



EAST AFRICAN COMMUNITY

EAST AFRICAN LEGISLATIVE ASSEMBLY (EALA)

Official Report of the Proceedings of the East African Legislative Assembly

25TH SITTING – SECOND ASSEMBLY: SIXTH MEETING - FIRST SESSION

Thursday, 15 May 2008

The East African Legislative Assembly met at 2.30 p.m. in the Old Chamber of the Kenya National Assembly

PRAYER

(The Speaker, Mr. Abdirahin, in the Chair)

The Assembly was called to order.

COMMUNICATION FROM THE CHAIR

Nomination of Members to the Committees of the Assembly

The Speaker: Honourable Members, I rise to notify you about the nominations of the new honourable Members to the Committees of the Assembly. In consultation with the Country chapters of Rwanda and Burundi, the House Business Committee (HBC) has, in accordance with the provisions of formulating the Committees of the Assembly, made the following nominations:

House Business Committee

Hon. Patricia Hajabakiga (Rwanda)

Hon. Jacqueline Muhongayire (Rwanda)

Hon. Leonce Ndarubagiye (Burundi) Hon. Manasse Nzobonimpa (Burundi)

Accounts Committee

Hon. Jacqueline Muhongayire (Rwanda)

Hon. Straton Ndikuryayo (Rwanda)

Hon. Claire Kayirangwa (Rwanda)

Hon. Issa Ndendakumana (Burundi)

Hon. Dr. Ntakarutimana (Burundi)
Hon. Francois Bizimana (Burundi)

Legal Rules and Privileges Committee

Hon. Claire Kayirangwa (Rwanda)
Hon. P.M. Habumuremyi (Rwanda)
Hon. Valerie Nyirahabineza (Rwanda)
Hon. Frederic Ngenzebuhoro (Burundi)
Hon. Francois Bizimana (Burundi)
Hon. Regine Katabarumwe (Burundi)

Trade, Communications and Investments Committee

Hon. Dr. James Ndahiro (Rwanda)
Hon. Valerie Nyirahabineza (Rwanda)
Hon. Patricia Hajabakiga (Rwanda)
Hon. Francois Bizimana (Burundi)
Hon. Regine Katabarumwe (Burundi)
Hon. Georgetta Nibitanga (Burundi)

Regional Affairs and Conflict Resolution Committee

Hon. Dr. Odette Nyiramirimo (Rwanda)
Hon. Abdulkarim Harelimana (Rwanda)
Hon. P. D. Habumuremyi (Rwanda)
Hon. Frederic Ngenzebuhoro (Burundi)
Hon. Manasse Nzobonimpa (Burundi)
Hon. Georgetta Nibitanga (Burundi)

General Purpose Committee

Hon. Dr. Odette Nyiramirimo (Rwanda)
Hon. Dr. James Ndahiro (Rwanda)
Hon. Straton Ndikuryayo (Rwanda)
Hon. Leonce Ndarubagiye (Burundi)
Hon. Georgetta Nibitanga (Burundi)
Hon. Frederic Ngenzebuhoro (Burundi)

Agriculture, Tourism and Natural Resources Committee

Hon. Jacqueline Muhongayire (Rwanda)
Hon. Harelimana (Rwanda)
Hon. Patricia Hajabakiga (Rwanda)
Hon. Issa Ndendakumana (Burundi)
Hon. Regine Katabarumwe (Burundi)

Hon. Leonce Ndarubagiye (Burundi)

I wish the new Members the very best and urge the old Members in these Committees to help them settle down quickly – *(Applause)*.

PAPERS

The following Papers were laid on the Table:-

The Financial Statement and the Estimates of Expenditure for the Financial Year 2008/2009

The Supplementary Estimates for Financial Year 2007/2008

(By the Assistant Minister for East African Co-operation Tanzania, (Mr. Abood))

BILLS Second Reading

The Lake Victoria Basin Commission Bill, 2007

The Assistant Minister for East African Co-operation, Tanzania (Mr. Abood): Mr. Speaker, Sir, you will recall that during the Fourth Sitting of this august House, the Council of Ministers introduced a Bill for an Act entitled the Lake Victoria Basin Commission, Act 2007. Following the First Reading, the Bill was considered by the Committee on Agriculture, Tourism and Natural Resources. This Committee raised a few policy matters regarding the proposed institutional framework of the Lake Victoria Basin Commission. We should appropriately address this letter before the second reading of the Bill.

Mr. Speaker, Sir, the Council of Ministers and the Secretary of the Council responsible for the Lake Victoria Basin Development have since then, undertaken consultation on this matter. I regret to inform you that, on account of the policies and intricacies involved in the matter, the Council of Ministers have not yet finalized all the necessary consultations. Following the admission of Rwanda and Burundi to the Committee, it is important for these consultations to extend to these countries for the purpose of complete policy input. As a result, the Council of Ministers is of the humble opinion that the text of the Bill, which will inevitably undergo amendment, is not ready for the second reading.

Mr. Speaker, Sir, and hon. Members, I crave the indulgence of this august House to grant the Council of Ministers more time to finalize this matter with a view to enabling the second reading of the Bill during the Assembly's next sitting.

Dr George Francis Nangale (Tanzania): Mr. Speaker, Sir, the Committee of Agriculture, Natural Resources and Tourism is concerned with the delay. If it has taken eight months for the Council of Ministers to consult on a matter, which concerns 30 million people around the lake, can we say that this is a bold decision? The Committee, in future, intends that, if the delay continues, we will have to move a Private Member's Bill on the same.

The Speaker: Hon. Nangale, I think the Chairperson of the Council has assured us that he is going to have it by the next session of Parliament. So, we will wait until then.

MOTION

For the Consideration of the Budget of the EAC for the Financial Year 2008/2009

Mr. Abood: Mr. Speaker, Sir, I beg to move the following Motion.

