



EAST AFRICAN COMMUNITY

Official Report of the Proceedings of the East African Legislative Assembly

22ND SITTING – FIRST ASSEMBLY: THIRD MEETING – SECOND SESSION

Monday, 12 May 2003

*The East African Legislative Assembly met at 10.40 a.m. at the Chamber of the Assembly,
Ngorongoro Wing, Sixth Floor, AICC Complex, Arusha*

PRAYERS

[The Speaker, Hon. Abdulrahman Kinana, in the Chair]

The Assembly was called to Order.

COMMUNICATION FROM THE CHAIR

Administration of Oath

The Speaker: Honourable Members, I would like to inform you that we have a new Member, the Hon. Kalonzo Musyoka, MP and Minister for Foreign Affairs and International Cooperation of the Republic of Kenya. The Hon. Kalonzo Musyoka replaces the Hon. Nicholas Biwott, former Minister of Trade and Industry, who also held the portfolio of Regional Cooperation.

Honourable Members, you may wish to recall that Article 48 of the Treaty provides for the Membership of the Assembly, but in particular, Clause 1, Para (b) (i) states that:

“The Members of the Assembly shall be:

(b) Five ex-officio members consisting of:

- (i) the Minister responsible for regional co-operation from each Partner State”.

Following general elections in Kenya in December 2002, which were won by the National Rainbow Coalition of H.E. Mwai Kibaki, the mantle of regional cooperation was transferred to the Ministry of Foreign Affairs and International Co-operation, and the portfolio was entrusted to the Hon. Kalonzo Musyoka. But before the Hon. Kalonzo Musyoka can be able to sit in the Chamber of the Assembly, he has to fulfil one more condition.

Pursuant to provisions of Rule 6 of the Rules of Procedure of the House, no Member of the Assembly may sit or vote in the Assembly before taking the Oath of Affirmation of Allegiance to the Treaty.

May I now request any two honourable Members, who happen to know the Hon. Kalonzo Musyoka, to present him before the Speaker to take the oath? Thank you.

(The Hon. Kalonzo Musyoka was presented before the Speaker)

The Oath of Allegiance was administered to the following Member:

Mr Stephen Kalonzo Musyoka,
MP, Minister for Foreign Affairs
and International Co-operation
(Kenya)

COMMUNICATION FROM THE CHAIR

The Speaker: Honourable Members, I would like to make the following Communication regarding the Programme of work of EALA for the current meeting scheduled between today Monday, 12 May 2003 to Friday, 23 May 2003, and other related matters.

You will recall that the Clerk, early last week, issued a tentative programme of work for the Assembly, pending the formal decisions of the House Business Committee.

The House Business Committee sat yesterday, and in accordance with the mandate conferred upon it, came up with the final programme, which has now been circulated to you this morning. I implore you to study the new programme and adjust accordingly.

The House Business Committee also deliberated on a number of issues and made the following decisions. That:

- i. The House Business Committee shall meet with the honourable ministers immediately after the adjournment of the House;
- ii. All Official Communication from the Assembly to other bodies of the EAC and outside organs, including soliciting for funding, should be by or through the Speaker or the Clerk in order to have a coordinated approach to issues;
- iii. The EALA is expected to draw up an Annual Legislative Programme so that it is incorporated in the overall EAC Calendar of Activities. All members who have business they wish to introduce in the course of the next financial year should forward it to the Clerk by Thursday, 15 May 2003;
- iv. The House Business Committee will hold a joint sitting with all chairpersons of other committees on Friday, 16 May 2003, at 3:00 p.m. here in the Chamber of the Assembly. The Agenda would be to deliberate on the implementation of the funding agreement between NORAD and EALA. Copies of this Agreement will be circulated to all of you. All chairpersons are requested to consult their Members in readiness for the meeting of Friday.

- v. During our visit to Uganda in March this year, the Assembly made a commitment to the displaced and suffering people of Gulu and other affected districts that we would make a contribution towards their livelihood. The House Business Committee proposes that every member makes cash contribution of no less than US 100. Please kindly pass on this contribution to Hon. Yonasani Kanyomozi, who will officially deliver this assistance on behalf of EALA at the close of this Budget Meeting.

MOTION

FOR THE PRESENTATION OF THE BUDGET PROPOSALS FOR THE EAC FOR THE FINANCIAL YEAR 2003/2004

The Chairperson, Council of Ministers (Mr. James Wapakhabulo (Uganda)): Mr Speaker, sir, before I move the Motion, let me take this opportunity to congratulate my colleague, Hon. Stephen Kalonzo Musyoka, who has just been sworn in, and has joined us officially in the Chamber of this House. In doing so, I have no doubt that I speak, not only on behalf of the leadership of the Assembly, but also the entire membership of the entire Assembly.

Mr Speaker, sir, in accordance with the provisions of Articles 49(2)(b) and 132 (2) and (5) of the Treaty, and Rules 74(1) and 75(1) of the Rules of Procedure of the Assembly as amended, I beg to move that this esteemed Legislative Assembly do resolves itself into:

- (a) Committee of Ways and Means to consider and approve the Financial Statement; and
- (b) Committee of Supply to consider and approve the Estimates of Expenditure; both of which constitute the Budgetary Proposals of the East African Community for the Financial Year 2003/04.

LAYING OF PAPERS

The following Papers were laid on the Table: *(By the Chairman of the Council of Ministers)*

- i. Financial Statement for the EAC for the Financial Year 2003/2004
- ii. Estimates of Expenditure for EAC for the Year 2003/2004

Mr Wapakhabulo: Mr Speaker, sir, the Budget Estimates for the Financial Year 2003/2004 is being presented against the background of the intensification of the regional integration process in East Africa. During the Financial Year 2002/2003, the regional organisation continued to realize good progress. Major achievements were made on both institutional matters and implementation of regional projects and programmes. There were positive indications of growing interest in the Community, and demand for regional strategies and programmes on the broad range of the areas of co-operation.

The regional organization came under increasing pressure from the various stakeholders to demonstrate tangible achievements and benefits. In particular, there were widespread expectations for the timely establishment of the East African Customs Union, among other

critical requirements of the regional integration process. The expectations remain high for faster progress towards eased and increased movement of people, goods and services across borders; development of infrastructure; increased trade and investment into the region; levels of productivity and exports and launching of projects to improve the standards of health, quality of the environment and other social conditions.

Prioritization of Projects

Mr Speaker, sir, in view of the foregoing, the Council of Ministers, in providing direction to the regional integration process, recognized the need to reflect on the operational strategy. Taking into account the multiplicity of the issues that are finding their place on the regional agenda, the need was felt to rationalize and streamline the efforts towards focused, tangible and expedited achievements.

In line with the Development Strategy and the Indicative Plan of Action, areas of priority and focus on projects were identified with a view to rendering the greatest impact on the ongoing implementation of the Treaty. The five identified areas of priority were:

- i. The formulation of the East African Customs Union;
- ii. Co-ordination and promotion of development activities in the Lake Victoria Basin;

- iii. Intensification of the outreach programme of the Community;
- iv. Strengthening of relations with the development partners; and
- v. Institutional development.

The Customs Union

Mr Speaker, sir, the launching of the Second East African Community Development Strategy 2001-2005 in 2001 ushered in the era of steadfast and systematic implementation of the Treaty for the Establishment of the East African Community. The emphasis during this period on the conclusion of the Protocol on the Establishment of the East African Customs Union was in accordance with the provisions of the Treaty that the Customs Union shall be the entry point of the regional integration process. The Partner States undertook to conclude the protocol within a period of four years; that is, by end of November this year.

In this regard, it is gratifying to note that the long process in the formulation of a customs union protocol, which started in 1999, was taken to an advanced stage during the period under review. A draft protocol on the Customs Union is almost ready. The only major outstanding issue is the determination of the common external tariff, an issue that is now before the Summit for determination. It is, therefore, our great hope and desire that the protocol will be concluded by the end of this year as scheduled.

Lake Victoria Basin

Mr Speaker, Sir, the focus on the Lake Victoria stems from the appreciation of the fact that the lake is undoubtedly the most important shared resource of the EAC Partner States. In 1999, the EAC Heads of State, in their definitive declaration, designated the Lake Victoria and its Basin “an area of common economic interest” and “a regional economic growth zone”, which shall be developed jointly by the Partner States. The Heads of State further directed that a co-coordinating body should be established for the “overall management and rational utilization of the shared resources of the lake”.

