



EAST AFRICAN COMMUNITY

EAST AFRICAN LEGISLATIVE ASSEMBLY (EALA)

Official Report of the Proceedings of the East African Legislative Assembly

100TH SITTING – SECOND ASSEMBLY: SECOND MEETING– FOURTH SESSION

Tuesday, 16 December 2010

The East African Legislative Assembly met at 2.30 p.m. in the Chamber of the Uganda National Assembly, Kampala.

PRAYER

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

The Assembly was called to order.

PAPERS

Ms Catherine Kimura (Kenya): Hon. Speaker, I beg to lay on the Table the report of the Committee on Communications, Trade and Investments on the East African Customs Amendment Bill, 2010.

The Chairperson of the Council of Ministers (Ms Hafsa Mossi): Mr Speaker, Sir, in accordance with Article 132(2) of the Treaty and rule 75 of the Rules of Procedure of this Assembly, I would like to lay on Table the supplementary budget for the financial year 2010/2011. Mr Speaker, I beg to lay.

BILLS

FIRST READING

The East African Community Trans Boundary Eco-Systems Management Bill, 2010

Mr George Francis Nangale (Tanzania): Mr Speaker, Sir, I beg to move that The East African Community Trans Boundary Eco-Systems Management Bill, 2010 be read for the First time.

A Hon. Member: Seconded.

The Bill is referred to the relevant committee.

BILLS**SECOND READING****The East African Community Customs Management (Amendment) Bill, 2010**

The Chairperson of the Council of Ministers (Ms Hafsa Mossi): Mr Speaker, I beg to move that East African Community Customs Management (Amendment) Bill, 2010 be read the Second time.

The Counsel to the Community (Mr Kaahwa): Seconded. .

The Chairperson of the Council of Ministers (Ms Hafsa Mossi): Mr Speaker, Sir, the Protocol on the establishment of the East African Community Customs Union was signed by the Heads of State on 2nd March 2004. The implementation of this Protocol started on 1st January 2005. Under Article 37 of the Protocol, the Partner States undertook to honour their commitments in respect of other multilateral and international organizations to which they belong. Article 37 further provides that the Community shall coordinate its trade relations with foreign countries so as to facilitate the implementation of a common policy in the field of external trade and shall formulate a mechanism to guide the relationships between the Customs Union and other integration blocks, multilateral and international organizations.

Mr Speaker, Sir, the partner States undertook to identify the issues arising out of their current relationships with other integration blocks and multilateral and international organizations of which they are members in order to establish convergence on those matters for the purposes of the Customs Union.

While one Partner State belongs to SADC, the rest belong to COMESA. The World Trade Organization recommends that countries cannot belong to more than one customs union because of the difficulties in the implementation of different common external tariffs and the different rules of origin.

In order not to disrupt trade arrangements of Partner States, within COMESA and SADC, an interim measure was made in the EAC Customs Management Act under Section 112 where preferential tariff treatment for goods imported into the EAC from SADC and COMESA was preserved for a period of two years which was subsequently amended twice for an extra two years and will expire on 31st December 2010.

Mr Speaker, Sir at a meeting held in October 2008, the Tripartite Summit of EAC, COMESA and SADC Heads of State decided that a Free Trade Area (FTA) be established between EAC, COMESA and SADC. Preparations for the FTA are ongoing where the relevant instruments are being developed. A Tripartite Summit to launch the Free Trade Area is slated for March, 2011, and thereafter, the negotiations will commence.

In order to finalize this process and enable EAC trade as a block, the ERAC requires more time to negotiate and develop the legal framework with the two RECs. This Free Trade Area will address the issue of multiple memberships in as far as trade is concerned. The EAC will engage these RECs as a Common Market.

Mr Speaker, Sir, it is against this background that the Council of Ministers has introduced this amendment Bill. The principle object of this Bill is to amend the East African Customs Management Act, 2004 to facilitate the discharge of the functions of the Directorate of Customs as provided for in the Act and to facilitate EAC Partner States to continue trading on a preferential basis in COMESA and SADC without disruption.

