



EAST AFRICAN COMMUNITY

EAST AFRICAN LEGISLATIVE ASSEMBLY

Official Report of the Proceedings of the East African Legislative Assembly

29TH SITTING – THIRD ASSEMBLY: SIXTH MEETING - FIRST SESSION:

Thursday, 6 June 2013

The East African Legislative Assembly met at 10.00 a.m. in the Chamber of the Parliament of Uganda in Kampala, Uganda

PRAYER

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

The Assembly was called to order.

COMMUNICATION FROM THE CHAIR

The Speaker: Hon. Members, I want to welcome you to this sitting. I congratulate you upon yesterday's special sitting and the activities that followed thereafter.

As notified yesterday, I want to remind you that the Nanyuki Series starts tomorrow. Please be informed that venue has changed. We will not be at the Lake Victoria Serena Resort. It could not accommodate all of us. So, the conference has been moved to Imperial Resort Hotel, Entebbe. Kindly take note of that.

Accordingly, let me also remind of the administrative circular that was distributed yesterday in relation to our programs of today and tomorrow. As you may be aware, this afternoon, we will be joining Parliament of Uganda in its Session at Serene Hotel. So, we will only sit from 9.30am to 12.30pm. Thereafter, we will adjourn to join Parliament of Uganda at Serena for the official opening of the Third Session.

At 4pm, we shall proceed to Munyonyo. I hope honourable members; you have been able to check out of your hotel rooms so that we are able to proceed to Munyonyo for the activities thereto. And after that dinner, we shall all move to Entebbe Imperial Resort Hotel. That marks the end of my communication. Thank you.

LAYING OF PAPERS

The Chairperson, Committee on Accounts: Thank you, Madam Speaker. I am standing in for hon. Jacqueline Muhongayire because she has an emergence to attend to.

Madam Speaker and honourable members, I beg to lay on Table, the Report of the Committee on Accounts on the Field Visits to the Trade Mark East Africa-funded Project in Rwanda and Uganda.

MOTION

FOR THE CONSIDERATION AND ADOPTION OF THE BUDGET OF THE EAST AFRICAN COMMUNITY FOR THE FINANCIAL YEAR 2013/14

(Debate interrupted on Tuesday, 4 June 2013 resumed)

THE ASSEMBLY IN COMMITTEE

(The Rt. Hon. Margaret Zziwa in the Chair)

COMMITTEE OF WAYS AND MEANS

The Minister of State for East African Community Affairs, Uganda, and Chairperson EAC Council of Ministers (Mr Shem Bageine) (Ex-Officio): Madam Speaker, I beg to move that in accordance with the provisions of Article 132 (5) of the Treaty and Rule 74 of the Rules of Procedure, the Committee of Ways and Means do consider and approve the Financial Statements.

The Chairperson: I put the question that the financial statement for the financial year 2013/14 be approved.

(Question put and agreed to.)

Statement approved.

COMMITTEE OF SUPPLY

(The Rt. Hon. Margaret Zziwa in the Chair)

SUPPLEMENTARY ESTIMATES FOR THE FINACIAL YEAR 2012/2013

Vote 001 East African Community Secretariat

The Chairperson: Hon. Members, I put the question that a total sum of US\$ 478,930.94, under Vote 001, is provided as Supplementary Expenditure for the expenses of the East African Community Secretariat for the Financial Year 2012/13.

(Question put and agreed to.)

Vote 001, agreed to.

ESTIMATES OF EXPENDITURE FOR THE FINANCIAL YEAR 2013/14

Vote 001 EAC Secretariat

The Chairperson: I put the question that a total sum of \$ 69,787,824, under Vote 001, is provided for as expenses for the East African Community Secretariat, including the Defence Liaison Office and the Directorate of Customs for the financial year 2013/14.

(Question put and agreed to.)

Vote 001, agreed to.

Resolution adopted.

Vote 002 East African Legislative Assembly

The Chairperson: I put the question that a total sum of US\$ 13,089,982, under Vote 002, be provided for as expenses for the East African Legislative Assembly for the financial year 2013/14.

The Minister of State for East African Community Affairs, Uganda, and Chairperson EAC Council of Ministers (Mr Shem Bageine) (Ex-Officio): Madam Speaker, I rise to propose an amendment to the earlier estimates for EALA of US\$13,080,992 by increasing the amount with US\$ 776,050.

Following the meeting held on 4 June 2013 between the Chairperson of the EAC Council of Ministers accompanied by other colleagues who are also ministers in charge of EAC Affairs and EALA House Business Commission, in which one of the critical issues discussed and agreed upon was that the Council of Ministers should source for additional budget to finance some key prioritized activities that were left out during the consideration of the EAC Budget for the financial year 2013/14.

The Chairperson of the EAC Council of Ministers and the ministers present unanimously agreed that the days for the Plenary Session be increased by 15 days and the committee working days, by 5 days.

The budgetary implications for additional days as provided by the Clerk amount to US\$ 776,050 will be equally contributed by the partner states as an addition to the budget considered by the 26th Extraordinary Council of Ministers and presented to this august House.

The Chairperson is now moving an amendment to the Appropriation Bill. Thank you, Madam Chairperson.

The Chairperson: Thank you very much, Chair of the Council of Ministers. I want to confirm that the said meeting took place. I am happy that the Chair, Council has had that consideration to amend the figures for EALA.

Okay, I now put the question that a total sum of US\$ 13,866,032, under Vote 002, is provided for as expenses of the East African Legislative Assembly – *(Interjection)* -

Male Member: Procedure, Madam Chairperson. I notice that nobody has seconded the amendment.

The Chairperson: Okay, I think we keep learning. At Committee Stage, we don't require a member to second the amendment. I now put the question that a total sum of US\$ 13,866,032, under Vote 002, is provided for as expenses of the East African Legislative Assembly for the financial year 2013/14.

(Question put and agreed to.

Vote 002, as amended, agreed to.

Resolution adopted

Vote 003 - The East African Court of Justice:

The Chairperson: I put the question that a total sum of US\$ 4,279,489 under Vote 003, be provided for as expenses for the East African Court of Justice for the financial year 2013/14.

(Question put and agreed to.

Vote 003, agreed to.

Resolution adopted.

Vote 004 - Lake Victoria Basin Commission

The Chairperson: I put the question that a total sum of US\$ 30,376,272 under Vote 004, be provided for as expenses for the Lake Victoria Basin Commission for the financial year 2013/14.

(Question put and agreed to.

Vote 004, agreed to.

Resolution adopted.

Vote 005 Inter University Council for East Africa:

The Chairperson: I put the question that a total sum of US\$ 9,692,782 under Vote 005, be provided for as expenses for the Inter University Council of East Africa for the financial year 2013/14.

(Question put and agreed to.

Vote 005, agreed to.

Resolution Adopted.

Vote 006 Lake Victoria Fisheries Organisation:

The Chairperson: I put the question that a total sum of US\$ 3,203,042 under Vote 006, be provided for as expenses for the Lake Victoria Fisheries Organisation for the financial year 2013/14.

(Question put and agreed to.

Vote 006, agreed to.

Resolution adopted.

The Minister of State for East African Community Affairs, Uganda, and Chairperson EAC Council of Ministers (Mr Shem Bageine) (Ex-Officio): Madam Chairperson, the original total figure in the budget, which had been proposed for approved was US\$ 130,429,394. The amendment to the Appropriation Bill amounting to US\$ 775,050 has been made under EALA as a result of the additional 15 days for the plenary session and 5 days for the committee's work. The new total figure therefore is US\$131,205,444. I thank you.

The Chairperson: I now put a question that a total sum of US\$ 131,205,444 is provided for as a total budget of the East African Community for the year 2013/14.

(Question put and agreed to.)

Resolution adopted.

MOTION FOR THE HOUSE TO RESUME

The Minister of State for East African Community Affairs, Uganda, and Chairperson EAC Council of Ministers (Mr Shem Bageine) (Ex-Officio): Madam Chairperson, I beg to move

that the House do now resume and the Committee of Ways and Means and the Committee of Supply report thereto. I beg to move.

The Chairperson: I put a question to the Motion.

(Question put and agreed to.)

The House Resumed, the Speaker presiding.

REPORT FROM THE COMMITTEE OF WAYS AND MEANS AND COMMITTEE OF SUPPLY

The Minister of State for East African Community Affairs, Uganda, and Chairperson EAC Council of Ministers (Mr Shem Bageine) (Ex-Officio): Madam Speaker, I beg to report that the Committee of Ways and Means has considered and approved the financial statement and the Committee of Supply has considered and approved the Revised Estimates of Expenditure for the financial year 2012/13 totaling to US\$ 479,930.94 and the budget for the East African Community totaling to US\$ 131,205,444 for the financial year 2013/14. I beg to move.

The Speaker: Any seconders? Okay, I notice that hon. Dr Sezibera has seconded the motion.

MOTION FOR THE ADOPTION OF THE REPORT OF THE COMMITTEE ON WAYS AND MEANS AND COMMITTEE OF SUPPLY

The Minister of State for East African Community Affairs, Uganda, and Chairperson EAC Council of Ministers (Mr Shem Bageine) (Ex-Officio): Madam Speaker, I beg to move that the Report of the Committee of ways and means and the Committee of Supply be adopted. I beg to move.

The Speaker: Okay, I notice that the motion is seconded by hon. Kaahwa.

Honourable members, the Motion on the Floor is that the Report on the East African Community Supplementary Appropriation Bill and the Report on the East African Community Appropriation Bill be ready for the second time. I now put the question to the motion – okay, I have been guided that we are adopting the Report on the Committee of Ways and Means. I now put the question to the adoption of that report.

(Question put and agreed to.)

Resolution adopted.

BILLS

SECOND READING

The East African Community Supplementary Appropriation Bill, 2013

The Minister of State for East African Community Affairs, Uganda, and Chairperson EAC Council of Ministers (Mr Shem Bageine) (Ex-Officio): Madam Speaker, I beg to move that

the *East African Community Supplementary Appropriation Bill, 2013*, be read the Second Time. I beg to move.

The Speaker: Any seconders? Okay, I see hon. Kaahwa and hon. Dr Sezibera. Okay, honourable minister, please speak to the object of the Bill.

The Minister of State for East African Community Affairs, Uganda, and Chairperson EAC Council of Ministers (Mr Shem Bageine) (Ex-Officio): Madam Speaker, the supplementary estimates moved as a result of the observer mission that was sent by EAC to Kenya during the recent general elections.

Madam Speaker, following the invitation by Government of the Republic of Kenya to observe elections and the Standing Council decision to deploy election observer mission, the EAC Secretariat submitted proposals to the development partners including Danida, to solicit funds for the same.

The proposals were submitted to them way back in September 2012 before the Council approved a supplementary budget amounting US\$ 235,300 from the EAC General Reserve Fund in November 2012.

Consequently, DANIDA considered the EAC proposal and the Government of Denmark approved a total of 4million Danish Kroner, which is the equivalent of US\$ 655,250 for election observation during the Kenya General elections.

The funds were received and integrated into the EACH Partnership Fund within the financial year 2012/13 and earmarked for election observation mission in Kenya, which took place on 4 March 2013.

The Council considered the supplementary Budget amount to US\$ 478,930.94 for the Kenya Election Observer Mission and hence forwarded that supplementary budget to this august House for debate and approval.

Madam Speaker, I beg to move.

The Speaker: Since the motion is already seconded, I not put the question that the *East African Community Supplementary Appropriation Bill, 2013*, be read for the second time.

(Question put and agreed to.)

Resolution adopted.

THE ASSEMBLY IN COMMITTEE

(The Rt. Hon. Margaret Zziwa in the Chair)

BILLS**COMMITTEE STAGE**

The East African Community Supplementary Appropriation Bill, 2013

Clause 1, agreed to.

Clause 2, agreed to.