In the fulfillment of these directives, and following the conclusion of a study that was commissioned on the institutional and legal framework, the Lake Victoria Development Programme (LVDP) was established in 2001. Within slightly over one year of its launch, the LVDP has taken definite shape and form, and has assumed dynamism of its own.

Activities that were launched or accomplished during this period include: The establishment of the Lake Victoria Development Programme Unit at the Secretariat; the signing of the Strategic Partnership Agreement on the Promotion of Sustainable Development in Lake Victoria; the establishment of national focal points for the LVDP in the Partner States; and the establishment on 13 September 2002, of the EAC Sectoral Council on Lake Victoria; clearance for signing during the sixth Council of Ministers, of the Protocol for the Sustainable Development of Lake Victoria Basin by the Sectoral Council

on Legal and Judicial Affairs. The study to assess the potentials and constraints for sustainable development of the Lake Victoria Basin was conducted in the period under review.

On the basis of a provisional report of this study, a strategy was formulated for the promotion of the opportunities for development and investment in the Lake Victoria. As the first major activity in this regard, EAC conducted a successful promotional drive for investments in the Lake Victoria Basin at the World Summit on Sustainable Development (WSSD) in Johannesburg, South Africa (26 August – 4 September 2002).

EAC participated effectively in the main event, the plenary sessions of the World Summit at which the three EAC Heads of State presented a Joint EAC Statement. The EAC also took part in the side events, which were held parallel to the Summit. In this regard, EAC exhibited promotional literature about EAC in general, and the Lake Victoria Basin in particular, at the main exhibition venue (Ubuntu Village).

Two seminars were also held on EAC-Baltic Sea Co-operation, one of which was attended and addressed by the three EAC Heads of State, the Swedish Prime Minister and a representative of the President of Latvia. During the seminar, the Prime Minister of Sweden, Mr. Goren Parson announced that his government had committed 1.5 billion Swedish Kroners (equivalent 150 million Euros) to support development activities within the Lake Victoria Basin for the next ten years.

Mr. Speaker, sir, arising from these developments, two issues were

identified, which have important bearing on the sustainable management of the Lake Victoria Basin, specifically the funding of the LVDP and the management of the catchments area of the Lake. The present funding arrangement for the LVDP is weak and heavily reliant on foreign support. As you know, projects are short-lived, and often there is no continuity.

EAC recognises that the large resource users and beneficiaries generate substantial revenue from the Basin. Sustainability of funding for the programme could be realized from this category of users in a strategy to essentially secure independent funding of the LVDP. This would, among others, put the management of the programme firmly under the sovereign control of the EAC Partner States.

Secondly, it is important to realize that the catchments area of Lake Victoria includes Rwanda and Burundi, and inevitably the lake is impacted by the activities in these two countries. The Council has directed that a memorandum of understanding be developed with the two countries with respect to the Lake Victoria Basin, and similarly, the EAC Partner States should participate and negotiate as a bloc in the Nile Basin Initiative.

Development Partnership

Mr. Speaker, sir, it is a well recognised fact that regional integration and development in East Africa will require the mobilization of vast resources, both within and outside the region. Despite its enormous potential, the region alone cannot raise effective levels of resources to meet the very huge and highly capital-

intensive investments required. Hence the need to co-operate with the development partners for critical input into the regional integration programme.

Whereas the core budget of the Community is entirely funded by the Partner States themselves, regional projects and programmes are funded mainly through external sources in the form of grants. In this regard, the Community continued to strengthen its relations with development partners and other regional organisations.

Among the contacts made were those with African Development Bank, European Union, Commonwealth Secretariat, India, UK, Finland, France, Germany, Norway, Denmark, Sweden, World Bank, COMESA, United Nations and its Agencies (ILO, UNDP, UNIDO, UNESCO, ICAO, FAO, WTO, UNCTAD, UNECA and UNIFEM), World Conservation Union, Organization of African Unity/African Union, World Wildlife Fund, SADC, IGAD, and IOC.

During this period, major commitments were made with the development partners in, among others, the following activities: Operationalisation of the Strategic Partnership Agreement on the promotion of sustainable development in Lake Victoria with the governments of Norway, Sweden and France, and the East African Development Bank and the World Bank; launching of the study on the EAC Private Sector Development Strategy with a World Bank grant of USD 360,000; launching of projects under the 2001 EAC-Finland Co-operation Agreement whereby Finland is providing Finnish Marka 3.0 million (equivalent US \$ 455,860) in support of

EAC projects and programmes for the period 2001 – 2003; operationalisation of the project on Safety of Navigation on Lake Victoria with a grant from the Government of France; implementation of the East African Civil Aviation Safety Project with funding from the European Investment Bank; launching of the feasibility study on the Arusha-Namanga-Athi River Road Project with a US \$1.2 million grant from the African Development Bank; completion in June 2002, of Phase I of the project on the Establishment of the East African Statistics Database for which the European Union extended technical assistance and funding to the tune of Euro 290,170.

The Council of ministers has approved the final report and established a Committee on Statistics and information Exchange; the successful holding of the East African Petroleum Conference (EAPC'03) which was held in Nairobi from 5 to 7 March 2003, which was funded by oil companies as well as through registration fees; pledge by the United Nations Development Fund for Women to support the project of Institutional Strengthening and Mainstreaming Gender Perspectives in the EAC to the tune of \$ 45,000; USAID-REDSO support for capacity building involving supply of IT equipment to the EAC Secretariat; contribution of Euro 2.25 million by the government of Germany to the East African Business Council through EAC for support of regional business organizations in East Africa; and, holding of the successful EAC Roads' Development Partners Consultative Meeting in Arusha from 29-30 April 2003, which was well-attended and

realised continued support to the East African Road Network Project.

Outreach Programme

Mr Speaker, sir, as part of a pro-active strategy to scale up the regional integration effort, the Secretariat undertook consultative missions to the capitals of the Partner States in mid August 2002 to brief the Heads of State on particularly the progress in the formulation of the Customs Union Protocol and the activities in the Lake Victoria Basin.

During the consultations, the Secretariat put forward suggestions and other justifications with regard to the critical issues on:

- i. Adoption of common external tariffs;
- ii. Phased elimination of external tariff and other charges of equivalent effect;
- iii. The need for EAC to move faster in the process of establishment of a Customs Union to enable achievement of the benefits of regional integration. This would also ensure that EAC is not left behind by other regional organisations or the EAC Customs Union is rendered irrelevant in the event, for instance, that SADC and COMESA established their Customs Union first; and
- iv. Appreciation of the reality of globalisation and the demands of the changing

world trading system, where particularly the WTO and EU requirements favour only large markets and liberalized economies.

The consultative missions yielded significant solutions to some of the critical issues that could have been slowing down progress in the regional integration process. During the consultations, the Heads of State emphasised the need to place the regional integration process on a rapid course towards higher levels of economic and political integration.

The Secretary General undertook a mission to Rwanda in July 2002. The Secretary General met with the President of Rwanda and senior officials of the government. Their discussion centred on the admission of Rwanda and Burundi into the East African Community.

The President of Rwanda appreciated EAC's position, stating that he looked forward to Rwanda's admission at the appropriate time. He also expressed satisfaction at the ongoing co-operation activities between the EAC and Rwanda in, among other areas, infrastructure and energy development; the Lake Victoria Development Programme; social and cultural activities, as well as trade and investments.

Due to unavoidable circumstances, the mission to Burundi could not be undertaken in the period under review, and will be undertaken in due course.

During its fourth meeting on 13 September 2002, the Council of Ministers directed the Secretariat to

establish effective mechanism for wide dissemination of information about the Community to the people of East Africa. To this extent, the Secretariat organised elaborate publicity in the region, in the EAC diplomatic missions abroad and during the EAC Day celebrations in November 2002.

Also launched were a series of seminars targeted at various stakeholders. To this extent, a seminar for media executives in East Africa was held in Arusha in October 2002, followed by seminars for Members of the Zanzibar Parliament in Zanzibar, and the Tanzania National Assembly in Dodoma in January and February 2003 respectively. Similar seminars would be held during the first half of the year for members of the National Assemblies of Kenya and Uganda. The outreach activities have already led to increased and better coverage of EAC in the region's media, among other positive outcomes.

