, rapid response and mitigating interventions by the EAC. This budget line can be allocated in the Secretary General's Office under the direction of the Council of Ministers.

Continued lack of comprehensive, effective strategy, and facilitation, funding for sensitization of the people of East Africa, and involving them in integration agenda to realize reasonable impact. This is notwithstanding the stand of F & A on sensitisation.

The Committee recommends that more funds be allocated to sensitization notwithstanding the insistence that this is a primary responsibility of the Partner States. The Corporate Communications needs more funds and these should be sought. Further, all departments and sectors should budget for a minimum amount to enhance general corporate image under their specific sectors which funds can be pooled under Corporate Communications to ensure standardized materials.

Need for overall review and assessment of the EAC Budget framework and its responsiveness to the EAC Development Strategy (2011- 2016)

The Committee premises this on the fact that there is need for external expertise to assist the Assembly ascertain that the budget estimates of the EAC are on track with relevance/responsiveness to the Development Strategy as well as value for money with regard to expenditures. This analysis should ideally be attached to the EAC Budget Estimates for consideration.

The Committee in regard to the above, further observed that due to the MTEF Budgeting used by the EAC, too many activities with zero (0) budgets are passed by the Assembly hence, it was a possibility that when funds were subsequently accessed it was easy to implement activities not in tandem with neither the approvals nor the development strategy. The Committee therefore recommends to the Council to procure external experts as stated above to advise the Assembly approve estimates from an informed position and ensure regarding the latter position that any budget requested reflects the proof of value for money.

Need to Realign Particular Strategic Departments in the EAC that are presently Misaligned.

The Committee observed that given the global trends and evolution in economic and regional development, such as Energy and Industrial Development are misplaced under Social and Productive Sectors and should rather be placed under Infrastructure. The Council of Ministers informed the Committee that this consideration being made in the Institutional Review and the Committee expressed hope that it will be taken on board.

The Committee recommends that the Council of Ministers consider this re-alignment before the Institutional Review since the staff are already in place and focus on strengthening the Sub Sectors.

Areas for Improvement and Need for Action on Previous Undertakings

The Committee observed that Members had followed keenly the Council of Ministers intention and actions toward neutralizing the negative influence and actions of the Finance and Administration Committee. The Committee commends those actions and recommends to the Council that the Finance and Administration Committee, which is only an advisory arm of the Council, should act as such, and make decisions that are only within its terms of reference as an advisory arm.

The Committee observed that the production of relevant budget documentation has improved, but more can be done to ensure consistency. It is recommended that a quality control mechanism for all EAC documents.

The Committee notes with concern the undertaking given by the Secretary General to facilitate the capacity building of the whole Assembly on the MTEF process was not fulfilled.

The Committee took note of the explanation provided but recommends that funds be sourced for the purpose.

In the estimates under review, the Committee while considering the progress report and budget performance up to March 2014 observed that there were sectors that had performance of 20 percent and below. The Committee therefore agreed that in principle any such budget performance of 20 percent would have to be clearly explained to the Committee in future

EAC estimate proposals before the Committee approves any more funds as requested. The Committee recommends that the Council of Ministers put this into consideration and ensure clear explanations are provided in writing.

Lack of follow up on Regional Projects that are cross border and bilateral in nature

The Committee observed that there was no indication of specific follow up/oversight of large Cross border bilateral and trilateral projects especially infrastructural projects since there was no evidence of oversight by National Parliaments. The question was whether oversight was being carried out or not. The Committee was informed that this is the responsibility of the EAC Ministries, which are coordinating at the national level.

The Committee recommends to the Council of Ministers that a mechanism be conceived to oversee regional projects.

The Committee observed that projects and programmes in the EAC were numerous and the Assembly was not updated regularly on all current projects and programmes. There was therefore need for the Assembly to be briefed on all upcoming projects showing their relevance/response to the EAC Development Strategy before any such undertakings are negotiated.

The Committee recommends to the Council of Ministers that before any budget estimates are considered, all related MOUs and Agreements should be availed to the Committee.

Excessive Travel Across All Departments

The Committee appreciates the need of travel for the conduct of business, coordination and implementation towards the integration agenda, and while taking note of the move by the EAC to rationalize meeting days to only four as explained by the DSG F & A, the Committee is still not convinced that there is value for money with regard to travel. The Committee further observes that the travel of individual officers needs to be rationalized and not just meetings in Partner States. During the Committee's interaction with the Council of Ministers and the Secretary General, the Committee was assured that the travel by Executive Staff did not hinder progress in activities implementation. Further, the Council explained that the use of video conferencing was also expected to further reduce the need for staff to travel. Equipment for video conferencing had been installed and the launch is expected to be in November 2014.

The Committee recommends to the Council of Ministers to put in place guidelines that will ensure further curtailing of travel to allow officers to carry out office/desk duties that are also of paramount importance in terms of coordination. Meetings should be attended after presentation of proof of value for money that is clearly shown through enhanced performance and visible output.

The need to strengthen the Research Component for the Community

The Committee observed that the Research Component was under funded in general. This element is necessary if the Community is to be as well informed as is necessary in this era of competitive globalization.

The Committee recommends that the Council of Ministers to ensure that the research for the Community is adequately funded.

OFFICE OF THE SECRETARY GENERAL

The Committee appreciates the leadership coordinating and operational functions carried out by the Office of the Secretary General. The emergence in the budget proposals for funds for the new Commissions as well as other additional improvements among others, are a reflection of positive progress.

However, the Committee has the following observations and recommendations.

(i) The re-emerging trend of excessive travel in the Office of the Secretary General

The Committee reiterates the need to rationalize further and the continued need for reduction despite the submission that reduction had been effected. This includes aspects of providing for travel under the office but also within departments. Despite the DSG F & A's explanation that all meetings across the board had been reduced to four days, the analysis of the MTEF showed that the Secretary General would be out of office for about 180 and 185 days for the next and subsequent financial years respectively out of 220 working days. The Committee questioned whether this allowed enough presence in Arusha to fulfil all his duties.

The Committee recommends for further curtailing of excessive travel as pointed out in part 4.1.10 of this report.

(ii) The need for a fund for implementation of Summit Directives, Council Decisions, EALA recommendations/resolutions

During the interaction with the Council of Ministers, the Committee was informed that there is no specific vote for the stated Directives, Decisions and Resolutions but each were budgeted for under the line department. The Committee however, insists that this allocation needs to be clear and specific since it is not spelt out clearly.

The Committee has previously made a recommendation to the effect that there is an urgent need to allow the Secretary General flexibility to disburse funds in the absence of the above provision.

The Committee reiterates the recommendation made during the consideration of EAC budget estimates for FY 2013/2014 and recommends that the Council of Ministers give flexibility to allow the Secretary General determine up to 2% of the Budget to emergent and unplanned exigencies.

(iii) Conflict of Interest

Under Internal Audit, the Committee noted that while external auditors were engaged in preparing terms of reference and procuring auditors, the EAC Secretariat was involved in selection process of Audit firms.

The Committee observed that this was improper and recommends that the Audit Commission on behalf of the Council of Ministers instead substitute the EAC Secretariat in the process of selection of external auditors to distance itself from the process and give it as much credibility as possible.

(iv) Under Legal and Judicial, the Committee commended the department for the efforts of representing the Community in litigation matters as well as providing legal guidance to the Organs and Institutions of the Community. The Committee observed that there is an increase in litigation against the Secretary General and expressed concern at the costs involved.

The Committee noted that there was no budget allocated to printing of Bills despite the fact that the Executive intends to submit eight Bills to the Assembly during the Financial Year under review. The explanation provided was to the effect that the amount of USD 29,000 had been lumped with funds for stakeholders' workshops to validate draft Bills that the Finance and Administration Committee considered to be similar activities. The Committee insists and recommends that these two activities are in no way similar or related and the amount of USD 29,000 be earmarked without question for printing of Bills and the two budget lines remain separate henceforth.

During the interaction with the Council, the Committee was informed that the Summit had instructed the Court to take on trade and trade related matters in addition to issues under its jurisdiction, but not matters of Human Rights and the matter was now with the Sectoral Council on Legal and Judicial.

The Committee recommends to the Council of Ministers to allocate adequate resources for implementation of the Summit Directive.

The Committee observed that given the mandate of the department of Legal and Judicial and the increasing cases and work load the staff are faced with, there is need to strengthen the aspect of research for the Officers and funds need to be increased to facilitate this.

An allocation of USD 44,000 has been earmarked for the same.

The Committee however reaffirms the need to strengthen the aspect of research for the entire Community and recommends that this be affected.

(v) Under Corporate Communications, the Committee revisited its recommendations during consideration of the EAC Budget Estimates in the last two financial years and emphasized the need for sensitisation to have an impact on the people of East Africa. The Committee in appreciating that sensitization is necessary for integration and all its benefits need to be known to and reach as many East Africans as is possible recommends to the Council to increase the budget allocation. Specifically, the Committee recommends that a further allocation be effected to sensitization in addition to that allocated to one activity targeting a broad spectrum of women, youth, local authorities that are under the department.

The Committee observed that the Partner States should do the distribution channels for publications and public relations materials remains limited because of the insistence by the F & A that sensitization.

The Committee acknowledges that it was the Committee on General Purpose that recommended that all funds for sensitization be allocated under Corporate Communications and this was affected.

However, the Committee reaffirms its recommendation for the last three financial years that while sensitization is carried out at the Partner States level, it is necessary that the Secretariat Coordinate this just as it coordinates all other projects and programmes and more funds be allocated to sensitization to the department as outlined in the general recommendations (enhance EAC Corporate Image under the specific sector). This will give a degree of latitude

to departments to prepare specialized messages in collaboration with Corporate Communications.

The Committee further underscores the need for all Organs and Institutions to have funds over and above those for promotional materials like flags, magazines, brochures, diaries and public relations corporate packages. It is clear to the Committee that the East African Court of Justice, the Assembly and the Directorate of Customs and Trade among others have specific messages that are technical in nature that need to be delivered to the people of East Africa.

The Committee recommends that there should be latitude to prepare basic materials unique to the stakeholders.

OFFICE OF THE DEPUTY SECRETARY GENERAL, FINANCE, AND ADMINISTRATION

The Committee made the following observations:

(I) Poor Remuneration of Core Section Staff

The Committee observed that, staff in general are poorly remunerated in particular the drivers of the Community. The Committee is of the view that the drivers being few in number should with effect from the next financial year be given a salary increase notwithstanding the long-standing tendency to attach any salary increase to the completion of the Institutional Review process. The Committee finds this salary increment within the powers of the Council to allocate to this small number of staff.

The Committee recommends to the Council to effect re-allocation and increase the remuneration of drivers beyond the 3 percent already allocated in the FY 2014/15.

Under Projects, the Committee observed that there were unfunded priorities that would better suit the operations and effectiveness of the EAC and effected reallocation of up to USD 1,124,996 together with the relevant officer in the department as shown under Annex II under the Financial Sector Development and Regionalisation Project (FSDRP).

OFFICE OF THE DEPUTY SECRETARY GENERAL, PLANNING AND INFRASTRUCTURE

(i) Under the Planning and Research, implementation of the EAC Common Market Protocol issues.

The Committee observed that there was no research component activities in the activities budgeted for and recommended that an annual research plan be conceived for each department and presented to the Committee

(ii) Under Monitoring and Evaluation, the Committee observed that the department is understaffed, underfunded, and lacking staff with the required skills so the Community has resorted to hiring consultants to do internal monitoring and evaluation work.

It is recommended that there is need to rethink the M&E component of the department and plan for this in a systematic manner in order to achieve the intended targets.

(iii) Under Statistics, it was observed that facts and figures are key in determining status of implementation and ensuring progressive realization of the same under this sector and eighteen activities have been planned.

The Committee observed that there was still excessive use of costly Consultants and was informed that Consultants cost their time differently and advertise on a competitive basis-both technical and financial competence. Low priced consultants may lack the competence.

Moreover, there is one statistician in EAC, there is therefore great need to build the capacity of the departments, and it is recommended that capacity be built in this department to ensure effectiveness in the time left, before institutional review is completed.