The proposed amendment of Section 112 will extend the application of the preferential tariff treatment under COMESA and SADC from 31st December 2010 to 31st December 2012. As the committee has indicated in its report, I will be moving an amendment in this regard. The proposed amendment will:

- a) Enable Partner States to continue trading on a preferential basis within COMESA and SADC until the tripartite Free Trade Area comes into effect;
- b) Enable the East African Community to conclude the ongoing Free Trade Area arrangements with COMESA and SADC; and
- (c) Be in accordance with Article 37 of the protocol establishing the EAC Customs Union which recognises trade commitments partner states had prior to the coming into force of the customs union.

Mr Speaker, in light of the justification of this Bill, which I have elaborated, I beg to move that the EAC Customs Management Act (Amendment Bill) 2010 be read for the second time.

The Speaker: Hon. Members, the proposal on the Floor is that the EAC Customs Management (Amendment Bill) 2010 be read a second time. The debate is now open.

Ms Catherine Kimura: Mr Speaker, I beg to present the report of the Committee on Communications, Trade and Investments on the East African Community Customs Management (Amendment Bill) 2010.

In accordance with Article 14 (iii)(b) of the treaty for the establishment of the EAC, the chairperson of the Council of Ministers introduced the EAC Customs Management (Amendment Bill) 2010 to the Assembly on 14 December 2010 in Kampala, in the Republic of Uganda for the first reading. Consequently, the Bill was committed to the Committee on Communications, Trade and Investments for review and report thereafter in accordance with Rule 66 of the Rules of Procedure.

Mr Speaker, the committee at its meeting held on 15 December 2010, in Kampala, reviewed the said Bill committed to it by the Assembly. During the review, the committee invited the Council of Ministers to provide clarifications and justifications on the Bill. The committee members duly attended the meeting, the chairperson of the EAC Council of Ministers, the Counsel to the Community, the Director of Customs, the Principal Customs Officer and the Principal Legal Draftsman.

The committee observed that the Council of Ministers is requesting the amendment of the EAC Customs Management Act 2004 to extend application of preferential tariff treatment for COMESA and SADC from 31 December 2010 to the time when the tripartite Free Trade Area is implemented.

The amendment to Section 112 (ii) of the EAC Customs Management Act 2004 was proposed to read as follows “*Preferential tariff treatment shall be applied to goods referred to in Subsection (i) (a) up to the date to be determined by the Council.*”

Mr Speaker, the Council of Ministers argues that the amendment will enable the EAC to conclude the on-going free trade arrangements with COMESA and SADC; implement the directive made by the heads of state at their first extra-ordinary summit held on 11 April 2002 and subsequent decisions by the Council in 2004 for the EAC to negotiate as a bloc within four years from 2004 to be in accordance with Article 37 of protocol establishing the customs union, which recognises trade commitments partner-states had prior to the coming into force of the customs and to be in accordance with WTO recommendation that countries cannot belong to more than one customs union.

The committee considered the argument by the Council of Ministers and made the following observations:

- i. The committee was concerned about the open-ended amendment, which empowers the Council of Ministers to determine at its pleasure the application of the preferential tariff treatment, pegging it to the completion of the tripartite FTA.
- ii. The committee did not accept the proposed amendment as such an open-ended period without a time frame would create an unpredictable business environment within the trading blocs.
- iii. It was the view of the committee that the Council of Ministers needs to work within set milestones.
- iv. The committee has noted that the council has sought the amendment prior to the expiry of the expiry period that is 31 December 2010. This is an improvement on the previous two extensions, where the EAC Council of Ministers allowed for the expiry of the period prior to seeking extension of the term.
- v. In view of the arguments advanced by the Council of Ministers, the committee recommends to the House and extension of two years up to 31 December 2012.
- vi. The Council of Ministers made an undertaking to report progress of the matter to the Assembly annually.

