



EAST AFRICAN COMMUNITY

IN THE EAST AFRICAN LEGISLATIVE ASSEMBLY (EALA)

The Official Report of the Proceedings of the East African Legislative Assembly **148TH SITTING - THIRD ASSEMBLY: SECOND MEETING – FIFTH SESSION**

Thursday, 13 October 2016

The East African Legislative Assembly met at 2:30 p.m. in the Chamber of the Zanzibar House of Representatives in Mbwani, Zanzibar.

PRAYER

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

(The Assembly was called to order)

COMMUNICATION FROM THE CHAIR

DEMISE OF HON. DR DIDAS MASABURI

The Speaker: Good afternoon honourable Members. I have sad news for you this afternoon. Last night I received sad news about the untimely death of our good friend, Hon. Dr. Didas Masaburi. The late Masaburi was a Member of the Second Assembly. He also concurrently served as the Mayor of Dar es Salaam City. He served on the House Business Committee where he made immense contribution in shaping the administration of this Assembly.

We stand with his family and express our condolences to the people and Government

of the United Republic of Tanzania. May I request that we stand for one minute, in silence, to give our respect to the late Hon. Dr. Didas Masaburi?

(Honourable Members stood in their places to observe a moment of silence)

The Speaker: May his soul rest in eternal peace.

MOTION FOR A RESOLUTION OF THE ASSEMBLY URGING THE SUMMIT TO FAST TRACK THE IMPLEMENTATION OF ITS DIRECTIVE ON ALTERNATIVE FUNDING MECHANISMS FOR THE EAC.

(Resumption of business interrupted on Wednesday, 12 October 2016)

(Mr Ogle rose in his place)

The Speaker: Hon. Ogle, you are rising before the item on the Order Paper has been called out. Could I hear you, please?

Mr. Abubakar Ogle (Kenya): Rt. Hon. Speaker, I am sorry to take you back. However, yesterday afternoon, the Polythene Bags Control Bill was read for the first time and you accordingly referred it to the relevant Committee on Agriculture and Natural resources.

I have had an opportunity to interact with the Mover of that Bill, Hon. Patricia. The indication I got from her is that because this is a Bill from the Second Assembly where the process was conducted and public hearings held in all the five Partner States, there is no need for another public hearing. However, as far as I am concerned, this is a new Bill. It does not matter whether it belongs to the other Assembly or not. Many Members of this Assembly are not seized of that Bill. I think it is only fair that the Bill be accordingly subjected to public hearing.

I seek your guidance and clarification.

The Speaker: Thank you very much, Hon. Ogle. It is the tradition of this Assembly, which is well grounded on the philosophy of the integration of the EAC, that this Community is people centred. We have always engaged stakeholders in every Bill that we pass in this Assembly upon that basis. I would like to allay your fears that we have taken the procedural approach with regard to how Bills are treated in this Assembly. This Bill is before the Committee – It has already left this House. All engagements or any discussions that need to be done shall be done at the Committee level. However, for purposes of harmony, I would like to meet the Chairperson of the Committee on Agriculture

and Natural Resources and the Mover of the Bill in my office so that we discuss the way forward on the Bill.

Ms. Patricia Hajabakiga (Rwanda): On a point of clarification.

The Speaker: Yes, what is your clarification, Hon. Patricia?

Ms. Hajabakiga: Rt. Hon. Speaker, the clarification I want to give is this: I never discussed this issue with Hon. Ogle. All that he did was to attack me and tell me that he was going to bring his new Bill. I told him that the Bill had already been committed to the Committee and that it is the Committee that would make a decision and not me. So, those things he is saying here amount to putting words in my mouth. I am not the one who said those words. *(Loud consultations)*

The Speaker: Thank you, Hon. Patricia. Hon. Members, you know this is a rule-based institution or House. We do things according to our Rules of Procedure. Right now, the Bill is before the Committee. All kinds of arguments and debates can be heaped at the Committee level. I thank you.

Hon. Members, we are on Order No.2. Yesterday in the evening, we had debate on the Motion for a resolution of the Assembly to urge the Summit to fast track the implementation of its directive on alternative funding mechanisms for the East African Community, or to invoke Article 143 and 146 of the EAC Treaty on financial contributions against defaulting Partner States.

This debate was not concluded due to lack of time. Debate is now open. Hon. Nancy!

Ms. Nancy Abisai (Kenya): Thank you very much Mr. Speaker. Before I contribute to this Motion, I would like to say one or two things.

As a House, I think we have a lot of respect for the Council of Ministers, especially the three Ministers seated in the House today. They have consistently been in this House during plenary sessions. This is something we must put on record - (*Applause*).

I am talking about the Ministers from Burundi, Uganda and Tanzania. They have always been with us in this House and that is a fact. When we stand to say a few things, it is because we honestly believe that they, of all Ministers, understand this House better than the rest. The reason is that they are always here with us. On my part, I want to state that whatever we raise here is with a lot of respect to these Ministers. That fact should really go on record.

Secondly, as a House, we have a lot of respect for the Secretary General. I do not know if there is somebody who does not. I do not think there is anybody who should impute improper motive either to him as a person or his office. I think that is not where we want to go.

I want us to set the record straight. We are honourable Members and, therefore, we need to treat matters in an honourable way. Let people not have sideshows in terms of coming up with allegations that do not add value to this Motion - (*Loud consultations*).

Allow me to speak. I have a reason to speak. The reason I say this is not that I just want to - (*Interruption*) -

The Speaker: Hon. Nancy, you should not respond to a chorus. If a Member has a point, going by our Rules of Procedure, he or she is supposed to rise up. Nobody has risen, so you may proceed with your debate.

Ms. Abisai: Thank you. There have been allegations, and I have heard about the

sideshows. We are Members of Parliament who are also diplomats. The idea of trading allegations and other issues, which I do not have to mention here, is uncouth, unorthodox and simply unacceptable. So, let us debate the issue at hand without anything.

Mr. Ogle: On a point of order, Mr. Speaker.

The Speaker: Hon. Ogle.

Mr. Ogle: Hon. Speaker, if I heard the honourable Member correctly, she is referring to some so-called sideshows and unorthodox talks on the corridors, which I am certainly not privy to. That is imputing improper motive upon the integrity of Members of this House. Could she kindly substantiate what she is talking about?

The Speaker: Hon. Members, this House does not deal with unorthodox and uncouth issues. We only deal with parliamentary issues that are meant to promote the integration of our region. Proceed, Hon. Nancy.

Ms. Abisai: Thank you, Mr. Speaker. That is why I mentioned that. Some of those issues were just that and I am not pointing a finger at anybody. I am just saying that because I am also a Member of this House and rightfully so. I know what I am saying.

This Motion is important because we received letters, as the Kenyan Chapter, which said that we have financial crisis in the EAC. We were not able to hold meetings of Committees because of the financial crisis. Now, we needed to sit down as Chapters and look at how we could come up with ways and means of collectively helping the situation. We came up with a way forward as a Chapter. We said that we needed to look into the main problem in terms of funding.

Hon. Secretary General, I will tell you one thing. I remember when you were being sworn to office. Members said, “Unfortunately, you are being sworn into office at a difficult time for the EAC.” The truth is that we foresaw these problems. There is a section of this Motion, which states that there are questions, which were raised with regard to the financial crisis. I belong to the Budget Committee, which is the General Purpose Committee. We have raised fundamental issues concerning this matter.

Mr. Speaker, we also have to understand that there are accounts, which have never lacked funds for the past ten years. However, right now, they do not have money. There must be a problem and in resolving it, we need to look at every Partner State in terms of how we are moving as a team. The Minister told us yesterday that they have received funding from all the five Partner States. I know that by the time we were coming here there was no funding. When we show interest to talk about this matter, we just want to pronounce ourselves as a House. We need to look at the issues and come up with clear resolutions. We need to guide the Community.

In terms of funding mechanisms, I know there are some colleagues who have been saying that we have relied a lot on donors or development partners. The more we keep relying on development partners without the commitment of Partner States, the more it becomes difficult for this Community to move on. So, we need to put in place certain basic minimums that will ensure that at all times Partner States commit themselves in terms of their obligations and duties. If we do not do that, we will fail. As politicians and Members of Parliament, we have a duty to bring to attention things are not working. I think we should work as a team to see how to resolve this matter and move forward.

I would like to allay the Ministers’ fears even as we discuss this Motion, which is good for the Council, the Secretariat, the Assembly and the Court. A lot of information that will come out of this debate will be for the good of the Community. We need to pronounce ourselves as a House. I know there are Members of Parliament here who are also diplomats. Therefore, sometimes people shy away from saying the truth. They are unable to state that we have a problem. We do not want to sweep these things under the carpet. Are we sure that we are going to have activities running? Are we sure that the Secretariat and the CEO of the Secretariat have money to run the Secretariat? Do we know whether the Court will function? If the funds are not available, we need to come up with a resolution that will help us move forward. Are we sure, we will have activities of Committees after this session? Are we sure, we have enough funds to sustain the EAC until the next financial year?

When the Minister said that money had already been remitted, it caused even more worry. If money has been remitted and now we have no money, then that means that, there is something that is not right somewhere. We are just seeking to understand this so that we know how to move forward.

I know this is a Motion that everybody wants to speak to. I am happy that we are debating this Motion in a very transparent way. We are here to look at the best options in terms of how we move forward. We need to understand the obligations of each Partner State in terms of contributing money to the Community. How is the Council of Ministers helping us to ensure that this does not happen again? The Council of Ministers needs to be on toes. It is their duty to rise up to the occasion and make sure that when there is a crisis they resolve it.

I support this Motion. The Council of Ministers needs to help the EAC because it has a first-hand relationship with the members of the Summit. It is our representative at the Summit. The Council of Ministers has a right to talk on a one-on-one basis with the Summit even as it looks for solutions to the problems bedevilling this Community.

The Speaker: Thank you, Hon. Nancy. It is now your turn, Hon. Susan Nakawuki.

Ms. Susan Nakawuki (Uganda): Thank you very much Rt. Hon. Speaker. Allow me also to thank my colleagues of the Tanzanian Chapter and the Government of Zanzibar for the warm welcome to Zanzibar. I also want to thank the Mover of this Motion because the issue of alternative funding has been on the table for quite some time now. However, before I make my contribution on the issue of alternative funding, I would like to propose an amendment to this Motion first.

Having read the wording of the Motion, I would like to suggest that we get rid of that part that provides for invoking Article 146 of the Treaty for the establishment of the East African Community. I do not think the intention of this Assembly is – *(Interruption)*
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The Speaker: Hon. Nakawuki Susan, you will help the Clerk-at-the-Table and the Mover of this Motion with a draft of your amendments. Please, proceed.

Ms. Nakawuki: Thank you, Hon. Speaker. Allow me to say that I do not think our intention is to have any member of the Community suspended. I just want this to be clear. This is because I read that provision. I am made to understand that the Summit may suspend a Partner State from taking part in the activities of the Community if that State

fails to observe and fulfil the fundamental principles and objectives of the Treaty, including failure to meet financial commitments to the Community within a period of 18 months. I do not think that is necessary because there is no Partner State, which has defaulted for a period of 18 months. But even if there was, it is not in the spirit of this Assembly to have a Partner State suspended. I believe Article 143 is sufficient in case any Partner State does not comply in terms of remitting their contribution to the Community.

Mr. Speaker, the idea of alternative funding came up in 2004. It is now over 12 years since that proposal was put on the table. The Community started to consider the issue seriously in 2012. My big question is this. Why have we not been able to come up with this alternative funding mechanism? It was proposed before that a one per cent surcharge on imports be levied in order for us to be in a position to sponsor the budget of the Community, that is, both the Annual Expenditure and the Development Budget.

We have been reading so much about this all over the place and we have heard promises from the Council of Ministers. However, up to now there is nothing tangible we have seen. We wonder where the problem is. Maybe, this time round the Council of Ministers will give us an explanation. The problem has come to the tip. When you come across instances where Committees are not able to do their work of generating business for the Assembly, then I do not think we are being serious or honest.