The Schedule, agreed to.

The Title, agreed to.

MOTION FOR THE HOUSE TO RESUME

The Minister of State for East African Community Affairs, Uganda, and Chairperson EAC Council of Ministers (Mr Shem Bageine) (Ex-Officio): Madam Chairperson, I beg to move that the House do resume and the Committee of the Whole House reports thereto. I beg to move.

The Chairperson: I put the question to the Motion.

(Question put and agreed to.)

(The Assembly resumed, the Speaker presiding)

REPORT FROM THE COMMITTEE OF THE WHOLE HOUSE

The Minister of State for East African Community Affairs, Uganda, and Chairperson EAC Council of Ministers (Mr Shem Bageine) (Ex-Officio): Madam Speaker, I beg to report that the Committee of the Whole House has considered a Bill entitled “The East African Community Supplementary Appropriation Bill, 2013” and passed it without any amendments. I beg to move.

MOTION FOR THE ADOPTION OF THE REPORT OF THE COMMITTEE OF THE WHOLE HOUSE

The Minister of State for East African Community Affairs, Uganda, and Chairperson EAC Council of Ministers (Mr Shem Bageine) (Ex-Officio): Madam Speaker, I beg to move that the report of the Committee of the Whole House be adopted. I beg to move.

The Speaker: Okay, it has been seconded by hon. Kaahwa. I now put the question that the Report of the Committee of the Whole House be adopted.

(Question put and agreed to.)

Report adopted.

BILLS**THIRD READING**

The East African Community Supplementary Appropriation Bill, 2013

The Minister of State for East African Community Affairs, Uganda, and Chairperson EAC Council of Ministers (Mr Shem Bageine) (Ex-Officio): Madam Speaker, I beg to move that the *East African Community Supplementary Appropriation Bill, 2013*, be read for the third time and do pass.

The Speaker: I notice that the motion is seconded by hon. Dr Sezibera and hon. Leontine Nzeyimana. I now put the question that the *East African Community Supplementary Appropriation Bill, 2013*, be read the third time and do pass.

(Question put and agreed to.)

Bill read a Third Time.

BILLS**SECOND READING**

The East African Community Appropriation Bill, 2013

The Minister of State for East African Community Affairs, Uganda, and Chairperson EAC Council of Ministers (Mr Shem Bageine) (Ex-Officio): Madam Speaker, I beg to move that the *East African Community Appropriation Bill, 2013*, be read for the Second Time.

The Speaker: Any seconders? Okay, I notice that it has been seconded by hon. Dr Sezibera and hon. Leontine Nzeyimana. Yes, hon. Minister, can you please speak to the motion?

Mr. Bageine: Madam Speaker, the object of this Bill is to make provisions for the appropriation out of the Budget of the East African Community and specifies amount of money for the services and purposes of the Community for the financial year ending 30 June 2014.

The Speaker: I put the question that *the East African Community Appropriation Bill, 2013* be read for the Second Time.

(Question put and agreed to.)

Bill read A Second Time.

THE ASSEMBLY IN COMMITTEE

(The Rt. Hon. Margaret Zziwa in the Chair)

BILLS**COMMITTEE STAGE**

The East African Community Appropriation Bill, 2013

Clause 1, agreed to.

Clause 2, agreed to.

Clause 3, agreed to.

Clause 4, agreed to.

The Schedule

The Chairperson: Yes, Chair, Council of Ministers.

Mr Bageine: Madam Chair, the Schedule was amended by the addition of US\$ 776,050. That amendment was moved and adopted.

The Chairperson: Are you moving the amendment now? If yes, then the total becomes what...? Can you kindly read it out again?

Mr Bageine: The new figures becomes US\$ 131 – *(Interruption)* -

Mr Bageine: Chair, Council, first move the amendment on Vote 002 in respect of the East African Legislative Assembly.

Mr Bageine: For the East African Legislative Assembly, the original figure was US\$ 13,089,982 was amended by an addition of a figure of US\$ 776,050 giving a total of US\$13,806,032.

Madam Chair, this was, as I mentioned, as a result of – *(Interruption)* -

The Chairperson: The total...?

Mr Bageine: The total now increases from US\$130,429,394 to US\$131,205,445.

The Chairperson: Thank you very much, Chair. I now propose a question on the schedule here amended as proposed by the Chair of Council. I now put the question that the schedule as amended be part of the bill.

(Question on the amendment put and agreed to.)

Schedule, as amended, agreed to.

The Title, agreed to.

MOTION FOR THE HOUSE TO RESUME

The Minister of State for East African Community Affairs, Uganda, and Chairperson EAC Council of Ministers (Mr Shem Bageine) (Ex-Officio): Madam Chair, I beg to move that the House do resume and the Committee of the whole House reports thereto. I beg to move.

(Question put and agreed to.)

(The House resumed, the Speaker presiding.)

REPORT FROM THE COMMITTEE OF THE WHOLE HOUSE

The Minister of State for East African Community Affairs, Uganda, and Chairperson EAC Council of Ministers (Mr Shem Bageine) (Ex-Officio): Madam Speaker, I beg to report that the Committee of the whole House has considered the Bill entitled *The East African Community Appropriation Bill, 2013* and passed it with one amendment. I beg to move.

The Speaker: The seconders are hon. Dr Sezibera and hon. Nzeyimana.

MOTION FOR THE ADOPTION OF THE REPORT OF THE COMMITTEE OF THE WHOLE HOUSE

The Minister of State for East African Community Affairs, Uganda, and Chairperson EAC Council of Ministers (Mr Shem Bageine) (Ex-Officio): Madam Speaker, I beg to move that the report of the Committee of the whole House be adopted. I beg to move.

The Speaker: It is seconded by hon. Kaahwa. Hon. Members I put the question that the report of the Committee of the whole House be adopted.

(Question put and agreed to.)

(Report adopted.)

BILLS

THIRD READING

The East African Community Appropriation Bill, 2013

The Minister of State for East African Community Affairs, Uganda, and Chairperson EAC Council of Ministers (Mr Shem Bageine) (Ex-Officio): Madam Speaker, I beg to move that a Bill for an Act entitled the *East African Community Appropriation Bill, 2013, an Act* to make appropriation out of the East African Community budget to the service of the financial year ending 30 June 2014, be read the Third Time and do pass. I beg to move.

The Speaker: Seconded by hon. Dr Sezibera, hon. Nzeyimana and hon. Kaahwa. I now put the question that *the East African Community Appropriation Bill, 2013* be read for the third time and do pass

(Question put and agreed to.)

Bill read a Third Time.

The Speaker: Hon. Members, I want to congratulate you. The process of approval of the budget is now complete. *(Applause)* Thank you for that very important legislative responsibility of appropriation.

MOTION

FOR THE CONSIDERATION AND ADOPTION OF THE REPORT OF THE COMMITTEE ON ACCOUNTS ON THE FIELD VISIT OF THE TRADEMARK EAST AFRICA FUNDED PROJECTS IN RWANDA AND UGANDA, AND ONSPOT ASSESSMENT OF THE EAC SECRETARIAT CAPACITY DEVELOPMENT ACTION PLAN FUNDED PROJECT IN ARUSHA, TANZANIA

The Chairperson of the Committee of Accounts (Ms Jacqueline Muhongayire)(Rwanda): Thank you, Madam Speaker. I beg to move that the report of the Committee on Accounts on the field visit of the TMEA-funded projects in Rwanda and Uganda and on-spot assessments of the EAC Secretariat capacity development action plan TMEA-funded project in Arusha, Tanzania be adopted. Thank you, Madam Speaker.

The Speaker: Seconder? Hon. Nkanae, hon. Mumbi, hon. Nsabimana, and hon. Rwigema. Committee Chair, please proceed.

Ms Muhongayire: Thank you, Madam Speaker. The Committee on Accounts is a standing committee of the EALA, an organ of the East African Community, whose functions are enumerated in Article 49 of the Treaty for the establishment of the East African Community.

The Committee on Accounts, on behalf of the Assembly, undertook to assess and appreciate Trade Mark East Africa-supported programmes and projects in the EAC Partner States of Rwanda and Uganda and the Secretariat from 2-9 April 2013. The activity was successful and if the recommendation herein is implemented will enable acceleration of the East African Community integration.

The objectives of the activity are stipulated in the main report on page 4. They were:

1. To exercise parliamentary oversight functions on EAC projects.
2. To understand and appreciate the impact or potential impact of projects funded through Trade Mark East Africa in the EAC Partner States of Rwanda and Uganda.
3. To witness best practices and share experiences on the on-going projects funded through Trade Mark East Africa.

4. To produce a report on the outcome.
5. To ensure transparency and accountability.

The Methodology

Madam Speaker, the committee divided itself into two groups; one group visited TMEA-funded projects in Kigali, Rwanda while another group visited TMEA-funded projects in Kampala, Uganda. Both groups later converged in Arusha, Tanzania to assess TMEA-funded capacity development action plan projects supporting the EAC Secretariat. The on-spot visits in the Republics of Rwanda and Uganda on TMEA-supported projects, as it is highlighted on pages 4-15, TMEA is a multi-donor agency created as a special purpose vehicle that receives funds in form of grants from DFID, Denmark, Norway, Belgium and Sweden to support the EAC regional integration process.

TMEA supports initiatives aimed at improving the trade and business environment in the region. In addition, TMEA support revolves around consolidation of the EAC Customs Union, tax harmonisation, legal approximation of key aspects of the EAC Common Market Protocol and strengthening institutional capacity of the EAC Secretariat. Established in 2010, TMEA primarily supports EAC regional integration efforts at both national and regional level for development and growth through supporting initiatives of its key regional partner – the EAC, its organs and institutions, which includes EALA.

The Committee on Accounts undertook to visit the project supported by TMEA in the EAC Partner States of Rwanda and Uganda with the view to raise awareness amongst the members of the impact of the TMEA support towards regional integration.

The findings and observations from the Republic of Rwanda are stated on pages 4-10. The TMEA involvement in the Republic of Rwanda began with the country programme negotiated between TMEA and the government of Rwanda in 2010 with a committed budget of \$3 million in the period between 2011 and 2016. TMEA programme is governed by a steering committee called the National Oversight Committee comprising of Ministry of East African Community Affairs, Minister of Ministry of Finance, Ministry of Trade and Industry, Rwanda Revenue Authority, Rwanda Development Board, Rwanda Bureau of Standards, Private Sector Federation, Civil Society Organisation Forum and TMEA representing donor agencies.

The National Oversight Committee is chaired by the Permanent Secretary of the Ministry of East African Community Affairs. The major goal of TMEA support to Partner States is to facilitate regional integration agenda. In Rwanda four programme themes are in place, namely;

- (1) More efficient transport corridors and trade facilitation
- (2) More efficient and effective EAC institutions
- (3) Strengthen the national capacity for implementing regional integration policies and;
- (4) Responsive to civil society and business.

Madam Speaker, in addition to enumeration of programme themes, TMEA Rwanda office took the Committee on Accounts through various projects supported by TMEA at the national level. They include:

- (i) TMEA support to the Ministry of East African Community Affairs
- (ii) Strengthening national capacity
- (iii) Support to civil society and private sector
- (iv) TMEA support to increase efficiency and effectiveness
- (v) TMEA to Rwanda Revenue Authority
- (vi) TMEA support to Rwanda Bureau of Standards

Recommendations

Madam Speaker, the committee recommends to the Assembly to support TMEA activities in Rwanda. The committee emphasises the importance of the role played by TMEA in support provided in Rwanda by breaking through the barriers to trade and helping to create new opportunities as well as accelerating economic growth across the region.

Conclusion

Madam Speaker, the committee commends the appointing authority of the government of Rwanda for appointing a knowledgeable and able manager above the Director-General of Rwanda Bureau of Standards and the Deputy Commissioner-General in charge of customs in the customs department.