THAT, this Assembly do resolve itself into: -

- (a) A Committee of Ways and Means to consider and approve the financial statement for the Financial Year 2008/2009; and,
- (b) A Committee of Supply to consider and approve the revised estimates of expenditure for the financial year 2007/2008, and the estimates of expenditure for the Financial Year 2008/2009.

I beg to move that this esteemed Legislative Assembly resolves into a House Committee to debate and approve the proposal of the Council of Ministers of the East African Community for the Budget of the East African Community for the Financial Year 2008/2009.

The Budget estimates for the Financial Year 2008/2009 are being presented at a time when significant developments are taking place in the EAC. The on-going process towards the establishment and operationisation of both a Common Market and the Monetary Union by 2012, as well as the enlargement of the Community, with the admission last July of Rwanda and Burundi in July 2007, clearly demonstrates the determination to deepen and widen regional integration. Today, the EAC embraces a strong and large market of a combined population of 120 million people, a land area of 1.8 million sq. kilometres and a combined Gross Domestic Product of US\$41 billion. This bears great strategic and geographical significance, as well as prospects for the socio-economic transformation of our region.

This Budget presentation also comes in the wake of recent disturbing developments in our region. For example, the aftermath of the disputed elections that was held in Kenya in December 2007. It can be noted that the developments in Kenya had destabilizing and disruptive effects way beyond the Kenya's borders into Uganda, Tanzania, Rwanda, Burundi, the DRC and other parts of the Great Lakes Region. The violence witnessed in Kenya caused a great suffering, loss of many innocent lives, displacement of the people in Kenya and, on the whole, impacted negatively on the performance and capacity of EAC to realize its integration objective.

Mr. Speaker, Sir, it is gratifying that the Kenya situation has settled down, but more importantly, is that this development served as a wake-up call to our region, and the reality that our region must face challenges and take measures to ensure the security of our region at all times.

Mr. Speaker, Sir, in reviewing the performance of the Budget and the programme of the EAC for the outgoing financial year, I am pleased to note that there was great adherence to the work programme of all the organs and institutions of the Community. It is becoming quite evident that the co-ordination of the business of the community is becoming better streamlined. The Community continued to realize good progress, and there are positive indications of growing interest in the Community and effective demand for regional strategy and programmes on a broad range of the areas of integration.

The focus of the activities of EAC during the outgoing financial year, was on the continued implementation of the Customs Union, the integration of the Republic of Rwanda and Burundi, negotiation of the Common Market Protocol, and in the broader view of the implementation of the 3rd EAC Development Strategy, which was launched in November 2006. In implementing the 3rd EAC Development Strategy, 2006/2010, the EAC has adopted a methodical and systematic approach. A regular monitoring and evaluation mechanism has been instituted and is intended to ensure delivery of the concrete objective of the development strategy.

Mr. Speaker, Sir, the success of the EAC will be determined by what the organization is set out to achieve, and what it delivers within the stated or agreed time frames. Looking back to the ground that we have covered since 1999, the question to ask ourselves is whether the EAC has been successful. Today, I can say without any fear of contradiction that the EAC has delivered well in performance on its promises. The Treaty for the establishment of EAC set out that the Customs Union would be achieved within five years of the signing of the Treaty, and that was achieved in January, 2005. All indications are that the Customs Union is performing exceedingly well. The Treaty will also undertake to establish a common market in the next stage after the customs union. Today, I am glad to report that negotiations for the establishment of the East African Common Market are proceeding well, following the first meeting of the high-level negotiation task force that met in Kigali between 14th and 22nd April, 2008. We are encouraged by the progress made in the consensus of the broad areas of the Articles of Preamble, objectives, principles and free movement of goods, persons and labour of the proposed Common Market Protocol. As it resumes its meeting in Nairobi later this month, we believe that the

high-level task force will make further progress. There are strong expressions all round that the time frame agreed by the Partner States for the conclusion of the negotiations by December, 2008 and launching of the Common Market by January, 2010 would be met.

Mr. Speaker, Sir, with these achievements, the EAC has laid a solid foundation of mutual confidence among the partner States, and is set on a change mode and readiness of accelerating and deepening regional integration through the subsequent stages to the establishment of EAC Monetary Union and currency operation. During the outgoing financial year, expert and the arrangement in the compilation of the studies of EAC monetary union, whose proposal will be considered by the Governors of Central Banks before the end of November, 2008--- The council is confident that those studies will further reinforce the on-going achievements in the region's micro-economic convergence, and quest for the fully liberated capital and financial market integration in East Africa. The achievement of the monetary union, with the prospect of the operation of an EAC Common Market, is, therefore, today, a very eminent reality.

Mr. Speaker, Sir, in the development of the Community, emphasis continues to be placed on the infrastructure sub-sector. This is the centre piece of the integration process. The East African Road Network Project, in particular, the Arusha-Namanga-Athi River Road Project, has been in the pipeline for a long time. As hon. Members are aware, the design phase of the project was completed in December, 2006, and procurement for the construction works proceeded immediately after that. It is expected that construction will commence during the first quarter of the Financial Year, 2007/2008. Delays were encountered, and that was attributed to lengthy contractual and procurement procedure, moving back the commencement of the construction works to the third quarter of 2008, while they had earlier been scheduled for commencement in September, 2007.

The construction of the Athi River-Namanga section is expected to commence in January 2008 and the Arusha-Namanga section construction is expected in August 2008. In view of these developments, the Council and the Summit have reinforced the emphasis on the development of regional infrastructure. During the strategic retreat held in Mwanza and Kampala, respectively, for the Permanent Secretaries and the EAC Ministers in March and April, 2008, plans of action were adopted and will be tabled before the Summit retreat in Kigali in June 2008 to expedite the delivery of regional infrastructure projects. The Council intends to put in place measures to address bottlenecks in the sub-sector related to financing and procurement procedures, which will be applied in speeding up the EAC trade and transport facilitation project, as well as the Arusha-Namanga-Athi River Road, Arusha-Holi Livoi Road, Malindi-Mombasa-Lunga Lungu and Tanga-Bagamoyo Roads, and other projects which have long been in the pipeline. Steps have been taken to extend the infrastructure project to Burundi and Rwanda.