Institutional Development

Mr Speaker, sir, the completion of the process of putting in place the institutions and organs of the Community was completed with the inauguration of the East African Legislative Assembly and the East African Court of Justice on 30 November 2001.

Other Activities in Institutional Development and Capacity Building in the Community

Among other activities, staff for the two new organs of the Community, that is, the East African Legislative Assembly and the East African Court of Justice were recruited, and the EAC Secretariat

was strengthened with the recruitment of over 20 additional professional and support staff.

In July 2001, the Government of the United Republic of Tanzania donated a 9.85 acres plot of land in the Arusha Municipality for the construction of the permanent headquarters of the East African Community. Consultations on how to raise resources, both externally and internally, are ongoing. In October 2003, the Secretary General undertook a mission to Germany and the German Government committed itself to assist in financing the study on the development of the EAC Headquarters. He also got promises for possible partial funding of the construction costs of the headquarters.

During the Second Extraordinary Meeting of the Council, the Secretary General made a representation to Council on the situation regarding the efficient and effective management of the EAC meetings and other tripartite negotiations. The Secretariat appealed for the need to hold the meetings as regularly as scheduled, as well as ensuring appropriate levels and quality of representation. There has been notable improvement in these respects since the appeal was made.

Budget Performance in the Financial Year 2002/2003

It is expected that expenditure for the Financial Year 2002/2003 will be kept within budgetary limits. However, on account, mainly, of two factors, that is, the increase in the number of staff and the growth in programmed activities as well as activities not budgeted for but which arose as a result of Council

directives, request for reallocation could not be avoided.

Reallocations for the Financial Year 2002/2003

Reallocation is requested mainly in the following areas:

- a. Secretariat
 - i. Summit/Inauguration/EAC Day: Necessitated mainly by observing and celebrating EAC Day, whose expenses had not been budgeted for in the Financial Year 2002/03. Since this expenditure has already been incurred, a retrospective reallocation amounting to US Dollars 29,310 is requested to be availed from the accumulated fund.
 - ii. Overtime expenses: An additional amount of US Dollars 1,410 is requested to cater for overtime for general staff.
 - iii. Telephone/Fax: An additional amount of US Dollars 14,190 is requested to pay for telephone bills to be incurred up to the end of June 2003.
 - iv. Travel and subsistence expenses: need to be increased by US Dollars 37,300 to facilitate attendance to meetings, sourcing funds for projects etc.

This reallocation requested does not call for any additional funds but can be

availed from within the budget for the financial year 2002/2003.

The following budget lines can contribute to this reallocation:

- i. Insurance US \$ 2,000
- ii. Rent, water, electricity US \$ 13,600
- iii. External hire of vehicles US \$ 1,000
- iv. Maintenance and Repairs US \$ 6,260
- v. Office expenses US \$ 3,640
- vi. Entertainment US \$ 5,000
- vii. Council Meetings US \$ 18,200
- viii. Clearing and forwarding US \$ 3,000
- ix. Legal fees US \$ 200

b. Court of Justice

The Court of Justice is requesting for reallocation within the following budget lines:

- i. Overtime expenses totalling US Dollars 2,000 since the amount provided in the Financial Year 2002/2003 is inadequate to cater for the overtime expenses for General Staff.
- ii. The Court has used this transition period to conduct workshops, being part of the capacity building programmed for the Judges and the Court staff. East African Court of Justice is a new Court in the regional legal system and has different procedures, which require the Judges to acquire and possess

special skills in order to discharge their particular obligation. The Judges need to be re-oriented to arbitration skills, Kiswahili language, and computer knowledge and to regional court affairs. During the financial year 2002/2003, there was no budget line for training of Judges, hence the need for reallocation amounting to US Dollars 4,250.

- iii. Travel and subsistence budget line needs to be beefed up to the tune of US Dollars 25,750 to cater for the important travels that were undertaken, and which impacted on the travel budget of Judges.
- iv. This reallocation requested does not call for any additional funds, but can be availed from within the budget for the financial year 2002/2003.

The following budget lines can contribute to this reallocation:

- i. Insurance - US \$ 1,000.
- ii. Rent, water, electricity - USD 20,700
- iii. Stationery and printing USD 5,070
- iv. Clearing and forwarding USD 1,000
- v. Entertainment USD 1,730

- vi. Office expenses USD 1,000
- vii. External hire of vehicles S \$ 500
- viii. Postage US \$1,000

c. Legislative Assembly

The Legislative Assembly is requesting for reallocation in its travel and subsistence votes to the tune of US Dollars 13,000 to cater for travel expenses for staff that accompany Members during their outreach programmes. Likewise, this reallocation requested for does not call for any additional funds but can be availed from within the budget for the financial year 2002/2003.

The following budget lines can contribute to this reallocation:

- i. Stationery and printing – USD 10,000
- ii. Insurance – USD 660
- iii. Clearing and forwarding – USD 2,000
- iv. Office expenses - USD 340

In keeping with Article 132 of the Treaty, I wish to present, for your consideration and approval, the reallocation schedule at Annex I.

I wish to commend Partner States in their efforts towards settling their contributions for the Financial Year 2002/2003 as compared to previous years. As at 30 April 2003, 81% of the contributions had been remitted. The

status of Partner States' contribution is as indicated under Annex II.

Budget Estimates for the Financial Year 2003/2004

Mr Speaker, sir, the Budget Estimates for the Financial Year 2003/4 are based on the need to consolidate and intensify regional programmes leading to and in the implementation of the Protocol on the Customs Union that is due to be concluded in November 2003.

Notwithstanding the above, implementation activities will only commence after ratification of the Protocol by the respective Partner States. This will involve setting up of legal, institutional and administrative structures for the Customs Union for which a study was commissioned and is to be completed by the end of June 2003.

Mr Speaker, sir, it is also planned to carry out a number of other macro level activities which are enumerated below:

1. Strategic Plan on the Standards, Quality Assurance, Meteorology and Testing Protocol

Implementation of the Strategic Plan on Standards, Quality Assurance, Meteorology and Testing Protocol will commence in the Financial Year 2003/04 with funding from the government of Germany, which has agreed to provide support at a level yet to be determined.

2. EAC Industrial Development Strategy

The Strategy for EAC Industrial Development is to be adopted by the Council of Ministers at their next meeting scheduled for 26-29th May 2003. Once adopted, implementation will commence in the Financial Year 2003/04.

3. EAC Private Sector Development Strategy

The Strategy has been developed and is due for consideration by the Council of Ministers at their next meeting. Once adopted, it is planned to commence implementation in the Financial Year 2003/04.

4. EAC Competition Policy

A Bill to operationalise the EAC Competition Policy has been drafted and will soon be tabled before this August House for consideration.

5. East African Power Master Plan

The Secretariat has secured US\$ 749,993 from SIDA, and implementation of the Study on the East African Power Master Plan will commence in the Financial Year 2003/04.

6. East African Statistics Data Base Phase II

A project proposal for the East African Statistics Data Base Phase II will be developed over a 36-months period at an estimated cost of Euros 1.8 million.

7. EAC Agriculture and Rural Development Strategy

The EAC Agriculture and Rural Development Strategy is to be concluded

and implemented in the Financial Year 2003/04.

8. Tourism Marketing Strategy

An overall Marketing Strategy and Plan for Tourism and Wildlife Management will be finalised and implemented in the Financial Year 2003/04.

9. Finance and Administration

A team of eminent persons has been conducting a study on the organizational structure and the terms and conditions of service for the East African Community. The team has now handed-over their final report which will subsequently be presented for consideration by the Council of Ministers during the Financial Year 2003/04.

Mr Speaker, sir, a comparison of the expenditure estimates for the Financial Year 2002/2003 and 2003/2004, excluding development partner funds is given in Annex III to this statement.

Conclusion

Mr Speaker, sir, having considered the policy initiatives and activities that I have enumerated above, and taking account of the expanded mandate of the Community in the implementation of the EAC Development Strategy 2001-2005, I beg to move that this August Assembly approves the projected revenue for the East African Community during the Financial Year 2003/04 amounting to US Dollars 8,482,269, expected to be financed by equal contributions from Partner States totalling US Dollars 6,398,379; contributions from Development Partners amounting to US Dollars 2,057,690; Sale of goods and

services and miscellaneous income amounting to US Dollars 26,200.