Findings and Observations from the Republic of Uganda

Madam Speaker, the committee noted that the TMEA Uganda programme is based on three key themes:

1. More efficient transport corridors and trade facilitation.
2. Strengthen the regional integration implementation nationally.
3. Regional integration responsive to civil society and business needs.

The committee observed that automated systems customs data like any other software could face challenges like disconnection of fibre optic cables as a result of road construction. There could also be system sabotage because local area leaders and the owners of hotels, lodges, restaurants by causing quick clearance of goods to the border has deprived them of business.

It was observed that the Ministry of East African Community Affairs has since formed 56 EAC clubs in primary schools first phase in a move to disseminate information about EAC. However, the Minister of East African Community Affairs does not engage EALA on the integration awareness campaigns like talk shows, radio programmes and yet EALA Uganda Chapter is a vital resource to drive awareness campaigns to the grassroots.

The committee was informed by TMEA Rwanda support to the EALA Rwanda Chapter in the area of research, resource persons and has equipped the research office. This has enhanced the legislation power because members have researched data. The committee noted that TMEA is presumed as a funding institution. Amazingly it appears to be both funding and implementing. Information about EAC project is published by TMEA, instead of the EAC the implementing institution. The committee noted with concern that TMEA does not also fund or support monetary union and political federation activities which are the key pillars of integration. The committee noted that the EAC management has never tabled or made known to the members of the Assembly the TMEA-EAC memorandum of understanding.

Recommendations

Madam Speaker, the committee recommends to the Assembly that there is need to facilitate EALA activities both at regional and country level on issues of sensitisation and awareness campaigns, participation in regional programmes to ensure implementation of Assembly resolutions, laws and Acts, Council and Summit decisions.

EALA should engage more with the private sector with regard to the new automated systems customs data – customs software – as compared to the older SCUDA+++, as well as other non-tariff barriers.

As a result of sluggish public procurement and disposal of assets procedures in Uganda, Mutukula One-Stop Border Post on the Ugandan side is not constructed while the Tanzanian side is nearing completion. Public procurement and disposal of assets need to review their procurement procedures to expedite the process.

Findings and Observations from the EAC Secretariat

Madam Speaker, TMEA is funding the capacity development action plan in the EAC Secretariat, particularly in the following components: internal audit; financial management system, including EAC accounting application; the SUN system; procurement, human resources management, planning, monitoring and evaluation, corporate governance and institutional review. The latter has been done to help pass the judiciary risk assessment.

Madam Speaker, the committee having been mandated to assess the capacity development action plan project did so and below are the findings and the observations:

- 1) TMEA coordinates and facilitates projects designed to support or develop specific areas with national governments, the EAC Secretariat, EALA assessment and appreciation to TMEA-supported projects in Partner States, the civil society and the private sector in the EAC Partner States.

- 2) TMEA is a registered non-profit making organisation in the Republic of Kenya and has engaged the EAC Secretariat by signing a financing agreement and a memorandum of understanding.
- 3) TMEA has established partnership with EAC Partner States individually in support of EAC integration as follows:
 - i. In the Republic Of Tanzania, TMEA is working on four One-Stop Border Posts to be completed in 2013. TMEA has facilitated on improving on infrastructure and handling at Ber1-7 at Dar es Salaam Port.
 - ii. In the Republic of Rwanda, TMEA has facilitated and financed the establishment of the electronic single-window project in the customs department of Rwanda Revenue Authority, a move that has saved \$20 million in business.
 - iii. In the Republic of Uganda, TMEA has facilitated the establishment and use of ASCUDAWAL for Uganda Revenue Authority customs department.
 - iv. In the Republic of Burundi, TMEA has supported the revenue authority to increase collection of revenue by 40 percent annually.
 - v. At the EAC Secretariat, TMEA is rolling out a six-year programme (2011-2016) with a budget of \$20 million and support is provided through various mechanisms with technical assistance being the most important.
 - vi. TMEA is operating at different levels in all EAC Partner States and the EAC Secretariat. To this end, there is a need to look in the matter in an in-depth way by examining the TMEA regulations by the laws of Kenya.

TMEA has not formalised its working relationship with the organs of the Community especially the Assembly. TMEA is seemingly taking over the responsibilities of the EAC especially resource mobilisation department. TMEA is only funding activities related to the Common Market Protocol, leaving out the monetary and political federation yet Article 1 of the memorandum of understanding in the scope of operation is all-inclusive.

TMEA started its operations without relevant documentation and has just formalised the same without involving the Assembly. TMEA does not have and does not use their own funds; the funds are raised on behalf of the East African Community and therefore belong to the Community, which has the right to receive the narrative and financial report because TMEA is simply a conduit. TMEA mobilises resources to fund EAC activities reminiscent of partnership fund receipt and EDF but happens to behave differently.

The Regional Oversight Committee, as indicated on pages 19-20

Madam Speaker, after the assessment of TMEA-funded development action plan project at the EAC Secretariat and field visits to various projects and programmes funded by TMEA in the

EAC Partner States of Rwanda and Uganda, a number of questions of TMEA remained unanswered. To this end, the committee arranged a meeting with TMEA Regional Oversight Committee, a body that oversees TMEA operations under the EAC Secretariat and TMEA management. The purpose of the meeting was to understand TMEA and appreciate the following:

- a) What is TMEA as an organisation?
- b) How does TMEA operate and relate with the EAC?
- c) What are the TMEA on-going programmes and projects under the EAC which are related to the integration agenda in the region?
- d) The achievements of TMEA so far registered in the EAC integration agenda.
- e) The performance of the Regional Oversight Committee on TMEA activities.
- f) Whether the EAC Secretariat is in any way in control of the activities related to the integration agenda funded by TMEA.
- g) On whose behalf does TMEA mobilise funds and under which mechanism.
- h) The criteria used by TMEA in the distribution of resources.

General Findings and Observations (Page 20-22)

Madam Speaker, TMEA is a non-profit organisation registered as a company limited by guarantee under the Companies Act, CAP 486 Laws of the Republic of Kenya. TMEA is a special purpose vehicle which receives funds in form of grants from various donors like Denmark, Belgium, UK, Sweden, and the Netherlands. It supports initiatives aimed at improving trade and business environment in the regional in general and the EAC integration process in particular.

TMEA has prioritised perfecting the Customs Union and the Common Market but is not interested in the Monetary Union and Political Federation stages as the memorandum and articles of association in article part (b) which states: *“The company shall not support or participate in any activity of political nature that the members may freely exercise their constitutional rights to comment on political and other matters in their personal capacity and the company may comment publicly or privately on any matter of a political nature which affects its activities.”*

TMEA is established under the laws of Kenya and its creation is articulated in the articles and memorandum of association, which is lacking. It misses major components of authority in the leadership of the company. In fact the Programme Investment Committee is not mentioned, raising concerns on management of TMEA.

TMEA supreme organ is composed of independent members from the United Republic of Tanzania, the Republic of Kenya and the Republic of Uganda, with the EAC Secretary-General the chairperson. The Republic of Burundi and the Republic of Rwanda are yet to be included in the Programme Investment Committee.

TMEA implements its programme through a two-tier governance and management structure. At the regional level and overall level the Programme Investment Committee comprising donors and East African external advisors to TMEA provides and strategic and oversight. The operational oversight is provided by the national oversight committee at country level and the regional oversight committees at the regional level, which are both functionally responsible to the Programme Investment Committee. The regional oversight committees and national oversight committee structures lead to have divided loyalty and interests and contravene the Treaty as they are all in conflict with the role of the regional and national parliaments.

The operations of TMEA are reviewed by regional oversight committee which makes recommendations to the Programme Investment Committee, which also assesses and makes recommendations to the donors. The regional oversight committees comprises the following members: The Deputy Secretary-General in charge of Finance and Administration; the Deputy Clerk of EALA; the five persons appointed by the Secretary-General from amongst the senior management of the Secretariat; one representative from each EAC organ and institution receiving assistance from TMEA and one representative appointed by each donor contributing at least one million pounds to TMEA.

TMEA operates on a business plan which sets the priorities against the budget. The funding is fast and flexible because implementation of requests take relatively shorter conceived as a model that has been tested and confirmed as efficient so far.

The EAC Secretariat is not in control of all activities supported by TMEA related to the integration agenda but trying to make matters clear by reporting to the Programme Investment Committee and working hard to pass risk assessment that will enable the EAC Secretariat access funds directly from donors, not through TMEA. In fact the Deputy Secretary-General in charge of Finance and Administration suggests renaming the regional oversight committee as the regional coordinating committee.

And finally, the ownership of TMEA is not clear since the articles and memorandum of association do not say so. The need to specify and put documents clear is paramount.

General Recommendations (Page 22)

Madam Speaker, the committee recommends to the Assembly:

1. To urge the EAC Secretariat to utilise the support and facilitation provided by TMEA through capacity development action plan project to enhance the capacity of financial and risk management system to ensure success of the next risk assessment.

2. To urge the EAC Secretariat to sensitise and make known best practices and innovations practised in some Partner States to where they do not exist in other Partner States to accelerate regional integration agenda.
3. To urge the Council of Ministers to submit and table to the House a report on TMEA governance structure, instruments establishing TMEA and the nature of its operations.
4. To urge the Council of Ministers to ensure periodic reporting on development partners' programmes and projects in the region relating to the integration agenda.
5. To urge the EAC Secretariat to engage the East Africa Community Audit Commission in auditing policies and strategies through donor funds and assess value for money relating to the integration agenda as required by Article 134 of the establishment of the EAC.
6. To urge the national assemblies in the Partner States to establish specific committee responsible to oversee implementation of EAC integration programmes and projects including those funded by development partners.
7. To urge the CTC to the Community to follow up on the legal framework and documents establishing all development partners that are supporting EAC integration and provided their opinion thereof.
8. To facilitate the accounts committee meeting with the Programme Investment Committee and the chief executive officer of TMEA in its next activities.
9. The EAC Secretariat and the TMEA management should close gaps and inconsistencies that occur in their operations. They should re-shape and re-focus their partnership to establishment a framework in which TMEA is informed on the needs and desires of the EAC.

Conclusion

Madam Speaker, the committee appreciates the initiatives by the two governments of Rwanda and Uganda on the developmental projects being supported by TMEA.

The committee appreciates the role of TMEA in the EAC regional integration. Projects being supported in the EAC Secretariat and the EAC Partner States are facilitating trade and operationalising the Customs Union and Common Market Protocol. This will certainly facilitate and expedite regional integration.

The committee acknowledges the support provided by your esteemed office and the Assembly. The committee is grateful to TMEA to its support provided in the EAC Partner States and the Secretariat. The information and time provided by the TMEA officials both in country offices and Arusha, government officials from both the Republic of Rwanda and the Republic of Uganda is greatly appreciated.

The committee wishes to thank members of the committee and the office of the Clerk for making this activity a success.

And finally, I wish to extend our sincere appreciate, as a committee, to the honourable CTC to the Community for his able counsel he has always extended to the Committee on Accounts in all the activities we have undertaken. And particularly, in this activity, he guided the committee and provided clarifications on the documents establishing and operationalising TMEA.

Madam Speaker, I now beg to move that this House considers and adopts this report so that its recommendations can be implemented and followed up during the forthcoming financial year 2013/2014. I beg to move.

The Speaker: Thank you, Chairperson of the Committee on Accounts. Hon. Members, the motion on the Floor is that the report of the Committee on Accounts on the field visits of the TMEA-funded projects in Rwanda and Uganda and on the on-spot assessment of the EAC capacity development action plan, TMEA-funded projects in Arusha, Tanzania. Debate is open.

Mr Saole Ole Nkanae (Kenya): Thank you, Madam Speaker. I stand to support the motion. Before I substantiate why I support the motion, may I first say a few things about the head of state of this republic. Yesterday he was here and I was surprised because the other day he was in Sri Lanka; previously he was in Japan and before that he was in China. He really has energy! *(Applause)* And he loves East Africa as though it were his own.