Mr Speaker, The committee further recommends to the Assembly that:

- i. The integration process and the timeframe set for the various stages of integration should not be compromised by any external arrangements.
- ii. Activities of the EAC should always be in line with the integration objectives.
- iii. The Council of Ministers should endeavour a culture of accountability, responsibility and transparency to enable the organs of the community to exercise their mandates.
- iv. The committee urges the Assembly to direct the Council of Ministers to request for such extensions at least three months prior to the expiry date.

Mr Speaker, the committee acknowledges the facilitation accorded by the Assembly and appreciates the improvements by the Council of Ministers for initiating such an amendment in good time.

In conclusion, the committee hereby submits this report to the Assembly and humbly urges the Assembly to support it. Thank you.

Dr James Ndahiro (Rwanda): Thank you, Mr Speaker. The basis of our report was two-fold. The first one was the integration process: Members of the committee thought that all organs of the community should work to strengthen the integration process. Belonging to the EAC on one leg and stretching the other to other economic bloc was not a good indication of our integration agenda. We were informed that negotiations for the EAC, SADC and COMESA were scheduled for March next year. Members of the committee – some of them – were of the view that we should not give them a period exceeding six months, at most one year to make sure that they come back and tell us where they have reached with the integration agenda. Otherwise, giving them too much time and an open-ended period was not helpful.

Mr Speaker, the other basis was that as responsible leaders of the community, we should cultivate a culture that will allow us, in case we achieve our ultimate goal – which is political federation – to have a community with institutions that do their work; respect each other and; carry out their mandate in good faith. Since each organ and institution of the community has got its own mandate they should carry them out throughout.

Members of the committee were of the view that getting away the responsibilities of the Parliament to the Council of Ministers by saying that you will give us a period until the Council of Ministers shall determine- We thought that, that was ridiculous. We need to carry out our mandate, they need to carry out their mandate but we need to coordinate so that we carry the integration agenda together.

Mr Speaker, Sir, the issue of mindset is one of the challenges of this Community. We have to work together; all institutions and organs to make sure that we freely understand that we are all together in this mission otherwise in building a Community as strong as the Community we envisage, we need to observe the rule of law. If the legal framework we establish provides for a procedure, we should follow the same procedure. We are here to work. Anytime the Council of Ministers feel they have an amendment to make, they should come to the Parliament. We are here to facilitate each other but let them not try again to take away the powers of the Parliament.

Mr Speaker, Sir, we thought that by giving two years, this was a good compromise because we understand that negotiations take a long time and when we asked for a road map, we were told that we are in the preparatory stages kicking off in March next year.

We compromised our positions, agreed to two years but again requested the Council of Ministers to come after one year to brief the Parliament on how far they have gone with negotiations. We shall not wait for two years to receive an amendment. We want after one year to receive a report from the Council of Ministers telling us how far they have gone. Unfortunately, that is not captured in their amendment but it is down in our minutes and we have agreed.

I therefore urge you Members of this House, to support our report. Thank you very much.
(Applause)

Ms Dora Byamukama (Uganda): Mr Speaker sir and hon. Members, I want to support the report of the Committee on Communications, Trade and Investment on the East African Community Customs Amendment Bill, 2010.

Mr Speaker sir, I have some issues which I would like to raise and I would like to start from the point which was mentioned by the honourable Chairperson, Council of Ministers in respect of the fact that this particular part of the Act has already been amended twice so in effect, this is the third time that an amendment is being brought on this particular issue.

The question I would like to raise is that when you look at the initial proposal that the bill seeks to extend the application or preferential tariff treatment under COMESA and SADC from 31st December 2010 to the time when the tri-partite FTA is implemented, it is very clear that even with the new amendment of 31st December 2012, that there is maybe lack of will to operationalise this part of the law or there is intention to ensure that the Second Assembly, which has been following up on this issue, will no longer be in existence and most likely not be able to follow up on this issue.