The ADB support and commitment have been secured in the context of the prioritization intended to fast-track the infrastructure programme. The ADB has expressed interest to finance the Bujumbura-Kigoma-Kigali Road, totaling 700 kilometres.

In the Civil Aviation sub-sector, the operationalisation of CASSOA followed immediately after the establishment of the Agency in June, 2007. CASSOA continues to be hosted at its temporary headquarters at the EAC Secretariat, while arrangements are made for its relocation to its permanent headquarters in Uganda. Meanwhile, the process towards the establishment of unified upper flight information region; implementation of the Yamoussoukro Decision and the Air Transport Liberalization Programmes are progressing well.

The Council, at its 11th meeting, approved the development of the framework for the implementation of the Yamoussoukro Decision on the liberalization of the air transport in the region. These programmes are being co-ordinated and linked with the Southern African Development Cooperation (SADC) and COMESA under the joint strategies for co-ordination and harmonization of infrastructure projects in the three economic communities.

The EAC is also focused on the comprehensive programme of upgrading the regional airports to competitive international standards. The implementation continued on the Global Navigation Satellite System (GNSS) which addresses capacity gaps of the region's airports to support growing aircraft activity.

During the outgoing financial year, the EAC embarked on the implementation of the recommendations of the GNSS Pilot Study Report which is looking into the GNSS procedures at three selected airports in each partner states to address capacity enhancement and upgrade of facilities at selected aerodromes. Efforts were similarly joined in the East African Aviation training organizations Rehabilitation Project, which aims to marshalling the capacities of aviation schools in the region. The facilities including the East African School of Aviation (Kenya), Civil Aviation Training Center (Tanzania) and East African Civil Aviation Academy, Soroti (Uganda), whereby the aim is to establish regional self sufficient and self reliant in the provision of its aviation training demands.

Mr. Speaker, Sir, in the railway sub-sector, the concession process of the EAC Railways was completed in Tanzania, Kenya and Uganda. Work is now focused on the completion of the East African Railways Master Plan Study, which envisages development and modernization of the integrated railways system serving the entire EAC region. The stakeholder review of the draft Master Plan is scheduled for July 2008 to discuss the recommendation of the consultants.

In the quest for safe and secure maritime operations, the achievements include the agreement on priority thematic areas upon which the priority regional maritime projects will be developed and finalization of the Draft Lake Victoria Transport Bill. On expanded and upgraded meteorological services in the region, achievements include the finalization of the draft MOU on the meteorological co-operation, and consideration of the inception report of the study on enhancing capacities of meteorological services in support of the sustainable development in the region.

Mr. Speaker, Sir, on the Information and Communications Technology, work continues in achievements including the co-ordination of the implementation of the Regional Information Communications Technology Support Project to mainstream ICT into the wide range of the Regional development initiative. The evaluation and award for incubator projects and the recruitment of the web designer for the ICT project was accomplished as well as the finalization of the draft MOU on co-operation in communications in the region.

Mr. Speaker, Sir, under Agriculture and Food Security, the overall development objective is to promote value addition, productivity and competitive food supply to realize cross boarder trade for sustainable food Security. The Achievements in this sector include the development of study and submission of East Africa Early Warning System to monitor food security. The EAC has already allocated US\$200,000 for a period of two months from the partnership Fund. Development of the Gap Protocol and the preparation of implementation and co-ordination mechanism for Agriculture and rural development will be ready. A Project Steering Committee on the Control and prevention of human and Trans-boundary project has been constituted. Funding proposals for TADS has been prepared and submitted to partnership fund, EU and GTZ.

Mr. Speaker Sir, on energy, the Council approved scaling up access to modern energy services, which in November 2006 aims at achieving the Millennium Development Goals and Poverty Reduction. I am pleased to report that UNDP and GTZ have supported the energy sector to prepare at national and regional level activity for the first two years of the strategy. With the support of the European Union Energy Initiative, partnership dialogue facility, a donor mapping exercise for the strategy to match donors to various aspects of the strategy that they are most likely to fund is nearly completed.

The Plan is to bring various development partners together to dialogue and obtain firm commitments. The sector also took part in the Nile Basin Initiative to bring market study that was completed in January 2008 with the aim of using the outcome of the study to establish an East African Community power pull.

The Sector has already had very promising discussions with SIDA on the possibilities of supporting the establishment of EAC/BP. The Sector further obtained assistance of US\$50,000 from Risk Project to support preparation of strategy for the development of regional refineries. A task force comprising officers from the petroleum sub-sector in the partner states was formed and mandated to undertake the assignment. The strategy was considered and endorsed by the East African Council on Energy in April 2008.

The East African Petroleum Conference held every two years on rotational basis has now become an important activity in the calendar of the petroleum stakeholders in the region and indeed, international. Preparation for the fourth conference schedule in March 2009 in Mombasa, Kenya, has commenced. The three regional conferences have contributed to increasing interest in exploration and production activities in the region. The ADB has agreed to consider supporting the sector to carry the following projects: Review and update of the East African power Master Plan, A feasibility study on Kampala-Kigali-

Bujumbura oil product pipeline. Kenya-Uganda power transfer enhancement project and feasibility study on Dar es Salaam-Tang-Mombassa national gas pipeline. Efforts to seek funding for the implementation phase of this and other energy projects will continue.