Madam Speaker, he said a few things and reminded us about the injustices which were committed before in the nineteenth century and early twentieth century and he made it life in the twenty first century. He said without saying, “Necessity is the mother of invention.” He also said, “Never again shall we be internally hurt.” And if I remember, he said, “*Kamarami siso ingak isumi ria arami.*” *(Laughter)* That we should never be hurt again internally – internal haemorrhage should not be repeated.

Madam Speaker, he said we did not invent electricity because we had 12 hours of 24, sunshine – so it was not necessary. We did not invent the aeroplane because we would walk from one village to another. The locomotive for that matter was not necessary then. But now it should have come like yesterday.

Madam Speaker, he also said something – and I like it because I am one of them – he looked like he was a cattle herder and cattle keeper who rose from his humble beginnings to become a liberator of Mozambique and eventually liberated this country from dictatorship. He said that we should be feasible and that feasibility can only happen if we shall be empowered to sensitise East Africans. I am sure he directed our CEO and he simply said – I am also happy he is also another cattle herder with a doctor of human medicine, a liberator by necessity and now a CEO by his own right as an East African. I beg that you take those directives nicely. The Chairman of the Council of Minister is a supporter and I like it.

So, Madam Speaker, I support the motion for a simple reason that when we started urging to go out, there was an element of resistance and we were very adamant because we felt there was some malpractice somewhere only to be surprised to see that TMEA is doing a good job. Their vision is a united East Africa, a flourishing trade and strong investment and lessened poverty. We asked him why we should not eradicate poverty instead of just lessening it and he said even donors have beggars on their own streets. So we can never eradicate poverty but we can lessen it.

Madam Speaker, what we saw in Rwanda was very interesting. The people running those departments and divisions are very qualified and very efficient and they are loyal to their country. They want to portray that country as a good country, which is good. After genocide, that country has recovered twenty-fold.

Madam Speaker, I should not say a lot of things; TMEA which is 'Trade Market' not 'Trademark' by name should only assist us – let us not have regional oversight committees; they want to make us, as an assembly, redundant. Our committee should be doing oversight while they should be just a coordinator. So I hope they will change that.

The other thing I agree to assist is that they do not give finances for us to go and see their projects and they cannot also give us finances to oversee other things. So we are saying that if the Community can give us some finances to oversee their projects and they give the Community some money so that we can oversee other projects, then that will do. With those few remarks, I beg to support the motion. (*Applause*)

Mr Pierre Celestin Rwigema (Rwanda): Thank you, Madam Speaker. I rise to support this report and I am a member of this committee. I thank the chair of the committee as well as all the members of the accounts committee because of the work well done by doing the oversight activity the way they did it and the report which has been produced.

Madam Speaker, it is very important and interesting to see what has been done through these oversight activities. Sometimes when we read the report, we understand better when you are part of the group and by following the whole debate you understand better what is going on regarding this matter. By doing these exercises you can see that legally that there are some procedures that can confront each other because when we were overseeing these activities, we noticed how TMEA-funded activities can make us understand problems we can get if we do not follow very well different activities performed by some companies that are supposed to support EAC.

For example, when a company is mobilising funds using EAC as a mantle and then after mobilising the funds you can allocate the funds and implement and coordinate most of the activities. And legally there are some things that are not well coordinated because there are some which cannot go together. And we have found out that as parliamentarians, we are regulating the integration process which means we have to – if some activities which are done within the Community are not duplicated in Partner States and it is what we have observed sometimes. That means that we need to harmonise such kinds of activities and concentrate on the integration process.

And Madam Speaker, it is very important that we can extend oversight activities to some of the companies offering some money or funding some activities for EAC. And it was really – I think the first activity to be overseen on a company – and I recommend that this oversight activity is extended to all other companies.

Madam Speaker, as I still have the Floor, I want to add my voice to that of hon. Nkanae and thank HE President Museveni for the speech he gave to us yesterday. It was wonderful to listen and follow everything he said. When you listen to President Museveni, he is a leader who expresses his feelings; what he tells us is what he believes in. And it is very different from some of our people. I want to thank him because he is a gift to us. Thank you, Madam Speaker. I do support the motion.

Ms Sarah Bonaya Talaso (Kenya): Thank you, Madam Speaker. I take this opportunity to thank the Parliament of Uganda for the hospitality they have extended to us as a parliament. I would also want to thank the head of state for gracing our occasion yesterday and giving us the inspiration as the elder statesman of the region.

Madam Speaker, I support this motion and would like to start by congratulating the members of the accounts committee who had to work under very difficult conditions. Right from the word “go”, this effort was supported – just to give other members a background. We were actually not welcomed to this exercise because maybe there are things we should not have known as a committee and we were being deliberately kept out. As you can see from the report, our report had been given to our executive to execute, who actually seem not to know anything about TMEA, when we challenged them to tell us what their oversight role had come up with. They said they did not know much. But according to the report, their role is to give advice to Programme Investment Committee, which is the top organ of TMEA.

The EAC Secretariat is busy advising TMEA while they are being given a wrong role – not that of coordination, which the Treaty has given to them. Instead they were given a misplaced role for which they had not budget from TMEA – to oversee anything. Why? Most of these projects are implemented in Partner States without due respect to the regional efforts of negotiating as a bloc. To me, that account is tantamount to divide-and-rule. So I would like to put that very clear. The approach of working with the Partner States while we have agreed to work as a regional bloc and make our decisions at the centre and coordinate from the centre, now that they have been disempowered and left with the work of advisors – which is not clear in the project document.

Madam Speaker, TMEA has actually taken over the whole role of the Secretariat; it does the fundraising, it does the procurement on behalf of any project on the integration agenda – I know they are doing it for Partner States but as long as it is an issue on integration agenda it is our business. That is why, as a committee, we pushed and wanted to know what is happening at Partner States’ level. So they are doing fundraising, procurement, recruitment and there is conflict of interest because our very own staff are being used by TMEA as part of their strategy, meaning that we have a parallel structure, which puts us, as the EAC, look like squatters in other people’s backyard because our role is just to give advice while this other company, which is actually a private company registered by two individuals in Kenya, has individuals from five donor countries plus three private individuals From East Africa, who I am sure include some of

our retirees – let us be frank because we have a community. The other day I was standing on the Floor of the House in Rwanda and I was asking whether we are sold out or for rent. I think there are certain questions here which this committee has not actually said in hard way in the report. But there is something sinister going on about how we are operating as a Community; we cannot give up our role which is given to us by the Treaty. We cannot engage with a private company – I appreciate all the wonderful work done by TMEA; it is great and I have no doubt about it because they are doing a lot of fundraising and a lot of mega activities like the development of the Port of Mombasa. I appreciate all that but how would I know that we are getting value for money for whatever funds which have raised where we do not get any reports; where this money does not come under scrutiny by our audit system. We do not get any reports from this particular company.

So, Madam Speaker, I think we need to do further scrutiny as much as we need to appreciate donor support; we cannot work on our own because we are not an island – (*Interruption*) -

The Speaker: Hon. Sarah, hon. Kidega is seeking clarification; just give him one minute.

Mr Kidega: Thank you, Madam Speaker. Hon. Sarah, I am sorry for interrupting you but you have alluded to a very important matter that there is a private company registered by certain individuals that are operating in the Community and that some of the directors of the company are retirees from the Community. Are we driven as a Community by a private limited company, funding or running the Community? Madam Speaker, this is a very serious matter and it must be made clear which company this is – is it a profiting company or a charitable company? What is this going on? Is the integration process hijacked? That is the clarification I am seeking.

The Speaker: Well, I do not know whether you are seeking the clarification from hon. Sarah or from the SG. But hon. Sarah, you can resume the Floor and respond to what you can on this matter and then proceed to wind up.

Ms Bonaya: Yes, Madam Speaker, I was just concluding. But I appreciate the queries raised by hon. Kidega because even as the accounts committee, we have not gotten to the depth of this matter; we still need further investigation. So just to be on the safe side, we appreciate all the wonderful work being done by TMEA and other donors and I would want to actually urge this Assembly to take matters of donor funding very seriously and make sure we are in the know of what is happening with this much money – is it value for money for us? (*Applause*) Is it actually dwelling on the integration agenda? Are we getting what we wanted to get out of it? Is it guiding us to the right direction? Thank you, Madam Speaker.

Ms Mumbi Ng'aru (Kenya): Thank you, Madam Speaker. I rise to support this motion. But before I make my contribution – it is our last day to sit in this Chamber, I want to thank the Speaker of the Parliament of Uganda. I also want to thank EALA Uganda Chapter; you have been wonderful hosts. (*Applause*) There is no question about that. I also want to appreciate the Chair Council and all his other colleagues; the office of the Secretary-General and the staff accompanying him and your own office, Madam Speaker – you have really tried to make our lives easy here in Kampala. And I want to specifically thank the Chair Council for the quick action in the implementation of in the budget because probably he has seen how he struggled to

beat time. We have always worked against the days that are in the Treaty but he has confirmed that we need the extra days so that we do not have to work over the weekend. I remember how the general purpose committee was summoned on a Sunday in order to finish this work. Thank you, the Chair Council.

And I want to thank the head of state, President Museveni – his focus on issues; his energy is amazing and his humour. I have watched live proceedings in Parliament and members are known to take a slumber once in a while but not when President Museveni is speaking. He has humour that keeps everybody awake and you do not want to miss his next statement. As EALA, we have an able Chair Summit and an able Chair Council. And well, they have to finish their terms – I would have extended it if I had powers to make sure that the vision that they really want to achieve in the next few months comes to fruition and takes off the ground. We are in good hands over the remaining time- that they will set a firm foundation on how we are going to move forward.

Coming back to the report, I am a member of that committee. I thank the chairperson for steering the committee; sometimes we would get annoyed because we were not getting the documents we needed. I thank CTC because when we got our blood pressure up, the Chair was able to calm us down and say, “I am going to make sure that I get this document for the committee.” But you realise that we are members of this committee and we appreciate the work being done by TMEA. However we still have a lot of questions.

When we met TMEA, it was like we were there...we are helping you; we are doing a good job and we have come to rescue you, and you are looking like that person who the President talked about who gets drunk and starts misbehaving and they are robbed.

We have TMEA in EAC; we have let them come in and have dislodged us and there we are squatters in our own organisation. I have been feeling like a squatter; they advertise, they implement, they fundraise for us and they have the audacity to say they are not interested in political matters in the East African federation yet it is one of the pillars. Can you imagine they have given their own terms? And they are also using our very senior staff members and I sympathise with them because their loyalty is divided. So when we come to speak about TMEA, they feel like we are stepping on their toes and we are not respecting the articles of the Treaty. This is because they are also in it. And so we have this divided loyalty, and this is why I think our committee recommendations – and when I call it “our” committee, you should take us seriously. We respect the work they are doing yet there are issues we are not able to deal with.

I was of the same confusion as hon. Dan Kidega: Who are they? Who do they work for? Can we have this MOU? Can we have the registration papers? And like my colleague, Sarah said, it is a private company, registered under Kenyan law CAP 480-something, and they decide probably that Rwanda and Burundi should not join their top organs and we have a legal team at the EAC under the Counsel to the Community, and we are not able to question those issues. We pray, as one of our recommendations in the committee that our committee be facilitated to meet their top organ. Can we be facilitated to speak to their actors and for our members to make recommendations? Can they be removed from doing the oversight role? You know, we have this MOU that we don't know. Please help us get to the bottom of this otherwise we are sold out and

we are sold out for good and if we are not careful, I think in a few years, EAC may not have any meaning and TMEA will take up the integration issue, do the infrastructure and do everything that we are supposed to do and we do not want to see the East African Community being run by somebody who calls the shots from some other quarters.