We need to hear something from the Council of Ministers. If this one per cent surcharge were levied, every year, we would be generating US\$300 million. With that amount of money all institutions of EAC would have sufficient funding to the level

that would even have reserve funds which we could invest in any way in the Community.

We have always been burdened by the fact that every time we have the budget, different sectors and institutions of the Community are told that there should be a zero per cent increase. However, the Community is growing! We are not going backwards and we are not static! The Community is growing every single day and so we cannot operate on a zero per cent increase. There must be an increase. As of now, we know many of the Partner States are struggling financially. Their economies are not doing very well. That is why the 30 per cent that is supposed to come from the Partner States cannot be remitted on time. We expect Partner States to contribute by the 1st July, but that has never happened. The funds are released in October or November. It is a shame that during the first quarter of this financial year, there were no funds and so we could not operate.

I appreciate the Secretary General because during the crisis, he looked for different ways to manage the situation. I understand his predicament. If you are not able to meet even the salaries of the members of staff, what do you do? Hon. Speaker, I would like to urge the Council of Ministers and the Secretary General that we should not wait an extra day. I know the challenge is still the unwillingness by the different politicians and the bureaucracies involved. It is, however, high time we put an end to this bureaucracy. We need to work hard and look for money as opposed to relying on donors who are soon going to tie the grants on conditions. We understand very well that there is no free lunch. All these money we get from donors comes with conditions. So, they will decide the way we will transact business in this Community! We, therefore, need to wake up and get a way forward.

Mr. Speaker, as I wind up, I pray and hope that today we are going to get a status update from the Secretary General and the Council of Ministers on how far they have gone with this issue of one per cent surcharge on all the imports within the Community.

I beg to support the Motion with the amendments that I proposed earlier on.

The Speaker: Thank you, Hon. Susan Nakawuki. Hon. Jeremy.

Mr. Jeremie Ngendakumana (Burundi): Thank you, Mr. Speaker for giving me this opportunity to contribute to this Motion. Allow me to thank His Excellency the President of Zanzibar for the wise advice he gave us yesterday. I would also like to thank the people of Zanzibar together with the Members of the Tanzania Chapter for the warm welcome.

Yesterday, I used a taxi and whilst talking to the taxi driver I told him: "My friend, you may have recognised that I am not a tourist but your brother from another mother." I have just quoted Hon. Mumbi. I enjoy the benefits of the integration process. I was not just a foreigner; rather I was handled as a citizen of Tanzania - (*Applause*).

The Motion before the House touches on aspects of the problems concerning financing of the Community. We have to talk not only about a sustainable source of funding but also remittance of contributions by Partner States. About the source of funding, it is important to recognise that there is an important portion of our budget that is funded by development partners together with contributions from Partner States. I asked myself a question: Supposing one day the donors decided not to fund the activities in the Community, what would we do? We must not rely too much on donors. We need to take responsibility

because the Community is ours and the others are just helping us out.

About remittances by the Partner States, I agree totally with the Mover that Partner States should remit their contributions timely and that this should be done as a matter of priority. Different pieces of legislation are available to push the Partner States to remit their contributions on time. We have been talking about Article 143 and Article 146 of the Treaty. We may also invoke Regulation 23(5) of the Financial Rules and Regulations that provide that the contribution by Partner States shall be due on the 1st of July of each financial year and shall be paid within the first six months of the financial year.

Those pieces of legislation, once applied, push Partner States to meet their respective commitments to the Community. I consider this Motion a wake-up call to the Partner States. The reference made to Article 143 and Article 146 of the Treaty may make the Motion somehow not practical. What do I mean? According to Regulations 23, 5 and 6 that I invoked previously, we are supposed to talk about six months. This means that all the Partner States are supposed to have remitted their contributions by December 2016. I presume that by then no country shall have met its commitment to this Community. So, when we talk about Articles 143 and 146 of the Treaty, specifically about the sanctions and more so the suspension, there is a risk that by December, 2016 if all the five Partner States will not have met their financial commitments to the Community then all of them will be suspended. Automatically, that is the whole Community.

Ms. Hajabakiga: On a point of clarification.

The Speaker: There is a point of clarification from Hon. Patricia.

Ms. Hajabakiga: Mr. Speaker, if you read the Treaty properly you will realise that Article 143 does not talk about suspension. It actually talks about sanctions. It is very general. Article 146 talks about 18 months. Is the Member, therefore, telling us that by December 2016 all the Partner States will have bypassed the 18 months of non-compliance?

Mr. Ngendakumana: Thank you Mr. Speaker. I read Articles 143 and 146 together with Regulation 23(5) of the EAC Financial Rules and Regulations. According to this Regulation, by December 2016, that is, after six months, all the Partner States are supposed to have remitted their contribution. If we invoke the suspension provided for under Article 146, that means that all the Partner States will be wrong – *(Interjection)* -

The Speaker: There is a point of information. Will you take it, Hon. Jeremy?

Mr. Ngendakumana: I think that is clear. Let us move and finish.

The Speaker: Proceed.

Mr. Ngendakumana: Mr. Speaker, much as I agree that Partner States have to remit – *(Interruption)* -

Ms. Hajabakiga: On a point of order, Mr. Speaker.

The Speaker: There is a point of order from Hon. Patricia.

Ms. Hajabakiga: Mr. Speaker, is it in order for the Member to insinuate that the regulations have more powers than the Treaty as per Article 146?

The Speaker: Hon. Members, it is clear that regulations are subsidiary legislations and so

they are inferior to the Treaty and the Acts of the Community.

Proceed, Hon. Jeremie.

Mr. Ngendakumana: Thank you, Mr. Speaker. As much as I support the Motion, my opinion is that we may find a way of fine-tuning it to make more practical if we read all the two provisions of the Treaty together with the EAC Financial Regulations.

Our intention is to help the Executive of the Community. We should also do our job to make the Community move forward. We may find a way to ensure that what we request is practical and feasible. Thank you, Mr. Speaker.

The Speaker: Thank you, Hon. Jeremy. I now pick Hon. Mulengani.

Mr. Bernard Mulengani (Uganda): Thank you so much Mr. Speaker. I also rise to support the Motion. However, before I do so, I would like to join my colleagues in thanking the leadership of this country, that is, His Excellency the President and the Speaker and the citizens of this country who have accorded us a warm welcome since we touched ground.

In support of this Motion, I want to applaud the Council of Ministers for the good work it is doing for this Community. They may be our colleagues in politics but we oversee and the technical people do the nitty gritty. If, as politicians, we are not well prepared, we are bound along the way, to make decisions based on technical advice. The decisions may be based on research or may have influence that is technical. At all times, that should be put at the forefront as we make decisions as politicians. We need to understand that the Council does not meet regularly.

I rise to support this Motion and point out a few things. Ultimately, I will propose some amendments to the Motion. I circulated the amendments yesterday to both the Mover and the Clerk.

Right from the outset, I would like to say that the Mover hinted something about invoking Article 143. This is not a new thing. The Council of Ministers, with regard to finance, has already moved and proposed alternative funding. It also invoked Article 143. There is a minute to that effect by the Council of Ministers on finance. I know the Council is aware of this minute. What the Mover is saying here is actually reiterating what has already been moved.

I respect my colleagues; the lawyers in this House. We know that when constitutions and treaties are written, the provisions that are included therein are not for making the books voluminous only but are put there for a purpose. When we decide to stay silence as an oversight body that means that, we are spoiling the Community. Our cardinal responsibility, as Members of Parliament, is to point out areas that we think are not being handled very well. When we come to this House, we do not do so to crucify anybody. Unfortunately, people hold these offices. If they were spaces, we would at least castigate the spaces. It is unfortunate that somebody must sit in this office. If you are in the office and we castigate the office that does not mean that we are castigating you as an individual. We are talking about the office. If the office is mentioned, you cannot eventually run away from mentioning the person in that office.

I want to request the indulgence of our colleagues, the lawyers, who understand the law better than us. When they put in a Treaty the provision to sanction, we should not say that because every country will eventually

fall prey of the provision then we should not mention it. Yes, let the countries wake up. If all of them are charged and they do not respond, it is the reason we are raising this matter. Our Ministers have gone out to talk to their colleagues in various Partner States but the countries have not responded. They have a charge to do that. Initially, this responsibility would have been for the Chief Executive, that is, the Chief Accounting Officer. The Ministers are doing a job, which ordinarily the Secretary General should have done. That is why we are thanking you, Ministers. You are taking over your political role and you are doing exactly what is expected of you as overseers of the Executive.

I stood against the move to defer the Motion. That was because the perception being created in this House is not the correct one. They are using – I am saying “they” to mean whoever is saying – this Motion to first intimidate Members. Mr. Speaker, I want to tell you that their colleagues attacked some Members outside here. They were being asked; “why did you vote like this and not like this?” Now, whom are you intimidating? Who brought me here? I was voted by Ugandans, Mr. Speaker.

The Speaker: Hon. Mulengani what you are raising is very important. It infringes on the rights and privileges of Members. As the Speaker of this Assembly, I cannot just let it pass. Nobody under the sun has a right to question how a Member has voted - *(Applause)*.

Members have the right to debate, persuade their colleagues and vote as they wish. Any Member who feels that they are being harassed, the Office of the Speaker and that of the Chairperson, Legal, Rules and Privileges are open for your redress - *(Applause)*.

Mr. Mulengani: Mr. Speaker, the applause talks for itself. Maybe I am touching people’s hearts. The point I want to make is that we come to Parliament to express our views individually. It is here that we eventually have a congress of mind.

The Speaker: There is a point of order from Hon. Ogle.

Mr. Ogle: Mr. Speaker, I feel pained that the Hon. Member is referring to Members who were intimidated. Could he, kindly, substantiate his remarks and tell us who were intimidated?

The Speaker: Hon. Ogle, did we get your point of order well? May you, please, repeat your order?

Mr. Ogle: Is it in order for the Hon. Member to refer to Members being intimidated without necessarily substantiating or naming names?

The Speaker: Thank you, Hon. Ogle. The Member on the Floor should know that this is not a speculative Assembly. So, he should speak with empirical facts. Proceed, Hon. Mulengani.

Mr. Mulengani: Thank you for your guidance, Mr. Speaker. Hon. Ogle is my good friend and we are usually together. I know he is in the know of the subject I am talking about. I think that is why he wants me to substantiate.

The Speaker: Hon. Member, proceed because the Speaker has already ruled on that matter.

Mr. Mulengani: Mr. Speaker, the point I was raising is of a very serious matter. As you guided, Members can take note of the offices that take charge of such issues.

Mr. Speaker, when we stand to speak on this Floor, we are guided by the EAC Immunity and Privileges Act. That is why Members are allowed to talk the way they want. You will not take me to court because of what I have said on the Floor. That law protects me. We rise to mention things, which at times we may not have total facts about, but we have a link to the facts available. *(Interjection)*

Mr. Peter Mathuki (Kenya): On a point of information, Mr. Speaker.

The Speaker: Yes, Hon. Mathuki. What is your point of information?

Mr. Mathuki: Mr. Speaker, I want to refer the Hon. Member to Rule 45 on responsibility for statements. This is how it reads:

“A member shall be responsible for the accuracy of any facts which he or she alleges to be true, and may be required to substantiate any such facts or to withdraw his or her allegations with an appropriate apology upon the direction of the Speaker.”

I would like to inform Hon. Mulengani, my good friend and brother, that whatever statement you make in the House you are duty bound to substantiate or withdraw. The remarks must be factual. I would like to bring that to the attention of my brother.

The Speaker: The Speaker had already ruled on that matter Thank you for the information. Proceed, Hon. Mulengani.

Mr. Mulengani: My colleague. Hon. Mathuki, who is also the Chairman of the Committee in charge of legal affairs is educating me and giving me information that I already know as a seasoned legislator. I am a seasoned legislator and the Prime Minister

from Uganda can attest to this and so can you, Mr. Speaker - *(Laughter)*.

Mr. Speaker, let me go back to the Motion. I know that each one of us has something to say concerning this Motion. However, because some people have perceived it as a Motion geared to do certain things and yet it is not for that, people have decided to pull back.

Page two talks about the use of gratuity. Yesterday we mentioned some words in passing. However, if the position in the Community is that we are using gratuity, this is not the correct procedure of handling funding in the Community. There are well laid procedures in the Community.