The achievements in the energy sector include development of terms and reference for renewable energy and fossil fuel master plan proposals. Also, the implementation action plan for the East Africa Power Master Plan was updated and extended from year 2007 to 2014. A funding proposal was prepared and submitted to the African Development Bank. Consultancy work on identification of activities at national level before implementation of the Regional Strategy for the scale up Energy services has commenced and is expected to be finalized by early next year.

Mr. Speaker, Sir, in the Tourism and Wildlife sector, the sector finalized development of the criteria for the classification on hotels, restraints and other tourist facilities in the region. Certificates likely to be awarded to grade facilities had been concluded and used to grade hotels in Kampala during the preparation of CHOGM. Preparation of the implementation plan to classify hotels in the sectors Cities of Kenya, Rwanda, Tanzania and Burundi is underway as well as capacity building for partner states using the standard criteria.

Implementation of the East African Marketing Plan and strategy to continue promotion of EAC as a single tourism destination is underway; 5,000 brochures and DVDs as promotional materials were made and distributed to stakeholders during the World Major Tourism fairs in London and Berlin. The sector has prepared to participate in a Lucerne Summit, in June, 2008 and TICAD for May, 2008, Japan. The completion of the preparation work on the establishment and operationalisation of the East African Tourism and Wildlife Co-ordination Agency has been completed. Draft report and operational manual for the agency has been prepared and will be considered by the Secretariat Council in July.

Mr. Speaker, Sir, with regard to Education, Culture and Sports, Science and Technology sector, the following were achieved: During the first quarter of 2007/2008, the conclusion of EAC Students Essay Writing Competition for the year 2007; best students were awarded with prizes and accorded a fully covered tour of East Africa. Framework for the establishment of the East African Science and Technology Commission (EASTECO) has been developed. In addition, the East African Kiswahili Commission has been established and preparations to operationalise the Commission are underway. A draft protocol for the EAC Culture and Sports Commission has been developed. Bills for the IUCEA, the EASTECO, and the Kiswahili Commission have been developed and await enactment into Acts. Tools to verify the application of partner States, which want to host the newly established EAC institutions, have been developed and a programme and budget for verification has been made.

Issues on immigration, labour, employment and refugee management were effectively aired during the National stakeholders' validation workshops on the labour studies, which came up with the recommendation on the harmonization of employment policies and

labour legislation in East Africa. The Sector also participated actively in the common market study process and in the validation of the study finding for the partner States and at the regional level.

Mr. Speaker, Sir, activities to undertake regional manpower survey and the preparation of the survey budget were initiated in collaboration with our partner States. The third meeting of the Ministers responsible for labour and employment held in October 2007 endorsed a labour study recommendation and the manpower survey budget and agreed on road map for holding of an extra-ordinary summit on poverty alleviation and employment creation in East Africa.

Recruitment of a Gender and Community Development Officer was done in December 2007. The officer, who is expected to report by 1st June, 2008 will be responsible for operationalizing the regional gender and community development framework as adopted by the Council in November 2006 and to develop the framework and forum for civil society mobilization and participation in the activities and programmes of EAC.

Mr. Speaker, Sir, under the health sub-sector, the process of the establishment of the East African Health Research Commission (EAHRC) was successfully undertaken. Preparations to operationalise the Commission are underway. The 2nd Ordinary Session of the EAC Sectoral Council of Ministers of Health was held in September, 2007 and made recommendations which will be forwarded to the 15th EAC Council of Ministers for further action.

The EAC Secretariat is currently in the process of developing a funding proposal in collaboration with various international collaborating development partners in support of priority regional health projects and programmes in the areas of health research and policy, HIV/AIDS, sexual and reproductive health and rights, e-health, management information systems, integrated disease surveillance and response, health professional training and practice, medicine and food safety, as well as pharmaceutical regulation and practice.

Mr. Speaker, Sir, in the past year, the Defence Liaison Office (DLO) liaised and co-ordinated a number of defence activities covering the following areas: A study on the establishment of peace and security directorate was undertaken. This study enabled the policy organ to make a decision on development of an EAC holistic protocol on peace and security, which is going on.

A road map on actualization of shared utilization of availed technical defence facilities and formulation of the Defence Research and Development Policy; completion of the Command Post Exercise Cycle and holding of the first EAC field training exercise on peace support operations; counter terrorism and disaster management. The Unit also coordinates meetings on performance evaluation of MOU on co-operation defence; exchange of information between the chiefs of military intelligence; coding and checking secure communication of the defence chiefs; performance review and evaluation of the third edition of the sports and culture week. The Unit also carried out a research on the

way forward in strengthening EAC co-operation in defence as well as undertook exchange visits among the armed forces headquarters.

Mr. Speaker, Sir, in the past year, the inter-State security sector continued with the implementation of the EAC strategy for the regional peace and security. The strategy elaborates majors with a view to developing best practices to meet the challenges of combating crime in the EAC region. The effort complimented by the establishment of the Sector Council on inter-State Security during the 15th meeting of the Council. The Secretariat Council is charged with initiation and development of the policy on co-operation within the sector.

The chiefs of police at their last meeting underscored the urgent need to harmonize computerization of national identity cards in the EAC partner States is one of streamlining free movement of persons in the region. On the whole, enhance measures to protect East Africans as well as visitors as they go about their lawful business within the vast East African region.

Proliferation of small arms and light weapons remained the single-most serious challenge to security in the EAC region. The sector embarked on the implementation of the small arms program that will enhance the task of implementing the same among the partner States. The program focuses initially on development of an institutional legal policy and political framework for SALW control and identifying aspects of national action plans. Where there exists undertaking of preliminary work associated with the development of NAPS, funding was also made available to regional and national civil society umbrella organizations to strengthen networking and sharing of information, taking into account the need to have a specific measure in place to support the key integration benchmarks. The programme strengthened the national SALW focal point to develop the national action plan.