Take our confusion like a need to be addressed in a special way. If you were a member of our committee, you would be surprised. We are trying to appreciate, we are trying to criticise, we don't know how deep other organs are; we are just there. Please help the committee understand that relationship between outsiders, retirees, and I don't know who else it is so that we can formulate a working relationship that respects the Treaty, that respects the organ and that respects other officers. Thank you, I support. (*Applause*)

The Speaker: Thank you very much. I will take hon. Mulengani.

Mr Bernard Mulengani (Uganda): Thank you very much, Madam Speaker. I want to join my colleagues in thanking the chair. I happen to be a member of the committee but because of constraint of time, the committees were running parallel with the General Purpose committee and I opted to stay much more on the General Purpose committee than the Accounts Committee. I want to add onto the voices of my colleagues to say that we need to appreciate the genesis of TMEA. For us who had the opportunity to be in the second EALA know how much we tried to resist the creation of TMEA. TMEA is a creature of an organ of companies that is standing between the community and the donors. It is the only organ or only organisation that behaves like a donor yet it has no characteristic of donors. It is the only organ that is using in totality the literature of the East African Community to source for funds even when we have a principle resource mobiliser at the East African Community.

Madam Speaker, as a member of the committee and a member of this region, we are in total pain. We are paining inside if the Executive doesn't wake up to remodel the relationship between the community and TMEA. The contribution of TMEA is approximately one percent of the total donor fund contributions. They do whatever they want. Last year, they financed communication to a tune of US\$1.2 million. Today, they have dropped to US\$60,000 without explanation. Where is the continuity in that area?

When they go to member states, they have taken over our responsibility. Okay, it is good they are implementing these things. If they have decided to help member states implement what is at the region, let them do away with the region because the challenge we are facing is one; our Executive are on the board of TMEA. So, you wonder; where do they pay allegiance and how will they do supervision in donor funds? TMEA is the only donor who is doing the work that hon. Sarah Bonaya has enlisted; - recruiting, advertising, putting on the websites our logos as EAC and TMEA on the other side and then they are flushing out how much they have implemented on one border post. We are passing Bills here on one stop border posts but TMEA is seriously - open the websites and see - the Secretariat is not talking about the one stop border posts but TMEA is. So, it just confirms that we have decided to accept to be engulfed by a Denmark taking over Congo. I want to quote the words of His Excellency Yoweri Museveni, "a Belgium taking over Congo." This is the exact thing that we are in and I want to call on the

Council of Ministers to kindly revisit your memorandums with Trademark East Africa. Have similar memorandums with Trademark East Africa like you have with FIDA, RISP, GTZ, and other donors. Why treat TMEA in a special way? That creates a question to us as legislators who do oversight that possibly, there are some things that are going on and I want therefore to urge council to expeditiously bring on board the protocol on good governance, the protocol on corruption.

Madam Speaker and colleagues, member state parliaments have got such committees that look into grants and loans in details before they come into the community. I am seeking that at an opportune moment, our Parliament also gets to go much in full implementation of the Budget Act but also creation of committees that first of all would be able to scrutinise these loans or grants before they come into the community.

Madam Speaker, the other challenge we have with TMEA that is standing between the community and the donors is because of our internal weaknesses in the systems because we were unable and we are not yet able to pass the fiduciary risk assessment. The donors thought that it would be easy not to lose the East African Community and it is true, with the Secretary General then, they signed the initial memorandum that instead of losing their funding, let TMEA stand in as we try to better our internal systems. In the budget that was passed just a few minutes back, there is a component of consultants coming in to ensure that our fiduciary risk assessments are overcome. So, I want to add onto my colleagues' voices that the council has got a challenge, a challenge in revisiting our relationship with trademark. We need the council to revisit our community's relationship with trademark. Otherwise, we are going to be sold out by trademark. I want to thank you.

Ms Suzan Nakawuki (Uganda): I thank you, Madam Speaker, once again for the opportunity. I confess I am a member of the Accounts Committee. I want to thank my chairperson, hon. Jacqueline Muhongayire for a job well-done and for being so patient with some of us. I should say, some of us have not been able to attend the Accounts Committee for reasons that we are also members of the General Purpose Committee that has been engaged with the budget and she kept excusing us until yesterday.

Madam Speaker, I have three issues to raise when it comes to the report of the committee. I rise to support the report but first of all, I have a concern on page 4 of the report. The last paragraph on page 3 still raises the issue of PPDA and the need to review procurement procedures to expedite the process of implementation of activities. On this very paragraph, we are talking about the sluggish public procurement and disposal of assets in Uganda. Allow me to thank Trademark East Africa for being there to support some of the activities of the East African Community.

A lot of money has been allocated by Trademark East Africa but we have not been able to achieve much on the Ugandan side because of procurement. I talked about this very issue yesterday and I am throwing it back to hon. Shem Bageine.

In 2011, Trademark East Africa allocated money for the one stop border post at Mutukula. The Tanzanian side is nearing completion and for the Ugandan side, there is nothing done as yet because of the issue of procurement. Trademark East Africa provided US\$22 million for the construction of the Ntungamo–Mirama Hills Road and the Government of Uganda set aside also 60 percent of the entire budget for the construction of this road but the issue still is procurement.

Madam Speaker, I am concerned that the people of Uganda and the people of East Africa stand to lose if this money is taken back and we have not provided alternative funding, bearing in mind that we have a limited resource envelope and the problem is us. Why can't we act? Chair, Council, I am really begging you - if I can say, in the name of God - you should amend the PPDA Act of Uganda because I don't want Ugandans to miss out just because of these technicalities.

Secondly, Madam Speaker, I have a concern about an issue which has been raised on page 6 of the report and this is about the fact that Trademark East Africa is only interested in funding the Customs Union and the common market. It was put on our faces when we were doing the oversight role in Uganda, that they are not interested in funding the monetary union and political federation and this is an organisation which is raising many in the name of the East African Community. How do you tell me that you are interested in just two pillars of the integration, you are not interested in the last two and yet you are raising money for us?

When I look at the mission for Trademark East Africa, and I will quote verbatim "*To promote rapid advances in East Africa's integration, trade and global competitiveness for all east Africans.*" Madam Speaker, the major goal of Trademark East Africa is to facilitate the regional integration agenda" that is included in the committee report on page two. So, if they are interested in the regional integration agenda, how can they come now and say they cannot facilitate some of the pillars of the integration?

So, if they are raising money to the community, I think they should also be able to abide by some terms of the community. Otherwise they are all over the place, like my colleague has said, they are masquerading. In fact today when I opened their website, I found this article that I have not seen on the EAC website and they said that that the EAC seeks US\$15 million credit. I have not seen this on the EAC website before and it is on Trademark East Africa's. So, it really got me concerned. If you want to feed me, you cannot tell me that much as I am giving you this sauce, do not eat the meat; just take the soup. To me it doesn't work out.

Madam Speaker, I am also concerned that these are people who are raising money on behalf of the community but they are not accountable to the community. When the Secretariat goes to raise funds, they come back and account but for Trademark East Africa, it is not the story to believe that they are using the community as a conduit to enrich themselves. The truth of the matter is that the employees of Trademark East Africa earn much more than even what the Secretary General earns.

So, they are making money out of us. Recently, they got US\$15 million from Sweden and now they know how to go about it. They are already even increasing their salaries, at our expense. So, I don't think we should allow this to continue.

Actually as I conclude, I have two small concerns. While meeting Trademark East Africa in Arusha, those people refused to meet us the day we were scheduled to meet them. We got there and they said people were out of office, they were doing other activities. So, they didn't have time to meet us.

So, the EALA committee turned out to be the opportunity cost for them. That means you do not mean anything to them. We sat there the first day and they didn't come and we left the next day. They didn't see it relevant until the chairperson insisted that they had to come and find us in Kigali, but they refused to meet us when we were in Arusha and when we went to do our oversight role, those people had the courtesy to tell us that it is not our duty to do oversight on them because they are an NGO, they are independent from us, so we can't do oversight. So, literally, we are imposing ourselves on them.

Nonetheless, we were able to do the oversight role, and as a scenario, one of the committees which was supposed to be facilitated by Trademark East Africa got to Kampala and there was no one to give them the facilitation. Imagine the committee stating chasing them all-over the place to find money for the committee and they almost failed to achieve that.

So, Madam Speaker, I push this back to the Secretariat. They need to do something about this otherwise we are being used by some people to enrich themselves. I thank you, Madam Speaker.

The Speaker: I will take hon. Okumu and hon. Zein in that order and we will conclude on this and then I will invite the Secretary General to respond. It will be important.

Mr Chris Opoka Okumu (Uganda): Thank you, Madam Speaker. I rise to support the motion. I am a member of this committee and I attended the committee's activities with TMEA. One thing that is clear from the report is that TMEA is a registered company, a company registered by guarantee. It is a private company registered in Kenya and it is doing a commendable job in supporting the community's integration process. It has signed a memorandum of understanding with the community.

My biggest concern about TMEA is that when we met with the TMEA personnel, we wanted to understand TMEA just like anybody else. We requested for their memorandum and articles of association, company powers, company's objectives and what was contained in these two documents, which are the only legal documents that set up a company. We were supplied with a memorandum and Article of association - not the complete article of association - powers of company, structure of a company are contained in the articles of association but somehow TMEA never supplied us with the complete articles of association.

At the meeting with personnel recently when in Kampala here, we asked why they did you not supply us with the articles. That question was not answered and that is my biggest concern because then as the report states, we got an organ which we were told is a supreme organ of the mayor, the PIC – Programme Investment Committee. If the PIC does not feature in the articles of association, that cannot be the supreme organ of the temple. Now in the programme, the PIC is chaired by a representative of a foreign company – (*Interruption*)-

Ms Byamukama: Thank you, hon. Opoka, for giving way. I did not intend to interrupt you but you tickled my mind when you talked about company law. I would like to say that the issue Of TMEA is not new. The Second Assembly grappled with this issue when it came to the budget because we passed a budget item and yet we did not know the legality and the form of corporation we had with TMEA at that time.

We went ahead and asked for documents relating to what it is. At that time, I believe that some documents were supplied to EALA and therefore, it is most likely that our research department actually may have these documents of incorporation.

I would like to say that most of us in this House know what we are asking for but nobody wants to bell the cat. Maybe it would have been good if the committee went ahead and laid these documents on the Table; maybe they can do it next time but I wanted to find out because I know for a fact that this is not a new fact issue and the research department should have them or even EALA at that so that we have these documents for everybody to see because these are public documents. So, does the committee have these documents? Couldn't you use your own ways to get these documents because they seem like secrets?

Mr Okumu Opoka: Thank you, for the clarification that you have sought. I think that can be undertaken by the committee but the point is that we did ask them during our interaction with them and we were supplied with a non-complete document, which wasn't good because it tended to convey the impression that there is an active concealment of some information and I think part of it is crowned in the organisation of the Programme Investment Committee which is composed of a representative of a foreign government or foreign countries.

But that is beside the point; the point is that this is a private company which is trying to help East Africa. It is raising funds; it is disbursing funds to support the activity of integration. It is doing a great job but it should do more to allay the fears of members about a possible domination by foreign governments. It should be transparent, after all, the donors always insist on transparency. So, why not be transparent yourselves?

The second point is the issue which has been raised by my good friend hon. Sarah Bonaya that they are doing different things in partner states that is not good enough. I think that TMEA should try to support partner states equally otherwise if we create the situation as my good friend has said, divide and rule, you might create tension within the community. You may not widen and deepen the integration process.

Lastly, Madam Speaker, it would be a remiss for me not to congratulate you for having invited His Excellency President Yoweri Museveni yesterday - (*Applause*). I commend the President for doing the greatest favour to this Assembly by commending this Assembly for having done a great job in passing legislations in the one year.