(iv) Under Fiscal and Monetary Policy, the Committee observed that there are too many activities entailing travel and conferences and recommended that these funds need to be re-allocated since most of these do not have actual deliverables.

(v) Under Investment and Private Sector, the Committee observed that there are no clear activities that will have actual deliverables. The Committee therefore recommends that the department reallocate the funds to activities consistent with their objectives.

(vi) Under Transport and Works, the Committee observed that the sector priority was improvement of road connectivity in the region, but noted that there was no direct follow up either by the National Parliaments or the EALA and it is recommended that Parliaments be appraised of all new projects and ensure there is a mechanism for follow up both at Partner States level and regional level with an monitoring and evaluation component.

(vii) Under Meteorology, the Committee noted that the sector priority is to support development of a safe efficient and secure maritime transport system. The Committee emphasized that there was need to recognize that meteorological services play a very strategic role in the social development of the region by providing accurate and timely weather and climate information which provide useful inputs to various sectors. There was therefore need for attention to be given to Meteorology. It is in this context that the Committee recommends to the Council of Ministers to allocate the amounts of USD 50,000 and USD 40,000 to install already purchased equipment and the development of maritime transport strategy respectively.

OFFICE OF THE DEPUTY SECRETARY GENERAL, PRODUCTIVE AND SOCIAL SECTORS

The Committee noted with appreciation the slight increase in funding including from the Partner States in this sector particularly culture. There was however, just as last financial year generally low budget allocation to the social sector; Person with Disabilities (PWDs) for example have zero (zero) budget.

The Committee was informed that under the Productive Sectors, there was possibility of project funds being accessed for ongoing projects.

Under the Directorate of Social Sectors, the Committee observed that the sector remains under funded and critical activities still needed to be funded as follows:

(i) Under Education, the Committee observed that an important workshop, which is a follow up to the second meeting of the Technical Committee on harmonization of East African Education and Training Curricular to implement the seven strategies for harmonization of EAC Education systems, is not funded. The amount required for a third Workshop is USD 121,000.

The Committee therefore recommends to the Council of Ministers to avail funds for the workshop.

(ii) Under Culture and Sports, the Committee noted that during the Financial Year 2014/2015, there are two unfunded priorities including the holding of the Second EAC Arts and Culture Festival in Nairobi, Kenya. Funds need to be provided for the Regional Steering Committee preparatory meetings. The budgeted amount was USD 39,500 per meeting for three meetings. The total is USD 118,000. The Committee noted that the 2nd Meeting of Culture and Planning Experts meeting to finalise the concept note and action plan towards the establishment of the EAC Culture Trust Fund under the sub sector amounting to USD 42,000 was not allocated. Thus, the total amount for unfunded priorities in the Culture and Sports department comes to USD 81,500.

(iii) Under the Immigration Sub sector, the priorities during the FY 2014/15 remained unfunded yet the implementation of EAC Common Market Protocol requires Partner States to put in place, Integrated Border Management Systems (IBMs) which in turn is based on the development of integrated e-Immigration management systems. The support for the two meetings of the e-immigration Technical Working Group to review and endorse the e-immigration strategic framework was not funded. The cost of holding the meetings is USD 77,000.

The Committee observed that another meeting critical to the development of the sub sector; that is the meeting of the Chiefs of Immigration to review Immigration laws in the context of the EAC Common Market Protocol and for the Chiefs to receive the report of the technical Committees also requires funds amounting to USD 31,400.

(iv) Under the Labour/Employment Sub Sector, it was observed that the sub sector received no funding at all during the FY 2014/2015. The Committee identified the need to allocate funds for the validation by the stakeholders of the regional study report on the harmonization of the labour laws and employment policies which remains unfunded for the last two financial years. The Committee was informed that this exercise is key to ensuring a regional position is reached in order to pave way for the development of a regional model EAC Labour Law and Model EAC Employment policy.

The Committee recommends to the Council to seek funds for the stakeholders meeting which is expected to cost USD 70,274.

(v) Under the Refugee Management Sub Sector, the Committee observed that the review of Partner States Refugee Management policies, which is a priority, also remained unfunded during the FY 2013/2014 and the 2014/2015. The required amount is USD 39,300.

The Committee recommends to the Council of Ministers to liaise with the Secretary General to urgently fund the stated activities in the Social Sectors.

OFFICE OF THE DEPUTY SECRETARY GENERAL, POLITICAL FEDERATION

The Committee observed that under Political Affairs there were no funds for the elections observations for the referendum in the United Republic of Tanzania. The Committee recommends that the Council allocate funds to the election observation for the upcoming Referendum in the United Republic of Tanzania.

The Committee further observed that there is need to re-align activities with development objectives and the operational plan does not match the activities as listed in the Financial Year. The Committee recommends that there is need to change the approach of the intervention programmes.

CUSTOMS AND TRADE

The Committee noted that the Directorate of Customs and Trade comprised mostly conferences and meetings and while appreciating that these meetings (travel) were necessary observed that these were skewed toward staff experts from Partner States only and hence has a narrow focus and is inward looking. This is as opposed to outreach and stakeholders meetings in the context of the sensitization. The Committee was informed that unfunded priorities related to sensitization include training small-scale traders on the Customs Manual remains unfunded.

The Committee recommends that the unfunded priorities indicated in this report be reinstated in the budget and funded. These include domestic tax, implementation of Tripartite FTA, monitoring trade performance and removal of NTBs (meetings of national monitoring Committees on NTBs) and compilation of 2013-trade report as well as operationalisation of Competition Authority and implementation of Export Promotion Strategy 2013-2016).

The Committee took note of and appreciates the development of an M & E framework and expects that this framework will go a long way in providing credible information and data with regard to statistics related to trade that comprise and data base.

The Committee further observed that there was no indication of travel for the Director General who it was informed receives a per diem of USD 400. Hence, the interpretation of the Committee is that there will be no travel for Director General Customs and Trade, which the Committee feels, will hamper his effectiveness in fully accomplishing his tasks on behalf of the EAC. The Committee is also concerned that if at all the DG Customs and Trade's travels were within the general travel and meetings; he will only attend meetings and carry out no other field duties in coordinating roles or inspection.

The Committee recommends to the Council that transparency be ensured and indications of travel be clear as such across board and on delegation reflecting within the department responsible for that sector. In the particular case of the Director General, Customs & Trade, this should clearly be reflected and in case of omission should be funded.

The Committee expressed concern over the excessive spillage into the region of counterfeit products in from of fake and dangerous products including medicines as well as dangerous and harmful cosmetic products. The Committee appreciates the challenges faced by the Partner States in this regard including porous borders and diverse agencies handling the matter, but expressed the need to curb the mentioned spillage as well as its effects.

The Committee therefore recommends that the Council of Ministers to fast track the introduction of the Anti-Counterfeits Bill to the Assembly.

EAST AFRICAN LEGISLATIVE ASSEMBLY

The Committee interacted with the Deputy Clerk, EALA and the following observations and recommendations were made:

- (i) The implementation of EALA Directives, Decisions, Recommendations, and Resolutions

The Committee noted that some of EALA's recommendations, resolutions and decisions are part and parcel of its work and therefore need to be supported by the Council. It is the responsibility of the Council to provide adequate funding for EALA activities. However, it was observed that some important areas are not funded at all such as a contingency fund for EALA; facilitation of offices of Committee Chairpersons denies the office bearers the opportunity to be more effective; there is no funding for Select Committees making it difficult for EALA to execute its investigatory duties on specific areas. In addition, some of the areas are still under funded such as the sensitization of citizens, public hearings, inter-parliamentary games, and capacity building for both Members and staff.

The Committee recommends to the Council to direct the Secretary General to work with the Clerk to incorporate some of these key areas in the next budget. The Committee further recommended that the Commission should also take on board responsibilities as assigned by the Administration of EALA Act, 2011.

- (ii) Record of Committee Proceedings

The *Hansard* and other verbatim records are the official records of every Parliament. Parliaments transact their business mainly in the plenary and committees and the business is usually recorded in the *Hansard*. It was observed that EALA had implemented *Hansard* recordings for the plenary and not for Committees and yet Committees frequently meet witnesses whose statements form important evidence for the House. It was also noted that the EALA had no Hansard equipment worth its name. What is currently used is a tape recorder connected to a conference unit. Coupled with this, is the fact that the department of the Official Report/Hansard is understaffed.

It was therefore recommended that in the next budget, the Council avail resources to the Secretary General and the Clerk to procure complete Hansard equipment for the Plenary and Committees as well as facilitate the recruitment process of key EALA staff to all the vacant positions.

- (iii) The need to revamp the EALA Department of Library, Research, and Information

A key component of a fully functional parliamentary research service is to have an enviable research and information service capable of facilitating the work of Members with research, background information and parliamentary briefs on relevant topics. It was observed that EALA has placed great emphasis in this area and has made it a whole strategic issue in the strategic plan. Its focus is to increase the staff establishment in this area as well as revamp the library (which is currently far below its capacity of a modernized library service) and linking the department to similar institutions through Memorandums of Understanding.

It is therefore recommended that the Council supports EALA to address this specific gap. The Clerk and the Secretary General should further be tasked to put in place the necessary facilities to strengthen the service in the next financial year.

(iv) Inadequate funding for Capacity Building

The Committee observed that capacity building funds have continued to be limited denying EALA the opportunity to enhance its legislative capacity.

It is therefore recommended that the Council consider additional funding in the next budget to step up EALA's capacity building efforts in a bid to strengthen and enhance EALA's mandate.

(v) Prioritisation of the EALA Proposals for Budgeting

Section 17 of the Administration of EALA Act directs the Committee Chairpersons together with the Members of the Commission to consider proposals on priorities for the subsequent financial years. It was however observed that the Chairpersons have not previously participated in this exercise save for the planning exercise in development of the annual work plan it was further noted that subsequent changes to the annual plan have been effected without due consultation with the Chairpersons of Committees. It is important to ensure that the Chairpersons are enabled to submit a report of their planned activities prior to the proposals being adopted for budgeting purposes.

It is recommended that the House urge the EALA Commission to include Chairpersons in any subsequent changes to the annual calendar and take on their views so that the views of the committees are reflected in the priorities.

(vi) A need to increase Committee Activities for the Assembly

The Committee observed that while the Assembly has six plenary sittings, the Committees have three substantive activities each, which do not provide enough business for the said sittings. There is therefore need for an increase in activities for each of the seven EALA Committees. During the interaction with the Council undertook to consider increasing activities for the Committees.

The Committee recommends to the Council of Ministers and the Commission to consider funding at least two additional activities for each Committee of EALA.

(vii) A need for the Commission to regulate travels abroad

The Committee noted that the issue of travel has become a challenge in terms of ensuring equitable balance in participation by Members. There is a need for rationalization on the number of travels (delegations) or/and the size of delegations since all the statutory travels are already known. There is need for the Commission to prepare in advance a list of Members proposed to participate. The savings realised can fund two extra days of activities for each of the seven Committees.

The Committee recommends that the Commission rationalise travels and report to the House on the solution(s) to the challenge.

(viii) Financing the EAC Inter-Parliamentary Games

It was observed that as a people centred Assembly, it gives opportunity to citizens to interface with their representatives. However, it was observed that the costs to cover the charges of the games and preparations thereto were not adequately catered for. It is recommended that additional funding amounting to USD 75,000 be sourced to support the games in the next budget.

(ix) Need for a Cost Centre for the Commission to adequately fulfil its mandate

The Committee noted that in addition to its mandate as established by the Administration of EALA Act, 2011, there is need for the Commission to take on additional duties as assigned by the Assembly including administrative decisions, and emerging management issues including proposals for setting up Select Committees and others which have no clear funding.

During the interaction with the Council of Ministers, the Committee emphasized that there is need to provide funding for the Commission. The Council of Ministers and the Secretary General undertook to consider the request when it is made.

It is recommended to the House that the Commission officially make a request to the stated effect to the Council and the Secretary General for consideration.

(x) Specific Budget Line – Audit Commission Budget

The Audit Commission plays a key role in the accountability process of the Community. As such, it requires adequate resources to exercise functions. The Council has been able to finance this. However, it is observed that fewer days (5 days) have been budgeted for the Audit Commission in respect of assisting the Accounts Committee in the examination of Accounts (12 days) and for consideration of the Committees report by the House. Their involvement from the start to the finish is seen as a pre-requisite for improved accountability.