The Secretary General to the EAC (Ambassador Liberat Mfumukeko) (Ex-Officio): On a point of information, Mr. Speaker.

The Speaker: There is a point of information by the Secretary General.

Mr. Mulengani: I will take the point of information, Mr. Speaker.

The Secretary General to the EAC (Ambassador Liberat Mfumukeko) (Ex-Officio): Mr. Speaker, I just want to give an update because I think it is necessary to do so at this point.

Briefly, I want to tell this august House that in the last two weeks we have received US\$2.8 million from Burundi; US\$2 million from Kenya; and a little over US\$900,000 from Tanzania. We have confirmation that Rwanda and Uganda are also transferring money. I have almost US\$5 million in my account. So, the activities within the next few months are covered and so you do not have to

worry about that. Also, the gratuity account is intact. Your money is safe - *(Applause)*.

The Speaker: Thank you, Hon. Secretary General. Hon. Mulengani, proceed.

Mr. Mulengani: Mr. Speaker, the information is timely. However, I expected the Secretary General to tell this House whether it is true that the gratuity account was touched and how it was attached. That is the information I expected from him, not about the future. This is because in future I will ask a question as to whether the revenues that are being submitted are being used to reinstate the Reserve Fund and therefore the gratuity. What is the future of the activities? Will we stay bankrupt until we get to a level ground? Since the information was not about what I exactly expected, that is futuristic.

We want to thank the Secretary General because any money that comes in is good for the Community. The point in the Motion is that gratuity has been used. The answer is either yes or no. Perhaps, the Secretary General, at an opportune moment, will respond to that. The question will be: Who sanctioned the use of the gratuity? I am raising the point because it is an offence to touch money meant for gratuity.

How would we talk about savings? The Secretary General informed this august House, in the First Meeting of the Fifth Session that he had made substantial savings. Indeed, he mentioned that even to the General Purposes Committee. How do we talk about savings and yet the Committee is unable to fund the activities approved in the Budget? I am yet to understand the word “saving” in the context of the Community.

In macroeconomics when you talk about savings you, have to remove from the revenue consumption and investment minus

taxes and any other inflation factors. After doing that you can talk about savings. You cannot talk about savings without inclusion of activities consumed or invested. That would not be savings.

Mr. Speaker, I would like to request my colleagues to amend this Motion by including in the second last paragraph on Page 2 where there is a dash the following words so that the sentence now reads: “This is after the Secretary General informed the august House in the First Meeting of the Fifth Session that he had made substantial savings. The savings of US\$6 million were reiterated by the Secretary General during the debate of the Report of the Accounts Committee on the EAC Audited Accounts ending 30th June, 2015.”

The Secretary General mentioned this on the Floor and we applauded. He has also addressed a Press conference saying that he is gearing savings to the tune of US\$6 million. That is good, but the Council should know the savings being made as well. I, therefore, also want to move an amendment so that we include that just before recommendation 6, which talks about the matter going to the Summit. We could renumber it to four or five depending on what the Mover will say. So, the amendment reads as follows:

“To direct the Secretary General to compile a matrix indicating the source and where the US\$6 million savings presented in the House during the debate of the Audited Accounts Report for the Financial Year ended 30th June in Arusha are being kept. Further, the Secretary General should present the said matrix to the Council of Ministers for the specific purpose of tabling it during the Third Meeting

of the Fifth Session of the Third Assembly in November, 2016.”

Mr. Speaker, I am saying this because we will soon meet the Finance and Administration department, which is already capturing that we have savings to the tune of US\$6 million. When time comes, they will ask us where the US\$6 million is. It is better we know now where that money is lying and the source of the savings.

Mr. Speaker, I beg to move those amendments. I have already given a copy to the Mover of the Motion and the Clerk.

Lastly, I would like to talk about the last recommendation, which could change to seven in case my proposed amendment is adopted. I would like us to direct the Secretary General. We are seated here with counsel. My experience with the Secretary General's issues in terms of Assembly matters to the Summit is not very good. I want to refer to situations where we proposed amendments to the Treaty. Those proposals never found light of day at the agenda of the Summit.

I want to refer to the initial increment of Members' salaries. Through the Secretary General it never saw light, but through the then Minister Kamara, it found light of day. Through the Secretary General, it never saw the light of day in the agenda of the Summit, but through the Council, it did. So, whom do we relate with when we want things to reach the Summit? (*Loud consultations*) We have to relate with our colleagues the politicians.

To this effect, I propose to the Mover of this Motion to pray that we direct or urge Counsel to transmit this resolution to the Summit other than using the Secretary General because of the previous experiences. (*Loud consultations*)

Our proposals, at times, have been misrepresented by that office to the extent that when we say something it is transformed into something else by the time it reaches the Summit. It is my prayer that the Mover of this Motion accepts my amendments. They are for our good. They are not targeting anybody. They are intended to better our functions.

Last but not least, I want to reiterate what I said yesterday when we were debating a Motion brought by the Council. One, the only way Parliament addresses itself to any organ of the Community officially is through Plenary. The others are goodwill talks outside of this House.

The only official document that we shall release, as our input to Council and the Summit shall have come from this House. I want to thank the Members who said that we should debate that matter. I also would like to thank those who expressed their view that we should have waited to discuss the same matter. Why wait? You know when you are silent on something eventually you may regret not having talked about it. I do not condemn anybody for having taken his or her own decision. It is because this House is democratically elected and people can take their own decisions. I desist from those who echo because echoing is easier than standing on the Floor to talk.

I urge every Member to talk out their minds. We also need to know that we are doing this for the good of the Community.

Mr. Speaker, I support the Motion.

The Speaker: Thank you, Hon. Mulengani. Hon. Peter Mathuki, the Floor is yours before I come to this side of the House.

Mr. Peter Mathuki (Kenya): Thank you, Mr. Speaker. Let me start by first and

foremost thanking the host Chapter for the preparations they have made for us here in Zanzibar. I would like to thank the people of Zanzibar for their warm hospitality.

We are talking about a very important matter in this Community. This is important because it is about lives of people. It is about welfare. You will agree with me that in any home where there is poverty people will always fight. However, where there is enough or even plenty, people will never fight. In fact, they will be friends. The reason we have problems here is lack of resources. This is not one person's responsibility. This is not one organ's responsibility. This is a collective responsibility. If I was the Secretary General, I would have even sponsored this Motion and said; "As an Assembly, please help me to get resources for this Community." It is not him to blame; it is the Partner States.

We are trying to identify a problem. It will be difficult for the Council of Ministers to blame Partner States, which they represent. You do not expect them to complain. To whom will they be complaining? We have a duty and responsibility to oversee. Once resources come from the Partner States it will be very easy for the Secretary General to ensure that the activities, programmes and projects of the Community are undertaken. If the activities are not undertaken, he will be answerable as the CEO. Once resources are available, work will be done.

I want to encourage all of us, including the Secretary General, to understand that this is not a personal matter. Indeed, the Community belongs to all of us and each one of us is duty bound to ensure that whatever we do is in the best interest of the Community. That is why we are here talking about this matter. The Committees of this Assembly were unable to undertake their activities last one month because there were

no resources. Of course, then, it would not have been right to have a plenary because the activities of the Committees feed the plenaries. Once we come here, last minute, and try to handle all the activities during our sittings, that affects the quality of our work in this Assembly. It is important that we take this issue positively.

Once we debate this Motion – and I am sure that the Partner States will be listening - the Secretary General and the Council of Ministers will be in a position to carry out the resolutions and forward the same to the Heads of State. The Council will tell them, "Look, the Assembly has spoken. Indeed, we have problems."

So, this is neither a problem of the Ministers nor the Secretary General's. It is a problem of the Partner States. Let us approach this issue positively so that we help this Community. *(Applause)*

I feared that time when the Community was in the Intensive Care Unit (ICU). Partner States need to move very fast to save the Community. They need to ensure that resources are there to run the activities. It is very unfortunate that this is happening when the Secretary General has just taken over office. However, my brother, you could also turn this to be a strength and move with it. We will work with you to ensure that things work. When we sit in this Assembly and do not talk about anything but say that all is well yet things are not happening, we will be cheating the Community and ourselves. We will not actually be adhering to the oath that we took when we were assuming office.

Mr. Speaker, I agree that this is a collective responsibility. I agree with my sister Nakawuki that the Mover of the Motion considers amending this Motion and deletes Article 146. It is important. We will possibly

remain with Article 143. That would mean that the Heads of States sit and agree on what action to take on defaulters. Article 146 is something else because it will bring many issues and yet we need more members in the Community.

The Speaker: There is a point of information from Hon. Mulengani.

Mr. Mathuki: I agree.

Mr. Mulengani: Thank you, Hon. Mathuki. The information I want to give you, our colleagues, and the lawyers is that Article 146 is not mandatory. It talks of “may”. When we invoke that Article, it does not necessarily mean that what we are invoking will happen. This is because it “may”. That is what I wanted to inform you.

Mr. Mathuki: Thank you, Hon. Mulengani for the information. The same Article 146 talks about commitment of the Community within a period of 18 months. After the assurance that we have been given I do not think there is any Partner State which has defaulted beyond the 18 months. So that we are more practical and factual we should still follow the Treaty. I am not very sure if the 18 months have lapsed. However, let the Secretariat take keen interest on this matter and respect the Treaty. Let us debate this matter. Let us send the signals to the Partner States that there is a problem. This problem affects all the organs of the Community, including the Secretariat. Therefore, it is in good faith that each one of us takes responsibility.

Many a times, I remember Mr. Speaker taking it upon himself to mobilise states and even fundraise. Mr. Speaker would go to talk to Ministers and Heads of States about the situation. You were acting on behalf of the Assembly in good faith. You were assisting

the Secretariat to ensure that we do not face those challenges. We now want the Secretary General to take up that responsibility. We are very happy because of the information that he has given us that we do not have a problem with cash. He has told us that the Secretariat has enough money to run its activities. However, we fear that immediately after this there are some committees, which are going to have some activities. It is wrong not to undertake activities because of lack of resources. If, however, the Secretary General has given us a commitment that we are going to have our activities running, the Secretariat will not experience some of these problems.

I would have wished that the information he gave us was in a document in a manner to amend the figures that are in this Motion. This is because what we have here is different from what he has read. It is only fair that we have the right Motion. The Secretary General should provide that information in writing so that we amend what we have here. He needs to give us information in terms of receipts. If he does that, we will know where we stand. When I reconcile what is there and what we have here, the two do not tally. That was my biggest fear but I did not want to mention that here. I did not want to mention the issue of reconciliation here. I want us to be factual. Let us now use the right information to reconcile this. Let us get the right information so that we have in place the right Motion.

I wish to support the Motion and I am happy that we are not in ICU anymore. We are recovering. My fear was that if we go to ICU, the next moment we would be crushing. I am happy we are not doing that. Thank you.

The Speaker: Thank you so much. Hon. Members. Before I give the Floor, if you look at Article 43 you will realise that Article 46, in terms of financial issues, which we are

discussing here, is also implied. What is implied in Article 43 is not limited. When you look at Article 46, you will realise that it carries more than financial issues, which includes fundamental principles of the Community. Here we are debating financial issues. I want to draw the attention of the Mover and all Members to those facts.

I will give the Floor to the following: Hon. Yves, Hon. Martin, and Hon. Valerie.

Mr. Yves Nsabimana (Burundi): Thank you, Mr. Speaker. I would like to start by thanking the President, the people of Zanzibar and the Tanzania Chapter for the good welcome. *Ahsante sana. Shukran - (Applause).*

My contribution to this Motion is my proposal that we amend it to be complete. When we fail to get funds from the donors, we need to look for an alternative funding mechanism. When we fail to get funds from Partner States, we need to look for a complementary funding mechanism. The Partner States must contribute and they will continue to contribute. The obligation remains. That is why I beg the Mover to amend this Motion by adding the word “complementary”.

The Motion will then read in part as follows:

“Motion for the resolution of the Assembly urging the Summit to fast-track the implementation of its directive on the alternative and complementary funding mechanisms.”