I commend the President for giving a big duty to the Chairman of Council of Ministers, to the Secretary General, to ensure that this Assembly sensitizes the East Africans about the community. That is very important and I really congratulate you and speaking for myself, may there be greater appreciation from this Assembly to His Excellency Yoweri Museveni, for having commended this Assembly, for having taken keen interest in what we are doing, after all he is a person who really took the greatest initiative in having this community to be around.

Madam Speaker, I support the motion by the Chairperson of the Accounts Committee for this Assembly to approve this report and support this report. Thank you.

The Speaker: I will take hon. Zein.

Mr Abubakar Zein Abubakar (Kenya): Thank you very much, Madam Speaker, for giving me this opportunity. I would like to thank the chair of this committee and declare that I know that she is a woman of substance and that she will not let this matter lie until she has been able to find the truth about the relationship that we have with this organisation and I will call to her and the members of this committee to finish the job. Hon. Dora Byamukama says this is not a new matter; I am saying woman of substance and the very good members of this committee should finish this job. Go back; we are going into a new financial year. Let this financial year not pass before we have completely put a shine of light on this matter and resolved all those issues.

It is absolutely important to repeat some of the things that we have been reminded, again and again by His Excellency the President of the Republic of Uganda on the question of ideological disorientation; on the question of respect. We demand a relationship of respect.

If we do not get respect, you will not fundraise in our name. You will not use our good process of integration as a place to hook on and do your work. We, as representatives of the people of East Africa, have a duty to safeguard the respect of the people of East Africa. You cannot tell us that we are three; we are not three, we are five. Either you include the other two or we deal with you in a different way. We are five, we are not three.

We are also happy – personally, I am happy that if they say these are areas that we don't want to go into we will go into those areas ourselves and where we feel that your not going into those areas is affecting us, we will tell you also. But let me finish with two points and I will try to be very careful so that I am not misunderstood.

The first one is that we have been hearing of members who know these matters more than us and by reading this report, that there are distinguished members who gave service to the community, who sit in places of authority in this institution. So, I am going to be very careful when I speak

about it. First, we appreciate their role as they continue giving service to this community but let it not be misunderstood that they can second guess the Chief Executive of this community because they were in the community.

We will not allow that. You cannot continue to want to be a policy maker or policy implementer from outside without going through the proper channels. So, we thank those who gave service to this community. We respect and recognise their contribution but they should also know that they made their contribution and should allow others to make theirs and we will respect them for the support they give us from outside.

Lastly, Madam Speaker, if there is anything that this report does; it reminds us that we need to invest in strengthening our systems. We need to strengthen our systems to become stronger but among the systems that we need to strengthen is our negotiation ability. There was a time we were squeezed, we did not negotiate properly. I know MOUs always have provisions for reopening of negotiations and we will reopen those negotiations.

Allow me, Madam Speaker, since I came as a member of the General Purpose Committee, I have been here longer than most of us, with the exception of those who served us in the Commission. So, I have been quiet about ranking Uganda, the people of Uganda, the Government of Uganda, the Parliament of Uganda, our Speaker and our Chapter until last. I was enjoying myself too much. I didn't want it to stop; I said if I don't thank them now, I may not get an opportunity. I know there is unfinished business particularly the engagement in the evening but I would like to really thank you very much for taking very good care of us and being truly the beauty and the pearl of Africa.

I thank you, Madam Speaker, and I thank the Ugandan Chapter. Thank you very much.
(*Applause*)

The Speaker: I beg that you allow me to take two members, hon. Christophe and hon. Tiperu and then I will invite the Secretary General. Take five minutes or less because we still have other items on the agenda to deal with this afternoon.

Mr Christophe Bazivamo (Rwanda): Thank you, Madam Speaker. I first of all thank once again the Government of Uganda and the people of Uganda for the hospitality you have ensured we have but in a special way, I would like to thank again His Excellency President Museveni and Chairman of Summit of the East African Community Heads of State, for his commitment and his availability for the East African Community integration.

I support the report and I really appreciate the chairperson of this committee for a job well done, of course also the members of his committee. His work is very important because it opens our eyes on how we have to manage resources available in our community for the support of integration.

I am surprised, Madam Speaker, by the status of TMEA that it has with the community or secretariat. I wonder why it has been so accepted and why it does not change and I fear there is may be some blackmail behind. One has to find out and I also support your idea that the committee works to have everything clarified.

I think this situation, structure, relationship and all these things have to be streamlined. It is really important that for committees in national parliaments in charge of the East African Community Affairs play a role to oversee the activities of TMEA or other similar institutions which work towards the East African Community Integration.

What cannot be done at the level of the secretariat or at our level should be done at the national parliaments and I think it is important that we call them or remind them to fulfil this function.

Finally, in the streamlining of or clarification of what TMEA is doing or is working together with the secretariat, I think it is important to also point out and clarify or fine tune to whom TMEA should be accountable because I think it is important if one is working towards the East African Community integration, then he or she should be accountable to us, the community, and not only to the people funding but we have this role to know what is happening, which means we shall invest in that activity and how it is clearly done.

So, I think these things are important and I once again recommend this committee to continue till we have a clear picture of what is happening. Thank you.

Ms Nusura Tiperu (Uganda): Thank you very much, Madam Speaker. I would like to join my colleagues in supporting the report of the committee and congratulate hon. Jacqueline for ably chairing that committee right from her position as a former EALA member and now as chairperson. We have confidence in her.

Madam Speaker, allow me as to congratulate you in a special way for having hosted over five presidents within a period of one year. This is no mean achievement on the side of Parliament and I think we need to tap our backs because of that. From all our interactions with these members of summit, I see one common issue - the issue of massive political will from them. I see from their presentations the need for all organs to take charge and do their rightful roles. I see in all their presentations the need for us as leaders to wake up and fight manipulation and exploitation from those who come in the face of wanting to help and yet they are here to backtrack the political integration process.

Madam Speaker, from the address of His Excellency President Yoweri Kaguta Museveni, he alluded to the issue of Africa's problem and made mention of the issue of selfish leaders as one of our problems.

When you look at the report and the activities of TMEA, I have no regret in saying that those who came up with TMEA realised the gaps that could have been there and decided to come up with a company so as to enrich themselves.

I am glad that today, members and even the secretariat have opened their eyes because somebody out there is trying to hijack the process of integration and if they are not properly checked, instead of moving forward, we may have many more problems ahead.

Madam Speaker, as you may note, we have had shortfalls in many areas within the community. We have a gap in many of the departments. I believe if we wake up as a secretariat with all the competence that we have, we will take charge.

This is the time you will be able to put monies in the areas like human resource developments, in areas like support to the organs. Madam Speaker, I read in particular the area where TMEA is supporting capacity building and the research officer of the EALA chapter Rwanda and I was intrigued. I thought my Chairman, Bernard Mulengani, could have approached TMEA to also do the needful for the Uganda Chapter.

However, I am constrained to advise Bernard Mulengani to do so but urged the secretary to take charge and develop the organ and ensure that Parliament is supported, the members of Parliament are helped to do our job as true representatives of east Africans.

If you look at the activities that TMEA is facilitating, the Rwanda Chapter, surely, I would be compromised to use their financing to come and then speak with authority in this House and yet I am supposed to give a verdict on the operations within the region.

Madam Speaker, allow me to conclude with a word of congratulation to those who went to Namugongo for the prayers; to those who joined the rest of the world in praying for our own, the late Kambarage Julius Nyerere. Namugongo is one of those sites, like any other site in East Africa, that is attracting tourists all over the world and I pray that the Secretariat may consider some few tourist sites within East Africa and transform them to a level that the whole world can wish to come and visit. If you look at the history of Namugongo, if you look at the sacrifice the matters undertook, there is a lot of lessons that our young people can learn; - lessons of how to be resilient, lessons of how to trust in God, and lessons among others that I do not want to go in depth because of time constraints. I wish to conclude by congratulating all of us for having concluded the budget process and to thank the Secretariat, once again, for a job well done.

Madam Speaker, I will not go in detail but I thank the Secretary General in a special way because during this process, we could have been hard on him but we understand he has been in the kitchen cooking.

But whatever it has been, our hope has been to ensure that the process within the secretariat is improved so that whatever the East Africans are yearning for is ultimately realised but from there wards, from our interaction with the technocrats, I see a lot of hope, Madam Speaker. *Asanteni sana.*

The Speaker: Thank you, hon. Tiperu, I invite the Secretary General.

The Secretary General, EAC (Dr Richard Sezibera)(Ex-official): Thank you, Madam Speaker. I wish to begin by thanking you for giving me the Floor and also for a very successful special sitting yesterday. I had the occasion to pay tribute to the Chair of the Summit on the Floor of this House and I am extremely happy that my tribute was more than - maybe it wasn't enough because the quality, the stature, the clarity of vision is very clear for us and we have a very able Chair of Summit. I also wish to pay tribute to my Chair of the Council and the members of this Assembly for the job well done in this session.

Madam Speaker, President Museveni yesterday talked about many important things but I will come to his plea that this Assembly plays its rightful role in sensitizing the people of East Africa towards a political federation – (*Applause*) - I support that. We will support this Assembly to do that and I really look forward to action on this front. But he also said something which maybe I should repeat. He said, “Be the prophets of integration and prophets prophesy with support. A few in the bible have prophesied without support in the desert. I am a Christian and one of my best prophets is a man called Isaiah who went to the desert and put on sack cloth and...” – so, this Assembly, Madam Speaker, I, inclusive, should go out and sensitize the people of East Africa on political integration. We should be facilitated to do so but even if we are not, we should be willing and ready to go out and do it because it is our cause.

Madam Speaker, I also support this motion and I congratulate the chair of this committee. I will respond in two ways; one on the political side. We have very many donors and supporters and we are happy but I always wonder why they have an interest in supporting us. It must be that their interests meet ours at some point.

So, that is where we begin from. We have support from GIZ from USAID, from Denmark and if you look at the support, some of them tell you if we give you a car, you must put my sticker on it. Yes, they say, put this “from the people of” so, those who support us have an interest and it is incumbent upon us to know our own interest, get support from them but we should not be thinking that people just blindly support us because they love us, no.

Madam Speaker, as far as TMEA is concerned, I wish to say that I have had the occasion, at a political level, to discuss this matter with the minister in charge in DFID - both ministers - and I have been informed that the UKL government and DFID took the decision to create special purpose vehicles to support integration at a political level.

They have created two; one is called Trademark East Africa, for the eastern region beyond east Africa because they also use this vehicle to support the Republic of South Sudan and they have intentions to use this vehicle to support maybe other countries. That was their political decision.

They also created a special purpose vehicle called Trademark South Africa – TSA - and they gave that creation the mandate to support integration of especially the formation of a free trade area at the tripartite level between the East African Community, COMESA and that was their political decision. Now I wish if I were the one to make those decisions, I wouldn't have made them that way. I think our push should be the best support that we require from our partners.

They should come and support our priorities and put that money into our budgets - budget support and we have made that very clear but there are those who have said no, because of their own domestic support, because of their own other political issues. We shall continue to push at the national level, at the regional level. So, TMEA was formed for those reasons. It is a private company as people have said, incorporated in one partner state, it supports it has policy objectives and has a number of donors.

When I came into office, Madam Speaker, in the Second Assembly, you will remember that this issue of TMEA was raised. We at the regional level suspended the Memorandum of Understanding for about a year. We reviewed it, there were no activities at the regional level, we renegotiated it and we have a new MOU which is available to members. If there is anything in that MOU that the members feel uncomfortable about, it is a public document we can renegotiate but that is our stance.

Madam Chair, at the national level – let me first talk about the regional level. At the regional level, I was uncomfortable with the fact that Trademark East Africa was negotiating support with individual institutions including the Assembly, individual organs and institutions. We put a stop to that.