It is recommended that the Council and the Secretary General avail extra budgetary resources to at least enable the Chair of the Audit Commission to be present at all times during the debate on the Audited Accounts up to the time the report of the Committee on Accounts is adopted.

EAST AFRICAN COURT OF JUSTICE (EACJ)

The Committee observed that the matter on the extended jurisdiction of the Court has not been allocated a budget and yet this is considered a very important matter in the integration process. The Committee was informed that the matter was being considered by the Summit which referred the matter to the Sectoral Council on Legal and Judicial Affairs. The Committee was informed that the Summit directed that the Court restrict itself to trade and trade related matters in addition to its given mandate.

The Committee recommends to the Council of Ministers to ensure close follow up of the matter and as much as is possible expedite the process. In the meantime, the Committee recommends that for the reason of enhancing the efficiency and effectiveness of the EACJ and in relation to the visibility in Partner States, sub registries be funded.

Furthermore, the Committee observed that there is need for a budget to carry out minimal sensitization to the unique functions of the Court particularly for the reason that the Court has adopted rotation of its sittings and therefore recommends that as pointed out in the general

recommendations, funds be allocated to enhance EAC Corporate image with regard to activities of the Court.

LAKE VICTORIA BASIN COMMISSION (LVBC)

The Committee noted that as an important institution of the Community, LVBC attracts significant budget allocations both from the EAC and development partners and therefore has a large portfolio of development partners' projects.

The Committee questioned what capacity the Lake Victoria Basin Commission (LVBC) has to negotiate and manage such a big portfolio and the contribution of each project to the overall mandate and objectives of LVBC. The Committee observed that LVBC would benefit from shifting from project to programme focus or even development planning as far as donor funding is concerned. Furthermore, the approach ought to reduce the cost of administering projects and there have to be exit strategies for these projects and sustainability plans when donors exit.

The Committee recommends that the LVBC consider setting up a 1 percent sustainability fund.

The Committee further considered the supplementary request for the LVBC to support the Population, Health and Environment programmes and recommends to the Assembly to approve the request to allow implementation of the programme. The Committee further recommends to the Council of Ministers to fast track the development of a comprehensive plan to develop the land of the LVBC.

LAKE VICTORIA FISHERIES ORGANIZATION (LVFO)

The Committee observed that according to the management of LVFO, it is not possible to carry out even their basic functions and activities with what is allocated. Some of the core functions of this institution have no allocation for instance, meetings of its governing structures, and the hiring of an internal auditor among others. The Committee considers this a contradiction since the revitalization of LVFO is a priority.

The LVFO requires urgent review of its mandate and structures, as well as accordingly, transformation of the Convention establishing it, but the EAC institutional review process holds this process back. The Committee is hopeful that this process will be completed quickly because the cost to the LVFO and to EAC is growing with each passing day. The Assembly raised this matter in the last two financial years and it is hoped its successful completion is imminent.

During the interaction with officials from LVFO, the Committee was informed that operational costs were being covered through periodic borrowing of funds from the Secretariat, which the Committee considers untenable and highly irregular for an institution of the Community to function as such. The Council of Ministers also informed the Committee that LVFO was high on its list of priorities and remittances were expected now that they are channelled through the EAC Ministries.

The Committee recommends to the Council to allocate funds to the major underfunded priorities of the LVFO in addition to what is allocated for FY 2014/2015:

1. To pay personal staff emoluments for FY 2014/2015 amounting to USD 68,340 in addition to what is budgeted for; as well as administrative and operational costs USD 68,286.
2. Meetings (Scientific and Management Committee) & Policy/Governance Meetings (Executive Committee, Policy Steering and Council Meetings) amounting to USD 95,080
3. To finalise the LVFO Convention amounting to USD 40,000
4. LVFO to participate in EAC Meetings: Institutional programmes and progress of implementation presented: USD 27,450
5. LVFO Consultations with Directors and key stakeholders in Partner States: USD 44,200

The Committee recommends to the Council to urge the Partner States to disburse the outstanding funds owed to LVFO to allow its revitalization as outlined in priority number 11.

INTER-UNIVERSITY COUNCIL OF EAST AFRICA (IUCEA)

The Committee expressed serious concern over the poor budgeting skills in the draft estimates of the Council with poor summation, differing rates of per diem and general failure to adhere to financial rules and regulations. The Committee having a background of recommendations by the Audit Commission, some of which the IUCEA has failed to implement, observed a lack of willingness to improve by the management of the Council. The Committee was informed about a verification team set up by the Secretary General to look into these matters and agreed to await the report of the Team. The Committee therefore would like to serve notice that unless these issues are addressed, the budget of the IUCEA will in future not receive a recommendation for passing by the Assembly.

The Committee required the Council to re-examine correct and re-align its estimates in view of the above factors, which were done, and a saving of USD 36,500 was realized which the Committee recommends for reallocation. (Attached as Annex III (a) and (b).

The Committee further refers to its recommendation in the report on the EAC Budget Estimates of Revenue and Expenditure for the financial year 2013/2014 calling for a forensic audit to be carried on the IUCEA but notes that this has not been funded.

The Committee recommends that funds be sourced to carry out a forensic audit on the IUCEA.

EAC COMMISSIONS

The Committee noted with appreciation that the East African Kiswahili Commission and the East African Science and Technology Commission as well as the East African Health Research Commission received start up funds although these were insufficient. The Committee requests that more funds be sourced to create a strong basis for growth and expansion without awaiting the finalization of the institutional review.

The Committee recommends to the Council of Ministers that these institutions receive all the necessary logistical and financial support. The Kiswahili Council for example that has been long awaited should undertake Kiswahili language training for the EAC.

The Committee recommends that the Kiswahili Commission build capacity to undertake providing Kiswahili language training for the EAC Organs and Institutions in the Partner States.

ACKNOWLEDGEMENTS

The Committee would like to acknowledge and express its appreciation to the Rt. Hon. Speaker, the Hon. Secretary General of the EAC, the Office of the Clerk, EALA, and all the Executive Staff, and officers of the Organs and Institutions of the East African Community it interacted with from 5th -15th May 2014. The Committee would like to thank the Council of Ministers who also met with the Committee on 30th May 2014.

CONCLUSION

The Committee appreciates and recognizes the significant efforts of the Council of Ministers and all the Executives and staff of the EAC that deserve credit for their efforts and hard work. The EAC is on a steady path and it is expected that in the coming Financial Year even more improvement will be realized. The Committee further effected reallocations and recommended for allocations in some sectors and the summary is attached as Annex IV. The Committee recommends to the Council of Ministers to reallocate as proposed by the Committee and find funds for the unfunded priorities that are indicated in the Annex. During the interaction the Committee had with the Council of Ministers and the Secretary General of the EAC, the Council undertook to consider the request of the Committee.

The Committee therefore presents for consideration and debate its report and recommendations to this August House and moves that the House approves the proposals by the Council of Ministers for the revenue and expenditure of the EAC for the FY 2014/2015 as well as the Supplementary Budget for FY 2013/2014 taking into consideration the amendments by the Committee and adjustments made in the budget speech presented by the Chairperson of the Council of Ministers on 4th June 2014.

Madam Speaker, I beg to move. (*Applause*)

The Speaker: Thank you very much, hon. Dr Martin Nduwimana for the explicit way you have presented this report. It is a very important report of the Committee on General Purpose.

Hon. Members, the motion on the floor is that this Assembly do resolve itself into a Committee of Ways and Means to consider and approve the financial statement for the Financial Year 2014/2015 and a Committee of Supply to consider and approve the revised estimates of the expenditure for the Financial Year 2013/2014 and the estimates of the expenditure for the Financial Year 2014/2015. Debate is open.

Hon. Members, I will ask that considering that we do not have a lot of time, when you catch the Speaker's eye at least utilize about five to seven minutes so that as many of us can have the opportunity and we are able to conclude this very important statement in the period we have. Debate is open.

Mr Christophe Bazivamo (Rwanda): Thank you, Rt. hon. Speaker. First of all let me thank the Chairperson of this committee for a good presentation and the committee for the work well done.

Madam Speaker, I rise to support first the report but also the Chair, Council of Ministers for his speech and also for his statement on postponing discussions on the tabled motion, this being in tandem with the outcome of consultations among members of the Commission, members who met yesterday evening and today morning even if the Commission was not convened officially.

For that reason, I plead here to all members to support this budget process to continue without interruption until the Budget is voted. As you all know, debating and approving the budget of the Community is one of the most important functions of EALA under Article 49(b) of the Treaty for the establishment of the East African Community.

Having that in mind as said, available commissioners representing Partner States met and reached the same approach as proposed by the chairperson to deal first with the budget and come later on, on the tabled motion. Among these members, we have had hon. Jeremie from Burundi, Patricia from Rwanda, Tiperu from Uganda, Ogle from Kenya and I think it is also the communication done which has helped us to do what we are doing now and I wish everyone to keep it in mind and keep on supporting this approach.

Madam Speaker, on the budget I have last week participated in a conference discussing how financing East African Community education by donor organisation and among institutions in need was the Inter University Council for East Africa. Even if many things have been said about this institution, I am of the view that the Community should increase funds allocated of this institution to allow it fulfil its mandate especially when it comes to quality education and qualification framework.

On the other hand, Madam Speaker, this budget should make sure that the EALA resolutions and recommendation to the Council of Ministers and the Secretariat are taken into consideration for their implementation and among these resolutions and recommendations, I want to highlight here organising the East African Community forum and exhibition on mining and extractive industries which as you know if it is done, this will promote investment in our region in those sectors.

The second thing is production of fertilisers locally in the East African region to boost agricultural productivity and production. Here, I want to insist that we come back on pages four and five of the report, you will see that when it comes to implementation of East African Community industrialisation policy and strategy, the allocation is only 03 percent and yet we want to be a market driven region but I think it will be very difficult – (*Interruption*)

The Speaker: Hon. Shy-Rose ...

Mr Bazivamo: Implementation of the East African Community food security action plan and climate change master plan and here you will see what is put in the budget is only 4.5 percent All these are low compared with 41 percent, which goes to personal emoluments and other support services. If you want to develop, I think it is very important to look on activities which intend to develop our region.

The other thing to focus this year is the agreed upon East African Community conference on genocide and I think this is also important.

The last one, Madam Speaker is promoting measures to mitigate climate change and among others, reforestation programs in our communities. As you know, climate change is a fact, we are already facing many problems here and there. You remember what happened in Burundi, in Tanzania, in Kenya when it comes to the drought and Uganda. All these are facts. If we do not invest in those sectors, we are promoting under production because at the end, we shall be in a shortage of food production and the risk is a problem of higher insecurity in the region. So for all these observations, Madam Speaker, I beg to support the motion. Thank you.

The Speaker: Thank you very much.

Mr Bernard Mulengani (Uganda): Thank you very much, Madam Speaker. I want to join the chair of the committee in putting my voice to the budget speech and the budget report. I want to first begin with the budget report, which I want to say I am a member but just to add on what the chair of the committee was raising in terms of figures.

On page 25 of the committee report, it is mentioned that there is no funding for select committees making it difficult for EALA to execute its investigatory duties. I want to specifically say that we had tasked the Clerk to give us a matrix on what it would entail to be able to take on select committee activities and there is a matrix that I will request the chair of the committee, which was not put on the report, if he can table it to be part of the report.

It entails that we would be envisaging to spend- Because Madam Speaker you remember we concluded in our previous plenary that we shall take a key function to conduct a six-day meeting in Arusha to consider and amend the EALA Rules of Procedures but there is no budget for that.

Coming this financial year, we are budgeting we would require USD 245,400 to take on this particular activity and it is my request that for any supplementary budget that comes to this House in this Community, should take under consideration this particular budget.

Madam Speaker, on page 25 again we have mentioned about the select committee. A select committee of this House can come time and again- it may not be planned and it is important for us to be able to take on our responsibilities to be able to plan for such activities. Again the Clerk's office has calculated a 14-day meeting to consider matters obtaining to the Community through a select committee to amount to USD 124,700.