I add the word “complementary”. If the Mover accepts that, I support this Motion.

Mr. Martin Ngoga (Rwanda): Thank you, Mr. Speaker. There have been many

compliments extended to the leadership and the people of Zanzibar. I want to associate myself with that. However, there has been another person who has been very helpful. I am talking about Hon. Ussi Yahya who is Hon. Maryam’s father. He had to intervene for us in one of the hotels when some Members were being kicked out. He had to plead with the leadership to ensure that that does not happen. So, please, extend our appreciation to Hon. Yahya.

Our Community, according to different surveys by different independent think tanks, has been in the lead in terms of how we are performing. We have been registering very impressive growth rates. We have been performing much better than most of the regional economic blocs. We have been exemplary. We have to keep that spirit and be exemplary in terms of how we resolve this issue of sustainable financing. In the last Summit of the African Union (AU) in Kigali, a decision was taken on this particular issue of sustainable financing, that is, how our continental body was going to sustain itself and regain its capacity to plan for itself. If you cannot financially sustain yourself, you cannot plan for yourself. In fact, you lose your independence and dignity to plan your future.

This is a matter of our political and economic independence. It is unfortunate that we have a kind of arrangement that is reducing us into political humiliation where we are now discussing salaries. You know salaries are not an end unto themselves. This Community was not formed to create jobs and pay salaries. We have a bigger agenda, which we have to implement. This bigger agenda cannot be implemented under the arrangement that we have. The issue here is not only about the structure; it is also about the discipline. Even with the arrangement that we have, are we disciplined enough?

Why are we not paying our remittances in time? Yes, I appreciate the fact that we can be faced with challenges, but do we lack mechanisms to manage the challenges? Can we not maintain discipline even within the challenges and make sure that we are on track?

The Council of Ministers should understand that this is a matter of urgency. It is now even more urgent because the AU is giving us direction. This is the political mood. We must have financial mechanisms under which to the extent possible, we are able to sustain ourselves. I do not need to emphasise the provisions of the Motion on issues of the Treaty, and on how they need to be applied in certain situations. I, however, want to emphasise to the Council of Ministers that when we put provisions in place, they have to serve a purpose.

There is not a single provision that is put in the law books to decorate it. The provision is there to serve a purpose. If it does not do so, then it has to be replaced by another one, which can serve that purpose. We cannot have provisions, which we shy away from when we are in a situation, which needs us to apply them. There has been debate that if we applied the provisions of the Treaty we may all fall culprit. Maybe, yes, but the best solution would not be for us to make those provisions easier for us to default. It is upon us to make them actionable in a way that can help us to move with discipline in our commitments.

The provisions we have are not necessarily the ones that can solve our problems. The point I want to make to the Council is that there has to be seriousness attached to how we meet our obligations. There have to be clear mechanisms on how we remedy the situation when it is necessary and even when we are challenged. Take an example of the

issue of the gratuity that was used to solve a bigger problem. It may have created another smaller problem.

Mr. Speaker, let us look at this matter in a bigger dimension. Yesterday I said that it is unfortunate that we are discussing this matter after we have been in a certain situation, which created a mood. I wish we would be discussing this in another context because it would help us to be more focused. I am not saying that Members are not focused now.

This is an agenda we have had for a long time. It is high time we planned for ourselves. We need to have a mechanism that will help us sustain ourselves as a matter of political and economic dignity. It is not about salaries, or about who is going to be inconvenienced individually. It is about our capacity to implement the agenda we set out to do as a region. This is the matter on the Table and it needs to be attended to with utmost urgency.

I support the amendment on the deletion of the provision that refers to suspension. If what I have is the latest version of the Motion, I propose that the title be changed to “Sustainable Financing” and not “Alternative Financing”. I also propose that my amendment should exclude the amendment proposed by Hon. Yves. This is because “sustainable financing” would include everything.

Thank you, Mr. Speaker.

Ms. Valerie Nyirahabineza (Rwanda):

Thank you very much, Mr. Speaker for giving me this opportunity to contribute to this Motion. Right from the outset, I would like to join my colleagues in congratulating His Excellency the President of Zanzibar, the people of Zanzibar and Members of EALA, Tanzania Chapter for the warm hospitality accorded to us. I also want to congratulate and thank my good friend and sister Ussi for

her intervention for us to be well settled in order to undertake our duties.

I will not differ with my colleagues. I fully support this Motion and it is, indeed, very timely. Yesterday, you may have noticed that some of us preferred to keep quiet because from where I was seated I could easily interact with your counsel for whom I have all the respect. I even asked them why they could not come up with a brief so that after the difficult situation we are coming from we could be briefed about the efforts they made us to be where we are today.

The Council of Ministers – the Chairperson of the Council of Ministers is here and she will bear me witness – tried to explain to us what it has been going through. The Ministers told us that they have been moving up and down in order to facilitate our coming here and enable other organs of the Community to undertake their activities. So, we are not underrating the efforts that have been deployed with regard to raising the amount of money that has already been collected from different Partner States.

What concerns us is this: Why did this situation happen? We are not here to blame you. Of course, we have to put pressure on each other. According to the letters that have been sent to Members, they have been obliged to go for resource mobilisation, which is a task that is normally attributed to the Secretariat and other known offices. I would like to take this opportunity to thank our Chapter Chairpersons for working tirelessly and ensuring that we get the little money that we now have - (*Applause*).

It is not easy to get a response to give to the people when you are asked why the interests of the Community should be halted. We have not been able to undertake our duties. Business has been at a standstill, we really do

not know what to tell people, and yet we are supposed to work towards uplifting their lives. I urge the Council of Ministers to take this positively, but also to act on time so that the situation we have been experiencing does not recur.

I humbly plead with the Council of Ministers to inform us always. Had they come up with a written document to explain what happened and what they have been trying to do to mitigate the problem, they would have made our work very easy.

I fully support the Motion and the very important amendments that were proposed by my colleagues. I know that the Mover, in her wisdom, will take them positively. We have been given another table, which shows the current situation in terms of remittances and arrears. I do not know where this has come from, but I want to thank whoever came up with it so that we can allay our fears. I support the Motion and hope that this will serve as a lesson. The Council of Ministers made its commitment. We are also here committing ourselves to work closely with them for the betterment of the people of East Africa. Thank you.

The Speaker: Thank you, Hon. Valerie. I will now give the Floor to Hon. Dora. Then we will have Hon. Sarah, and Hon. Mbidde. Hon. Secretary General I will give you last so that you clear up many issues.

Ms. Dora Byamukama (Uganda): Thank you, Mr. Speaker. I want to start by thanking the United Republic of Tanzania and in particular the Government of Zanzibar for receiving and hosting us very graciously. I would like to put it on record as has been done by my colleagues that we are grateful to our colleagues from this particular part of East Africa. I want to make specific mention of Hon. Maryam Ussi Yahya who initiated

and made a request to your office. I would also like to thank your office for accepting this particular request. I am honoured and privileged to have been here in 2007 when the Second Assembly was meeting. When you compare what we found then with what we have found now, the difference is like day and night. We, therefore, want to congratulate the United Republic of Tanzania and in particular the Government of Zanzibar for the development that they have made, which is very impressive. I do not want to compare, but I would like to say that the way we have been received and hosted is very special. We thank you again. We would like to come back another time because obviously this is a very beautiful part of East Africa.

I would like to express my condolences to the family of Hon. (Dr.) Masaburi who worked very closely with us in the Second Assembly. He served in the very first Commission and House Business Committee. He was very productive and illustrious. He actually hosted EALA to his projects. He was very gracious. He was a great resource to the Community, especially in the area of project management and procurement. Therefore, we mourn with his family and the people of the United Republic of Tanzania for having lost such an illustrious son who was also Mayor of Dar es Salaam at some point.

Ms. Tiperu Nusura (Uganda): On a point of information, Mr. Speaker.

Ms. Byamukama: Dora: I will take it.

The Speaker: Yes, what is your point of information?

Ms. Tiperu: Mr. Speaker, I would like to give information to my colleague Hon. Dora that, indeed, Hon. Masaburi was also a Member of the CTI Committee when Hon. Dr. Ndahiro was chairing it. He was a very

useful Member of that Committee. It was during that time that we introduced the issue of Non-Tariff Barriers (NTBs). We made it known to the Summit that a lot had to be done. That is how the issue of the barriers created by weighbridges was being looked at. Today, we have a reduction on the NTBs and trade is being facilitated in the region. More information is the fact that he made the House lively. Every time we rotated, he would host us. He took us to his hotel. He made us meet his family. He treated us to the traditional menus. That will remain in our hearts forever and ever. May his soul rest in eternal peace.

Ms. Byamukama: Thank you Hon. Tiperu for those comments. Actually, you have reminded me about our visit to Musoma. He was so anxious for us to visit the different development projects. When we could not go to one particular one, he said “*presha imepanda*”. We used that phrase to joke over time. It is with a lot of sadness that we remember those things. We hope that the family will be comforted by the fact that those who knew him benefitted a lot. We pray that God comforts them. May his soul rest in eternal peace.

I would like to thank Hon. Judith Pareno for coming up with this Motion. This is a timely Motion. I thank your office for finding space for this Motion in the Order Paper. Whereas we could have started on a different note, the fact is that we cannot continue to pretend that it is business as usual when we are not sure whether, for example, the staff of the Community will have salaries for the month of October and November considering what has been happening in the EAC. The last time I contributed on this Motion, I talked about the law of contradictions and I want to reiterate it. In your opening remarks, you talked about the fact that the EAC is considered as one of the fastest growing Regional Economic Community (REC) in the

African region. However, it is very disturbing to note that this fastest growing REC on the African continent is being starved of resources to enable it optimise its capacity. So, really, this is a contradiction. When you talk about benefits of the Community, each of the partner States is benefiting greatly. However, when it comes to contribution you find that there is reluctance on the part of the partner States to remit on time funding.

As much as we have this information, I would prefer that we have some kind of trends over time. This is because when you look at what we are being given you will realize that it is just about a particular quarter. The trends have been similar on the issue of remittances. I know that the Council of Ministers gave itself a deadline to remit funding in totality by December of each year but this has not been happening. If we do not get the trends, you may think that this has just happened and we are fire brigading. The trends have been such that over time we have observed that there is reluctance to remit funding to the EAC, which is very puzzling. I have been a Member for close to ten years and these trends are very clear in my mind. That is why, as mentioned by the Mover of the Motion, I have been time and again coming up with questions on this matter.

Since I have been concerned with this matter, with your permission, I would like to note that whereas many people have made contribution to what is supposed to be, I know for a fact that this is referred to as an alternative sustainable funding mechanism. That is what it is called by the Council of Ministers. It should be captures as such, that is, alternative sustainable funding mechanism. The word “sustainable” is important in that we are not only looking at short-term solutions; we are looking at something that is sustainable and will enable us to work with the security that we required.

Mr. Speaker, Sir, let me just give an example. If you were a staff member of the EAC, how would you productively and optimally concentrate on your work when you are not sure whether your salary would be paid? These are real life issues. I think this House has done a good thing to discuss this matter exhaustively.

The first point I want to make is on budget functions. Under Article 132, Article 71 and other Articles of the Treaty, the budget function is shared; one, between the Council of Ministers, the Assembly and the Secretariat. Every time we debate the budget, one of my comments has been that much as we look at budget functions as an Assembly, we do not have the capacity to look at the revenue aspect and propose how revenue will be generated. In our Partner States, however, parliamentarians are able to enact laws on issues of tax, which increase revenue. This aspect of not having the revenue function as part of our mandate as an Assembly is crippling and, therefore, we look at the tail end and the expenditure and we realize that in most cases we are unable to address situations in a timely manner.

The Accounts Committee has been proposing that the Secretary General should give notice to the different Partner States to remind them about their contribution. This was one way of assisting the office of the Secretary General and the Secretariat. This is the very office, which is seized with the function of lobbying for funds as well as insurance that the financial health of EAC is upheld. When we talk about the Secretariat or the Secretary General, we are talking about an office. Hon. Mathuki put this point squarely. It does not matter who is holding this particular office. If you look at the records, you will realise that over time we have highlighted the fact that the Secretary General must be seized with this particular function, which is unique to

that position as head of the Secretariat as well as the Chief Executive Officer of the Community.