Approval is further being sought for the Expenditure Estimates of US Dollars 8,482,269 broken down as follows:

- (i) Allocation to the East African Community Secretariat of US Dollars 5,543,766 in respect of which each Partner State's contribution will be US Dollars 1,153,292; Development Partners' contribution will be US Dollars 2,057,690 and the balance of US Dollars 26,200 will be financed through miscellaneous income and sale of goods and services.
- (ii) Allocation to the East African Court of Justice of US Dollars 638,835 of which each Partner State is expected to contribute US Dollars 212,945.
- (iii) Allocation to the East African Legislative Assembly of US Dollars 2,299,669 in respect of which each Partner State's contribution will be US Dollars 766,556

Mr Speaker, Sir, I beg to move.
(*Applause*)

Mr Stephen Kalonzo Musyoka (Member of Council of Ministers (Kenya) (Ex- Officio): Thank you, Mr Speaker, sir. I beg to second that very clearly elaborated proposal on the

budget estimates of the East African Community. But before I continue, I must be excused if I act in violation of the Rules of Procedure because I am yet to see a copy, and that I think is my own omission. But I suppose I would be excused if I digressed a little bit and said that I am delighted to be present at this forum. Indeed it is a singular honour, and I would want to take this opportunity to pay tribute to my predecessor, the Hon. Nicholas Biwott, whom I am sure played a significant role in enhancing the programme of this Assembly – (*Applause*).

I do recall the particular attachment he had to the Assembly, and he did in fact take time to brief me, particularly on the fairly sensitive issue of the allowances of the honourable Members of this Assembly - (*Applause*). I am happy to see that an attempt has been made to redress the situation.

Indeed, honourable Members will see that the contribution by Partner States has moved from what it used to be, to U.S Dollars 766,000 in the next financial year. I know there is also a caveat because the Summit has to try and address that situation. I say that in tribute to my predecessor.

Mr Speaker, sir, I also feel particularly honoured because East Africa has come a long way. After the break-up in 1977, a historical mistake that we committed as East Africans, we were able, so many years after, to begin to pick the pieces. I was privileged to have been the first chairperson of the ministerial committee dealing with the East African Co-operation - (*Applause*).

You see, we have to go back to the drawing board. It was while we were doing the re-drawing that I was charged with that responsibility. It is interesting how history repeats itself. I am happy to be here, and I want to pay tribute to my friend and colleague, the Hon. James Wapakhabulo. When I find difficulty in pronouncing his name, I just call him "Wapa". He has done well. At some stage I thought that if he continued he would need another glass of water. He has really represented the thought of the Council of Ministers.

May I also thank the Chair for the kind words he said about me? Unfortunately, I could not hear all of it because I was seated in the Speaker's Gallery, and I think there was some little problem with the acoustics. But I think you ended up by saying I should be sought and brought before you. I want to thank you and sincerely say that I will live true to the oath that has just been administered to me, in discharging the responsibilities of this Assembly.

Mr Speaker, sir, East Africans are clearly looking forward to a situation where they can begin to see some tangible benefits of the new Community. When we imagine that the European Union was in the first instance fashioned along the lines of the defunct East African Community as it was then, we begin to realise that truly we have lost valuable time.

I know that hon. James Wapakhabulo was able to talk about the intention by East Africans to experience the free movement of goods and services, but as we speak, this is not one of those objectives that we can, as East Africans, say we have been able to realise. This is

because - even as I was coming to attend the Development Partners Consultative Meeting on the East African Roads Project, we took a police helicopter. We were not allowed to land at the Arusha Airport; we were actually diverted mid-air to Kilimanjaro Airport, and even after landing there, we were not allowed to take off in the same helicopter to come back to Arusha until we had to make some high level intervention. These were ministers of the Community coming to attend a crucial forum! I was in the company of a soul mate called the Hon. Raila Odinga, the Minister for Public Works, Roads and Housing. True to Raila, he could not hold it, and he was able to lord it off to Hon. Jakaya Kikwete, who is cleverly not at this Assembly this morning - *(Laughter)*.

I am saying this because we do need to move with speed - *(Applause)*. At least by now we had hoped that we would be where we left it. East Africans do clearly remember those days when in fact there were even specifically designated ministers dealing with matters of the Community - *(Applause)*. But now, even that idea was not even caught in the Treaty, and since I have sworn to be faithful to the Treaty establishing the Community, I might just stop there because I think matters that will require amendment of the Treaty would clearly be left to be within the province of the Summit of Heads of State.

Mr Speaker, sir, how, for instance, is it that so many years after we have come some way, we are not even able to talk - for instance, we have been talking about the budget of the East African Court of Justice. One would imagine that members of the legal profession would by now be looking at a new fashion of

the East African Law Report, and yet that seems to be miles away - *(Applause)!*

I think we need to begin to move very fast and at least get to where we left the Community before it collapsed.

I know that honourable Members will have time to read through this very impressive document. We took time as Council of Ministers to look at the issues. I want to congratulate the Secretariat for trying. In fact, at some stage, you will realise that they are very thin.

The Secretary General was mourning openly before the Council saying he could not even cope with some of the programmes that are before the Secretariat because he is very thin on the ground. Then I remembered that it was perhaps a mistake that we committed when we were reconstituting because obviously we had to tread carefully.

The emphasis then was on a lean Secretariat, and I think this Secretariat has indeed been properly lean. But as we go into the future as East Africans, I would want to urge the Partner States to commit more resources because the world is moving in that direction.

I know that we have even been talking about East African Passports. Truly, East Africans have not been able to clearly identify themselves with what is happening at Arusha. Since this is the capital of East Africa, we look forward to the day when East Africans would just drive through Namanga, Taveta or wherever unimpeded in their movements and trying to do trade.

I think the word is trade, and I know that we will be meeting later at the end of this month to try and look at industrial development for the region. I know that East Africans are even thinking ahead of us. They have clearly been elaborating and imagining how an East African Federation would look like. But before we even get to that, we need to be able to get programmes that work.

I also want to congratulate the Members because I think with the renewed focus on even that crucial issue I did mention of the allowances, they will also be able to cut down from what they had hoped would be a 120-days' sitting to perhaps now 60 days in order to be able to live within the budgetary proposals. But on the whole, I am indeed happy to note - I know that sounds a little bit unpopular - *(Laughter)* - but it is a matter that I am sure we are able to look at. I am just trying to reflect the thinking of the Council of Ministers, but the whole matter is open to debate - *(Applause)*.

Since I am making my maiden speech, I think I better stop right there, and I am indeed pleased to second this Motion - *(Applause)*.

The Speaker: Honourable Members, I intend to adjourn this House, but before I do that, I want to extend to all Members, staff, invited guests and the media an invitation to a cock-tail party in honour of Hon. Kalonzo Musyoka. This will be held on the 7th Floor, in the Lobby of Mbayuwayu Hall on Ngorongoro Wing. I am sure you know the geography of the AICC Complex. I am told that the organisers were expecting us to break at 11.00 a.m. but I believe we can be there at 10.45 a.m. for the party, which is organised by the Speaker in honour of

Hon. Kalonzo Musyoka, who has given a wonderful maiden speech. We are inspired and we look forward to working with the honourable minister.

ADJOURNMENT

The Speaker: Honourable Members, that concludes the business on the Order Paper this morning. The House is therefore suspended until 4.00 p.m. this afternoon.

[The House was suspended at 10.40 a.m. and resumed at 4.00p.m.]

(On resumption_)

(The Speaker, Hon. Abdulrahman O. Kinana, in the chair)

(General Debate on the Budget Speech)

Mr Med Kaggwa (Uganda): Mr Speaker, sir, I would like to thank the honourable Chairman of the Council for his presentation. As the chairman was presenting his Budget Speech, I noted a few things, which I am happy with, and others, which I am not happy with. The first one is with regard to the Common External Tariff (CET).

I want to reiterate what was said once here by one of our colleagues, that the issue of the Customs Union has been left to the technical people and yet we appreciate that the Customs Union will be the entry point to the East African integration process.