The Sector continued to implement the AU project of capacity building regional economic committees. Upon endorsement of the Summit, the office of EAC/AU Liaison office has been established based in Addis Ababa, Ethiopia. The Liaison Officer appointed at their 15th meeting of the Council reported to Addis Ababa on 9th May 2008. The main objective of the office is to provide liaison between the AU and the EAC in implementing the continental architecture on peace and security under the AU Protocol establishment of the Peace and Security Council of the AU.

Mr. Speaker, Sir, in line with the directive of the 16th Extra-Ordinary Summit, the launching of the national consultation on fast-tracking the EAC political federation in the Republics of Rwanda and Burundi was done in February and March 2008. The launching in Burundi was done by His Excellency President Nkurunziza on 28th February 2008 and Rwanda by His Excellency President Kagame on 3rd March 2008.

The National Consultative Committee is scheduled to complete its work within a period of four months from the launching. In line with the Council decision on the establishment of a working group on good governance, the Sector convened a meeting of the working

group whose recommendations were presented to the Council. The Council directed the development of a comprehensive regional framework on good governance that should cover all the pillars of good governance, including democracy and the rule of law, anti-corruption ethics and integrate social justice and equal opportunity, human rights and gender quality.

Mr. Speaker, Sir, the Council adopted a draft protocol on anti-corruption, ethics and integration and directed the convening of a meeting of the heads of the anti-corruption authorities for consideration. The Sector also convened a meeting of heads of national electoral commissions in May 2008. The chairpersons of national electoral commissions recommended the establishment of an EAC Electoral Commission Forum vide a policy framework to be determined by a sub-committee of experts tasked with the exercise.

The first meeting of heads of national human rights commissions was held in Arusha on 12th and 13th February 2008. The meeting considered the national policy strategy programme and challenges towards the promotion and protection of human rights developed in the EAC Bill of Rights and the plan of action on the promotion and protection of human rights in the region.

Mr. Speaker, Sir, pursuant to Article 123 of the Treaty for the establishment of the East African Community, it is imperative that partner States define and implement common foreign and security policies. This implies aggregating the inter-community policies and developing strategy objectives and action for the committee vis-à-vis its relation with other entities of the world.

The main focus of EAC department of international relations is on developing modalities for strengthening relations with other regional and international organizations and enhancing the Community's competitiveness on the global arena.

Mr. Speaker, Sir, a major challenge for our region is to create popular awareness appreciation and participation in the regional integration process. To this extent, the Council approved that the EAC re-branding Committee encompasses the development implementation of new EAC marketing and publicity strategy and upgrading of the East African Information and Public office into a directorate of Co-operation, Communication and Public Affairs.

I am pleased to report that preparatory work has been done on the project and already a number of activities have been undertaken in launching the project. In particular, the first and second EAC Media Summit held respectively in Nairobi in April 2007 and in Dar-es-Salaam in April this year which the chairperson had honour to officiate, have yielded tremendous response among the media fraternity.

Mr. Speaker, Sir, the Annual Media Summit has now been institutionalized. They bring together the top leadership of the media of our region, owners of media houses, CEOs and leading media practitioners and have recently committed the highest level to media support of the EAC integration process.

In the period under review, the highlight of activities and innovation of the EAC re-branding projects was the involvement of celebrities and leading artists in the region. In various promotions of the EAC, publication of advertisements about the EAC in leading international publications during major events such as the World Bank meetings in Washington and the Commonwealth Heads of Government Meeting (CHOGM) held in Kampala in November 2007; launching of the annual EAC Update Publication and the fortnightly EAC e-newsletter; new generation EAC brochures, including the EALA brochure as well as general promotion materials were produced and distributed. Elaborate programme of EAC publications is ongoing, including publications of the amended EAC Treaty, the EAC Development Strategy 2006-2010, and the EAC Annual Report 2006/2007 and The Community magazine. Other on-going activities and preparations include the launching of competition for the re-design of the Community Logo and Flag in view of the recent enlargement of the EAC by the admission of the Republics of Burundi and Rwanda and prospects for further enlargement.

Mr. Speaker, Sir, re-branding the EAC will require a well endowed, highly organized and recognized corporate communications and public affairs function in the EAC, taking into account detailed corporate communication and other challenges facing the region and developing strategic intervention and messages. It can be noted that the EAC re-branding project received ready support from our development partners. In 2006, the development partners made pledges totalling USD1.2 million under the EAC Partnership Fund to launch the project for a three-year period 2006-2008.

Mr. Speaker, Sir, however, there was a delay in the development of the Partnership Fund and the EAC own bureaucracy relating to the operationalisation of the project. It has not been able to roll out fully today. Special attention will be paid in the period ahead to re-launch the project, including convening a special meeting of EAC Ministers Council to consider and give the definitive way forward in the operationalisation of the directorate of corporate communications and public affairs.

Mr. Speaker, Sir, in the finance, human resources and administration areas, professional staff undertook training and result-oriented management following the introduction of the new organization structure implemented in March 2007. The Human Resources Department continued to provide overall capacity building and training program to raise the quality of human resource base. A total of 26 professional posts were advertised, short-listed, interviews conducted and letters of offer given to qualifying candidates, including 20 from Rwanda and Burundi.

Other qualitative interventions introduced in the period under review were development policies and procedures on HIV/AIDS in the workplace that await consideration and approval of the Council, and development of the operation plans and aligning the same to the overall EAC development strategy. The construction of EAC headquarters is of paramount importance to the Community. The project was effectively started at a workshop that involved all relevant stakeholders on 21st to 22nd February 2007.

The project consultant in the EAC carried out the necessary review in the amendment of the project to incorporate, among other things, relevant consideration to the accession of Rwanda and Burundi into the EAC by adjusting preliminary design accordingly, as well as establishing the actual social and functional requirement with respective project assessment. This exercise was done and concluded by the end of June 2007, leading to an increase of the project size and cost by about 46 per cent.