With regard to Article 146, you will notice that that Article only appears in the title. Hon. Mulengani asked something about that. When you look at the rest of the resolution, Article 146 is not mentioned anywhere else. I would like to support what Hon. Nakawuki said. At this point in time Article 146 may not be so material. This is because even if we were to invoke it, looking at the table, which has been given to us, all the Partner States, are in arrears. Much as they are in arrears, the fact is that they have a Council resolution, which states that by December they should have fully paid up. So, we may be over-reacting to that extent. In that light, we could as well take it out of the title because it may not be very useful.

Mr. Speaker, Sir, it is said that when you go to equity, you must have clean hands. When you look at the trends over time, none of the Partner States has clean hands. Over time, there has been default from different Partner States. It may be that at this particular point in time the Partner State which has failed to comply is one we may know, but at the end of the day if you look at the trend over time you will find that all the partner States at one time or the other have not been able to meet their financial obligations. Maybe, it is time for us to start a clean and new chapter so that we look at the issue of financing in a different way. Actually, my questions have not been on the dire financial status only.

My questions have been on the development and adoption of the alternative sustainable funding mechanism. Therefore, I would like to urge the Council of Ministers to ensure that this is adopted as soon as possible. For me, this will address the issue in a more sustainable manner. It is all right and very

good. I congratulate the Secretary-General for informing us that he has more money. That is a short-term measure. It is just a stopgap measure. As a House, I would like us to move a little bit further and ask for this particular mechanism, which will enable us to operate without any fears.

I would like us to look at Article 143 on the issue of sanctions. The particular issue I have is – (*Interruption*) -

The Speaker: Hon. Dora, sorry for the interruption. May I request the Sergeant-at-Arms to tell the caucuses which are going on outside this Chamber not to disturb the quorum for this sitting?

Thank you.

Ms. Byamukama: Mr. Speaker, when you look at Article 143 on sanctions, you will realize that, in a way, it is self-defeating. This is part of the reason I have been advocating for an amendment of the Treaty. It states and permit me to read:

“A Partner State which defaults in meeting its financial and other obligations under this Treaty shall subject to such action as the Summit may on recommendation by the Council determine.”

My biggest problem is that under Article 15(4), Council decisions are made by consensus. If that is the case, how will that particular Partner State which has defaulted be part of a decision that it is sanctioned? Actually, we should have had a protocol on decision-making in order to address this issue of decision-making by consensus. It is not practicable. In law, as far as I am concerned, this is an absurdity. It is not possible for us to bank on this Article in order to achieve what we want to achieve. This is one of the Articles

among the many I have mentioned on the Floor which actually need to be amended for effective implementation.

The Speaker: There is a point of information, Hon. Dora, as you go towards conclusion.

Dr. James Ndahiro (Rwanda): Thank you, Hon. Dora for giving way. I would like to inform you that it is not only that Article. Even in the proposal on sustainable financing mechanism it is required that the Council introduces a Bill in this House to provide for the sustainable funding mechanism in law and also urge Partner States through the Summit to prepare their legislations so that the mechanism fits within the national legal framework. It also calls for the amendment of the Treaty, particularly, Article 132(4). Before this mechanism is operational, it requires a Treaty amendment. You are right. I just wanted to inform you that it is not the only one. Other amendments are required so that this process goes through.

Ms. Byamukama: Thank you very much, Hon. Dr. Ndahiro. Having heard from Dr. Ndahiro, it may be time for you to give a directive for this House to make proposed amendments to the Treaty before we close shop. It is very important. Since we have the experience that we do, I am sure our proposals will add a lot of value to making the treaty operational.

I would like to conclude with one point, which is about Article 71 on functions of the Secretariat. It states under (1) (h) that:

“The Secretariat shall be responsible for the general administration and financial management of the Community.”

Under (1) (i) it states thus:

“The mobilization of funds from development partners and other sources for the implementation of projects of the Community.”

On this point, I would like to make two comments. The first one is that at the AU level, we have information that the AU Chairperson, His Excellency, President Kagame...When the AU hosted its meeting in Kigali, one of the decisions that was made was that we should reduce funding from the development partners. It was agreed that we should find resources within ourselves to sustain the AU. That is what I gathered.

Secondly, they are also looking at a sustainable funding mechanism. Why can we not borrow a leaf from the AU? I think the regional economic blocs that we belong to like the EAC are part of the AU. I do not understand how the AU can come up with such an agreement and resolution and we at the EAC do not conform.

Dr. Ndahiro: On a point of information, Mr. Speaker.

The Speaker: Yes, Dr. Ndahiro. Then you conclude immediately, Hon. Dora. We have a Bill pending.

Dr. Ndahiro: Thank you, Hon. Speaker. The information I want to give this House and particularly to Hon. Dora is that the Community has a sustainable financing mechanism model proposed. In this particular model, Partner States are required to give 0.05 per cent of their imports or levies based on the import duty. That 0.05 per cent will give the breakdown that will give the Community a budget of US\$96 million annually. It is sustainable because they are arguing that the Summit and the Council will regularly revisit. The target is to levy one per cent of the import taxes. However, it will not

start at one per cent. It will start at 0.05 per cent and then they will conduct annual reviews to determine whether it is sustainable or not.

The Speaker: Thank you, Hon. Ndahiro. Proceed, Hon. Dora.

Ms. Byamukama: Mr. Speaker, as you can see, I have been tickling Hon. Ndahiro the right way. I want to conclude this way: Council of Ministers has already granted autonomy – financial and administrative – to EALA and the EACJ. In light of this, I believe this is another area, which would require an amendment to the Treaty so that when you come to the general administration and financial management and mobilization of funds, EALA and the EACJ should also have a hand in it.

I want to thank you, Mr. Speaker, for being pro-active and pragmatic. When we had a financial crisis, you reached out to the Members. Together, we were able to achieve. I would like to assure the Secretary General who is the head of the Secretariat and the Chief Executive Officer that we are in this boat together. Consider us as partners and I believe that together we shall achieve.

I thank you.

The Speaker: Thank you. I had given a chance to Hon. Sarah.

Ms. Sarah Bonaya (Kenya): Thank you, Hon. Speaker. I would like to start by thanking the President and the Government of Zanzibar for the warm welcome. I would also like to thank Mariam Ussi Yahya and the dad who are very gracious and supportive. They ensured our comfort while we were settling down.

I would also like to send my personal condolences to the family of the late Masaburi who was a colleague in the Second EALA. It is a big loss to his family and friends and the entire country, which he served diligently.

I would also like to thank the Mover of this Motion, Hon. Judith Pareno for moving this very important and timely Motion. It is very timely because if we let this issue to pass without debating in this House, any other thing that would happen in terms of failure in operation of this Community our voice would be lacking. As much as people were anxious yesterday on how the Motion will go, I can already feel that it is very beneficial to us. We are here as a team and partners. We are ready to offer solutions to our common problem.

Mr. Speaker, I speak as a Member of the Second EALA and I have personally been very vocal on matters to do with funding of this Community. At the beginning, partner State contribution was 70 per cent and the donors would contribute 30 per cent. The trend has now reversed because the partner State contribution is dwindling to less than 30 per cent while the donor funding is also shrinking. So, you can see the danger. It is not the making of the Secretary-General or the Council. It is something that we need to look at seriously because it threatens the survival of the entire Community and the integration process.

This is also the time we are experiencing the growth of the Community in terms of scope and debt. We are supposed to have most of our activities in place and yet we are here grappling with financial challenges. So, the Council and the Secretary-General who are the policy makers should actually look at the issue as something that is serious and urgent. It is not a personal matter; rather it is about posterity and the future of this Community.

Please, take our sentiments seriously so that we sustain this integration process. It is not whether or not we need to move together. It is a necessity. It is necessary because of the globalized environment in which we are all threatened. Our economic interests as countries and a regional bloc are threatened. If we do not wake up, the wind of globalization will sweep all of us and we might end up on boats going to Europe for death or slavery. We are better off being committed. We need to think seriously of commitment. We need to be focused and to see how best we can salvage our situation. Therefore, it is not about an individual.

It is important that we look for sustainable solutions to these issues. We keep on talking about this Community as one of the best. We have opened our borders to good trade as partners. We are reporting good trade volumes and outputs. We just need to be disciplined as Hon. Ngoga has said. We just need to commit our resources where our mouth is. We tend to take our problems to our brothers and friends who have been very kind to us. However, as we can see from the global environment, they also have their own challenges. For example, they have the problem of refugees. Even the EU has a problem with the small partner States. When it comes to prioritizing issues, the EU would rather help Greece and not EAC. We have been supported long enough. I feel embarrassed that we commit our peace and security budget to donors. When they pull out because of their own challenges, we look desperate and confused. Can we try to pull our act together and come up with a sustainable solution to our own problems? We are rich in terms of resources and ideas. Whatever we want to achieve we can achieve. We only need to believe in ourselves as a region. We only need to believe in our own course and destiny.

Thank you, Mr. Speaker.

The Speaker: Hon. Mukasa Mbidde, I know I had picked you, but since Hon. Nengo has not yet spoken in this meeting, allow him to speak before you.

Mr. Emmanuel Nengo (Burundi): Thank you, Hon. Speaker. First of all, I wish to thank the Government and the people of Zanzibar for the warm hospitality that they extended to us. Secondly, I wish to congratulate the Mover of this Motion. It is very important and timely. I congratulate all the Members who have agreed that this Motion be debated.

This august House is the only organ in this Community, which has the mandate to legislate, represent and play the oversight role. I think what other organs have to do is just to add more contribution. This House is key in this Community because it represents all the citizens in this region.

This crisis should wake up all the stakeholders and especially the partner States. My hope is that this crisis never happens again. As we talk about the alternative and sustainable mechanisms of funding this Community, we should also look at how the money that is given to us is utilized. We get into this crisis because there are many problems in the Community with regard to utilization of funds. When we go back to the audit report.

With regard to the audit report, we are talking about wastage of funds. This is a big problem. If we fight wastage of money in this Community, we could reduce this impact of this crisis. The Secretary-General and the Council should look at this matter and see how this Community can continue to grow.

With those few words, I thank you, Mr. Speaker for listening to me.

The Speaker: Thank you, Hon. Nengo. Let us have Hon. Mukasa Mbidde.

Mr. Fred Mukasa Mbidde (Uganda): Thank you, Hon. Speaker. Hon. Members, let me equally take this opportunity to thank the Mover of this Motion, Hon. Judith because this is a Motion to which, even if I never debated throughout this Session, I would die a happy man having only said a word in support of this Motion. For the sole purpose right now that I will have added a brick to all those who intend to build the East African Community for posterity.

When you look at the table that has been circulated, which gives account of the status of remittances from partner States, it is equally imperative that one needs to scrutinize and give a critical analysis hereof before one gives a debate in support of the Motion. This Motion has created a requisite background and requirement that Articles 143 and 146 should be applied with equal force.

Hon. Speaker, when you look at the budgetary estimates of 2015/2016, the Republic of Burundi is still in arrears. I am talking about the last financial year. If you look at the quarter that we are in now, two countries are in arrears, that is, Rwanda and Burundi. When you look at the status of affairs, the Republic of Uganda and the Republic of Kenya have already paid their quarter. Why is it that we cannot thank them for having complied with this extent? *(Applause)*

I have also identified, on the same table that the United Republic of Tanzania is also moving steadily towards being paid up in this quarter. Why do we come to this Assembly?

I have heard debates attempting to extinguish the presence of Article 146 from the Motion. That Article carries something about suspension of a Member. It has the effect that Summit may do so. I think Members need to be told that there is a substantive procedure for suspension, which includes among others an explanation of a Partner State as to why it has not complied with the same. We do not need to debate as if a suspension would immediately ensue the moment a Motion of this nature is tabled before the Summit for compliance.