Madam Speaker, I would also request that the Council, during any supplementary budget committee, that this matter be taken under consideration.

On page 27, Madam Speaker, my chair of the committee raises concerns to do with the audit commission to regulate travel abroad. We are seeking that the Commission look into a saving in this area to be able to finance each committee two days extra to take its work for the seven committees and the amount is coming to USD 157,750. This one we are requesting the Commission to look within the budget of the Assembly 2014/2015 to make a re-allocation to that effect and the Committee of General Purpose has requested the Commission to report to the House thereafter on the outcomes.

Madam Speaker, on page 28 my chair has alluded to the extra amount needed for the games. After looking at the various components under the games that were forgotten or were an oversight, the figure that was read by the chairperson of the committee is USD 75,000 but

when the matrix is released from the Clerk's office, the figure should be an extra USD 95,300.

Madam Speaker, that brings it to a total of USD 465,400 in a manner of sourcing for resources to ensure that we take on those activities. Madam Speaker that is what I have to say about the report of the committee. I want to now turn to the issue of the budget speech. Briefly, the Council has highlighted a number of things but one of such things is that I will give an example of the Bills that are being proposed to be brought to the House. I was wondering as to whether we had the same report with the Council. In some areas, there were certain issues that he was not mentioning that were in this report. I will give an example of the Joint negotiations trade Bill that we intend to repeal.

I am saying this because it sounds a shame to me as we seek to integrate; we are seriously thinking of repealing acts that we have passed instead of proposing amendments. To me it is a shame to the Council if you at any time think of bringing such a Bill to this House, I will definitely oppose it.

Madam Speaker, on page three Council is talking about the East African economies expected to pick up to ease inflation. My only concern here is that they are focusing on agriculture, mining, but when you look at the budget in the MTEF, the money is not to the language that is in this speech because agriculture is key to us but the finances allocated are not enough.

Again on that very page they are saying that the theme is consolidating the EAC Common Market and commencing implementation of Monetary Union but when you look through the budget, most things that we are passing in this budget as usual are conferences, travels, workshops and nothing that we can see in the budget that is bringing tangible things for the Community.

When we were interacting with the Council, I requested the Council and they can respond to the House. I requested the Council as to whether they are aware of the number of days and therefore the equivalent in amounts of money that they are bringing to this house for their executives to travel. Maybe they do not know but as a committee, we took curiosity to understand the movement of our Executive as compared to the previous financial year. There is an emerging growth in travels, which does not address, like our colleagues were saying yesterday, the responsibilities that we carry as people put at the regional level to ensure that the taxpayers money is put to right use.

I think if we are to carry what our colleagues were saying on this floor, this is the area, Madam Speaker we need to first of all tackle otherwise it is being abused.

Madam Speaker, on page four the Council is very proud to have achieved 74 percent performance of the budget 2012/2013. I mean it scares me if I have 100% budget and then I am proud of achieving 74 percent. It calls for a lot in terms of absorption capacity and we still need to open our eyes in this area.

We are told that support by the monitoring and evaluation system at the EAC Secretariat-Madam Speaker, while interacting with the Council, we observed that our monitoring and evaluation system in the Community is still poor. It is a one-man office and we need to do a little bit more in that particular area.

On page 7 paragraph 16, there is somewhere where the Council says that the United States and East African Community have agreed to launch formal negotiations on trade facilitation agreement. On one hand you are repealing. The other one you are talking about joint negotiations. You are confusing this House, Council and we need clarity in leadership. Tell us what you exactly want to do. Do you want to do joint negotiations or you want to repeal the Joint Negotiations Act. That is a clarification this House would wish to get.

In many areas they are raising about negotiating jointly, handling issues jointly-

The Speaker: Try to summarise, hon. Mulengani. I am happy that being a member of the committee -

Mr Mulengani: Thank you, Madam Speaker. Let me try to summarise what I want to say. Madam Speaker, when you look at page 12, I have been raising this thing several times even in the Second Assembly. For a long time we have been talking about the Malindi-Mombasa-Lunga Lunga-Tanga-Bagamoyo road. We are now talking about the Lusahunga, Kisumu and Kayoza Nyakanazi, Kasulu, Manyovu and Umongi-

Madam Speaker, the language in the infrastructure department does not portray East Africanism just like you would refer to page 17 of this very Council report where they are talking about the inter connectivity of kiloports where you see between Kenya and Uganda, Uganda and Rwanda, Rwanda and Burundi, Uganda and Kenya, Tanzania and Uganda- that is the language we want to hear but if the allocation of the infrastructure is skewed to initially Kenya and Tanzania, now to Rwanda and Burundi, Burundi, Tanzania, if we did not have the existing infrastructures in Uganda, the East African Community in other words has forgotten the country called Uganda and I am concerned as a delegate from Uganda. I am concerned because the way the budget has planned for infrastructure does not in any way show even future plans for Uganda.

To me I would really call for Council to revise the manner in which they prioritise their infrastructure. You are going to put three roads between two member states; between Kenya and Tanzania. Three inter connecting roads between two member states. I mean who is behind this type of planning in the Community. It is a skewed-

I raised a question in Bujumbura but because it was a written answer, I could not follow it up with a supplementary question. I think I will need proper clarification on what is there in the integration in infrastructure for Uganda in terms of roads.

Madam Speaker lastly since I should talk very briefly, on page 18 look at the paragraph written about industrialisation and SMEs and then look at the substance where agriculture is mentioned. The size of the paragraph says it all. The size of a paragraph in a document or in a budget speech of 64 pages it has only four lines on issues of agriculture, agro processing. That tells you much as we stand here to say we are paid taxpayers money, but our focus on the local person agriculture, the biggest sector in the region- Look at the paragraph.

And when you go to the budget, you will see how much money we who are proudly sitting here to say that we are getting taxpayers money and we are doing nothing- the money we are going to ass for the agricultural sector. It is a shame. If we stand in this plenary to say, we are being paid money and we should therefore stand up today to say that this budget is not addressing the common person in the East African Community-

So Madam Speaker, we talk with one language on the other side and then we come to benefit the public, we are not doing what is needed. I want whoever stood in this House and if he or she thinks that the budget that is put in the agricultural sector is commensurate to what we talk in this House, to actually object to this particular section.

Madam Speaker, I rest my case.

The Speaker: Thank you very much, hon. Mulengani -

Mr Mulengani: As I rest my case lastly Madam Speaker, on page 26 we are looking at the areas of prioritisation but specifically I wanted to say that when you look at these issues mentioned about the women, tackling reproductive, maternal, new born and children., again I want to call members to go in the MTEF and look at the activities that are going to implement these things. I mean the hospitals are there in the Community but if we are going to achieve funding to handle, strengthen reproductive, maternal, new born and child health post and pre deaths that are occurring in these areas and then people are just flying about the region, we are addressing nothing. We are just spoiling the tax payers money and I wonder as to whether these so called donor funds that are coming in this Community have got value addition, as to whether we should take all these donor funds whether it is necessary, I do not know.

I think Council should wake up and address this. I thank you for the opportunity to submit.

The Speaker: Thank you. I will take hon. Valerie followed by hon. Leonce. If we use five to seven minutes, all of us will have a chance.

Ms Valerie Nyirahabineza (Rwanda): Thank you very much, Rt hon. Speaker for giving me the opportunity to contribute to this important motion - (*Interjection*) -

The Speaker: Hon. Mulengani, let hon. Valerie be heard like you were given chance.

Mr Mulengani: Much obliged, Madam Speaker.

Ms Nyirahabineza: From the onset let me declare that I happen to be a member of the General Purpose Committee and I am particularly happy and commend the efforts made by the leadership of the Secretariat in that for them to improve the budgeting process and including developing budget proposals which this time round are being based on the agreed priorities in the pre-budget conference but also the documents so far presented to the committee were of relevant importance.

That has helped us to scrutinise the budget and to consider it in an easy way which was not the case in the past.

Madam Speaker, I will be very brief because many things have been highlighted by hon. Mulengani. Let me move to pages 13 and 14. With regard to follow up on regional projects that are cross border and bi lateral in nature, Madam Speaker this is a great concern to all of us because some cross border projects let us say those related to road construction we have seen for sure that if there is a project which is aimed at constructing or building a road let us say in this very country, another one in Kenya, it is the same project but finances maybe can come from one donor but the negotiations are made differently.

Not only that but also and that is the object of my query here, the standards of the roads let us say from here up to Nairobi. One small segment in the Partner State of United Republic of Tanzania-this is just an example- another one through Nairobi but you can see that the standards are completely different. Maybe because the road was constructed by two different firms and which led to different standards being applied in two different Partner States.

This is a very serious problem and that is why I really support the report of the committee in recommending to the Council of Ministers to set up a mechanism to oversee regional projects such as roads.

In line with the same problem, I would recommend that the Council of Ministers gives us an update as to the new projects they are ever negotiating so that EALA can oversee that activity as it is in line with one of its core mandates.

Number two, on page 20 regarding the statistics, first of all Madam Speaker, some of us have been privileged to know about one important conference, a big meeting that took place in Kigali and which was organised by the African Development Bank. We have seen that the lack of accurate and reliable statistics can lead to mis-planning or misconception of things and they are not done the way they should be done. So we have to have accurate data and therefore strengthen this department of statistics under the Secretariat for it to come up with accurate data which can help the Secretariat and other departments to plan accordingly.

On page 23, under customs and trade, here once again I thank the Secretariat, the F&A department not only for compiling whatever came from different departments but here my query is the people in charge of customs and trade are also likely to visit the two corridors because the Community is trade oriented.

So if you go through the MTEF, you cannot see adequate funding for such activities. We need these people working in the customs and trade department to visit regularly the two corridors, interact with people who are using the two corridors because we want trade to increase for the East African Community to be a trade oriented economic block and to benefit its people.

On page 27, under EALA activities, Madam Speaker and hon. Members, we know for a fact that plenary meetings of EALA the main products of plenary meetings come from committees so the committees are the one to feed into plenary so there is really need to increase the numbers of committee activities for plenary to be well undertaken.

On page 31 under Inter University Council of East Africa, I think members had the opportunity to come back to this issue when the chairperson of the Accounts Committee presented the committee's report I think it was last week.

Fortunately, we have an undertaking from the Council of Ministers to work seriously on this matter and see how best the Inter University Council can deliver taking into consideration its set objectives. Otherwise, we will not pass a budget if people are only doing things differently from the way they should be done.

On page 32, once again I thank the Council of Ministers and the leadership of the Secretariat for budgeting for the new commissions namely the East African Kiswahili Commission, the East African Science and Technology Commission as well as the East African Health

Research Commission. Of course they were given start-up funds but we noticed and we concluded as a committee that these funds are insufficient because we want those commissions, now that they have been given kick start funds to really attain the set objectives for which they are meant for.

My last point is regarding the women. This is not for the first time I thank the leadership of the Secretariat for spearheading many activities aimed at promoting women. Here I want to come back to one big issue that was highlighted during the conference on women in business and the very recommendations that were formulated or developed out of that conference. We have also received a promise from the leadership of the Secretariat to look for funds for this activity to also be undertaken after two years. I know that undertaking was gotten when we were discussing with the Council of Ministers but this is just a reminder for that activity to be highlighted and to be given adequate funds.

Otherwise, as I said, I am a member of the committee and I am in full support of this report and I thank you so much.

The Speaker: Thank you very much.

Mr Leonce Ndarubagiye (Burundi): Thank you very much, Rt hon. Speaker for giving me this occasion to contribute to the Budget Speech. I start by congratulating those who participated in the canvassing and presenting of this Budget especially of course the Committee for General Purpose, the Secretariat, department of F&A and the Council for coming up with a comprehensive and satisfactory budget. Thank you.

I want to say two or three things about the Budget Speech. Some shortcomings or some points that can lead to misunderstanding on page 19 it is written about processing technologies or packaging I think. I think it is important that before we talk about producing packaging material, we should also talk about paper we use. If it is important, it is a big mistake because we can produce paper here with banana leaves and Japan has promised and proposed to develop such an industry.

We have so many bananas in Uganda, Rwanda, and Burundi that we can even export paper. I think it is time we take the offer from Japan. Let us not laugh; this is a very serious matter. We are importing paper 50 years after independence when we can produce it. It is an embarrassment.