I was not happy when I heard the Chairman of the Council say the issue of the Customs Union is now before the Summit. I expected the Chairman to say that this matter is going to be forwarded

to the Summit with a specific recommendation. He ought to have told us that the Council has taken a position, and be bold enough to tell us what that decision is. If the Council does not take a definite position, they may get to the Summit and then we will come to that old story where they cannot harmonise or synchronise it.

If the Council of Ministers has taken a position, that is well and good, but we would like to know what they are recommending. If my recollection is - I think the issue was between 20 per cent and 25 per cent. The pros and cons of each percentage were well outlined. So, I urge them to take a position. If some of these percentages have been agreed upon in the COMESA region, I do not understand why we cannot borrow the same idea from there.

Mr Speaker, Sir, I want to register my disappointment with regard to the draft Customs Union Protocol. This Assembly has not had the benefit of looking at what is contained in that draft Protocol! If I understand the Treaty well, once the Protocol has been signed, then there will be nothing we can do. I think it is proper and fitting that if that is the position, this House be given an opportunity to look at the Protocol, and then we have our input.

Mr Speaker, Sir, if we are to build this Community, the Assembly, the Secretariat and the Court should work in together. Some organs should not treat these documents as secret, and we are not meant to see. It would be absurd for me to make a law over issues to which I never had any input. I urge the Council to ensure that the Customs Union Protocol is signed as scheduled. East Africans are anxious to see the Customs

Union signed. It will be a big disappointment if that date is not adhered to.

Mr Speaker, Sir, I want to express my gratitude to the minister because this time, unlike in the previous year, the Council has shown the monies received from development partners. I think this is an appropriate answer because last year when we talked about this subject, they gave inappropriate answers. I am pleased that this time an effort has been made, and I hope this will continue to be the trend.

On the issue of publicity, which the Chairman talked about, I think I have some reservations. Whereas the seminars that have been organised by Assemblies of Partners States are good, I do not think they address the issues of the Community properly. It is this Assembly, which should publicise the East African Community.

We are the peoples' representatives and they keep asking us about the Community and we are hard put to tell them that we do not have the funds to do the publicity. On this particular aspect, I urge the Council of Ministers to reconsider their thinking and enable the Assembly to complement that aspect of publicity.

Mr Speaker, Sir, the Chairman of the Council mentioned it several times and made a request for various re-allocations. But where were these allocations from? Does it mean that those areas, which were supposed to be financed by that money, were not covered? If so, why? That money was budgeted for to finance certain things.

The Chairman of the Council should respond to that in his reply.

Mr Speaker, Sir, I think it is high time that the Council persuaded the Summit that the people of East Africa vividly remember the power, which the then East African Court of Justice had. They are now disappointed that the present EACJ is limiting itself to the interpretation of the Treaty. In fact, the cynical ones have gone on to say that for the lifetime of this Assembly, the Court may never have any case to consider. They keep asking why we should create a court, which cannot function?

When East Africans feel aggrieved by decisions in their own countries, they should be in a position to resort to the East African Court of Justice! It is high time that the Council considered persuading the Summit to expand the powers and jurisdiction of the EACJ. This will be in line with Article 27(2) of the Treaty, and the sooner that is done, the better for the three Partner States.

On the Budget, I am wondering whether the Budget as presented to us this morning is a token figure or it is a Budget, which is meant to move forward the Community. I think this Budget is not in harmony with what the three Heads of State of the Partner States have repeatedly told this House.

The Heads of State from the three Partner States have told us that they want to see the Community prosper. With this sort of Budget, I do not think within the next twenty years, the dreams of the people of East Africa will be achieved. Maybe, the Treaty never anticipated these activities. Now that the Council of Ministers has realised that

what is on the ground demands much more than what is provided for, I think it is high time a realistic budget was provided.

This kind of Budget brings the House into direct confrontation with the Secretariat. The House will believe that the Secretariat is not doing its duty but it has its hands tied! The staffing is inadequate, resources are not there, so a situation should not be created where the two organs of the Community should come into confrontation for reasons, which are not theirs, and for reasons, which can be addressed and rectified.

Mr Speaker, Sir, as I said earlier on, the three Heads of State, including the new President of Kenya, have told this Assembly how they wanted the federation yesterday, and I have always talked with my colleagues - Charles de Gaulle once said "politicians get surprised when people believe what they say."

Sometimes I recall those words and compare them to what we are always told by the Heads of State. Whenever we meet them, they tell us that East Africans look up to us to steer this Community forward, and how it was a mistake to have allowed the other Community to collapse in 1977. But how are we going to make it move when the same governments are not funding the Community, and the Secretariat has no staff? I hear that almost all of them are walking on foot because there are no vehicles! How could that happen?

Mr Speaker, Sir, I am a Member of the Standing Committee on Legal, Rules and Procedure, which dealt with the Rules which we adopted recently in this

House, which Rules, among other things, provided for 120 days for the Business of the Assembly, and also provided for morning and afternoon sittings with the full understanding that since we are the pioneers of this resurrected Community, we needed to put in a lot of effort if we have to have the Community take off. But to my surprise and disappointment, when I looked at the figures this morning, I noted that the Council in its wisdom is recommending to this August House that we sit for 60 days. And I have a technical problem since I am also a lawyer. Are we not breaching the Rules we adopted in this House? I want an explanation from the Chairman of the Council about that.

I must also hasten to add that there is a false impression created that this Assembly does not have work. I do not know where that illusion comes from. I am sure that there is plenty of work to be done and there will even be more work to be done when the CU comes into operation.

Mr Speaker, Sir, I call upon the Council of Ministers to impress it upon the Summit that the people of East Africa are watching keenly and they are being told how efforts are being made to have the Community revived. But there is no way it will take off; it will abort if the necessary funding is not provided for.

Finally, when the Treaty was written, they never anticipated that there would be a lot of activity. Accordingly, the ministers responsible for regional co-operation were assigned the duty of attending to business here. I think it is high time that the Treaty is looked into to try and create people who will not be too busy to attend the sittings of this

Assembly. If that does not happen, we do not have any direction to follow. It is the duty of the Executive to give guidance and it is the duty of this Legislature to make the necessary laws.

With those remarks, I reserve my support to this Budget - (*Applause*).

Maj. Gen. Mugisha Muntu (Uganda):

Mr Speaker, Sir, let me thank the Chairman of the Council for the presentation of his Budget Speech. I also thank all those who have been involved in putting together this Budget. I also want to take this opportunity to welcome and appreciate the remarks made by the Minister for Foreign Affairs of Kenya in his maiden speech.

Mr Speaker, Sir, this Budget should not have come here in the first place before this House performed the pre-budget review function. This is the second time that this function has not been fulfilled. I am not sure whether it is not a deliberate oversight or a total disregard of the provisions of the Treaty.

One of the problems we have on the issues of governance in Africa is that we do not observe the laws that we write. The regional bloc we are trying to nurture will culminate into a political federation, and we need to observe the principles of good governance early enough. We should begin by observing the laws that we have come up with!

One of the fundamental functions of Parliaments all over the world is oversight. How are we going to oversee what we have not reviewed according to the laws established? Last year we

discussed this issue and we agreed to discuss the Budget because Parliament was new. But during this year, we send our request early enough that the Standing Committee on General Purposes, which is supposed to carry out that function on behalf of the Assembly, should be allowed to review the Budget, but that did not happen. I understand, from the grapevine that we were not able to do so because of budgetary constraints.

I would like to know who undertakes the budgetary function of the Community. When we look at the way the three organs of the Community are facilitated in terms of the Budget, it is wanting! As hon. Med Kaggwa said, we met with the former President of Kenya, His Excellency President Daniel arap Moi before he retired, we also met with the current Presidents of Kenya, Uganda and Tanzania and they all indicated that they want the East African Community to move fast and implement the projects they are working on, and to hasten whatever activities they are involved in. But what they have said and what is in the Budget do not tally. The two positions are in conflict! Is there a misunderstanding of what is happening on the ground? What is the problem?

When you look at the staffing of the Secretariat as provided for in the Consolidated Budget Summary, you will really sympathise with them. For instance, there is one officer in every department. How are they going to oversee the projects that are in place? Secondly, these are the same staffs that are supposed to provide backup for the Assembly. When they are working on projects and we require them to give us briefs, they will not be available! It is

not humanly possible to do what is beyond your capacity as an individual. You cannot be in two places at the same time. No wonder I have heard that there have been a number of breakdowns of staff in the Community simply because they have worked beyond what they can bear as human beings! This is a matter, which the ministers should look at. If that is true, then it is tantamount to human abuse!