Hon. Speaker, let the Partner State that is not complying explain to fellow Members, by way of Summit, why they are not complying with such payments and remittances for furtherance of integration affairs. This is a normal process of the law. If we do not follow the normal process of the law, there are other normal processes of the law that shall have to be followed. However, when you are faced with the problem of this nature...I do not know whether Members have, a lot of trust in everyone to the extent that once we are promised that something is going to be done, particularly when that kind of thing has not been done since the year 2015, this level of trust is biblical.

You can only find it...How, for example, did Jonah's wife in the Bible believe in the statement of her husband that "I have been away for three days because I had been swallowed by a fish"? That level of trust is something I must commend. If this House possesses the amount of trust that is equally biblical then we can cease and even vote against this Motion.

Why do you fear the suspension of a Member? I chair the Committee of Communications, Trade and Investment and it was involuntarily suspended from its activities. Now you fear a suspension of a

member State that has caused what has existed here. Hon. Members, you need to know that this is extremely important. It is at such time that we recognize the fact that there must be an answer to the question: Who is not doing their job? That answer must be given. That, of course, creates a bedrock for departure into the better future of this Assembly.

When you look at the Motion, there is Article 132 on budgeting procedures and processes. I think the House needs to be applauded because we have gone through all those processes and we are done. We did it. When you look at the same Motion, what does it state about the role of Council?

According to Article 143, the Council needed to have recommended to the Summit for purposes of any of the activities that ought to have been conducted. Under Article 143, a role should have saved us from having this Motion being handled today. It states that

“A Partner State, which defaults in meeting its financial and other obligations under this Treaty shall be subject to such action as the Summit, may, on the recommendation of Council, determine.”

We do not have it on record that Council has ever recommended under this Article 143 and so to this extent, this Parliament is recommending under Article 147. Council ought to have saved this Partner States from suspensions by having recommended under Article 143, which was never done.

What is the role of the Secretary General? Article 71(h) and (i) states that it is the business of the Secretary General to mobilize for this funds. I have seen people fearing here and saying that this is an office, and that we are not talking about... Yes, this office has an

occupant. It has very many occupants with assistants. Therefore, we need to be told what the problem is so that we can be of assistance. In any case, it was recognised by the framers of the Treaty that all of you are *ex-officio* Members of this House so that you can listen to us. So, if we do not tell you, then why are you *ex-officio* Members of this House? The meaning is that you must be here, we get to tell you and you get back to explain. That is the best way we can pursue our legislative agenda for the furtherance of the integration process in East Africa. The Summit can only perform its job if we have done ours. The President of Zanzibar, here, seemed so optimistic. He was so happy. He said this idea of rotation should be maintained. I am sure he did not know that Ms. Abela had not even delivered some of the documents. (*Laughter*)

Members were trapped in hotels because of research documents that had not been delivered by Ms. Abela.

Therefore, we must not sit here and fail to adumbrate over these facts the way they are because then we shall not have performed the duty for which we are elected to do. What are the East African Community citizens doing? They have seen what is happening. They know activities of this House have been suspended involuntarily. They know these are the activities for which we can talk of integration. In fact, I have received a message from one of the unnatural persons of the EAC, a citizen called Mbidde Foundation. That citizen has now instructed Mbidde and Company Advocates, to see if there can be a possibility of a court Reference for purposes that compliance is obtained by partner States on account of remittances. Why do we get there when we can be here? It is a question for whose answer will determine differently the steps those lawyers will take in terms of furtherance of the integration process.

Hon. Speaker, I support this Motion entirely. I even urge the House to consider another amendment to this Motion because this House should be consistently scrutinizing what is happening here. This amendment intends to cover recommendation number seven. I am relying on history that a matter of this nature has ever happened, but not to the magnitude of today. It was about to happen in the Second Assembly and at the time the House created a Select Committee to traverse partner States and ensure that they approach, by way of courtesy calls, all the Summit members for remittances and fulfilling financial obligations to the Community.

Therefore, this is my proposed amendment if it is acceptable to the Mover of the Motion:

THAT, the Speaker heads the Select Committee aimed at paying specified courtesy calls to individual Summit members for the immediate response to their financial liabilities to the EAC.

If this is passed, it is intended among other things, to make sure that a Report of the same Committee is laid in the November plenary for purposes of having then attained the level that can be explained. The reason is that we must keep in check. We must keep receiving reports and even debate them on the accounts of the Community and remittances from partner States.

Hon. Speaker, I so pray.

The Speaker: Thank you so much. Hon. Members, unless a Member has a unique point of view, I would request to beg for your indulgence. Okay, let me give Hon. Ogle. I do not want to deny any Member a chance to debate this even though time is pressing. I would like to suspend this House today at about 5.30 p.m. because I have another

appointment on your behalf with another team.

Mr. Abubakar D. Ogle (Kenya): Thank you, Hon. Speaker. I would like to contribute very briefly and grudgingly. Honestly, without seeking to cast aspersions on the integrity of the Members of this House, it appears that they have since mellowed down. The mood in this House is not as it was yesterday. It is possibly informed by the documents that Members picked from Ms. Abela. Secondly, I see Members being apologetic to the Council of Ministers and the Secretary General by saying things like, “we do not intend to do this, let us work as a team.” That does not really address the core issue that this Motion wants to talk about. That is why I say I am grudgingly contributing to this Motion. However, before I move on to my substantive contribution, I want to proceed with the amendment I sought yesterday, which I thought were structural defects that this Motion has, but which you rightly guided that I bring them in the form of an amendment.

The first one is in the last part of Page 1. I said that for the purpose of precedence and good records, we needed not to mention the name of a hon. Member here. We need to expunge that part of the line referring to Hon. Dora Byamukama.

The Speaker: There is a clarification by Hon. Dora.

Ms. Byamukama: Hon. Speaker, I would like to find out from Hon. Ogle, whether “words mentioned” is not factual.

The Speaker: Thank you. Hon. Ogle.

Mr. Ogle: Mr. Speaker, I am just stating a matter of fact because I am reading the Motion as it is here. Part of good order

demands that. This is because she brought the question, but it has since become a property of this House. So, it should refer to a priority question that was brought to this House. That makes it orderly and sensible. Let us proceed on, but I still insist on that kind of amendment.

There is a second amendment I would like to propose. It is on page 2 below the table. There is this paragraph starting with “Noting further” and it refers to “Gratuity Reserves.” As far as I am concerned, there is no information about any withdrawal made from Gratuity Reserves. If that information is, indeed, true and available to this House, my position is very clear: it is criminal. It should not have happened. It cannot happen. So, we need clarity on that one or it be expunged in the absence of any credible information.

Now, the gratuity aspect is mentioned further down on page 2. It talks of depleting the financial reserves and gratuity.

Mr. Mulengani: On a point of clarification, Mr. Speaker.

The Speaker: There is a point of clarification from Hon. Mulengani.

Mr. Mulengani: Thank you, Mr. Speaker. I wish Hon. Ogle could clarify the following to this House and to me: In case there is evidence on the withdrawal of gratuity, what then would he recommend in this Motion?

Ms. Byamukama: On a point of clarification.

The Speaker: There is another point of clarification from Hon. Dora.

Ms. Byamukama: Mr. Speaker, I know Hon. Ogle as a professional. I would like to seek his clarification on us expunging what is

factual or information, which we can substantiate. First, we are building a case. We are saying that this House has been seized of this issue. Actually, with regard to the Questions, we should have put dates because it is not one; they are many. I seek clarification as to why he wants this expunging of something that is factual and builds a case for more responses, which would make more sense.

Mr. Ogle: Mr. Speaker, my understanding is that that particular priority question was numbered. It had a number; that means that it was the property of the House. So, instead of referring to an individual honourable Member of this House it was referred to the Member who raised the question. It is for the purpose of good order and precedence. Otherwise, I have nothing personal against the name Dora Byamukama. I have nothing personal about it – I thought it was for the purpose of good flow. I am being honest about that.

I want to be as candid and straightforward as possible and as I have always been. I personally took part in networking for Kenya's contribution. The first thing I did further to the alert by the Hon. Speaker to various Chapters is this: The head of the Treasury in Kenya is a good friend of mine. I picked the phone and called him. I asked him, “Why are you not making contributions to the East African Community?” He said, “Who said that we are not making the contributions?” I told him that he has not contributed. He said, “We have a budget cycle and an agreed system. Kenya pays its money in quarters.” As far as they were concerned, their quarterly payment was due before 30th September and it was not 30th September yet. In fact, Kenya was able to pay its quarter remittance before 30th September. When I told him about the dire financial situation in East Africa--- In fact, a staffer

went with a cheque of US\$699, which was not cashable at the bank because there was not a dime in our account. He could not believe it. That “unbelievability” is what I am asking here. Mr. Secretary General, how come that a staffer would take a cheque of US\$699 to a bank and is unable to cash it? All of a sudden, one morning, our account was zero. I think the buck stops with you, Mr. Secretary General. You really owe this House an explanation. You really owe this Community an explanation. How did we find ourselves in this hole? I know there have been erratic submissions by partner States, but never have we ever found ourselves in this kind of situation to a point where Committee meetings are not held for a whole two months. Actually, you owe this House and the Community an explanation. You owe the partner States and our officers out there an explanation about how we found ourselves in this thing. We really must address that issue.

I can understand that Members are mellow and feeling comfortable because they have been given a table about some second contributions of member States. Look!

That is up to this time only. The problem could persist all the way until December. After then you could be told that Committees are not able to meet because partner States have not contributed. We are not out of the woods yet. There must be clarity from the CEO and the Council. They must give us the way forward. I am not clear that you are doing that. Producing a table showing contributions from the partner States is not – I repeat – is not an indicator that we are out of the woods.

There needs to be clarity where we are; which partner State is not paying; why it is not paying; what can be done about it; what penalties they should face and so on. That ought to happen. I think we are performing

our oversight in asking for all those answers. They must be given to us. We have our own other networks to report to. We normally report to our partner States about what is happening in the EAC. I want a very concrete answer. I want an undertaking that the future of this Community is guaranteed and assured. I am not going to be in the business of depending on--- I do not know how to put it. I do not understand this. We should have something concrete about where we are headed. I think the Secretary General ought to give us an explanation. We are in a hole! I am not being apologetic. I cannot say, “We did not intend to do this and we work as a team.” We must get the real picture of what is obtaining in this Community so that we can proceed forward. Short of that, I think we are not being truthful to each other.

Thank you, Mr. Speaker.

The Speaker: Thank you so much. Let me give this opportunity to the Secretary-General to say something before the Chairperson of the Council of Ministers says something and then I will go to the Mover of the Motion.

The Secretary General of the EAC (Ambassador Liberat Mfumukeko) (Ex-Officio): Thank you very much Mr. Speaker. Hon. Members of Parliament, I would like to appreciate this moment when we are discussing a crucial issue for the Community. The financing of the Community has been a very important concern, not only for you, but also for many people. It has been, for us, work on almost a daily basis. As Hon. Ngoga put it, it is really a matter of dignity. It is also a matter of coherence.

Many of you have stated here that the Community has been commended for its good performance with regard to the many goals that were set. I have to tell you that now

that we are putting in place our Medium Term Expenditure Framework (MTEF) for 2016/2017 – 2019/2020 we have been pushing out teams very much to think deeper and bigger for the Community. We have even gone to the point of soliciting services free from some of the best thinkers in the world. Students from Oxford University came here and we did not pay them anything. We asked them to help us think deeper in terms of our priorities. They were to help us with regard to some of the things that we are planning for the improvement of the livelihood and economy of all our countries. None of this can be achieved if we do not have funds. Therefore, it is really a matter of coherence. It is a very important issue.

Mr. Speaker, someone talked about a circular we had today on the update of contributions. This update comes from the Secretariat. It is authentic and the information you have there reflects the status of our finances today. I beg to move an amendment to this Motion to consider it. I seek that we change the table that we have now and replace it with the one that we have distributed today.

I would like to assure the august House that the Secretariat has been working very hard. Again, I want to thank all of you for devoting your time to talk about this issue, which has been there for a long time. Personally, fortunately or unfortunately – but I have to say that for me as the Deputy Secretary General (Finance and Administration) last year, this was baptism by fire. My first month in office, I had to deal with this issue. We had a problem retaining some of our staff. Many of our members of staff were kept for a few weeks because we did not have contributions, which we could use to cater for their salaries. This recurred in September and October. It also recurred in December and January. Therefore, this is a challenge that we have had for a long time. While we recognize the

capability of our people and the dynamics of the Community, this is an issue that we have to deal with.