I also wish to talk about page 24 where we are told about progress. We have also made remarkable progress in deliberations aimed at the harmonisation of a fertiliser market policy. I think we should have expected here to be told that we are very advanced in putting in place at least one big fertiliser industry in our region. Be it organic or inorganic, I think we are able to do so if Zambia has been able to do the same. There is a factory of organic fertilisers close to Lusaka.

Page 25 you talk about poaching. I do not see measures taken to tackle this poaching. We are told that a country like North Korea- I do not know how true it is – may be also contributing in poaching. That would be a very serious matter if a government with its means starts poaching in our region. We should take very serious measures; I propose just one very simple one. If the elders or opinion makers or leaders of the population living around forests

are remunerated, I know for sure that they can contribute in reducing poaching by giving the right information on time.

I wish also to talk about security. I think there should be an agreement at long last between the five countries of common defence alliance or treaty like we have it in the European and American countries (NATO). Why if Uganda, Burundi and others can send soldiers to Somalia to settle a problem, we should first be able to protect our own and to make an alliance. If one country is attacked, we are all attacked. If there is a tentative or a fool who may think that he can make a *coup d'etat* in our region, should know that he will be attacked by all the five member Partner States. If he attacks a legitimate elected government, that should be known. We have known *coup d'etat* in our region. This should be ended and we should put in place measures to stop that forever.

Finally, we used to talk about Political Federation and even give a delay. We were told we may be a one republic in 2013. It has not been the case and I do not see any more delay. Now we are talking also only about some measures to implement policies of Political Federation. Let us have a delay and especially it is kind to push, to hasten to rush to a Political Federation that will be a very good thing and a very good present to the people of East Africa. Thank you very much.

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

Ms Nancy Abisai (Kenya): Thank you, Madam Speaker for giving me this chance. I would also like to take this opportunity to thank the chair and say I am a member of this committee. I thank the chair of this committee for his able leadership and the Secretariat for making this Budget process this time much better than before.

Having said that, I want to make just a few comments on our report as a General Purpose Committee and maybe comment on one item on the Budget Speech.

Madam Speaker, one of the key challenges that we- one of the issues that we felt even while we went through this Budget that I felt that we need to over emphasise was in looking- and I must say we looked at these operational plans, the MTEF, the M&E reports and the budget performance. Now the sector targets, development objectives and the intended outputs are not in tandem with activities that are set out to achieve these sector priorities and development objectives. That is a key area when you look at implementation and the results that you want to achieve.

So when we have a budget and this budget does not respond to what you have set out as priorities and objectives then you need to put a question mark. This is something that we noticed across the board and I am going to just highlight one or two.

Madam Speaker, in terms of for example research under the planning and research department on page 19, that department has very few components on research and yet research is something that should actually have a yearlong plan so that we can be able to know what it is that this Community is planning on certain sectors but when you do not have a research set out or activities geared towards that research then I think these are issues that we need to re-think.

Madam Speaker on page 11 under sensitisation and the awareness program, in fact there was no budget on this activity because it is supposed to be carried out by Partner States. The reason why the sensitisation and the awareness have been poor is because it has not been done or carried out in the manner that it is supposed to. That I why every other year we have been talking about sensitisation and awareness but then it is not coming out the way it is supposed to be.

Right now, we have had people complaining about what we are doing at the EAC and I think this is a subject or a topic that now we must stop, move from empty rhetoric to positive action and change to achieve our objectives.

On page 21 under meteorology, Madam Speaker it is a sad thing that we were informed that there was equipment that was bought for this department. That equipment has been lying or kept in the office because there was no money provided for in the budget to ensure that this equipment is installed. And so that money that the report is talking about I think it is important that it is allocated to this department.

A department has been underfunded and under prioritised. One, issues of climate change and every other development initiative relies on climate and meteorology reports. When you are told that we are expecting maybe an El Nino for four months within the region, maybe somewhere between the months of September to October followed by a dry spell of eight months, what are we doing as a region to prepare about that? So the meteorology department plays an important function when we think about it in that sector.

Investment and private sector in terms of developing and ensuring that we are encouraging our private sector and also wooing investments to this region. I do not know what activities respond to ensuring that this deliverables are there. In short, most of them were consultancies and meetings. When we tried to do a sort of analysis, most of the budget was going to the conferences and meetings. While of course we do appreciate that this function is one that cannot be under rated,. You cannot have all these activities just responding that in every other sector, that is the only activity that is carried out.

However, that this in terms of an increase of the zero budget, I do not know about the activities but we just thought that these are issues that we need to highlight.

Under customs and trade, considering that all Partner States still apply NTBs especially with issues related to sanitary and phyto-sanitary measures, rules of origin, I think these are places where we could have activities, which bring some technical staff to assist in how these problems are being addressed so that we can actually lower these NTBs at the various points.

As I conclude on the Budget Speech, Madam Speaker, on the way forward and in terms of the challenges, there is a very clear indication on domestication of national laws and we have implementation aspects recurring of non-tariff barriers, restriction of customs duties. I think these have been identified as challenges and problems. I think in the next budget we need to see what activities are being put in place and how the budget is responding to address these key challenges because these respond directly to matters affecting citizens of East Africa.

Thank you, Madam Speaker, and I support the report.

Mr Abdul Karim Harelimana (Rwanda): Thank you for giving me this opportunity. I rise to support the motion on the floor about our budget 2014/2015 but before I do that and before I make some comments about it, I want to thank hon. Shem Bageine who is standing for the Chair, Council of Ministers for the proposal he made this morning about staying the motion for the removal of the Speaker. I support that proposal and I am with him on that.

I thank also hon. Abdallah for the reading of the Budget statement 2014/2015, which was well detailed, and I think only a few things were forgotten and I think later on I will mention them.

I thank the Chair of the Committee of General Purpose also for the good report as presented to us and the recommendations, which the committee has directed to the Council of Ministers and to the House.

Madam Speaker, coming to the budget itself, it is a good one but I wonder – (*Interjection*) -

The Speaker: Hon. Dr Ndahiro, let us listen to hon. Abdul Karim.

Mr Harelimana: Why is it reduced this year? Last year we passed a budget with its supplementary of USD 133,349,400. This year they are proposing to us a budget of USD 124,069,625. This is minus USD 9,279,775. Why is it coming down? It is not very usual especially that they have found that honestly they were able to use only 74% of last year's budget. Is it that they think that it was too much last year so that this year they want to reduce it even further? Or is it that the member countries of the East African Community have become poorer and they cannot afford the USD 9 million? I want some explanations about that one because usually every year budgets go up and up because the development goes up and up.

Number two, I saw in the budget in some of these big books where they show where we are getting the money. From the Partner States, it is 39 point something percent and from development partners it is almost 60 per cent. I fear we are still very much dependant on foreigners and this I think does not ensure categorically our independence.

I remember that the Summit somewhere last year I think they asked the Council to look for alternative sources of funding and a report I think was tabled before the Summit. I would ask the Council to give us some details about the way forward; whether we are able to get the alternative sources from within the region or it is impossible.

Madam Speaker, on page 19 of the report from the Committee on General Purpose, they are talking about the staffs who were remunerated but they say more especially the drivers. To me if we are seeing that things are moving in East African Community, we are talking about the infrastructure, we have this big theme here, consolidating the EAC Common Market and commencing the implementation of the Monetary Union Protocol, if we are seeing that things are moving and we want them to be seen to be moving and we want them to move, there are people behind the scenes there who are doing a good job. These people are not necessarily politicians; they are not necessarily directors, SGs, DSGs and so on and so forth. Other people behind the scenes are forgotten soldiers.

If you look at the EAC salary grades, go to the section of the 'G' from G5, 4, 3, 2, 1 and look at their salaries and the increment which is proposed today of only 3%. After working for the

Community some of them for almost eight years or so, I think it is a shame to us. The G1 is getting only USD 277 and after eight years of working here, he is getting an increment of only USD 8.31.

I think that if we believe that we need to see the Community moving, and we believe that those people also have their take in the movement of the Community, we should think about not taking a risk of losing these people because when they see greener pastures, I think they will go to them and leave us behind here and we have evidence for that because already we have lost some good administrators where who have left for AU or the SADC and so on.

So I think we need to increase the salaries of these people and to give them incentives for them to remain with us especially that they have gained some good experience from here.

With this also we have another problem of giving people short contracts; three months, six months and someone is remaining with us for five years, just renewing the contract every three years or after one year. I think it is good to give them some security by giving them understandable contracts of at least two years and above.

As I conclude, there is a road map of recruitment of staff from Rwanda and Burundi which was agreed on some years ago. Where is this road map? Is it still kicking or it was taken to the files which are buried somewhere and no one wants to talk about it? So this is a question which I am asking as I conclude my comments. Thank you.

Mr Mike Sebalu (Uganda): Thank you very much, Rt hon. Speaker. I would like to begin by thanking the Chair, Council, and the Council at large together with the technical support of the Secretariat. Definitely, this Budget Speech is better in terms of the content, the structure, and the presentation. They have gone to detail in terms of highlighting strategic and important areas in terms of priorities where even EALA has featured prominently. I would not be so conservative by saying for the first time. It is the laws- You have really given us a good indication of what we expect from you in terms of the laws and that is why we are here, that is why we are paid; to get these laws passed otherwise before, we have always appealed to the private members' bills which bills at some point get frustrated and by frustrating them that means our work is being frustrated or hijacked and circumvented using other avenues.

So personally, I am happy that we have a good catalogue of Bills that we expect to deal with in the financial year. That is a big departure from the past so thank you very much.

I would also like to thank the honourable minister who made the presentation. It was a good presentation and he actually- he was serious. Where applause was not forthcoming, he repeated so that is to make sure that the points are driven home. Thank you very much, that was indeed good.

I would like to thank the committee of General Purpose for the report and the depth and level of engagement the committee has given to this process. The report is good, it is guiding and it gives very useful information for one to appreciate the entire process, both from the perspective of the Council and the Secretariat as well as the committee that represents our interests in terms of the budget process.

So honourable chairman, I would like to thank you together with your members for this important report that you have given that makes us appreciate and even understand the

dynamics you went through and the good recommendations that you have come up with in terms of ensuring that the East Africans get value for money.

The theme of this budget could not have been any better; consolidating the EAC Common Market and commencing implementation of the Monetary Union Protocol. That is particularly important to me as it feeds into the big picture of our integration arrangement that puts emphasis on the people centeredness of the integration because when we talk about consolidating the East African Community Common Market, definitely we are talking about ensuring that the tangible benefits arising out of the Common Markets are enjoyed by the East Africans. That is to talk about the freedoms and the rights; the freedom of movement of capital, labour and all the movable benefits and also the right of establishment, right of residence- I think if we are able to consolidate this and make it something that the East Africans get to enjoy and appreciate then we will have gone a long way in making them to appreciate what it is that we are doing.

We really need to get some of these tangible benefits for the people to appreciate so that the integration is not a board room issue, is not a conference issue but it is translated into a trickle-down effect that impacts on the lives of the ordinary people across the capitals and across the region both urban and rural areas.

So the theme seems to give that serious emphasis. The implementation of the Monetary Union. To the ordinary people, this is another area where they want to see life transformed. They want to get a currency so that they stop losing out in convertible arrangements. When we get to a point where a person will move from Kigali to Kampala, to Nairobi, to Arusha or Dar and Bujumbura using the same currency without being disturbed with exchange rates and all these matters then definitely we will have been home and dry.

So I really appreciate the theme. Let us not leave it as just nomenclature. Let us translate it into serious programs and activities that relate and connect with the ordinary people in the countryside.

Madam Speaker, I really think that this budget ought to have seriously addressed the issue of the funding mechanism. It remains a big issue. Definitely some answers, some reports are available regarding the Summit directive on the funding mechanism but I think it really needs to come out- even in this budget it needs to come out very clear because when you look at the sources of funding and you look at development partners putting into our kitty USD 73 million, as opposed to our meagre USD 41 million, that relationship is not impressive at all. There is a lot that we need to do and this is something that needs to be addressed seriously coming this financial year so that next time round, we get a budget, we get more impressive percentages reflecting the fact that this is our own activity and we ought to bear the burden of funding the activities that we have set out ourselves to implement so that our priorities are not dictated or we are not even derailed because the possibility of derailing us is there. Once one is funding the activities, they may choose which ones to fund regardless of whether those are your priorities or not.