I do not think the three governments should look at the human resource we have as a cost! They should look at it as human resource that will bring useful results to this Community. The mind set of those who handle this Budget look at the human resource that we have as a cost but not as an investment.

This brings me to the issue of how we look at the East African Community? Is it a strategic investment or it is a mere political project? We need a decision to be taken on that so that we are all clear about it. If there is a vision, let us all share it so that we know how to handle it. If it is a strategic economic investment, then it will also determine how we relate to it. But if we look at the present global situation and the way the global forces are operating and we looked at the East African Community as an economic investment, then we would really be wasting the time of the people of East Africa.

It is understandable that we are developing countries and there is no doubt about that. Each country is trying to grapple with a lot of domestic problems. The leadership of the three countries need to look at the regional integration process as the only strategic investment that is going to create an

avenue to solve the domestic problems we are encountering. What do we stand to gain as a block as opposed to each individual country trying to attract direct foreign investment?

All the leaders we have met have told us that they would like to see the integration process succeed because they want a larger market for East Africa. That is one of the biggest advantages we are going to reap. There are unnecessary delays in the implementation of EAC projects because of budgetary constraints and divided attention. Some of the technical officers who come to make decisions for EAC have got to handle some national programmes back home. So, I request that the Council of Ministers look at these issues, which are of concern to us.

Mr Speaker, Sir, the issue of staffing must be addressed urgently. The Community cannot function efficiently with such a lean staff. If everything goes as planned, by November this year, the Customs Union Protocol is going to be signed. Once it is operational, the Customs Union is going to generate a lot of work. Who will handle all the work that will be generated? The Chairman of the Council should answer these issues, when he comes to reply.

The feeling we get is that this Budget has been more or less relegated to the technical staff in the Partner States because right from the beginning, they took the position that the Secretariat must be lean. Most of them come from the Ministries of Finance from their home governments. It is not surprising that they have taken the position that everything must be cut down to the bone

regardless of whether the Community functions efficiently or not.

So, we would like to request the Council of Ministers to reverse that trend and change the mindset of the people who deal with budgets to know that this is an investment and for the Summit to walk the talk! They should not say one thing and do the opposite.

With those remarks, I beg to move that the Council of Ministers reconsider this Budget.

Dr. Harrison Mwakymbe (Tanzania): Mr Speaker, sir, I listened very carefully and with keen interest to the Budget Speech by the honourable Chairman of the Council, and I wholeheartedly agree with him on all the basic assumptions underlying this Budget.

If you look at page 2 of the speech, for example, the basic assumption is that the Budget estimates are presented against a background of intensification of the regional integration process in East Africa. That is a fact. Another assumption is outlined on the same page, paragraph 4 that the people's expectations remain high for faster progress towards eased and increased movement of people, goods and services across borders, development of infrastructure, increased trade and investment throughout the region, levels of productivity and exports.

Mr Speaker, Sir, page 3 of the speech talks of the need felt by the Council to streamline their efforts towards tangible and expedited achievement. But the most important thing here is taking into account the multiplicity of the issues that are finding their place on the regional

agenda. On the same page, the Council proceeded to identify various priorities. One of them is the Customs Union Protocol, which is going to be signed at the end of the year.

Mr Speaker, Sir, as I have said, I feel at home with these basic assumptions underlying the Budget for 2003/2004, except for the fact that they hardly tally with the Budget itself. If we agree that there is intensification of the regional integration process, and we agree that the people's expectations are very high and we even have priority areas, some of which are maturing very soon such as the Customs Union, nobody can understand us when we are reluctant to commit even 0.1 per cent of our national budgets to the regional integration efforts!

I also feel that nobody can understand us when we block the Assembly from working by starving the Assembly of funds and by cutting down the number of its working days in total disregard of the Rules of the House!

Mr Speaker, Sir, I am reminded of what President Benjamin William Mkapa told us when we met in Lake Manyara in December 2001. If the Chair allows me, I will just read one paragraph. He said: "At this point I am driven to repeat the challenge I met in Kampala on 19 August 2001 during the Global 2001 SMART Partnerships Meeting. I then called for the speeding-up of the implementation of the East African Strategy on regional co-operation, in particular, the accelerated negotiations for trade and investment Protocols, so as to give the new Assembly and the new Court of Justice enough work to do."

Now, the Assembly has enough work but we do not see any support for the Assembly and the Court to do that work. In the final analysis, I am forced to say that the proposed Budget is not in any way demand or priority driven. Largely, it is pegged on the Partner State's financial convenience.

Mr Speaker, Sir, I have seen that we are supposed to discuss the Budget today and tomorrow. Apart from the fact that we have had no time to go through the budgetary proposals critically, the time allotted is too short for us to do so. I feel that we are just being rushed through.

Let me emphasise the point that a budgetary process is not only one of the key functions of this House, but I also believe that it is the basis on which the people of East Africa can also judge us on the way we handle their resources, which are committed to the East African cause. We have repeatedly said that our role as an organ of the Community is that of facilitation. That facilitation is based on the EAC Development Strategy 2001-2005, which embraces people-driven, political, socio-economic development of the region.

The facilitation exercise we are engaged in is in no way easy. I believe it is challenging and demanding because of two reasons. Our facilitation role requires the mobilisation of massive resources from within the Partner States and outside the countries, in line with the provisions of Article 132(4) of the Treaty. Up to now, most of the money we require, about 80 per cent, has been remitted by the Partner States. That is good news to us but most of the funds we use in the Community comes from

taxation of the poor people of East Africa.

Mr Speaker, Sir, last year's Budget was USD2 million, and each country was supposed to remit about USD1.7 million. And that is a lot of money to the poor taxpayers of East Africa. The only way to show gratitude to the people of East Africa for the sacrifices they make, and to make them contribute further to the cause of East Africa is the seriousness it deserves. I do not see much seriousness in the budgetary exercise if we are to spend about three hours reading and debating the Budget proposals.

Mr Speaker, Sir, on the issue of reorienting our judges to the Kiswahili language, I would like to say this is a very progressive step, although I would hesitate to entrust a judge who has undergone a crash programme in Kiswahili to hear a case in Kiswahili. I also propose that we should have a simultaneous translation of debates in Kiswahili so that we give Kiswahili its place within the organs of the East African Community.

Mr Speaker, Sir, I noted the allocation of US \$ 4,250 for capacity building for our judges. I think this hardly enough, even for one judge in a year! What lies in store for our judges is enormous! I am saying this because they will be required to operationalise the Customs Union and all its laws. To budget that amount of money and expect them to function normally is expecting too much from them.

With these remarks, I reserve my support for the Budget Speech.

Mr Yonasani Kanyomozi (Uganda): Our impact in the world trade is 0.0 per cent or even less. In fact our trade figure in the European Union for Tanzania is 0.001 and 0.002 for Uganda! The European Union can even afford to forget that we exist. So, what do we need to do? The solution has to come from within. If the Summit of the Heads of State is meeting in June, the ministers responsible for regional co-operation should ensure that the Customs Union is passed, and then send it down to the East African Legislative Assembly, if there is money for it to sit, let them pass it and it is operationalised before 30th November. That deadline was just a time frame, and it was not necessary that the bureaucrats slow down because there is time. There is no time. We should have had this thing many years ago. This is because we are in a bad state. Look at the figures. The little we are having is even going away. Better trade begins here between ourselves, and then we can start competitively trading outside.

I see everybody excited about AGOA: even Presidents are carrying luggage on their heads to take to America. Look at it squarely and objectively, what is the value added by people by joining this thing? In Uganda, there are one thousand girls stitching textiles brought from outside. What do we gain out of it? Since the companies are even from outside, I do not even think we get the money coming in because the headquarters are outside. I am sure the same might apply to our good neighbour Kenya that is also a beneficiary of this AGOA.

Look at the figures also; the percentage has not increased substantially for Africa since it was started. The blow-up in

those figures is because of the shift when Iraq was still under Saddam. There was emphasis on African oil and interests and the figures will show you that. I am requesting our ministers that we have this Customs Union finalised in June so that it starts with the new financial year, and we move on.