The German Government has expressed willingness to finance the additional cost. The award of the contract is expected by the end of July 2008, while construction is planned to take 30 months, including the six-month defects liability period. The project is, therefore, expected to start from September 2008 and be included by October 2010.

The Finance Directorate implemented the upgrade of some system of software from 426 to 533. Basic trends of the new system were also undertaken during the year. Further, the Finance Directorate is to facilitate the financial management of major projects under the Partnership Fund, AU capacity building, the Africa Capacity Building Foundation as well as miscellaneous donor funding like IDRC, Rockefeller Foundation, Swiss Tropical Institute, WHO and E-Government project.

In this Financial Year, EAC is expressing funding problems due to the fact that up to now, less than two months to the end of the financial year, only 65 per cent of the total budget has been paid. Further delay in respect of donor funding after the budget has been approved has also been experienced in the financial year 2007/2008. This will have implications on the implementation of the planned activity of the Community for the financial year 2007/2008.

Mr. Speaker, Sir, I would now like to turn to the activities of the various organs and institutions of the Community – The East African Legislative Assembly, the East African Court of Justice and Lake Victoria Basin Commission. In so doing, I will underscore the fact that all of them discharged themselves well in the period under review.

The East African Legislative Assembly:

The second EALA which was inaugurated on 5th, June, 2007 has stepped very confidently in the shoes of its predecessor, and accomplished a large program within a very short time of inauguration, debating and passing the following Bills in rated order; the Lake Victoria Transport Bill 2007; The EAC Appropriation Bill 2007; the EAC (Supplementary) Appropriation Bill 2007; the EAC Custom Management (Amended) Bill, 2007, and the Summit (Delegation of Powers and Functions) Bill 2007.

In the remaining course of the year, a number of other Bills, including EALA Election Bill 2007, will be finalized. The following Bills are in the pipeline for passage by EALA in the immediate period ahead; Lake Victoria Basin Commission Bill, The Inter-University Council for East Africa Bill, The EAC Kiswahili Commission Bill, and the EAC Civil Aviation and Oversight Bill, the East African Health Research Commission Bill. The East African Science and Technology Bill will be tabled for debate in the

Assembly. The EAC Trade Negotiation Bill, 2007 has been tabled as a Private Member's Bill. Committee work was also stepped up, with all the six committees carrying out visits to EAC projects, programs and institutions in strengthening the EALA oversight functions.

The East African Court of Justice

As regards the East African Court of Justice activities, it continued to discharge its mandate by handling requests coming before the court, including Ref.No.1 of 2007, James Katabazi and 20 other vis-a-vis, the Secretary-General of East Africa and the Attorney-General of the Republic of Uganda. In Ref. No.3 of 2007, East African Law Society and four others vis-a-vis the Attorney-General of the Republic of Kenya, and others which have been handled. The court committee and court plenaries were equally engaged with on-going administrative matters in Finance and Administration, Rules and Procedures and Court Publicity and Training.

The Council has provided resources for human resource and equipment to meet the requirements of the amendment to the Treaty for the Establishment of the East African Community, reconstituting the court into two divisions, the First Instance Division and the Appellate Division.

Mr. Speaker, Sir, with regard to the institutions of the Community, I am also pleased to observe that the Lake Victoria Fisheries Organization maintains a high performance in the harmonization, coordination and implementation of the various measures in promoting sustainable use of the fisheries resources of the Lake Victoria involving a wide range of stakeholders. The Inter-University Council of East Africa is implementing the 2006/2007 strategy in promoting higher education research in East Africa. The East African Development Bank vigorously pursued its challenge to turn into a lead financing agency for regional development projects and progress, and has established, very clearly, the readiness to play a role in the period ahead as we strive to deliver tangible benefits of the regional integration.

The Lake Victoria Basin Commission

The activities of the Lake Victoria Basin were focused on the launching of the Lake Victoria Environment Management Project Phase II, and on the whole, the operationisation of the Commission, the Lake Victoria Transport Bill 2007, as well as the Lake Victoria Commission Bill, 2007, were subjected to public hearing in Kenya, Uganda and Tanzania, and thereafter, to detailed consideration by the appropriate sub-committee of EALA. The EALA considered and passed the Lake Victoria Transport Bill 2007 on 19th, September 2007. The Lake Victoria Basin Commission Bill 2007 was referred to the Council and is to be tabled in the forth-coming Fifth meeting.

Navigation equipment and other accessories for the vessel *M.V. Jumuiya* have been procured and installed. Hydrographic survey over ports of Mwanza, Kisumu and Fort Bell has been completed. Preparation for the proposal of a new policy to regulate water release from the Lake Victoria is at an advanced stage. The water balance equation, as well as the legal implication, has been reviewed as a basic input to the modelling of the

required flow regime. The recruitment of consultants to carry out the actual modelling and propose the requirement quality was completed and submitted on 3rd, April 2008. Monitoring and backstopping of activity under the Mt. Elgon region eco-system conservation program is on-going. The project is being subject to a mid-term review in April and May 2008. A study tour around Lake Victoria by Permanent Secretaries and ambassadors will be conducted from 16th to 27th May 2007.

The Supplementary Budget for Financial Year 2007/2008

Mr. Speaker, Sir, I am foreseeing development vis-à-vis in the course of financial year 2007/2008. The necessity expenditure is over and above the approved budget. This situation arose as a result of various challenges in the area of prevention and control of both human and animal trans-boundary diseases, which continue to take a heavy toll on life, as well as impact negatively on the regional economy.