So Mr Speaker sir, I have concern bearing in mind where we have come from, where extensions have not been adhered to, where extensions have expired and this has not been brought to the House and now the proposed extension is within a time frame where the Second Assembly will no longer be in existence.

I would like clarification as to whether there is any good will or any effort to ensure that this aspect of the Treaty is enforced and implemented and if not, I would like to propose that we should maybe delete it and think of what else to do because here we are, as I said before, we are building our own house as a Customs Union then suddenly, all the members who are building the House decide to also build houses elsewhere.

We asked before whether a country can belong to two customs unions and the answer was not explicit. I am glad today to hear that the Council of Ministers has conceded that this cannot be the case.

Therefore, I am asking kindly that maybe there is need for us as an East African Community to go back to the drawing board so that we can agree and decide as to whether we want to go ahead or whether we want to make one amendment, which we will be able to implement.

Mr Speaker sir, I have concern because in legislative drafting, when you draft without clarity and without certainty and there is no consistency then what you are drafting really cannot stand the test of time and can be challenged in courts of law very effectively. For example appending the extension to the time when the tri-partite FTA is implemented, which time is not within our control, which time does not have set timelines, which time is in anticipation, makes it very difficult for me to support this bid to amend this law to 31st December 2012.

I would like to support hon. Dr Ndahiro's idea that if we must and considering that this was considered by the Heads of Summit then we as an Assembly, with a mandate of oversight, should insist that the extension is made for one year and I would like to amend this proposal and propose that after six months this house should get a report which clearly stipulates steps taken to ensure that this Tripartite FTA is implemented so that we are sure that by the end of December 2011 we shall be in position to move forward on the issue of the Customs' Union.

Mr Speaker, I beg to support the motion and I pray that the council of ministers gives us clear answers and suggestions on how we should move forward because it is embarrassing for this assembly to keep on amending one piece of legislation year after year and I would like to congratulate the committee because this was presented on 14th December and obviously if the committee was not vigilant, or if the committee had other duties, it means that these duties were set aside and therefore attention had to be given to this.

Therefore, with these comments I would like to support the report of the commit.

Dr Aman Kabourou (Tanzania): Thank you, Mr. Speaker, Sir. I stand to support this report by the committee and wish to report that I am a member of that committee but it does appear like my dear sister Hon. Byamukama had read my mind and we were thinking alike.

Those of us from the republic of Kenya or those who have been following events in the republic of Kenya for some time, will recall that we had an Attorney General in the 80s who to the consternation of many in Kenya considered to the abrogation of the security of tenure accorded to the office of the Attorney General. And this resulted of course in that office being stripped off that security that had ensured that that office discharged its responsibilities without interference.

Mr Speaker, the proposed amendment to the East African Community customs management act to give the council of ministers an open cheque to decide when and how to deal with issues at hand puts us in a very similar position. It attempts to take away in my very respectful view the ability of Parliament, the EALA, to be engaged in the process of integration and the speed with which integration in EA proceeds.

In my view, it is the responsibility of this assembly of this House to reject any attempt to abrogate or in any manner stifle the ability of the house to determine or to engage in the integration process of East Africa.

It is the responsibility of the council of ministers in my view to push and agitate for a more expeditious negotiating process with regard to the future relationship between the community and other integration processes.

Mr Speaker the provisions of article 130 of the treaty for the establishment of EAC directs that the community shall respect the existing commitments by the partner states in other integration processes. And it is for this reason that I support this motion and proposed amendments subject to the amendments that we have proposed, that provided that Tanzania remains a member of the East African community, and at the same time a member of the Southern African Development Corporation, then the community should respect its commitments.

However considering the very important integration process in which we have voluntarily engaged ourselves and submitted ourselves to under the treaty, it is the responsibility of the council of ministers to negotiate now as a community not the partner states to negotiate but the EAC to negotiate as a group with SADC and to negotiate as a group with COMESA and urge the partner states to cease being members of these other configurations.