Then, there is the issue of figures. The Ministers have not told us and since the documents are kept away from us, we do not know. But we have heard from the corridors that the difference is between 20% and 25%. Is that the issue? In fact, we need to protect our own local industries. I would have even gone to a higher level on the upper part.

The Secretary-General (Mr Amanywa Mushega)(Ex-Officio): Mr Speaker, Sir, may I put it on record that it is not true that the Members of the Assembly have heard the differences between 20% and 25% in the corridors. We in the Secretariat have briefed them officially, and this is on record.

Mr Kanyomozi: Mr Speaker, sir that is even the more reason why I am going to be critical of it; if that is the figure.

We are moving towards the convergence of tariffs and trade by the year 2008 by the World Trade Organisation (WTO), and I am sure we are aware of that. Now, if we put the tariff so low, we will not be allowed to put it up, yet our own industries need protection from these floods of goods from outside. What is the logic? We are pretending to be mindful of the welfare of our nations. Who are we to do that when we are importing goods from outside? What percentage?

In fact, now we are importing manufactured goods, especially textiles. We are exporting few that are being stitched in Kampala and Nairobi and instead importing used textile. They are called *mitumba* in Kiswahili. Clothes by the late Sir George! What I am saying is that, should the tariff be so low as to encourage dumping or high enough to protect us against dumping? I want to encourage a review to emphasise that trade in our region should start here at home.

Secondly, the minister talked about Lake Victoria, this common asset that we have where fish do not recognise boundaries and they are not checked as we are checked at Malaba or Namanga. They just go. I am pleased that the emphasis is on that because one third of our population is dependent on the lake basin. About 30 million of our people are around Lake Victoria. But the area of concern that I would like to emphasise is that, in the minister's speech he says that negotiation on the development of the lake is now going to be jointly done. I welcome that. Mr Minister, keep it up. But I am reminded by what has happened before.

A year ago and one day, today, in Kampala, the Summit of the Heads of State meeting at the International Conference Centre directed the region to negotiate as a block. It is exactly one year and one day, today. Has this been put into practice? No! Has it been done? No! Is it being contemplated to be done? No! Are we going *kangunda* as one? No! Are we negotiating these things as a block? No! So, Mr Minister, you have a problem with your colleague there. If one year and one day has gone without anything being done – (*Interruption*) -

Mr Wapakhabulo: Mr Speaker, sir, is the honourable member in order to try to incite one minister against another and to cause disharmony in the House? (*Laughter*)

The Speaker: The Member was not in any way inciting but soliciting for support - (*Laughter*)

Mr Kanyomozi: Thank you, Mr Speaker, Sir, for your wise ruling and guidance. I am saying that for Lake Victoria, let us move as a block, but let us also fulfil that which we were directed to do. I request that the two honourable ministers who are here, plus the one who is absent, to work on seeing how we are going to go to Mexico as a block because the issues that are going to be discussed there are very serious – (*Applause*)

Let us get the East African Community accredited to this institution. Let us have one delegation led by one of the ministers, and the next time another one can lead it. After all, we are doing it at the level of the Council of Ministers to the Community, and it is working despite the limitations that we have. Let the Secretariat - we have brilliant Deputy Secretaries and Secretary General, who have had exposure. Let them provide the Secretariat for this delegation and let us move on as our Heads of State have directed us to do, and as the minister has already agreed for Lake Victoria - (*Applause*).

I am encouraged and I welcome the idea that Rwanda and Burundi are being brought in on this issue of Lake Victoria, but let us not stop at the Memorandum of Understanding. We would like to

move a step further and bring them in. It is in our interest and also in their interest because these are our brothers and sisters. Let us bring them in quickly. I remember, in Kampala when Rwanda raised this point, the answer was that we wait for the Customs Union so that they enter at that level. That is why I am proposing that this July be the beginning so that in September, we bring them in. It will do a lot of good to have them in. It will even solve their own domestic problems because they will be part of a bigger unit. They will come here as Rwandese and not as Tutsis or Hutus. This will even stop our ministers going up and down trying to settle their problems because we would then be settling them here. Their differences will be treated as regional problems, for example, between Iringa and Mbeya, or between Bukoba and some other place, or between the north and the south and then it will be an easier thing to handle. The travelling of my friend, the honourable minister will be lessened and he will not suffer from jet lag any more.

On the issue of the headquarters of the Community, we are happy that the government of the United Republic of Tanzania has given us 9.5 acres of land, but we are looking at this community as a permanent entity. We are looking at Arusha as our headquarters and, therefore, we are looking at the headquarters of the Community for posterity. As the minister said, we do not want to repeat the mistakes we made before. If that is the case, then, 9.5 acres will not be enough, unless we are going to construct a building taller than the towers in America, which I do not think we should because we still have a lot of land - *(Applause)*.

When I came here for my kindergarten Kiswahili lessons, I had the honour to visit the Mayor of Arusha with my colleagues. He told us that if we wanted more land, we could have it. Have we followed up on this issue? He even told us that there were enough plots for us to buy. Can't we be the American founders of Washington DC who took a radius of about ten miles from the centre and made that area the capital and it has been expanding? Even if we are not able to achieve what the Americans have achieved, well enough. In my language, we have a saying that the tail of a goat sweeps where it can reach - *(Laughter)*.

Let us at least take one square mile for our headquarters so that we build up a structure that will be the headquarters of an East African Community, comprising five or ten countries in future - *(Applause)*.

I am proposing that the Secretariat in conjunction with the Council of Ministers do approach the Tanzanian government and ask for a bigger piece of land so that we can plan for it accordingly. It would not be correct to build the headquarters on 9.5 acres and then we have to shift again as the Community expands. Let us avoid the costs of shifting.

On the issue of funding of the Community, I am pleased that the Partner States have made their contributions very diligently, except that my home country has had a bit of a problem from the figures I see. We have only contributed 60% of our requirement. The other countries have done better and I applaud them. But overall, this is an improvement from last time when 90% of the total contributions

had not been made. So, I want to thank the Council of Ministers and the Secretary General for this improvement. However, compared to the global figures, these moneys are too little to support the work we want to do.

We asked for 120 working days, we are given half of that. The work is expanding but we are stagnant on the number of days we are going to do it. So, something must be done, and we are asking the Council of Ministers to look at this matter.

The Chairman of the Council of Ministers is a former Community employee like me. In the defunct Community, we used to get money from customs collections. Even if we collected 5%, we would be in a position to budget accordingly. And that is why I want the Customs Union in place soon.

If you look at the figures, the donor funding is too much. I am not saying that they should not chip in, but it is a delicate balance for the Secretariat when 40% of the total budget is donor-funded. Granted, the Community is slightly better than the Partner States whose budget is funded by donors to the tune of 52%. But still, 40% is too high a figure to depend on foreign funding. This is because you only need one or two of the big donors to default, and the whole thing will get stuck. So, we need to look at this very carefully.

We welcome the donations, because after all they need us as much as we need them. We are their markets and so they need to increase our purchasing power. Our relationship with them is mutually beneficial; so let them bring the money. Even if they brought more, but we must look at it in terms of

percentages so that we know where we are going.

I am saying this because at times they demand of us some things we may not want to do. For example, when the World Bank people were here, they told us to go slow on integration, arguing that it is not needed. They told us not to rush the process. At the same time, the European Union is now nearly made up of 25 countries. Last night, they allowed in new members. So, while they are telling us not to rush our integration, they, on the other hand, are running at supersonic speed to integrate. So, our reliance on them should be done cautiously.

I would not be fair to myself if I did not touch on politics. It is nice to see the change in Kenya and that the transfer of power was done very smoothly. I want to congratulate the minister who is here. I had the honour of witnessing that. The Secretary General tipped me about the trip to Nairobi and I joined the team only to meet you, Sir, and to witness the glory and the pride of this region to see a change of government in such a smooth manner - (*Applause*).

I think Kenya has given us a good example, following Tanzania that had been a good example anyway. Now it is left to Uganda to also change in a way that is civil and civilised. I am saying this because change in Uganda has been very difficult: Either one man changes power to himself, hands power to himself and continue doing so until the cows come home.... So, we look forward to evolution and development in Uganda.