In recognition of the importance of these trans-boundary diseases the EAC secretariat convened an extra-ordinary meeting of the EAC Ministers responsible for livestock, wildlife, tourism, information in 2006/2007. The meeting directed a number of options to be taken to contain this tragedy. Among others, the harmonization of trans-boundary system within the EAC is to be undertaken. Others are mobilization of resources to fund capacity, research, surveillance and emergency, a preparedness plan in EAC, establishment of an EAC trans-boundary human and animal disease, emergency preparedness and a response fund and constitution of an integrated regional human and animal disease steering committee. The plan and budget request for an integrated regional emergency preparedness and response to trans-boundary human and animal disease in East Africa was presented to the extra-ordinary meeting of the Council of Ministers in 2007.

The Council of Ministers approved US\$648,274 being the counterpart funding for a period of five years. In the first year, 2007/2008, the Secretariat was directed to draw the required US\$129,654 from the float fund in the remaining period of the project. Funding is to be included in the annual Budget of the Community.

In view of the above, this Supplementary Budget is, therefore, being presented to the Assembly for approval. Mr. Speaker, Sir, the Budget for the Financial Year 2008/2009 has been developed, taking into consideration the Third East African Community (EAC) Development Strategy (2006-2010) whose main theme is deepening and accelerating integration.

The programmes that are being proposed for implementation in the Financial Year 2008/2009 are within the broad and specific objectives stipulated in the development strategy for implementation in the Financial Year 2008/2009. I would highlight them as follows: Consolidation of the EAC Customs Union; establishment of Common Market; laying the foundation of EAC Monetary Union and delivery of a concrete objective with regard to infrastructure development; agriculture and food security; development of industries and promotion of Information and Communication Technology (ICT); tourism;

trade; investment; construction of the EAC Headquarters; promotion of popular awareness and participation in the EAC. These areas, as well as Lake Victoria Basin development, environmental management, role of the EALA in legislating and the East African Court of Justice (EACJ) in solving court cases and implementation of the Treaty will constitute the major area of expenditure pressure in the coming Financial Year.

The Budget Estimates for the Financial Year 2008/2009, therefore, target deepening and widening of EAC integration. The need to strengthen the EAC Secretariat role of co-ordination of the regional programmes has been strongly felt and expressed. To this extent, the Budget proposal provides for the reinforcement of the Office of the Secretary-General in providing the leadership in the vision setting and management for vibrant and highly visible regional integration. The Council is also making provision for the strengthening of the structures and operation of the Office of the DSG political federation, the Defence Liaison Unit, the Legal Affairs Department and the Directorate of Corporate Communication and Public Affairs, in view of the need to deepen the integration process to the various activities in the important political aspects of the regional integration.

The Budget Estimates also puts emphasis on the central facilitative role of the Finance and Administration Directorate to provide enhanced institutional capacity in human resource, physical equipment, operational streamlining, financial management and ICT up-scaling for the organization to the highest level in accordance with the international standards. Indeed, in keeping with the latest demand, ICT development provides the biggest challenge for organizations. In this regard, special attention is paid to respond to the ICT requirement. Provision has been made in the Budget to acquire advanced computer hardware and software towards full-time internet connection in the region with improved utilization of a dedicated bandwidth to include radio, video conference system, heavy duty LCD, multimedia projectors, computers and electronic data transfer systems between the EAC Secretariat and partner States.

Similarly, the EAC library and documentation centre will be ICT enhanced in its printing, publishing and overall updating, exchange and dissemination of information databases. These measures taken as a whole will revolutionize communication as well as in gender saving in the overall EAC operations.

The Budget that I am presenting today also puts emphasis on the EAC Headquarters construction, where the focus will be on the sourcing of additional funding for the project, taking into account the expansion of EAC, additional accommodation and equipment requirements of the East African Legislative Assembly and the East African Court of Justice.

Mr. Speaker, Sir, the Project and Programme Division is the heart of the integration process. The Division will be charged with heavy demand under the 3rd EAC Development Strategy in delivering the concrete objective of the Community. Among these priority areas are the development of regional capacity, Market Authority, the conclusion of negotiations of the Common Market Protocol and launching of the EAC

statistical project that will itself be crucial in regional development, providing the statistics to aid decision-making anchored on reliable and comparable statistics. The Council is placing great emphasis to statistics in terms of a resource allocation.

I am also pleased to note the support extended by the development partners, in particular the African Union (AU) to the tune of US\$0.8 million and the development of an implementation framework for the East Africa census 2010 project and US\$0.7 million by UNFPA. Giving the concrete orientation of the EAC programme in the period ahead, information and statistics management will be worked mainly being investment and private sector development projects, infrastructure development and consolidation of the Customs Union, in particular, the easing of Rwanda and Burundi into Customs Union, elimination of NTBS and capacity building for trade negotiations. The EAC negotiation is the block in the multilateral forum.

Mr. Speaker, Sir, considering a broad view of the future outlook of the EAC, I would like to take this opportunity to restate the economic emphasis of the EAC integration. In doing so, I also underline the fundamental issue of political will and co-operation in the Community. Over the past year, the EAC engaged through on-going consultative process on the movement towards the political federation of East Africa. The pursuit of the political federation objectives provides the spirit that drives the effort in building a single and strong regional block that we are intent upon. Without resolute political will and clearly articulated and embraced political will, we can only hold back the integration process. The critical issues before the EAC and, indeed, the Assembly today, including the strengthening of our regional block, hinge on the political will. Time has come when we must re-examine our position on the question of political will in the integration process. In starting this, I have in mind, co-operation in foreign policy co-ordination and co-operation in defence, regional peace and security matters. It is these aspects of our co-operation that we must now place equal emphasis on, as we determine the moulding of East African identity and solidarity that would render our regional integration meaningful and purposeful.