So, the issue of funding needs to always be given serious attention.

The Speaker: Try to summarise.

Mr Sebalu: Madam Speaker, I also want to address the issue of- I do appreciate the whole idea of the draft constitution and the process of engaging into drafting a constitution for the region. I really wish that the vote on sensitisation reflects that priority because if you are going to draft a constitution, you need to get people's views, you need to sensitise them. So I would really expect that the sensitisation budget ought to have been higher since it is supposed to address the issues of the constitutional process that involves connecting the people, getting their views and reflecting them into a draft. So the provisions for sensitisation seem to be on the lower end given that aspect.

I am also disturbed by the priority in terms of institutional review. This institutional review is always something that has remained on the table and when you look at the priority rating, it is number 17 out of 23 priorities. Now that is very indicative. It is in the back seat and yet my view is that it should be gotten out of the way so that it impacts on the running of the institution. But being priority number 17 out of 23 has a lot to tell.

The provisions for the new commissions are good but I am seriously taken aback with the provisions for Science and Technology Commission. My view is that any transformational agenda needs to put good emphasis on science and technology in terms of innovations, in terms of developing new technologies and related activities. But the provisions do not seem to reflect that kind of priority in that view.

Finally, Madam Speaker, I am also happy to note that the Inter University Council is considering mainstreaming certain aspects like HIV related courses within the East African Community higher education area. How I wish we can also consider mainstreaming Kiswahili in higher education curriculum.

I happen to be a chairperson of a university council in Uganda; St Lawrence University and as chairperson, university council, I have already implemented that in the university where I chair. All courses in that university have a component of Kiswahili so that we are able to produce East Africans that are going to serve the East African labour market and that language of communication gives them the ability to connect with the people they are going to serve.

So my request is that let us get Kiswahili mainstreamed in higher education. We have programs that will deal with it in other lower education but at that level, someone should come out of the university knowing the basic conversation in Kiswahili and being able to connect with the people.

With that Madam Speaker, I beg to support the budget report and the committee report. Thank you.

The Speaker: Thank you very much.

Mr Yves Nsabimana (Burundi): Thank you, Madam Speaker for giving me the opportunity to debate on this motion and budget reports. Madam speaker, I will start by congratulating the Council of Ministers for the efforts they have made to provide finance to more sectors of the Community. This shows the commitment they have to come with a response on our recommendation made by this august House. Thank you, honourable ministers.

I congratulate you because it is also the first time in this Community that you pick a portion of the reserve account and you bring it in the budget. This is a very good thing.

I also congratulate the Committee on General Purpose to be deeper in analysing the report from the Council of Ministers. We have a lot of information and congratulate the General Purpose Committee.

Let us go to the report and go to the speech. I want to come on what hon. Mulengani said on page four. When a budget is not consumed, it is not a performance. This shows that there is a problem of capacity absorption. This shows that there are some sectors who do not receive finances. Madam Speaker, I am not comfortable to discuss this budget without discussing the annual reports. If we have had a discussion of the annual reports, maybe we can have a solution on this absorption of the budget.

Let me give you an example. I do not have the figures of the budget for the annual report 2012/2013 but if my memory is good, it was in the same range as the following years. If I take the budget, you have said in this speech that the absorption was 74% of the total budget. If I make a small calculation, you have saved USD 34 million. This must go in the reserve accounts.

For this year we have taken a small portion; around USD 2 million and something. This USD 2 million represents 5 percent of the saving you have made for the year. I request this House to beg the Council of Ministers to take more and come out with the solutions, which the General Purpose Committee has proposed to finance the other sectors, which are not covered. It can be a very good thing for the Community.

Let us go to the LVBC budget. I think in every budget they have done is to hide responsibilities on managing some finance coming from donors. Instead of managing themselves because they have a problem of managing those projects, they shift the projects to the Partner States but they are the ones who negotiate the funds and now they say okay, let us give this money to the Partner States and we will follow up.

The responsibility to follow up, I do not see it in this budget; how they will follow monetary, evaluate these projects in Partner States. This is why I request the House to request the Council of Ministers to bring again this USD 15-24 million in the LVBC budget. They can put it in an account in the Partner States to be sure that they will follow and monitor this budget and come up with a report in auditing commission.

This is what I want to suggest because to hide this budget in the Partner States is not to be responsible and accountable for the money that they have negotiated with the development partners.

With these remarks, hon. Speaker I want to support the motion and congratulate again the Council of Ministers for the commitment they have to solve the recommendations we have given to them.

The Speaker: Okay thank you very much, hon. Ives.

Ms Patricia Hajabakiga (Rwanda): Thank you, Rt hon. Speaker. I also wish to join my colleagues to congratulate the Council of Ministers and the acting Chair, Council and the

minister who read the speech today for a well written speech I would say. I wish also to congratulate the Committee and the Chair for a well resented report.

Rt hon. Speaker, my submission will not be long because many of my colleagues have already raised it but I want to just highlight general issues and probably give examples.

Madam Speaker, if you read the Budget Speech, there are very good statements therein but when you go to the budget estimates themselves, especially when you analyse the MTEF, you realise that some of the statements which are very good do not translate into the MTEF and the budget estimates as were provided in the speech.

Hon. Mulengani highlighted the sector of agriculture but let me move on and go to another sector called the tourism and wildlife. Out of all the statements even if you remember the speech by His Excellency President Uhuru when he was addressing this Assembly on the issue of tourism as a back bone, as an important sector, you would have expected the allocation of adequate resources to deal with this sector especially because those are the sectors which improve both our economies but also the welfare and livelihood of the East Africans.

For example, when I checked the MTEF on Tourism and wildlife, there were no funds allocated on the area called to harmonise policies and legislation in tourism and conservation and management. For 2014/2015, nothing was allocated and yet we are saying we are trying to have a joint visa, a joint mechanism. How do you do that without a policy, without legislation, without anything and it is forwarded until 2015/2016, which for me will be a little bit too late?

I am not saying we are going to go back but I hope we may probably be able to look at a way of mobilising more funding in between so that some of these important sectors can start their programs.

Another area, Madam Speaker is the area of industrialisation under SME development. Hon. Mulengani talked about a paragraph in agriculture. This is not even a paragraph, it is just a small thing, and yet industrialisation remains the key sector, important for the development of this region if we have to compete in the world.

We are talking about EPA negotiations. What are we negotiating if we will not have anything to Europe? That is another area which I thought- I am just talking about issues generally because when I checked in the MTEF, most of these areas are either the amount allocated is too small or there is nothing, it is just projected for 2015/2016.

Madam speaker, there is an area which I think hon. Nancy on meteorology and early warning and El Nino. We live with the effects of climate change whether we like it or not. They take people every year as witnessed in the floods and landslides, which are happening in our region. We have a very good policy on climate change and strategy but when you come to the budget, where is the implementation? How are we going to implement it? We do not see the implementation in monetary terms, in terms of adaptation to climate change, in terms of early warning that at least even if we cannot stop slides and floods, at least we can tell people that next week something is going to happen so we evacuate them in time.

These are the issues, which I would have expected to be implementing the strategy, which was adopted by Heads of State in the recent past, and it has been already- I do not know how many years - more than three-years now, and we are still just talking about it and we are not implementing.

Madam Speaker, another area that I would like to ask from the Council of Ministers is on page 56 on the explanation for the supplementary budget for LVBC. It reads that the funds were obtained in January if I am to read properly, in January 2014. We know that this House has a standing recommendation that any funds, which were accrued in between, are brought to the House as soon as possible so that we can authorise the implementation and utilisation. They are talking that it is very urgent and that the money has to be utilised within 2013 and 2014, which is a few days from today. What does that mean? It means that we are being asked actually- I do not know whether it is going to be used between now and 30th June or if it has already been utilised because I know that this Assembly had a plenary in Kampala and had another plenary here recently. Why wasn't this supplementary budget brought because according to this report, it was signed probably availed since January 2014? That is a question, which I would like to hear an answer to.

Finally is on the Bills on page 13 of the Budget Speech. I counted to about 13 Bills although the report of the committee talks about eight Bills but it does not matter. I would have wished that we get time lines as to when these Bills will be submitted. I think you have noticed that the Commission finds it very difficult to organise the financing to the committees when they have to deal with Bills, which come at any time during the year. So if we could have the timelines in time then it would help us during the planning meetings when we sit so that the committees can be allocated the specific Bills which they will have to deal with. Thank you, Rt hon. Speaker for giving me the floor.

Ms Dora Byamukama (Uganda): Thank you very much, Madam Speaker. I would like to add my voice to those who have talked before me, to thank the hon. Chair Council of Ministers for his exemplary leadership skills, and to thank hon. Saadalla, the hon. Minister of state for EAC Affairs for the United Republic of Tanzania for his eloquent presentation of a clearly articulated Budget Speech.

Madam Speaker, I got a rudimentary definition of the word budget and my neighbour hon. Ndahiro told me that this refers to allocation of available resources to prioritised areas. I would like to say that the areas, which are prioritised, are very clear but what does not seem to be very clear is on the other aspect, which is on the availability of resources.

I would have maybe wanted to see the revenue aspect of this budget articulated more although I know clearly that this is not our particular mandate. I am saying this because when you look at Article 134(4) of the Treaty and you look at Article 71(1) of the Treaty, these Articles talk about the resource envelope and under 134 of the Treaty, we are told about equal contributions by states and then Article 71(1) of the Treaty says that the mobilisation of funds from development partners and other sources for the implementation of projects of the Community is the responsibility of the Secretariat.

Madam Speaker, having said this, I believe this is a shared responsibility because again under Article 49 of the Treaty, we as a Parliament we have the mandate to debate and approve the budget of the Community.

Having said this, I just have one particular aspect I would like to raise and this is on the issue of alternative financing. This particular aspect has been highlighted several times over and I would like to hear from the Council on how far we have gone with this particular aspect of alternative financing and maybe we could also be given an idea on the options.

I am asking this particular question because according to the Budget Speech, I was particularly thrilled when I saw that part on Political Federation and the number of Bills, which have been articulated. We are deeply integrating as was noted, we are getting to higher levels of integration, and this therefore means that the kind of resources available right now may not be adequate for the activities that we would like to undertake. I think this is an urgent matter.

I am concerned because I am informed that this aspect of alternative financing has been lumped with institutional review and yet we hear and we know that the aspect of institutional review has failed to take off because you have reviews of reviews and consultancies upon consultancies and there seems to be no end to this so when these two are saddled together, I am very concerned because it seems obvious like my colleague said, that we may not see this particular aspect of alternative financing or institutional review come to being in our time in EALA. So I would like to be assured on this.

Madam Speaker, my final point is to congratulate the Secretariat for the work it has done especially in the area of mobilisation of funds. Earlier, and I have been here for a little while, we noted that when it came to financing of the Community, the development partners' support had gone to more than I think 70% at one time. I am glad to note that out of the USD 124,069,625 budget of the Community, the development partners' support is USD 73,180,446, which I am advised by the honourable statistician, hon. Mulengani that is about 58 percent of the budget.

I would like to congratulate the Secretariat because it is our wish that we actually fully fund the activities of the Community to maybe as high as 90 percent if possible because- I know it may not be possible for us to fund it 100 percent so this is very comforting and it means that we are now putting emphasis and making efforts to ensure that we own the integration agenda.

With these few comments, I would like to congratulate hon. Martin Nduwimana for his excellent leadership and the committee for an excellent report. I support the motion, I thank you.

Ms Nusura Tiperu (Uganda): Thank you very much, Speaker Nantongo Zziwa for giving me the opportunity to make my contribution towards the Budget Speech. I wish to join my colleagues in appreciating the contribution of the honourable minister from Tanzania hon. Abdallah Saadalla for ably reading the Budget Speech in a very articulate manner. During the time he was reading the speech, we did not sleep, we were very alert which means he was able to put us in the right mood to be able to listen to the Budget Speech.