This is the organ of the regional oversight committee. It is not oversight in the sense of parliamentary oversight, the idea was to, we all sit together, design what we want from this partner, all of us and then go to this partner and say, if you must support us, these are the areas of support that we want and this is what this committee is doing.

At the national level, there are national oversight committees and the whole idea there being that whatever is it is that TMEA wants to do, it must come at the national level, the national oversight committee chaired by the PSs and all the others involved including the private sector because they do support the private sector and civil society and so on. My thinking and conviction is that this should be from the national level itself, the national oversight committee and they sign off on their report. That support is different, depending on the country. For example, Burundi did not have a revenue authority and they decided that they wanted TMEA to support them to build the revenue authority. That is their decision. It is not possible therefore to say, support all of us equally in the same way. The important thing is that we all own this process.

Madam Speaker, there is something called the PIC, which was not a creation of this company but those people who put money into this company decided that they had to form an investment committee to approve what this company was doing.

They have the money; so, I think they want to approve what this group is doing. I found it absolutely strange that these people were making the investment decision without the involvement of the East African Community and part of the one year that we spent trying to negotiate the MOU was to see what role on investments – not in the company; we are not in the company, we will never be in the company, it is a private affair of those who formed it, but on

matters of investment, we need to be there seated and therefore, we found a legal loophole that allows the Secretary General to be at the table when they are deciding on the investments for the community. And since we have done that, the national oversight, no document now comes to the PIC without the signature of all the NOCs or the regional oversight committee. I don't know what they were doing before.

Madam Speaker, there are issues which have been raised and we will continue to push for this. We should continue to push that this body, if it is a special purpose vehicle, provides funds to support our own integration agenda. We define it. They have come to us and said they will not support the monetary union and the political federation and we have said if you don't want to support this, that is your business. Our business is to do monetary union and political federation and we shall do it, with or without support from this particular group.

There are other partners who have come to us and have said that they are not interested in supporting anything else except the Lake Victoria Basin Commission. We said, please, go ahead and support the Lake Victoria Basin Commission on our terms. So, I think this is the way we should move forward.

On the fiduciary risk assessment, Madam Speaker, the fiduciary risk assessment for the community is so that the external assessment can pass money directly to the European Union and directly to the community. They now do it through COMESA but passing a fiduciary risk assessment does not mean that donors will put money into your budget, all of them. No. as I have just said, COMESA has a compliance agreement with the European Union. Partners are still supporting that organisation through Trademark South Africa because it is their political decision. So, we will make sure that our fiduciary systems are right, not so that others can support us although we hope they will be able to do so in budget support, but we must do it because it is our own desire. We, as a community, must have clear and clean fiduciary processes.

Finally, Madam Speaker, the Memorandum of Understanding that we have and the documentation that we have, I think, are a question of public record. I see no reason why TMEA or any other company in this region can refuse over sight supervision by this Assembly. I do not see it and it is not allowed. It is not allowable. So all the activities that our partners do must be over sighted and I urge that this Assembly continues to do so.

Madam Speaker, on the terms of recruitment and what TMEA does and does not do, I think our Memorandum of Understanding is clear. TMEA supports the East African Community. There is a steering committee just like we have with other organisations but those organisations that have refused to give us budget support yet that support is acknowledged, recognised but is not tabled formally before this Assembly because those are not monies that we control.

As the Chief Executive Officer, I cannot bring before this House, before this plenary monies over which I have no control. If somebody says I am going to help you to recruit some technical assistance for you and I accept it – if they give me that money, it comes before this Assembly. If

they do not and they want that money to be recognised by this Assembly, we say, “No.” This is because it is not money that we as a community control.

So, Madam Speaker, with those explanations, I wish to support the motion and thank the committee for a job well done. I thank you. *(Applause)*

The Speaker: The Chair of the Committee of Accounts.

The Chairperson of the Committee on Accounts (Ms Jacqueline Muhongayire) (Rwanda): I thank you very much, Madam Speaker. I would like to thank all members who contributed to this motion and I would like to acknowledge the important issues and concern raised by members. They will be taken into consideration for the future development.

But Madam Speaker, for the purpose of record, let me recognize the honourable members who contributed to this motion in one way or another: hon. Nkanae, hon. Rwigema, Sarah Bonaya, hon. Daniel Kidega for the clarification, hon. Mumbi Ng’aru, hon. Bernard Mulengani, hon. Susan Nakawuki, hon. Chris Opoka-Okumu, hon. Zane Abubakar, hon. Christophe Bazivamo, hon. Nusura Tiperu, and hon. Dr Richard Sezibera, the Secretary-General of the East African Community. *(Applause)*

Madam Speaker, I wish to also thank the rest of the members who I am sure would have wanted to contribute to this motion and I can assure you that members of this committee have taken note of all concerns and issues and we can assure you that we will make a follow up.

I take this opportunity to thank the committee members for their commitment and dedication in conducting this activity.

Madam Speaker, I wish also to thank the committee clerk, Mr Steven Mugume and Mrs Priscilla, the Secretary to the Committee and Mr Charles Kadonya for the technical support provided to this committee of accounts.

Madam Speaker, as it has been said by most of the members on the committee, the achievements of TMEA on the ground are really positive. The main challenge is the governance structure and legal framework.

I wish to take this opportunity to thank the EAC Secretary-General for the clarification that well elaborated this matter and we can assure that we will continue to go deeply in collaboration with the EAC management so that we can improve the way things are done now.

I also take this opportunity, Madam Speaker, that for the next planning meeting – I know we invite our different partners and stakeholders - I wish that among our stakeholders and partners, we also invite the representative of TMEA as we invite representatives of AWEPA and other development partners to take the opportunity to agree on the working relationship between EALA and TMEA.

So, with these few comments, Madam Speaker, I submit. *(Applause)*

The Speaker: I thank you so much, hon. Jacqueline Muhongayire. Hon. Members, the motion on the Floor is that the Report on the Committee of Accounts on the Field Visit of TMEA funded projects in Rwanda and Uganda and on spot assessment of the EAC Secretariat capacity development action plan, TMEA funded project in Arusha be adopted. I now put the question.

(Question and agreed to.)
Resolution adopted.

The Speaker: Honourable Members, you will appreciate that we had suggested that we end at 12.30 p.m. but I will just put in a few minutes so that we deal with item No.9 ON the Order Paper. You will appreciate that on Tuesday when we started, we dealt with many questions and so those that we may not be able to deal with on this Order Paper will be dealt with the next sessions. So, we shall go up to a quarter to. We now move to the next item.

MOTION

FOR RESOLUTION OF THE ASSEMBLY TO EXPRESS SUPPORT FOR AND EXTEND THE TRANSITION PERIOD UNDER ARTICLE 66.1 OF TRIPS AGREEMENT WITHOUT CONDITIONS FOR LDC'S

The Speaker: Hon. Angela Kizigha.

The Chairperson of the Committee on Communication, Trade and Investment (Ms Angela Kizigha) (Tanzania) : Madam Speaker and honourable members, this item No. 9 of the Order Paper of today that a resolution to expressing support and extension of the transition period under Article 66.1 of Trade Related Intellectual Property Agreement without conditions for the LDC'S was handled by two committees as you indicated, Madam Speaker.

The Speaker: You move.

Ms Kizigha: Madam Speaker, I beg t move the motion.

The Speaker: Seconder? Hon. Taslima, hon. Byamukama and hon. Kidega. Proceed.

Ms Kizigha: I thank you, Madam Speaker. Before I proceed, Madam Speaker, I want to tell you that these items done by two committees, the Committee on Communications, Trade and Investment and the Committee on Legal, Rules and Privileges.

Madam Speaker, with due respect, I humbly request that my co-chair, hon. Dora Byamukama moves this motion and then I will come and proceed later. I thank you, Madam Speaker.

The Speaker: Hon. Dora Byamukama.

The Chairperson of the Committee on Legal, Rules and Privileges (Ms Dora Byamukama):
Madam Speaker and honourable members, the resolution reads as follows:

RESOLUTION EXPRESSING EALA'S UNEQUIVOCAL SUPPORT FOR AN EXTENSION OF THE TRANSITION PERIOD UNDER ARTICLE 66.1 OF THE TRIPS AGREEMENT FOR LEAST DEVELOPED COUNTRIES (LDC'S)

“AWARE THAT Article 118 (e) of the East African Treaty Partner States agreed to undertake measures for the promotion of quality health in community;

FURTHER AWARE that four of the five partner states are still LDC's with the critical need to utilise the policy stakes under the World Trade Organisation TRIPS Agreement for the welfare of their citizens;

STRESSING THAT Article 7 of the TRIPS Agreement provides that the protection and enforcement of Intellectual Property Rights should contribute to the promotion of technological innovation in a manner conducive to social and economic welfare and to a balance of rights and obligations;

RECOGNISING THAT Article 8 of the TRIPS Agreement may in formulating or amending their laws and regulations, adopt measures necessary to protect public health and nutrition and to promote the public interest in sectors of vital importance to their socio-economic and technological development;

REAFFIRMING THAT Article 66.1 of the agreement on trade related aspects of Intellectual Property Rights (The TRIPS Agreement) accorded Least Developed Country members a 10-year exemption from most obligations under the TRIPS Agreement in view of the special needs and requirement of the Least Developed country members, the economic, financial and administrative constraints and their need to flexibility to create a viable technological base;

CONCERNED THAT this exemption was due to expire on 31st December, 2005, the TRIPS Council through its decision IP/C/40 on 29th November, 2005 extended the transition period for Least Developed Country members under Article 66.1 of the TRIPS Agreement until 1st July, 2013 or until such a date on which they cease to be Least Developed Country member, which ever date is earlier;

FURTHER CONCERNED that the LDC members of the WTO continue to face clear economic, financial and administrative constraint and need maximum flexibility to create a sound and viable technological base;

FURTHER CONCERNED that unless extended, the expiry of the transition period granted to Least Developed Country members under TRIPS Agreement will narrow their policy space to access various technologies, education resources and other tools necessary for development;

RECALLING THAT Article 66.1 expressly permitted Least Developed Country members to dismantle any Intellectual Property legislation that they had enacted prior to the adoption of the TRIPS Agreement or even during the original Least Developed Country transition period;

FURTHER RECALLING that in February 2013, the EAC Secretariat adopted the EAC Regional Intellectual Property Policy on the utilisation of public health related WTO TRIPS flexibilities and the approximation of national Intellectual Property legislation;

FURTHER RECALLING that Policy No. 1 of the above policy calls upon all EAC partner states that are all Least Developed Countries to take advantage of the 2016 transition period and provide in their national patent laws for an extension of this period as may be agreed upon by the Council for TRIPS;

NOTING THAT many organisations have expressed support for the Least Developed Countries extension request including UNDP and UNAID, the Global Commission on HIV/AIDS and the Law, a consortium of 300 civil society organisations, developing country members, amongst others;

Now Therefore, This Assembly do resolve that:

- i. The dully motivated request submitted by EAC on behalf of Least Developed Countries that are WTO members states, for an extension of the transitional period that ends on 1st July, 2013 demanding that Least Developed Countries shall not be required to apply the provisions of the agreement other than Article 3, 4 and 5 until they cease to be Least Developed Country members as this request is complaint with both the history and language of Article 66.1 of the TRIPS Agreement be granted.
- ii. The Least Developed Countries in the relevant EAC partner states must retain policy space if they are to develop their technological base so that Intellectual Property protection may be helpful rather than harmful to their development processes.
- iii. The downward demand being made by the United States and European Union are unjustified and contrary to the language and spirit of Article 66.1 and we insist that the Least Developed Country request be granted unconditionally.”

I beg to move. *(Applause)*

The Speaker: I thank you very much, hon. Byamukama. I now do not know who is going to speak to the motion. Hon. Kizigha. You are justifying the motion.

Ms Kizigha: I thank you, Madam Speaker. I rise to support the motion presented by hon. Byamukama who is the co-chairperson.