It is these areas of co-operation that touch on regional peace, defence and security, that are a source of worry and uncertainty among our people. We cannot succeed in our resolve to build a secure, stable and peaceful environment that ensures that free movement, interaction and transaction of lawful business by our people, if we do not quickly roll out concrete protocol that binds us over these areas of co-operation. It gives hope to note that some of these issues, in particular, on foreign policy co-ordination of inter-State defence and security co-operation are highly on the EAC agenda today. I would urge you, as an Assembly, to take up these matters in earnest, in both your legislative oversight and outreach functions. In steadying the cause of our regional integration, the EAC should maintain constant orientation as a decisive organization with clear results-focused appreciation of a mission, emphatic, measurable and demonstrable intervention that leaves no doubt as to our seriousness of purpose and commitment to protect our sovereignty and promote peaceful and friendly co-operation in the East African Region.

Mr. Speaker, Sir, I believe that I speak with the full support of this august Assembly that the EAC would not, has not and will never shy from its cordial responsibility in the prevention, management and resolution of conflicts that may at anytime arise in our region. This position is not only notable in accordance with the provision of the East African Treaty, but also the AU and UN conventions that assigned a frontline role of regional mechanism in the prevention and management of conflict. In this regard, I would like to draw the attention of the Assembly to a very important commitment, which the EAC Partner States have entered into under the 11th National International Congress on the Great Lakes, and in particular, the pact on security, stability and development in the Great Lakes Region, which was signed by our Heads of State here in Nairobi in December, 2006, and which all EAC Partner States have since ratified, addressing the root cause of the conflict, establishing good governance, just and equitable order of society, and on the whole, maintaining pro-active posture in the prevention of conflict and invoking the relevant mechanisms for management and resolution of conflicts whenever they arise in the region.

Today, even as we follow closely the economic developments in our region, we are called upon, more than ever before, to pay closer attention to the aspects of political co-operation in the regional programmes, with a similar commitment and resolve as we do on trade and economic co-operation aspect.

Assumption in the Budget Estimates for the Financial Year 2008/2009

Mr. Speaker, Sir, the Budget for the Financial Year 2008/2009 has been prepared with specific assumptions in mind, namely: Continued and consolidated political support for the East African Community; maintaining stability and enhancing convergence of macro economic environment in partner States, including controlled inflation and stable and predictable exchange rate; availability of adequate and timely financial resources; access to earmarked financial and technical assistance, support from EAC's Development Partners; improvement in human resource capacity, including additional staff and timely recruitment as the activities of the community expands.

The EAC during Financial Year 2008/2009 will intensify the process of EAC integration through diligent implementation of Summit and Council decisions and EAC Development Strategy. Major activities that will be undertaken during the Financial Year 2008/2009 and which have significant Budget implications include: Negotiation on the East African Common Market Protocol and free movement of the people; study on the EAC-Monetary Union, intensification of the programmes of infrastructure development, statistics, implementation of customs and trade, capacity building and finalisation of negotiations between the EAC and the EU on Economic Partnership Agreement (EPA).

The activity plan in the Financial Year 2008/2009 and prediction for the 2009/2010 and 2010/2011 are geared towards consolidation of achievements so far made and also take into account constraints faced during the previous financial year. Owing to the fast going and expanding mandate of the Community as we progress through various stages of integration, the existing programmes and prior records have been reviewed within the

framework of the EAC Development Strategy 2006-2010. New priorities will continue to emerge for which additional financial resources will be required to enable the implementation of the EAC with its programme in the medium term.

Summary of the Budget for Financial Year 2007/2008

Mr. Speaker, Sir, given this policy review and presentation of the Budget as already considered by the Council, the Council of Ministers recommends to the EALA to debate and approve the Budget of the EAC for the Financial Year 2008/2009 of US\$30,561,232. This figure represents a 9 per cent increase in the partner States' contributions. However, taking into account the contributions from the Development Partners, the Budget for the Financial Year 2008/2009 reflects an overall increase of 7.9 per cent. The Budget has allocated to the EAC Secretariat US\$162,890.23; Press Liaison Unit, US\$696,276; Directorate of Customs and Trade, US\$1,871,842; EALA, US\$6,819,609; East African Court of Justice; US\$2,443,657, and Lake Victoria Basin Commission, US \$2,440,825. This Budget is to be financed by Miscellaneous Income of US\$150,526, Revenue Float of US\$662,108, Development Partners' contribution of US\$6,329,590 and the contributions from Partner States of US\$23,418,936.

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

The Speaker: Honourable Members, the proposal on the Floor is:

THAT This Assembly do resolve itself into:

- a) A Committee of Ways and Means to consider and approve the Financial Statement for the Financial Year 2008/2009 and;
- b) A Committee of Supply to consider and approve the Revised Estimates of the Expenditure for the Financial Year 2007/2008 and the Estimates of Expenditure for the Financial Year 2008/2009.

Honourable Members, debate is now open. But while the debate is open, I think you will need to internalize these documents. So in view of that, we shall continue with the debate on Tuesday, next week. But before I adjourn the House, I would like to make a few statements.

First of all, I would like to recognize the presence of Justice Kassanga Mulwa, who is a Judge in the East African Court of Justice - (*Applause*).

Secondly, we will have our House Business Committee meeting right after this sitting. So, the honourable Members of the Committee please take note that we have a small meeting after this with the Chairman of Council.

Thirdly, there will be a seminar tomorrow for SID (Society for International Development). There is a document that is being circulated right now, but I think the

main document is the one that was circulated yesterday. The seminar starts at 9.00 a.m. at the New Stanley Hotel, and we will have transport leaving Chester House at 8.45 a.m.

Thirdly, there is a dinner reception which has been organised this evening, and I think you have all received your invitation cards. It is going to be tonight at 7.00 p.m. Please, do not be late.

ADJOURNMENT

With those few remarks, I would like to adjourn the House until Tuesday, at 2.30 p.m.

(The House rose at 3.40 p.m. and adjourned until Tuesday, 20 May 2008, at 2.30 p.m.)