We have been, on a regular basis, writing letters and visiting the partner States. Recently, I wrote to the Chairperson of the Council. So, we brought this issue to their attention. I want to thank them because they responded to our course. The money we got last week and the week before was because of our engagement with the partner States. They responded positively to our course. We know that they have had challenges for a long time. I am very confident. When you see what the Community is now, or where we are as a Secretariat, you will realize that the Community has been able to keep here and keep you active. So, I am very confident that we will all be kept active. I am very confident that EALA and the Council of Ministers will support the Community and be there whenever it is necessary.

The Speaker: Hon. Secretary General, speak to the microphone. The *Hansard* people are not getting you clearly.

The Secretary General of the EAC (Ambassador Liberat Mfumukeko) (Ex-Officio): Thank you very much, Hon. Speaker. Somebody talked about the US\$6 million that we have saved. I want to make a correction here. We never ever stated that we made savings of US\$6 million. I remember announcing that cost reduction reforms were circulated on 18th May. These reforms were put in place after extensive consultations with all our colleagues from the top to the bottom of this institution. The Budget Department estimated how much money we would spend less than before if the reforms were implemented. It was estimated that the US\$6 million would be saved in comparison to the expenses we made the previous year. I had to tell this august House that we keep following

up on the matter to see whether we are really spending less. We did the estimates from May to August. We are now calculating to see whether from May, when I started, until now, we are spending less.

I have to tell you very briefly, as I respond to Hon. Mulengani's comment, that you are not doing what you are supposed to do. It will be proper to say that you are supporting what you are doing on a daily basis and this is how it ought to be. We thank you for the support.

The issue of financing is broad; it is not only about the contributions by the partner States. Many of you pointed out the issue of financing by the development partners. When you look at the history over the last five years, you will realize that development partners have been spending less and less. They have their own challenges. They have their own issues with the Community. Since the handover with my predecessor, I have met them many times. I have received many people here at the Secretariat in Arusha. I have gone to Dar es Salaam, Nairobi, and Brussels just trying to re-engage some of these partners.

Hon. Members, I am happy to tell you that over the last two weeks we have had three of our partners deposit money in our partnership account. We consider this as a victory because they had clearly indicated that if we do not do certain things they would no longer fund the Community. My predecessor gave me this message and my colleagues know that the development partners were expecting certain things to be done before they could consider funding the Community again. So, confidence is coming back. In fact, on 7th September the day before the Summit, I had to call all of them in order to give them an update. I told them that whatever they were reading concerning the audit report is really about this. I told them that it was about

2014/2015. I explained how we were trying to effect corrective measures. So, the support is coming up.

During our visit to Brussels, we were able to secure Euros85 million, which was given to the Community. In the last week, we were working on submitting what we call the PIFs, that is, Project Implementation File. We were able to finish all of them. We assured them that this would be submitted to the donor so that we secure that money.

We have signed a number of agreements. The last one was with USAID. It was signed about two weeks ago. At that end, we know that most of our projects are being catered for. This is to say that the Secretariat has really been pushing to ensure that the integration agenda is funded.

I would like to end with a word of confidence. I started thanking you for getting involved. This involvement is necessary and it was, indeed, long overdue. We needed to talk about this very seriously. We thank you for that. We have confidence in our institutions. Your voice is very important. I would like to ask you to continue talking to our partner States who are faced with many problems and financial challenges so that they can match their support in terms of what they have mandated us to do in the Community. They need to back that up with sufficient resources. Please, be assured that we are very confident in the institutions of the EAC and our people. We are confident in our skills and capabilities to achieve the integration agenda.

Very soon, you will hear from us because we shall be considering our budget. We will also be considering our operational plan for 2017/2018. I would like to assure you that we have taken into account many of your remarks. Our priorities have been changed to be more people centered. We are now more

people cantered. It is something that we have thought collectively. We have had retreats. We have discussed how to do it and we think that could be a better thing to do for the Community. Please, continue pleading so that Community has more resources.

Mr. Ogle: Mr. Speaker, on a point of clarification.

The Speaker: Yes, but you must know that the Secretary-General has already resumed his seat.

Mr. Ogle: Mr. Speaker, could the Secretary General confirm whether the Secretariat has dipped its hands in our gratuity? We want that clarification. Has the Secretariat drawn any money from the gratuity fund? If so, what was it based upon?

The Secretary General of the EAC (Ambassador Liberat Mfumukeko) (Ex-Officio): Hon. Ogle, I really urged that you support us. I said that many times. In this exercise, you would not ask me to be in all the small transactions of the Community. I have directors and many other people who are working on this. I, however, have one crucial piece of information. The gratuity account is safe and intact. I think that is what matters. *(Applause)*

The Speaker: I now invite the Chairperson of the Council of Ministers before I invite the Mover of the Motion.

The Third Deputy Prime Minister and Minister for EAC Affairs, Uganda (Dr. Ali Kirunda Kivejinja) (Ex-Officio): Thank you very much Rt. Hon. Speaker. I have been listening very attentively and I want to thank all the contributors and the Mover of the Motion for having provided a forum in which we could talk our minds out.

One of the things that normally brings misunderstanding is to suffocate democratic expression - *(Applause)*.

For us, we identified it earlier. This is because when these people were talking of rural development and whatnot, we identified them in our own struggle. The ten-point programme has been able to keep Uganda stable for the last 30 years. Point No.1 was lack of democracy. It is one of the bottlenecks that has kept Africa behind - *(Laughter)*.

Now when you talk about complicated things, they become simple. At the end, you turn out to be friends. Well, if you suffocate, it means you crystallize the human mind and in the end, you end up being beasts. As Gandhi said, the art of liberation is an attempt to make two human beings; one the oppressor in order to oppress. He must be a semi-beast. The one who is oppressed is dehumanized. When you set the two free, you get two human beings and therefore you can think and develop more as human beings.

So, on this one, I will compliment you. The method you are using is the correct one. Do not look into the small things because each one of us has his or her own misdemeanour. We do not need to emphasize those things. Let us emphasize what brings us together. I am happy about the outcome of the debate. I think even the Mover who was throwing a stone in the forest to find out what was there has just found out that actually there is nothing except that we need to put our things together.

A number of issues have come out and I hope they have been captured in the *Hansard*. They may not be captured in the final resolution that may be adopted. That is my worry. It is because they have made very many points.

The Speaker: Hon. Minister and Chairman of the Council, you should not worry. The *Hansard* team is effectively in charge of our records. So, things are captured.

The Third Deputy Prime Minister and Minister for EAC Affairs, Uganda (Dr. Ali Kirunda Kivejinja) (Ex-Officio): They may be captured and be stored there, but they need to be siphoned so that those that are pertinent to the Treaty find their way to the proper circle. Those that pertain to financial self-sustaining mechanisms should also be channelled out. Then there is the issue of the actual formation of the Community. There are alarmist things, which could have taken us away from the gist of the matter. We have had an assurance from the Secretary-General. On my part and on behalf of my colleagues, I said that leaders are not there to heap crises on people, but to prevent crises from turning into problems. I can say on behalf of the Council that the alarm was put clearly. The Secretary General sent the alarm. The Speaker sent the alarm. The members of the Council sent the alarm. As Council, we had to respond. Indeed, we responded and among other things, we had a conference with these gadgets, which belong to your generation. We put things clear to our colleagues and we knew that the crisis would not escalate. So, this is because of all of us. We cannot claim responsibility, but when the alarm was rung at the right time, we were able to respond. That is how you can keep each other on toes.

Please, let us not look for mistakes so that when something comes here we start blame game. Just do the work knowing which buttons to press. For example, accept the Secretary-General to come here and brief us on how he is doing his job. You should not that the right button for you to press is the Council of Ministers. This is because it is the link that exists between the two of you. So, please, press on us. You have got Chapters;

let them get in touch with the respective Ministers in the partner States. I am sure that with increased pressure we can overcome most of these things.

You have talked about Article 143 and Article 146 of the Treaty. It is always good to press and then after some time you relax. You will then have your proper speed of action. I need to assure you that the new table that has been circulated has come from the Secretariat because that is the only way – *(Interruption)* -

The Speaker: Chairman of the Council of Ministers, sorry for the intervention. For procedural reasons and for the record of the House, this new table, which is being referred to, by many Members and yourself has been circulated in the House, but it has not been tabled. So, kindly, could we have it tabled so that it becomes a very good record for the House? This is because we are debating it more or less informally. Just before you sit down, I would request that you table it so that it becomes part of the House records.

The Third Deputy Prime Minister and Minister for EAC Affairs, Uganda (Dr. Ali Kirunda Kivejinja) (Ex-Officio): Mr. Speaker, I beg that the table, which shows the status of accounts because of our efforts, be laid on the Table - *(Laughter)*.

(Dr. Ali Kirunda Kivejinja laid the document on the Table)

Dr. Ali Kirunda Kivejinja: Mr. Speaker, I just want to make one last comment on the sustainable mechanism and African institutions. The Organization of African Unity (OAU) was founded in 1963. I went that time to China. So, link Uganda to China. I knew the future was there and yet now we are here. It is maturing after 53 years. And God has blessed me. You see all my hairs

have gone up and I am here benefitting from that. Even this problem of Africa financing itself has dodged Africa for a long time. It is only in Rwanda where they came up with a formula. They said that they could no longer depend on partners. So, for you, do not imagine that you are going to solve all the problems in the Community's existence. At least you have now existed for 16 years. I think we should congratulate ourselves that we have been together for all that time. Other attempts were less than that. *(Applause)*

Now that we have a mechanism of getting synergy on the things we want, I am sure we shall overcome that. If you do not become optimistic, I am sure you will get frustrated and you will disappear from this world earlier than necessary. *(Laughter)*

I would like to remind you about the mechanism. It is not the first time we are talking about it. We sent it to the Summit. They talked of one per cent. Some of them said that was too much. We said that the old adage must work; from each according to their ability. If Kenya is getting more imports, they should pay more. Burundi cannot pay and so what is the problem. Do not imagine that we can contribute equally to the welfare of the home. Why are we going on parity? As we grow and become one, we must lift the unfortunate member of our family so that if he is, say, crippled, we put him on our back until he is able to stand. That is the direction we are taking and that is the essence of integration. *(Interjection)*

Dr. Kirunda Kivejinja: Let me finish. You will inform me later and get more from me when we have private arrangements.

The Summit ordered the Council that we should call the Ministers responsible for taxation and find a midway, that is, something that is sustainable. That is what we

are working on. I am sure before 30 November 2016 we shall be able to report to Summit so that this problem is resolved. You are in safe hands and I am in safe hands. Please, give me a few more years by seeing to it that the people are optimistic about their future and that of their children. *(Applause)*

The Speaker: Thank you very much Rt. Hon. Deputy Prime Minister and Chairman of the Council of Ministers for those good assurances. I now invite Hon. Pareno to respond to the very many issues that have been raised.

Ms. Judith Pareno (Kenya): Thank you, Rt. Hon. Speaker. I thank all the Members who have come out to support this Motion and to enrich it. I would like to start with Hon. Nancy who made her very good contribution. I will make comments as I go through those who have been able to contribute to this Motion.

Hon. Susan Nakawuki proposed an amendment that we delete Section 146 of the Treaty. I will be commenting on that later on because many submissions have come in towards this particular amendment. Many Members have requested that we delete this.

However, on this proposition, as I finally agree to their submissions, I would like to say that if you looked at the drafting of the Motion, you would realize that I was careful in the heading and careful in reading the provision. This is because the provision under Article 146 talks about finances and other issues. I was very careful in this heading to say that we are only invoking...The heading goes as follows:

“...and/or invoke Article 143 and Article 146 of the EAC Treaty against defaulting Partner States in as far as

the financial obligation to the Community is concerned.”

So, I was careful to state that it is only in as far as the financial situation is concerned. It, therefore, does not include the angle of issues in Article 146. It is not to be applied as a whole. I was specific that it is only in as far as the finances are concerned.