Madam Speaker, as you told us just one week ago, that we meet and yesterday both committees sat – the Committee on Communications, Trade and Investment, and the Committee of Legal, Rules and Privileges.

Madam Speaker, you will remember that you assigned both committees to meet together regarding the issue of petition from SEATINI Uganda and other civil societies of East Africa.

Madam Speaker and hon. Members, I now support the motion presented by hon. Byamukama on the following grounds:

The need to promote sustainable development through investment is the corner stone of revamping our East African Community economies. This calls on all stakeholders including the Ministers for Trade, civil society, academicians, politicians, the World Trade Organisation and others.

Madam Speaker and hon. Members, we therefore have no choice as a region to expand our market and investment space to include all players whether from Europe, Asia or America.

Madam Speaker, it is imperative that our lead negotiators in the region take close scrutiny of the short coming of the current and ongoing debate on the terms of trade particularly those related to EPA's.

These concerns should therefore form part and parcel of our attempt for trade. As we move to **protect**, let me take this opportunity to inform the House that the East African Community Secretariat and the Council are already seized the details of the areas that we need to address as a region. But very unfortunately, little is being done to address this issue and yet negotiations continue as if they are less or no consequences.

Madam Speaker and hon. Members, protection against unfavourable trade hence is a **meandrous** cause and therefore we should support the motion to uphold the spirit and language of Article 66.1 of the Trade Related Intellectual Properties Agreement as explained by the mover.

Madam Speaker and hon. Members, I beg to support.

The Speaker: I thank you very much. I will invite hon. Kidega.

Mr Daniel Kidega (Uganda): I thank you so much, Rt. Hon. Speaker. I would like in a special way also thank the two chairs of the two committees; the Chairperson of Communication, Trade and Investment and Chairperson of Legal, Rules and Privileges. But most importantly, Madam Speaker, it is important for me to also appreciate your office that received a petition from a coalition of civil society on this matter. That is the root of this motion.

In a very special way, a group of NGOs that found it necessary that they should relate with this Assembly on this matter petitioned the Office of the Speaker and the Speaker, in her own wisdom, referred the matter to the two committees to discuss – and that is the basis as to why I am thanking your office. We should also appreciate the efforts being done by the coalition of the civil society for awakening us to this call. I am not particularly a very fancy 'guy' to the NGO approach to development.

At times, I believe that once you are given leadership, you must lead. But this group of NGOs are a special group. They are experts and they called us to this assignment and want to put it on record that I, personally, I am grateful to SEATINI and the other NGOs that petitioned the Speaker's Office.

WTO-TRIPS Agreement is one of the legal regimes within the framework that governs the rights of people who own property based on the powers of their intellect. And these rights are categorised in about seven groups: The first being the right to copyright and other related rights that are enjoyed by writers, authors, artists, performing artists and recording people. Their rights are protected in this agreement. The second regime is the trademark, which includes the service mark. The third regime is the geographical indication. This is a right to register a feature within your geographical jurisdiction as being your property. The fourth is industrial design. The fifth is the patent rights, and this is where most people are always debating because it contains very crucial aspects of health, food and other things. The sixth is layout of designs of integrated circuits. If I sit today and develop an integrated circuit and register it, nobody can use it. The seventh and last one is undisclosed information and trade secrets. If my company has some trade secrets and other data that needs protection, this regime of agreements is supposed to help protect these properties.

The LDCs have been exempted ever since the agreement came into force. Their compliance was waived off for 10 years, and by the time this waiver was granted to the LDCs, there were conditions that were attached to this waiver. One was that the LDCs do not have the technological capabilities to implement or comply with this agreement and within the 10 years, they were supposed to identify gaps within the economy and notify WTO and WIPO on areas of support that they need to be supported in and capacity therefore developed.

Unfortunately, the 10 years lapsed and many of the countries even within the EAC by 2009 had not even come out with the areas of support that they wanted to submit to Geneva for technical support. To date, I do not know. While the LDCs were supposed to submit what they needed support on, the developed countries that are the owners of this patent and all these other rights, were supposed to grant to us technical support to develop capacity to comply with this agreement but both did not happen and that gave birth to a second extension.

While the second extension was obtaining, the ministerial council that sat in Doha gave specific extension to the area of medicine to 2016. So much as other rights – our waiver on other aspects of TRIPS will expire on 31 June in the area of medicine and otherwise, it is until 2016.

Now, LDCs through EIFL petitioned the Council – the TRIPS Council which is now ongoing to allow LDC compliance to this agreement be tagged to a review of a country from being a least developed country to at least a developing country. The argument they gave was that there is nothing like figures or number of years that you can attach to a development process without meaningfully reviewing that country.

So, the prayer of this motion is that we support the position of the LDCs and presented to the TRIPS Council by the EIFL Delegation that a country can only become a developing country when they are reviewed and they become a developing country. When a country is reviewed and given that status, it means its technological capabilities has reached a level where it can comply now with the TRIPS Agreement. And that is the reason why I strongly support that position which our representatives are going to present next week in Geneva and the position that all LDCs have presented to the TRIP Council.

Madam Speaker, if LDCs are not granted this waiver and we are conscripted to comply, our development processes in all the LDCs are going to be derailed. Africa, in particular, which is the majority continent with the LDCs, is mainly food deficient. With this kind of agreement, if you are committed to comply, all the seeds, all the indigenous crops that are being grown in Africa, farmers will have to buy seeds from the seed owners who are mainly people from developed countries. Right now as I speak, there are so many farmers in the country side that cannot afford seeds but they are still relying on traditional seeds. They are gambling with the cost of buying seeds and so it is imperative on this Assembly that we support the position of the LDCs to make sure that these requests by the LDCs is granted.

Madam Speaker, my last point is home here with the East African Community. The East African Community has passed a policy, the Regional Intellectual Property Policy on the Utilisation of Public Health-Related WTO-TRIPS Flexibilities and the Approximation of National Intellectual Property Legislation. I have not yet read this policy but from the title, its emphasis is on how countries can use the flexibilities within the TRIPS agreement to their capabilities.

It is so sad that we are discussing this motion and we are going to pass it with members not even knowing about the existence of this policy. It takes me to a question; where is the interface between us the Assembly and the policy making process of the community? At what point shall the Assembly know that a policy is in place or it is being processed and it has been put into action?

I would like to appeal through the debate of this motion to the Chairperson of the Council of Ministers that I know that the Assembly is not a policy making organ but we are in it together. At the end of the day when a policy is passed, we must bring out anchoring legislation that makes its implementation possible.

So, if a policy is passed or formulated like this and members of the Assembly do not know of its existence, how shall we be able then to maybe form a Private Member Point of View or even support a Bill produced by the Council for the implementation of this kind of policy.

So my appeal is that the Council should find it necessary to involve if not the entire Assembly, at least relevant committees in the policy formulation process of the community.

Madam Speaker, with those few remarks, I support the motion and urge the members to support the motion. I thank you.

The Speaker: Honourable – okay, hon. Nancy Abisai and then I will call hon. Byamukama to conclude on this debate.

Ms Nancy Abisai (Kenya): I thank you very much, Madam Speaker for giving me this opportunity to contribute to this motion.

The Speaker: Two minutes.

Ms Abisai: Yes. I will try to be as brief as possible. I had quite a bit but because of the time, I will respect that.

If I can just start from the point - because I was going to talk about it from the point where my colleague raised it earlier - about the issue of policies. It is true that to this effect, I think that this Assembly should have in fact been working on a Bill which would have actually been helping in the implementation of some of these policies. So, it is true that we need to have a good connect between the policy making organs so that we can originate some Bills to this effect.

But Madam Speaker, I rise to support this motion on one aspect. Of course it is true that many people will say that out of the five countries in the EAC, Kenya is graded differently and it is true that Kenya has actually protected most of its – it does not fall within that but in the spirit of solidarity and in the spirit of partnership, I think that as Kenya, we cannot stand to oppose because we are moving as one. And we cannot move if we do not move as a team.

I know that there are maybe other people who may have a different thinking and say that Kenya should have also supported the non-extension. I think that in partnership and in the spirit and solidarity of the community, we need to support this motion because we are also moving together.

Least Developed Countries like the President put it the other day – His Excellency the President and Chair of the Summit. When he talked about strategic bottle necks, one of them was the aspect of what hinders the Least Developed Countries in terms of the poor absolute poverty. Amartya Sen in his book, *Development as Freedom*, couldn't put in better. That there is no way that you can develop with deprivation of capabilities and that to me, is very important.

So, Madam Speaker, given the policy and I think that it is important for us to also make sure that this EAC policy on regional intellectual property rights, we need to get to understand the contents and it is also important to know that the LDCs still play a very marginal role in the world economy and so you cannot just ignore it.

Madam Speaker, the policy space must therefore be retained and the demands that are being raised are unjustified and I think that I would urge that we all support this motion despite the fact that the characterisation that some one member country is not registered as an LDC but it is important to note that we support. Madam Speaker, I support. I thank you.

The Speaker: I thank you very much. I had mentioned hon. Byamukama to wind up because hon. Kizigha had stopped out. Hon. Byamukama, wind up on behalf of hon. Kizigha.

Ms Byamukama: Madam Speaker, this activity was referred to both committees and actually, I chaired this activity and my co-chair was hon. Kizigha. So, I want to correct the record so that the Committee on Legal, Rules and Privileges should also be reflected because we actually cut short our time to incorporate this issue.

The Speaker: Okay. Proceed.

Ms Byamukama: No. 2, I would like to thank all the committee members who attended because I really had to come in for you and in particular, to thank hon. Kidega and hon. Ndahiro who were tasked by the two committees to work on this motion in a more deeper manner because they are experts in this area.

I also want to thank hon. Nancy Abisai. Thank you very much for your contribution. It is a very technical issue and we want to thank you for highlighting the issue of East Africans and we have an East African Joint Trade Negotiations Act which actually obliges us in a way to work together.

Madam Speaker, I want to thank hon. Kizigha and to finally make three comments. The Second EALA had a course on Introduction to Trade Policy at ESAMI and I would like to kindly ask that this House supports that the two committees under take this course because we are handling technical matters and we want to continue to be filled with this matter. The Civil Society Organisations woke us up but we as the two committees should keep our pulse set on these issues and not be reminded by civil society time and again. I would like to thank your office, Madam Speaker, for seeing right that the two committees jointly handle this issue. We saved resources and together we have a bigger brain capacity and therefore, we are able to do this work in record time.

I thank you for your attention and your support and I beg but your support.

The Speaker: I thank you very much, hon. Byamukama, the Chair of the Committee on Legal. Yes, the Speaker referred this to the two committees and I want to thank you very much for the good work that you have done in such a short time.

Honourable members, the motion on the Floor is that this Assembly do resolve to express support for an extension of the transition period under Article 66.1 of TRIPS Agreement without conditions for LDCs. I now put the question.

*(Question put and agreed to.)
Resolution adopted.*

The Speaker: Honourable members, we have come to the end of today's sitting and to the end of the 6th Meeting of the 1st Session of the 3rd EALA. I want to congratulate you very much for the good work that you have done. *(Applause)* Appreciating that we have also concluded this 1st Meeting in Kampala, Uganda, I thank you for the job well done.

Secondly, I want to remind you of the invitation from the Speaker and the Chapter Uganda for the invitation this evening at Munyonyo this evening. Buses will be departing at 4.30 p.m. The Sergeant-At-Arms will take charge of that.

Thirdly, I also want to invite you this afternoon for the Parliamentary sitting of the Parliament of Uganda at Serena Hotel.

Hon. Shy-Rose Bhanji has not been so well but I want to thank the Sergeant-At-Arms and other members who have helped to find out how she is proceeding. The House stands adjourned sine die.

(The House rose at 1.00 p.m. and adjourned sine die.)