Mr Speaker, as has been stated by my colleagues who have spoken before me, who have made their contributions before me, if we peg our development integration on our other commitments elsewhere, we stand the risk of sabotaging the integration of East African Community.

Therefore, subject to these reservations and only to the extent that this gives the council of ministers an opportunity to negotiate expeditiously, there are suitable trading arrangements with other integration processes in East Africa including SADC, I will support this motion. Thank you.

Mr Dan Kidega (Uganda): Thank you Mr Speaker for giving me the chance to contribute on this debate. This is not the first time I am debating this same matter, in this same chambers here and I think it is a clear testimony that somebody is not doing their job and I think the assembly is not doing its job and repeatedly.

We debated here, argued here and the council of ministers convinced us in these chambers here that with in two years something was going to be done and they would report to us. I am not a member of the committee but from the report, it looks like from the time we sat to-date, there is no report to that effect that was presented to the committee.

And I think this is a serious matter. The challenges of multiple membership into regional blocks-what the scholars of integration refer to as spaghetti bowl syndrome, is not unique to East Africa community alone. Most trading blocks or communities world over are finding challenges on how to deal with multiple membership, because they have their challenges ranging from financial costs to human resource constraints.

I think EAC compared to other regional blocks on the continent and elsewhere is way ahead of most of these blocks. So we can not move relative to them or in comparison to their speed of integration.

I think we should just follow our agenda or road map of integration irrespective of which other block we are relating with and negotiate with them in our own terms as a block at whatever stage of integration we are in. if I were a member of the committee I would have not accepted any compromised position on this Bill before presentation of a clear road map by the council of ministers. *(Applause)*

We are doing exactly what we did, I think like a year or so ago, two years ago, in these chambers and I am not so sure whether we are not going to do the same thing this second assembly or the third assembly time to come. By the fact that these things are happening there are issues that underpins the non action or the delay.

To me, I think there are political and economic issues that the council of ministers should put clearly to us what the issues are, speculatively, Mr Speaker, I know economically most of the countries that are in COMESA enjoy huge exports to the COMESA market through the FTA, and once you have negotiated a trade regime, to come out of that regime requires an alternative for you to continue trading smoothly.

Politically, I know for a fact that there are benefits that some of these countries benefit from these other blocks. So, for us to solve this problem EAC must look at the benefits that the

member states benefit from these blocks and domesticate them within the community. If a member is say in SADC or COMESA, and has some political benefits from those blocks, why can't we bring the unique benefits that a member enjoys in that block into the EAC?

For example I know there are issues of certain protocols which have delayed within the East African setting that could be promoting the existence of some member states in those blocks. We want to see protocols on defence, protocol on foreign policies within the community brought and concluded and signed.

Some of our membership into those blocs is because we enjoy maybe certain provisions of political defence of foreign nature in those blocks. If East African community can conclude its defence policy and foreign policy, maybe it will hasten politically existence – the withdrawal of some of these members from these blocks.

I still would like to implore the council of ministers that in accepting the compromised position they in this house must give us a tentative road map of what is going to happen within the time allowed to them. I support the position of the committee. Thank you.

Ms Lydia Mutende Wanyoto (Uganda): Thank you Mr Speaker, Sir. I am a member of the committee on communication trade and investments and I stand to support the report of our committee, raise one or two issues as a matter of concern.

Mr Speaker, the issue of the customs union and the directive of the summit took place in 2002 directing that we should work out mechanisms as East Africa to negotiate as a block. This is 2010; eight years and we have not been able to realign our block, to negotiate as a block and to see where COMESA stands and EAC stands.

Mr Speaker, this is a very serious issue and I want to be on record to say that what the assembly is experiencing today as we push issues of the customs union is likely to happen on the phases of the common market because just in this session we were raising issues of making operational protocol on the common market, yet this assembly more than once has asked for a legislative line up – or pieces of legislation that we shall require to make operation of the common market and up to now we have not had an opportunity to what it will take the assembly to participate in making operational protocol on the common market.