Ms. Nakawuki: On a point of information.

The Speaker: Hon. Susan, if you listened to the Mover, at the beginning she said that in the final analysis she would concede to your suggestion. So, in the interest of time, please, allow her to proceed.

Ms. Pareno: Mr. Speaker that does not qualify why I would concede to the deletion of Article 146.

The other argument that Hon. Nakawuki was giving is that there is no country that has defaulted for over 18 months in terms of contributions. If you look at the table in our Motion, you will realize it is one that was generated as at the 34th Meeting of the Council of Ministers. That table shows that there were arrears as far back as 2014. We are talking about over two years ago. These arrears have been carried forward over and over. Therefore, definitely, we have had partner States defaulting for over 18 months. It is not proper to say that partner States are not defaulting.

The other argument by Hon. Nakawuki is that it was not intended in this Treaty that suspension be one of the... She indicated that suspending Members is an issue. For that person who reads the Treaty - and I am sure she has read it - there is an intention to discipline Members by way of suspension. In fact, there is an intention to discipline by expulsion! This Treaty clearly stipulates that.

Obviously, it is not an intention of any of us to have any Member suspended. It is not an intention of any of us at this moment to have any Member expelled. However, there is a provision in the Treaty that there are different ways of disciplining Members. Suspension, expulsion, and sanctions are all inclusive. That, however, is not what we are invoking. It is not what we would wish happens at this particular moment. Again, we cannot say that there is no intention when the Treaty provides for that.

Mr. Speaker, I appreciate the Hon. Nakawuki's submission that we have to stop "this unserious way of doing things". I actually thought to myself that the only way to deal with this "unserious" way of defaulting for over two years and so on is by us doing nothing other than using the provisions of the law. That would be the best way to go. We need to identify the laws we have drawn and consented to. Only that way will we be able to operate within the laws that we agree shall govern us.

Before I go to Hon. Jeremie's contribution, let me say something about the heading of this Motion. When you talk about sanctions and suspension, the law states that you either implement the alternative funding mechanism and/ or invoke. That Motion invites that you do the implementation of the alternative funding mechanism and invoke the Sections that we are asking for or just do one of the two. So, this Motion calls for either. The Council of Ministers or the Summit can choose to simply do the implementation of the alternative funding mechanism and forget about the other two because they are just additional - And/or. I was careful to put those words so that they have a wide area of choosing what it is that they need to apply. Is it the alternative funding mechanism and a sanction, or is it the alternative funding mechanism together with

the sanctions, or just one of the two? It gives a lot of leeway. Whatever we have proposed is not something that is necessary.

Mr. Ogle: On a point of procedure. On a point of clarification, Mr. Speaker.

The Speaker: What are you rising on, Hon. Ogle?

Mr. Ogle: I do not know whether it is procedure or clarification.

Mr. Speaker, the House has spent nearly two-and-a-half-hours debating this particular Motion. I think what the Mover ought to be doing is to either agree or disagree on all the amendments and suggestions of Members. She is making a substantive contribution and in effect responding to every other Member's position. That process will take us other two-and-a-half hours. I think she is not being fair to this House.

The Speaker: I think Hon. Pareno, the Mover of the Motion, is responding to issues that were raised by different debaters. She should be brief. She should not go in-depth because there are many Members who made submissions.

Ms. Pareno: Hon. Speaker, I though the issue of Article 146 was pertinent and I am just giving reasons as to why I agree to the deletion. The way the submissions were given, it seems like they were touching on the provisions that we were invoking. I am just giving general observations and explanations as to why I have finally agreed that we remove Article 146. Whichever way it goes, I am comfortable and I agree with the amendment by Hon. Nakawuki and proposals by others that Article 146 can go.

Article 143 talks about sanctions. We know that sanctions can include all those other

things. I mean even suspension. So, I am comfortable that we delete Article 146, but we leave Article 143 because it covers for all.

Hon. Speaker, I would like to appreciate Hon. Jeremy's submissions; the same for Hon. Mulengani. Actually, Hon. Mulengani proposed three amendments. One, an amendment that asks for a table showing a matrix of the savings; and two, an amendment on the Secretary-General's report on the savings.

Having heard what the Secretary General has said about the savings in his submission, – he said that it is going to be a whole year's savings – I reject this particular amendment by Hon. Mulengani. This is because it would be asking for a matrix that is not ready. Obviously, the matrix cannot be available at this particular time. On those grounds, I kindly, request to leave out Hon. Mulengani's proposed amendments that we include the matrix and urge the Council to table that particular matrix.

I would like to appreciate Hon. Mathuki's contribution. There was a proposed amendment by Hon. Yves that we add the word "complementary" to the heading. I wish to reject this proposed amendment because the wording of that particular item is "Alternative Sustainable Funding Mechanism." Even in the communique from the Summit and the Council, I agree that we only amend it to the extent of calling it "Alternative Sustainable Funding Mechanism" without including the word "complementary" which I think will be part of that alternative funding mechanism. I reject that proposal.

I appreciate Hon. Martin Ngoga, Hon. Valerie, Hon. Dora, Hon. Sarah, Hon. Nengo and Hon. Mbidde.

Hon. Mbidde proposed an amendment that the Speaker heads a Select Committee that will follow up with the Summit. In view of the undertakings, progress and the table that has just been introduced, I wish to reject this particular amendment. In any event, this amendment would call for funding. Again, money will be expended on another Select Committee and yet we are saying that there is no money. I, therefore, kindly, reject that amendment.

I wish to appreciate Hon. Ogle. He proposed an amendment, which he called “an amendment to structural defects”. I reject that amendment. I think it is of no harm to leave it the way it is.

Hon. Speaker, I also wish to thank the Secretary General for coming out to explain to us what has been happening in the Community. Actually, he had proposed that he introduces the new table showing the status of contributions. The Chairman of the Council of Ministers has since tabled the same. I accept the amendment of the table, but not to the extent of deleting the already existing table. It has to do with adding more information to another table that shows the status. The status we had shown in the Motion is the status as at the 34th Council of Ministers. The Motions says as much. The status we are introducing now is the status as of this week. So, I accept that amendment but only to the extent of adding it as an additional table to show the status.

Hon. Speaker I also would like to thank the Secretary General for bringing it out that we now have enough money to last us up to around December. However, this Motion is not about now and December; it is about sustainable funding mechanism for the future of this Community.

Finally, I would like to thank the Chairman of the Council of Ministers for coming out to somehow -if I understood him well he supported this Motion. By yesterday, he was saying that we needed more time. Today, he has understood that it is about us being together and moving together for purposes of this Community. I would like to task him and the Secretary General that this Motion and its resolutions be implemented in the terms that we have proposed as a House.

I thank you, Hon. Speaker.

The Speaker: Thank you very much, Hon. Pareno, the Mover of this Motion.

Hon. Members, the Motion before the Assembly is that:

“This Assembly do resolve to urge the Summit to fast-track the implementation of its directive on alternative funding mechanisms for the East African Community (EAC) and/or invoke Article 143 of the EAC Treaty on financial contributions against defaulting Partner States.”

(Question of the Motion as amended put and agreed to)

The Speaker: I would like to congratulate Hon. Pareno and this House for addressing itself to a very critical matter that affects our integration process. I would like to give the assurance of this House to the Chairman of the Council of Ministers and members of the Council and the Secretary-General that this Motion was introduced, debated and passed in the very firm spirit of East Africanness and deep belief in people centered philosophy of our integration and also on the principle of complementarity between the organs of this Community to foster our agenda of integration. I thank you so much.

BILL
Second Reading

**THE EAST AFRICAN COMMUNITY
COUNTER-TRAFFICKING IN PERSONS BILL,
2016**

The Speaker: Hon. Dora.

Ms. Byamukama: Mr. Speaker, Sir, and hon. Members. Pursuant to Rule 68 of the Rules of Procedure, I beg to move:

THAT, the East African Community Counter-trafficking in Persons Bill, 2016 be now read a Second Time.

The Speaker: The seconders are Hon. Peter, Hon. Valerie, Hon. Frederic, Hon. Ussi, and all the Members standing.

Hon. Dora, please, justify your Bill.

Ms. Byamukama: Mr. Speaker, Sir, my justification is in the memorandum, which I will read. It is very brief because we have been discussing this matter.

Mr. Speaker, Sir, and honourable Members, I plead with you to support this Bill on the basis that the object of this Bill is to provide a legal framework for the prevention of trafficking in persons; prosecution of perpetrators of trafficking in persons; provision of protection mechanisms and services for victims of trafficking in persons and development of partnerships for co-operation to counter trafficking in persons in the Community.

The Bill is premised on Article 76 of the Treaty on the establishment of the EAC which provides for establishment of a common market among the Partner States and further provides that within the common market and subject to the protocol on the

establishment of the common market there shall be free movement of labour, goods, services, capital and the right of establishment.

The Bill is also premised on Article 73 of the Treaty for the establishment of the EAC under which the partner States guarantees the protection of the citizens of other Partner States while in their territories. It is premised on the EAC Customs Union Management Act, 2004 that explicitly prohibits transportation and sale of human parts.

On Article 124 (5) of the Treaty under which the partner States agreed to enhance co-operation in the handling of cross-border crime, provision of mutual assistance in criminal matters, including the arrest and repatriation of fugitive offenders and the exchange of information on national mechanisms for combating criminal activities.

The Bill is based on the EAC Protocol on Peace and Security, which provides under Article 2 on the scope of operations that the Partner States agree to *inter alia* co-operate in combating transnational and cross-border crimes including human trafficking and undertake joint operations in controlling and preventing transnational and cross-border crimes, including human trafficking.

Finally, it is also based on the Protocol to the African Charter on Human and People's Rights on the lives of women in Africa which provides under Article 4(2)(g) that the State parties shall take appropriate and effective measures to prevent and condemn trafficking in women, prosecute the perpetrators of such trafficking and protect those women at risk.

This Bill further obliges the Council of Ministers to establish such institutions as the Council may deem appropriate to achieve its

objectives, promote co-ordinated action in recognition of increasing levels of the integration process evidenced by *inter alia* the recent agreement on the introduction of an international East African e-passport which is to be launched in 2017.

I beg to move.

(Question proposed)

The Speaker: Thank you, Hon. Dora.

Hon. Members may invite the Chairperson of the Committee on Legal Rules and Privileges, who has democratically delegated his powers to Hon. Maryam Ussi to do this on behalf of the Committee because of her capabilities. She should just lay the Report on the Table and then we resume business, she will present the Report and then we shall proceed.

May you lay the Report on the Table, Acting Chairperson?

Ms. Maryam Ussi Yahya (Tanzania): Thank you, Hon. Speaker. On behalf of the Chairman of the Committee on Legal Rules and Privileges, I beg to lay on the Table the Report of the Committee on Legal Rules and Privileges on the EAC Counter-trafficking in Persons Bill, 2016.

I beg to lay. *(Applause)*

(Hon. Ussi Yahya laid the Report on the Table)

The Speaker: Thank you very much, Hon. Mariam Ussi, Acting Chairperson Committee on Legal Rules and Privileges for laying the Report on the Table.

Hon. Members, this is a very important Report. The Committee has scrutinised this

Bill, including the views that they gathered from other stakeholders to concisely deal with this matter. Now that the Report is with us I beg that you go read the Report and when we resume on Tuesday at 2.30 p.m. the Chairperson, Hon. Maryam will read the Report and debate will ensue.

ANNOUNCEMENT

Before I adjourn, I have one more announcement to make which I should have made earlier. Today is a historical day in the lives of the people of East Africa, Africa and more so the black people. Today, 14th October 2016, the African people, the United Republic of Tanzania, and most importantly the family of the late Mwalimu Julius Kambarage Nyerere, celebrate with the whole world the anniversary of the passing away of our hero and founding father of our African renaissance and East African integration. We join the citizens of the United Republic of Tanzania and the African people in celebrating the life of our hero.

I thank you.

ADJOURNMENT

The Speaker: Hon. Members, the House stands adjourned.

(The House rose at 6.30 p.m. and adjourned until Tuesday, 18 October 2016 at 2.30 p.m.)