I also wish to thank the Council of Ministers for exhibiting an excellent manner of cooperation, a desire that we all have because the hon. Phyllis was able to delegate hon. Shem to stand in for her and he has done the job so well and today hon. Saadalla reading the budget is a sign that there is cooperation among those ministers.

Speaker Zziwa, allow me to thank my chairman in a special way and hon. Odette who seemed to have become the deputy chairperson during the process when the committee was working and all the members of the committee for doing their work so well and also thank the clerk to this Parliament for ensuring that the members were ably facilitated during this process.

I also want to thank the Secretariat in a special way headed by the Secretary General Dr Sezibera and all the deputy secretaries general for doing their best and ensuring that all those staff whom we summoned before the committee appeared on time. They never got tired at any one moment, they answered all the questions, and requests that the committee had done and I am not surprised that even some of them are seated here today anxiously waiting for us to pass the budget.

We were able to see a number of them from the customs department to Parliament. We had Obatre, we had the senior directors among others, and I think they did a very good job, Madam Speaker.

I wish to support this budget in its entirety in view of the time before us. I only wish to focus on one area and that is the Lake Victoria Basin Commission. It is always good to know your works by what is on the ground. When I visit Kenya, I meet a number of people and during my last visit, the praises I heard about the contribution of the Lake Victoria Basin Commission on the community in East Africa and particularly Kisumu, the manner in which they are working with the county government and their participatory approach to the activities with the community is commendable and I think on that note I thought I could highlight that because if people begin seeing the proceeds of the projects or programs under the Community then they will feel that indeed the EAC is out to improve the livelihood of the people of East Africa.

I want on a special note to thank them because I come from Uganda and their program especially focusing on Mt Elgon where our Clerk the hon. Madete comes from and if you see him smile, he works so hard it is the impact of that mountain that makes him work beyond required measures.

Their program on the management of the eco system, their program on afforestation, their program on climate mitigation, among others is commendable and I am happy in a special way because the Mt Elgon zone has one of the highest populations in the region and the Uganda side actually has a higher population compared to the Kenyan side.

So with those remarks, I wish to support the budget and ask that we pass it as is. *Asanteni sana.*

The Speaker: I will take hon. Isabelle. If we can leave in three to five minutes then all of us will have an opportunity.

Ms Isabelle Ndahayo (Burundi): Thank you, Madam Speaker. I would like to start by thanking the Committee on general Purpose through the chairperson of the committee, hon. Dr Martin because of this good report they presented to us and which gives us analysis of the budget of this year 2014/2015.

I would like also to thank the Chair, Council of Ministers for the good speech they gave us but especially I would like to thank the reader of this speech. It was very clear and he tried to make it very understandable.

Madam Speaker, I would like to come to the issue I raised last year when we were discussing the budget. It was about planning. When we are planning, we base our priorities on the main challenges we have in our region and if we look at the key challenges we have in this region, they range from food security, energy, water crisis, human, technological, and capital and environment management threats and insecurity among others.

These are the main key challenges of our region but if we look at the way we allocate money in our budget, when we look at the planned expenditure to the organs of EAC, it is very surprising. Last time I was talking about the way we plan for agriculture. Agriculture even for this financial year was given little money when we compare it to its importance to our economy. More than 90 percent of our population lives on agriculture but when it comes to thinking how we can improve and develop this sector, whereby we can have a modernised agriculture, irrigated agriculture so that we can improve the situation of our rural population, it can be seen that we do not plan according to the priorities of our region.

Madam Speaker, I would like to emphasise again and request again if possible next year we respect the 10 percent agreed on Maputo declaration that we should allocate 10% to agriculture. Also this year when we were presenting the report on livestock, it seems that when we are planning for these activities, we ignore the recommendations made in this House.

I remember when I was presenting the report on livestock, it was a good report, it was appreciated by most of the people and we requested that at least 4% be allocated to this sector and in order to have this sector developed, we recommended that it should be separated from agriculture but if you look at the way we plan and the way we allocate money, it was not taken into consideration. Agriculture and livestock are still together and they have little money.

Madam Speaker, I think we should think about how we can increase this budget on agriculture.

If we look at climate change, it is a reality in our region. Its impact keeps on increasing in dangerous trends in our region but I was surprised to see that instead of increasing the budget allocated to climate change, it has been reduced. Climate change I think is a very big sector which should be taken into consideration in whatever we do because if we look at its impact and the way it affects whatever we do in the planning of our infrastructure development, in agriculture, in whatever- In the way people live, today we have many people who are suffering from hunger because of climate change. We have people who do not have shelters because of climate change. We have a lot of landslides in the region because of climate change but if we look at how we allocated the budget on climate change, it is alarming. I think we should look at it and increase the budget on climate change.

If you remember the way we adopted in our resolution on climate change, this has been raised. If you look at what has been planned, you cannot realise, you cannot execute our resolution on climate change taking into consideration how the budget was allocated.

Madam Speaker, I want to end by talking about unemployment in our region. If you look at unemployment on our region, it is another big challenge especially on the security in our region. If we look at how we plan and what we project to our youth, it seems we do not care for this issue. If unemployment is not taken into consideration, I think we will have a big problem in the future and especially on the security of the region.

Madam Speaker, I would like to say that I support the motion but there is a small issue I want to raise when we look at the way we plan the expenditure of organs and institutions of EAC. I would like to say that if we look at page 43 where we talk about the institutions and organs of EAC, we see that they tried to analyse what happened in all institutions except the highest institution, which I can say the very high institution which takes a lot of money of the region.

I do not know why in the Budget Speech they do not want to talk about this institution and give us clear explanations on what they do in this institution so that we can appreciate or have many comments on this part. I do not know if it was a missing part, I do not know if there is something hidden but I can see that there is no EAC Secretariat in this EAC Budget Speech. Thank you Madam Speaker.

The Speaker: Thank you very much.

Mr Frederic Ngenzeuhoro (Burundi): Thank you, Madam Speaker. I will try to be very brief. First I congratulate the Council of Ministers the Secretariat-

The Speaker: If you could reduce on the preambles, you will have a lot of time.

Mr Ngenzeuhoro: Yes, and in a special manner, the Chairperson of the General Purpose Committee.

Madam Speaker, I rise to support the report and I have two issues I wish to raise. It is true that in the Budget especially in the key priorities, there is the implementation of the EAC food security action plan and climate change but unfortunately, what has been allocated to that core sector is very little. It is only I think around 4% but unfortunately, there is a proverb, which says that you cannot ask someone who is suffering from hunger to think beyond his next plate. If people are suffering of hunger, not all those projects we are now putting in this budget will ever be implemented.

Madam Speaker, this region is one of the most blessed in the world. It is the region where we have a lot of water but unfortunately, our rivers go straight to the oceans like the Indian Ocean or the Atlantic Ocean. We have talked about floods. It is true that when this occurred here, we were victims but in other regions of the world, water like that is kept to be used for better- To allow them to produce very important agricultural products they can even export.

Take an example of Israel or Burkina Faso. In Burkina Faso, they have rainfall for only three months during the year. You will find that that country exports agricultural products. Here we have the greatest lakes; Lake Tanganyika, Lake Victoria and so on but what do we do with that water? I do not know. What do we do with the water we have in our rivers? Look for example the Nile. It goes straight to Egypt and when there is a threat of hunger here, Egypt is used to come back to us for relief and to bring us rice produced with our water.

I would like to say that the Secretariat would be a think tank to see how we can now have a policy on irrigation. It is very important. You know we are able to export if we use our water here and for me, it is unfortunate that sometimes we are a victim of those floods but we could also use that water to keep it and then produce when we are short of rain for example and then be able to feed our own population.

The second issue I would like to raise, if I am right, at the Summit last November in Munyonyo, there was a directive from the heads of state to- I see my friend is laughing. To see the French be a working language in East African Community. How this appeals in this budget I would have to have clarification about it or to know if this directive will never be taken into account then we know. Thank you.

Ms Hafsa Mossi (Burundi): Thank you, Madam Speaker for giving me this opportunity. I am rising to support this motion on the floor and I want to declare that I am member of this committee.

I want first to congratulate the Council of Ministers for the Budget Speech this morning but also to congratulate members for having resolved to be wise and allow the Budget Speech to be read. I am very happy to see the ambience becoming normal in this House.

Madam Speaker, I would like to add my voice to also thank the Council of Ministers for having been able to comply this time round with the EAC Budget Act at this point in time but also for improvements in the overall budgeting process. I have few points and I will be very brief.

There is an issue to do with consultancies which comes year in, year out and I think it is a great concern to this House that we are spending a lot of money on consultancies and one would think maybe how does the procedure of getting those consultancies conducted and maybe whether when we get those consultancies they are necessary or relevant. I think it is high time that the Council of Ministers look into this matter thoroughly and maybe report back to this House so that we can share those concerns.

The other issue on which I wanted to talk about is the fact that the Council of Ministers this time has been able to get some funds for the EAC Commissions. As other people have said, I think the money which has been allocated to those commissions is not enough and I do not know myself whether there is a road map for these institutions to be established and maybe to grow. So maybe we would want to hear from the Council of Ministers what kind of plans they have for these institutions.

Under DSG planning infrastructure, there is a department, which is under staffed and underfunded, and we wonder whether this department, which is monitoring and evaluation, is the less important department in this docket. How do we actually access the implementation of projects and programs in this aspect but also the impact of these projects?

Lastly, Madam Speaker, while we are implementing the Common Market protocol, I myself do not see how this is feasible when we do not get funds to cater for harmonisation of laws. I was very surprised to see in the MTEF that we do not have funds for harmonisation of laws in the sector of education, immigration, and labour. For this, I would like to support this motion.

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

Ms Susan Nakawuki (Uganda): Thank you very much, Madam speaker. First of all allow me to also add my voice in appreciating the Council of Ministers for the job well done when it comes to this budget of Financial Year 2014/2015 and also appreciate the Secretariat for the efforts they have put in for so many months in ensuring that we receive this budget on time.

Madam Speaker, allow me to also appreciate your office and the office of the Clerk for according the Committee of general Purpose ample time to carry out its activities in studying this budget. Allow me to declare that I am a member of the General Purpose Committee and I appreciate my chairperson, Dr Martin Nduwimana so much for the job well done. Thank you, Mr Chairman.

Madam Speaker, I have a few issues that I would want to see acted upon when it comes to this budget and one of these issues is the issue of the youth in this region. Many commitments have been made to the young people in the East African Community. I remember very well when we were in Burundi during the plenary session which we had on 3rd May 2013- Actually it was in Kigali, Rwanda during the Fifth Meeting of the First Session. The Chair, Council of Ministers who was hon. Shem Bageine had this to say. That the East African Community has demonstrated deliberate commitment to develop policies and programs that facilitate the participation of a cross range of citizens including in the youth in the advancement of the EAC integration agenda.

I would like to appreciate the Secretariat for that. I would also like to appreciate the fact that the youth are among the priorities of the EAC as evident in the Budget Speech on page 61. I would like to draw reference from Article 120 (c) of the Treaty which provides that Partner States undertake to closely cooperate in the field of social welfare in respect to the development and adoption of a common approach towards the disadvantaged and marginalised groups including children, the youth, the elderly and persons with disability etc.

Madam Speaker, as I have mentioned earlier, a lot has been promised to the young people in this region but this is not reflected in the budget we are considering right now for Financial Year 2014/2015. When you look at the activities in this budget and you try to look for youth and children, you just get tired by not finding these activities there.

Among the promised activities, I will just read a few.

The Speaker: Try to be brief.

Ms Nakawuki: I will try to be brief. There is establishment of youth councils, establishment of a regional youth service scheme with a component of volunteerism, establishment of a regional youth enterprise development fund, facilitation of capacity building of youth in vocational skills, ICT, e-commerce etc, facilitation of an EAC annual youth exhibition for MSMEs, facilitation of the formation of an EAC youth chamber of commerce among others but none of these is reflected in this budget. In fact, the only activity under youth that is funded is the annual youth forum and the budget there is too small I wonder how many youth are going to be invited for this forum.

Madam Speaker, on top of activities not being in this budget, even the activities that are provided for at least in the previous budgets are never implemented. When you look at the

budget performance report of 2011/2012, 2012/2013, 2013/2014, youth activities have never been implemented. Implementation is zero percent and I wonder whether these monies, which are supposed to implement these activities, go. I do not know whether it is a deliberate plan or otherwise. What is happening? Is it that youth are becoming second-class citizens in the Community or otherwise?