As a Member of the Community, Uganda needs prayers. I am sure Members will understand this, especially after the trip to northern Uganda, which is captured on video. We need to get these things quickly settled, and we hope that the Community will be allowed to play its role. The President promised us that soon he would call his brothers to Pakuba and we would be invited so that we can solve this problem.

Our region is now famous for settling other people's problems: We are in Rwanda, Burundi, Congo, Somalia, and Sudan. Name it we are there! But we have forgotten the biblical saying that you do not talk about a spec in your friend's eye before you remove the log in yours. We have a log in our eye in the form of the conflict in the North and we need to solve it.

Finally, I would like to touch on the issue of our relations and membership in different organisations. It is good we belong to many organisations, but as the Customs Union is coming very soon, I would wish that we negotiated with SADC, COMESA and all the other organisations as a block. If you see it on a funny diagram interlinking us to all these organisations, it is going to create problems on issues of origin when the trade is opened up as the Customs Union comes into force.

But what is my verdict on this budget? My colleagues have said it is misgiving. I tend to agree with them. It has good ideas but it lacks the very things to make it work. On that note, I also reserve my support for the Motion.

Mr Calist Mwatela (Kenya): Thank you, Mr Speaker, Sir, for giving me the

opportunity to contribute to this Motion. May I begin by thanking the Chairman of the Council of Ministers, Hon. James Wapakhabulo, for his presentation! I also want to take this opportunity to welcome Hon. Stephen Kalonzo Musyoka to our midst. I want to thank him for his very brilliant maiden speech.

I would like to begin by quoting the Chairman of the Council's speech. On page two he says: "The budget for the financial year 2003/2004 is being presented against the background of the intensification of the regional integration process in East Africa." On the same page, he further says: "The regional organisation came under increased pressure from the various stakeholders to demonstrate tangible achievements and benefits. In particular, there were widespread expectations for timely establishment of the East African Customs Union, among other critical requirements of the regional integration process." He continued further on that same page to say: "The expectations remain high of faster progress towards eased and increased movement of people, goods and services across the borders, development of infrastructure, increased trade and investment in the region, levels of productivity and exports."

I have just picked these words, but there are many other things the minister has mentioned, but all these lead to one thing; better lives for East Africans. If you want something good, you have to invest in it. I think that all along the Partner States have been shy of investing in the Community. We are saying this because there is a general shortage of goodwill from the Partner States in terms of financing the Community's organs.

Overall, therefore, we can say that the East African Community is a baby who is starved by the mother, and is therefore stunted, malnourished - (*Laughter*).

We as the pioneer representatives of East Africans are saying this loud and clear because in any case, it has been said by the respective Heads of State. We need to move fast to integrate because it is for the benefit of East Africans. You cannot integrate if the finances for this Community are less than a ministry's. It is even far much less, almost equal to that of a department of a ministry in a Partner State. Are we serious? Hon. Kanyomozi was being accused of incitement, but really, are we serious? No! We are not serious. The Members of the East African Legislative Assembly are very serious, but I think there is somebody somewhere who will finally be accused of sabotaging the East African Community - (*Applause*).

Why do we allow bureaucrats to come and determine the number of days that the Assembly is going to sit? This is wrong! This House has a responsibility to East Africans of ensuring that their taxes are put to good use for them. One of those good uses is to finance the East African Community.

On the issue of development partners, I want to make it clear to honourable members that there is nothing for free in this world. Whenever donors give us something, they also expect something in return. We can, therefore, rely on donors in as far as their donations, if withheld, cannot cripple us. In any event, for a baby who is growing, the best food is the mother's milk, which cannot be sourced from donors. I am only calling for Partner States to give

adequate amounts of money to run this Community, just like the mother gives the baby enough milk - (*Applause*). The father only buys *uji* so that the mother can drink it and produce milk - (*Laughter*).

I am only saying that it is okay to get help from other people, but for our main institutions - the Secretariat, the Court of Justice and the Assembly, we should not depend on donor funding. It is unacceptable because that is an area that you cannot afford to let go, just in the event that the donor has decided not to give you something. Of course there are other areas in which we may decide to accept some funding, but the right thing is to make sure that we fund these critical areas of the Community.

A previous speaker mentioned that there is need to streamline our own activities. One fact is that we should have ministers charged with the Community matters only, not the ones who have many duties: Today he is in Sudan, tomorrow in Machakos talking about Somalia, the next day he is in New York or Harvard or wherever! If at all we are serious about the Community, we need full-time ministers for the community.

On the issue of our own Rules, I do not think we have Rules just for the sake of having them on paper. The other day the Chair ordered honourable Muntu out of the Chamber because he had broken a Rule of this House. It was the Rule on dress. It is common knowledge to all Members that this House sits from Monday to Friday, both mornings and afternoons. I do not know of any Assembly that sits that heavily. We made these rules in full consciousness of the fact that there is a lot of work -

(*Applause*). Sometimes we even sit on Saturdays!

If I may go back to the Chairman's speech, he has talked about a number of things. On page three where he is talking about the launching of the second East African Community Development Strategy, he says, "during this period on the conclusion of the Protocol on the establishment of the East African Customs Union..." If the Customs Union comes into place, there will be 101 legislations required to make it work. You cannot do that in 60 days. It is not practical. It is not only that, we have other areas.

For example, on page 4, the minister mentioned something on Lake Victoria. He says, "the focus on Lake Victoria stems from the appreciation of the fact that the lake is undoubtedly the most important shared resource of East African Partner States." On page 5, he further says, "the establishment of the Lake Victoria Development Programme Unit as a Secretariat..." Even that needs legislation. The signing of the strategic partnership agreement on the promotion of sustainable development in Lake Victoria - all these things will need this Assembly to legislate. To crown it all, our own House Rules say that the House shall meet for 120 days in any calendar year.

I started by referring to hon. Muntu's expulsion from the House because I wanted to make the point very clearly that, as Members of this House, we make Rules and we should keep to those Rules. Otherwise, what are doing? Definitely 60 are not 120! (*Laughter*) So we want a remedy to be sought for that. How the minister is going to do it, I do

not think it is impossible. The House Rules are clear. Let us not set a precedent where the House decides- we do not want to take drastic measures. We know the remedy can be sought.

The Chairman of the Council of Ministers presented the budget to this House for consideration by the House and not for rubberstamping. With due respect to the Hon. James Wapakhabulo, we believe that between now and tomorrow or Friday, the remedy can be sought so that we do not have a conflict.

May I also touch on the issue of facilitation of the members? Up to now, the honourable members here do not know whether they can get vehicles duty free as has been mentioned. We do not know why, but we believe it is possible. I am just touching on that because everything is not straight.

I also want to comment on an issue that was raised by Hon. Kanyomozi. If we want our economies to grow, then we have to look at the East African market, and not an outside market. The USA, Europe, China, etc. trade internally between each other to the tune of 95% per cent. We are trying to do the opposite, and it cannot work! We will not change the economies of our countries by thinking about the outside world. So, if that is what we want, then we need to quickly move towards our integration.

There is a Kiswahili saying that: "*utavuna ulichopanda*" meaning, you will reap what you sow. If you invest one shilling and the interest is 10%, you will get ten cents. If you invest one million shillings and the interest is 10%, you will get one hundred thousand. If the

Partner States of East Africa want good returns from this Community, then they have to invest in it and let them stop telling us that our budget has grown.

We are a new body and when you are setting up an organisation, even a business, sometimes one will need to go and borrow. Similarly, in this case, we have to spend on the Community. Let us not compare its budget with what we give to our ministries at home. Probably, we would have been comfortable if we got the budget the size of a single ministry and we would be up and running.

With those remarks, I will not, for the sake of East Africans and the Community, support this Motion. Let us have something done before we can support this budget - (*Applause*).

The Speaker: I think we have only about seven minutes left to the conclusion of the afternoon sitting, and I would like to suggest that we adjourn the Assembly until tomorrow morning. But before I do that, I want to announce that the House Business Committee and the honourable ministers will be meeting immediately after the adjournment.

ADJOURNMENT

The Speaker: Honourable members, it is now time for the interruption of business. The House is therefore adjourned until tomorrow at 9.00 a.m.

[The House rose at 5.45 p.m. and adjourned until Wednesday, 13 May 2003 at 9.00 a.m.]