Mr Speaker, I was looking at the front bench of the council of ministers and I think I am right to say that none of them was here in 2002 in the council and this bring a challenge to us as an assembly. I think we need to enjoy summits and we have to be candid about this.

If you look at article 14 of the Treaty it empowers and gives a lot of powers to the council of ministers to drive the integration process. I am not aware of any elaborate process whether it is handover of appointment to ensure that there is clear continuity of some of these programmes of integration process or even follow up and delivery of mechanism.

It may sound like it cannot work because these are political appointments or we are interfering in what we are not supposed to but this assembly has the responsibility to raise issues that are likely to affect the integration process.

Mr Speaker, I was in this House in 2002 and we began the rigorous campaigns to have council ministers appointed solely for the EAC so that they are able to stay here, drive the integration process uninterrupted, follow up undone business and be accountable to the East Africans so that we are able to deliver this project called the East African integration.

So when you have an issue that was supposed to have happened in 2002 and we are here not to celebrate its achievement but to lament that we need to extend it for another two years, to me it is a concern that we need to raise to the summit, even through the Council of Ministers themselves – to sit down and look at what is it that they need to do to have deliverables. Surely we cannot be in this House today to talk about a matter that would have been done eight or nine years ago. There is a problem, hon. Members, of follow-up on undone work, in deliverables and we should be held accountable if we do not push the Council of Ministers to do their work or even to draw such serious issues to the attention of the summit.

I would be happy like we have done in the past; that this Assembly in its own way, either through a select committee, re-visits all undone business on the customs union; draw a memorandum and; bring it to the attention of the Council of Ministers and push it to the summit. This is because at the end of the day, if things do not get moving, this Assembly is almost always blamed for undone work of the community when we have shared responsibilities in terms of different organs of the community.

So as a member of the committee, of course I support the report of the committee. But I am very disappointed that we can be here today to discuss an issue that we have talked about more than six times. Actually I remember that even as early as 2003 and 2004, we were raising issues that we needed to do as an Assembly to make the customs union operational. But up to today you do not feel it nor see it; people talk about challenges, elections, change of government but this project must move on. So we have not been able to live to the speed and aspirations that we promised the East Africans. Actually, we sometimes do not walk the talk and it is a challenge for this Assembly because if people do not walk the talk then the Assembly must come up to push everybody to do their work.

Mr Speaker, the issue of trading blocs has become a song in this Assembly and I hope that our committee, and maybe with support from the rest of the Members, should be able to draw a more serious agenda to push the council and the summit to do this work and we get out of this problem, other than bringing Bills for us to support and to lament about.

I support the report of the committee but I beg that at an appropriate time, this Assembly needs to take more corrective measures on the way we are doing business in terms of the phases. Thank you.

The Chairperson, Council of Ministers (Ms Hafsa Mossi): Mr Speaker, Sir, here is the response to the debate. I wish to thank hon. Catherine Kimura who presented the report of the committee, whose contents I have noted. I appreciate the observations and recommendations. I also thank the chairperson of the Committee on Communications, Trade and Investment, hon. Dr James Ndahiro. His far-reaching and constructive views on the need for focus of the integration process and the effective intra-organ collaboration are matters that need to be imbedded in our joint efforts to advance the EAC. I do appreciate.

The council remains conscious of this august House's legislative roles. In matters governed by the law, the council will, therefore, always intercede with the legislative Assembly.

I also wish to thank hon. Dora Byamukama and hon. Akhaabi for their overview on the imperative to abide by the treaty and the Customs Management Act and the need to always advance the integration process in a timely manner and to emphasise EAC's negotiations as a bloc.

I also thank hon. Dan Kidega for his able contribution on the importance of the need for the council to update this august House on progress in addressing the question of partner-states' multiple membership in regional economic blocs.

Hon. Kidega's emphasis on providing the establishment of the political federation through the agreed steps is important and it seeks to propose to the council a quick process of resolving some of the teething problems that we are facing.