Madam Speaker, I would also like to note the principal gender, community development officer of the EAC Ms. Miganda resigned in the month of May, and the Council of Ministers in its 29th extra ordinary meeting, which took place from 23rd to 28th April 2014, made a directive to the Secretariat to recruit a replacement for Ms. Miganda. That directive is on page 29 of the Council report and I will read it. The council directed the Secretariat to initiate the process of filling in the vacant position of principal gender and community development officer P3 from the republic of Burundi in line with the EAC staff rules and regulations to finish the remaining employment contract of Ms Perpetue Miganda's term.

However, when we interacted with the Secretariat and Council just last week, we were actually informed that recruitment into this office is pending institutional review, which institutional review has become a hiding ground for non-recruitment in EAC.

Madam Speaker, we should take note that this office does not even have staff so without this lady and us waiting for this endless institutional review, what is going to happen to this very critical office?

Madam Speaker -

The Speaker: As you wind up, hon. Susan.

Ms Nakawuki: I am winding up. Madam Speaker, on top of the youth- I have just started but I have to wind up, I do not know. Still about this budget under the social and productive sectors are the persons with disability. As the chair has read out in the committee report, there is no single activity of persons with disability that has been funded. In fact there has been this annual conference on persons with disability and hon. James Ndahiro has been moving up and down trying to call all NGOs, all partners to help and fund and we have so many such people in this region but we cannot even afford to find funding for that annual conference.

Madam Speaker, I would beg Council to do due diligence and find money for this conference urgently plus other activities of persons with disabilities because they are stakeholders in this integration process.

Madam Speaker, also allow me as I try to summarise-

The Speaker: As you conclude, you are a member of this committee so that is why I said you could -

Ms Nakawuki: Yes, I will summarise, I will be as brief as possible. About the contingency fund, it has been talked about greatly in our committee report but Madam Speaker, we were alarmed last week when we were being told that the contingency fund that has been set aside to be utilised by the Secretary General is 0.05 percent and that amounts to USD 62,000. I wonder what this can do in this Community.

Madam Speaker, I would request Council, even if they made it 1 percent it would be a good start because 1 percent amounts to USD 1.25 million. So I would beg Council to fight hard and ensure that the office of the Secretary General is not ceremonial without any powers, not even powers to reallocate unspent funds. I think this is something that should be dealt with urgently.

Madam Speaker, my second last issue is about the EAC inter parliamentary games. I would like to make a specific request that there is a saving from the Inter University Council of East Africa of USD 36,500. I would beg that this money be reallocated to the games so that we can have a full budget where all members can participate in the games because the issue of having to select a few to participate is bringing problems. In fact, we should also consider including athletics because we have gold medallists in EALA who can bring more gold medals for us if they participated including Paralympics. I know hon. Ndahiro can do a great challenge in that field.

Finally Madam Speaker, allow me to talk about the railways sub sector. In the Budget Speech on page 13, the minister has talked about the standard gauge railway. I am glad that there is a provision for a study on the viability of reviving the dormant lines. For me it pains me a lot that we have to borrow tonnes of money to do a standard gauge railway. I know I will have to pay, my children will have to pay plus grandchildren having to pay for this standard gauge railway.

Why don't we adopt a culture of maintaining what we have? I do not think our own railway line is beyond repair or cannot serve the purpose. So I would beg Council of Ministers to consider maintaining this old railway because I know it can serve the purpose. I thank you Madam Speaker and I beg to support the report of the committee.

Ms Mumbi Ng'aru (Kenya): Thank you, Madam Speaker. I want to join my colleagues by supporting the motion and I want specifically to join hon. Hafsa Mossi to thank all members of the august House because you have made it possible. Probably the reflection in the night and listening to your own selves and the challenges that have been thrown to us now and again that we have to reconsider our focus in the House. It has made a difference. We have quorum, the House is calm and that gave the opportunity to the hon. acting chair and the able presentation by hon. Dr Abdallah to bring us this far. Thank you, members and my prayer is that it is not just for today, it is for always.

I want to go straight to the Budget and I want to be very fast. I want to pick on page 63 where the allocations as per priority areas are and I want to speak about (h) and (i). I am [putting this one together with our strategic plan because in our strategic plan 2013-2017, we have talked about a people centred integration and sensitisation is a key area when we talk about integration but the allocation, Chair, Council is not something to talk about.

As Chair, Council and the House, are we talking the same language? The percentage here is 0.93% of the allocation. I am asking your kind office to marry our strategic plan and our sensitisation program so that the seriousness that we need to put in the integration process is also reflected in the budget. That goes for (h) and (i).

Security of this region is paramount and my prayers are that next time- I know sensitisation has been going on from the Secretariat. Let us put it in a way that the members are involved. I am proud to report that last month in Kenya, the Kenya government voted sensitisation funds

and involved all the members of EALA. I covered central region, hon. Nancy Abisai was in Western and a few of us were in different regions.

If we take this program to this level, you capture it, and you use the members to do sensitisation, I am sure this allocation will give us more benefits and the sensitisation program will go a bit further.

My last one is to thank the Secretariat because as we talk, even if you do not talk back to us, you listen and implement. Last year in Kampala, the budget was close to almost 70% funded by development partners. I am not a mathematician but you have moved it higher and it is now at 50 something, close to 60. That means your ability to utilise the local resources and what you are trying to get from development partners- You are really working hard. It is difficult.

We kept on saying we are not comfortable with development partners handling quite a huge area of our budget. Even if you did not talk to us, you listened. Thank you very much. Another effort in another year will probably make it 50-50 and we move forwards.

I also want to thank the Secretariat and the Committee of General Purpose. You have burnt the midnight oil to come up with this document. It is not easy. With the environment that you have been working on the last six months and you are still chair in your wisdom, maturity because you are a very sober person to bring this report here. I take it and I want to say thank you because I am not a member of that committee but I have always trusted you and your leadership.

Council with the Chair of the General Purpose Committee, the support of the Secretariat will take this budget very far. Thank you, I support the budget.

The Speaker: Thank you.

Mr Jeremie Ngendakumana (Burundi): Thank you, Madam Speaker for allowing me to contribute to this report. I will not be so deeply looking at the figures because the GP committee has done its work and I take this opportunity to congratulate this GP committee through the chair Dr Martin for the work well done.

Madam Speaker, let me say that the global figures of this Budget especially in the area of priority area as allocated, it is on such a manner that we have two important parties.

On page 63 from (a) to (k), we have some expenses related to infrastructure aimed to build the Community especially the pillars of the Community, the pillars of the integration process. Point (i) is related to the personal emoluments and the first part from (a) to (k) is funded at about 59 percent of the whole budget. About personal emoluments we have 41 percent. Normally this is not the normal structure of the budget but let me say that as the Community is like a newborn, it needs too much human resources to build it. That is why the 41 percent as emoluments of the personnel is quite normal right now.

I would like to say that in future, as the Community will be growing and as the total budget will be too high, the 41 percent dedicated to the emoluments of personnel will be reduced because the total amount of the budget will be too high. As I was saying, right now it is quite

normal that we have 41 percent of the budget dedicated to the emoluments of personnel but in the future, things will be reversed.

I will be happy if for example the total budget can increase but the portion dedicated to emoluments be reduced from .8 to maybe 62 and emoluments of personnel can be 38% without changing the amounts of salaries. I am saying that because if another citizen is open that we use 41 percent of the whole budget to the emoluments of personnel, he cannot understand that but of course we ourselves we understand that now.

The second observation has been very well highlighted by hon. Dora and hon. Mumbi about the source of funding. The development partners contribute about 59 percent of our budget and the Partner States contribute about 41 percent of our budget. I would like to say that this dependence on development partners is not sustainable. Let me be brief on that because others have said enough about it. But I would like to say that the Secretariat can try to manage how to mobilise more funds from within the Community to make sure that the dependence we have from the development partners be reduced. I thank you.

The Speaker: Thank you very much. I will invite hon. Shy-Rose in two to five minutes kindly. Hon. Shy-Rose, be brief.

Ms Shy-Rose Bhanji (Tanzania): Thank you, Madam Speaker. I am going to be very brief. From the beginning, I would like to support this budget and I would like to commend the minister for EAC from Tanzania, Dr Saadalla for a very well presentation of your Budget Speech.

Madam Speaker, I just want to touch on one area, which I am very passionate about and it is with regard to sensitisation to East Africans. I would like to over emphasise the importance of this area. I am happy that sensitisation is on the key priority programs but I would like to call upon the head of communication and information department through our Secretary General Dr Richard Sezibera. The department is still not working very efficiently; we still do not see publicity in the media in five Partner States. I am a very keen follower of the day-to-day activities of EALA but I do not see much publicity.

I am kindly requesting this department to work so hard because it is through this department plus other avenues that we can take the East African Community to the next level.

Lastly, Madam Speaker, I would like to give special thanks to President Uhuru for his invitation to all EALA members to visit Kenya to sensitise Kenyans on the importance of integration. I would like to call upon all other four Partner States to emulate this good example so that we can also visit other East Africans to go and sensitise them. Thank you very much, Madam Speaker and I once again support the budget.

The Speaker: Thank you very much, hon. Shy-Rose. Hon. Members, this debate has actually been supported overwhelmingly by over 19 or 20 members. Ordinarily I would be inviting the Secretary General to respond to some of the issues. I appreciate that the Chair, Council is also going to respond and then the chairperson of the Committee of General Purpose but you will allow me to suspend this debate at this juncture because the time remaining will not be enough to give the three distinguished members to do justice to do this arrangement. So I will suspend this debate for today until tomorrow.

But hon. Members before I adjourn, I would just mention that yesterday we had a long debate which arose out of a procedural motion and members have been calling on the Speaker to give leadership and I think it is important that decisions, however difficult they are, have to be taken since we are leaders.

I want to say that yesterday we adjourned pursuant to a motion that was moved by hon. Tiperu on the conclusion of the debate, whether the motion for the removal of the Speaker still subsists. I want to note the following: that Rule 82(2) grants the Speaker the final powers on interpretation and application of the Rules of Procedure and that the court declined to take a decision restraining the Assembly from going ahead with the motion for the removal of the Speaker and ruled that the matter should be resolved using the available Rules of Procedure and that tabling the motion of the removal of the Speaker as interrupted by an adjournment which was pursuant to a rule on sub judice as was raised under 43 by a member.

Like hon. Taslima laboured yesterday amongst others, this motion was not tabled. Also noting that three members from the United Republic of Tanzania; hon. Shy-Rose Bhanji, hon. Adam Kimbisa and hon. Mariam Ussi Yahya have withdrawn their signatures that had originally been appended to support the motion, and mindful of the guidance the CTC has given to this debate since the whole juris- were introduced in this House and I think I am of the view that if at least there are- I do not want to call them petitioners as such but they can be persons or parties interested in the suit, they can at least find an opportunity to petition or to follow the right of debate also filed maybe a reserve of hearing or being heard before the conclusion of the petition.

I appreciate that we are constrained by the principle of holding members against their intention to withdraw from the pursuit of the motion for removal of the Speaker and in this case, I have been advised that if we borrow the practices on the consent fortified under the Commonwealth vs court, I remember hon. Zein quoting this very one vehemently where the verification of signatures is paramount before admission of any motion before this august House, Rule 9 is a specialised procedure for removal of the Speaker that should be followed by strict application and in strict observance of the rights protected under Article 6(d) of the Treaty governing us.

In the instances above, I still find that the motion falls short of the pre-requisite four signatures from Tanzania mainly making it a mandatory requirement under Rule 9(2) above and this makes it to suffer the expiry of the seven days in this meaning. I want to say that from that arrangement or observation, this motion in question does not stand and I want to thank you and I request that any member who may wish to represent it or to reintroduce it can do so under Rule 9 as it is stipulated in our Rules of Procedure. I thank you.

The House stands adjourned to tomorrow, 10 o'clock.

(The Assembly rose at 6.05 p.m. and adjourned until Thursday, 5 June 2014 at 10.00 a.m.)