Regarding hon. Byamukama's contribution, I wish to inform this House that based on the committee's view the council has reviewed the amendment such that it has a timeline up to 31 December 2012. This is because the whole process is going to start in March next year – when we are going to start the negotiations as far as the free trade area is concerned. So we think that it will take up to one year for the negotiations and that is why we have put the time line for 2012. In this regard, the council is in full support of the recommendations of the committee. The council will endeavour to update this House on the progress of the tripartite free trade area and I wish to commit that the council will report at the end of 2011.

Regarding hon. Akhaabi's intervention, I wish to inform this House that the EAC is going to negotiate the tripartite free trade area as one entity with positions based on the customs union and common market. The partner-states will not negotiate based on national interests but they will be involved in the consultative process as a party of EAC.

The current membership to more than one regional economic bloc by partner states goes beyond trade matters. As you all know, some of these area based on historical and political reasons. The tripartite trade arrangement is the starting point for deeper engagement where a full-fledged agreement encompassing a wider scope including movement of people, the agreement will be between the three RECs and will spell out the relationships and also address the issues raised by this House.

I wish also to thank hon. Lydia Wanyoto for her contribution on the need to base our policy matters on clear roadmaps.

Mr Speaker, it is very important that we note that the integration process is a very elaborate path; it requires institutional structures and systems that should live beyond all of us. Our role is to build the strongest institutions that will ensure the work of the community remains on course. Let us ensure that the work of the community remains in gear as we are saving the community and those who come after us.

I thank you for all your contributions and I assure this House that we shall report back in a year's time on the work that has been done as far as the negotiations on Free Trade Areas are concerned. *(Applause)*

The Speaker: Hon. Members, I now put the question that the East African Community Customs Management (Amendment) Bill, 2010 be read the Second time.

(Question put and agreed to.)

Bill read a Second Time.

The Assembly in Committee.

(The hon. Abdirahin Abdi in the Chair)

BILLS

COMMITTEE STAGE

The East African Community Customs Management (Amendment) Bill, 2010

Clause 1

The Chairperson: Hon. Members, I propose that clause 1 be part of the Bill. Hon. Members I now put the question that clause 1 be part of the Bill.

(Question put and agreed to.)

Clause 2

The Chairperson: Hon. Members, I propose that clause 2 be part of the Bill.

Ms Kimura: Hon. Speaker, I would like to move an amendment to clause 2(2) of the Bill to read as follows: "The preferential tariff treatment shall be applied to goods referred to in Subsection 1(a) up to December 31st 2012." Thank you.

The justification is to give a timeframe for the conclusion of the COMESA, SADC, and EAC tripartite Free Trade Area.

The Chairperson: Hon. Members, you have heard the proposal?

Ms Byamukama: Mr Chairman, hon. Members, there is a proposal from the committee based on the report but there was a proposal also moved by a member of the committee supported by myself and I have submitted this amendment to the Clerks desk reading that it should be up to "31st December, 2011."

The Chairperson: Hon. Members, you have heard. I think there is a proposal here from hon. Dora to amend the committee's amendment to read: "31st December, 2011," and not 31st December 2012.

Ms Kimura: Hon. Chairman, the committee into reviewing the amendment proposed by the Council of Ministers took into consideration the fact that the launch will be in March 2011. It was; therefore, felt that they needed time to go through a consultative process between the Partner States and COMESA and SADC. In view of this, Mr Chairman, the committees is of the

view that two years would be adequate for the Council of Ministers to be able to arrive at a conclusion on this very important subject. Thank you, Mr Chairman. *(Applause)*

Dr Ndahiro: Mr Chairman, Sir, considering that the negotiations are set for March next year, I beg the indulgence of this House that the preparatory works are beginning into the year and now restricting this amendment to December 2011 will be giving a short timeframe and doing it would not serve us any good.

We discussed this issue for over two hours and we came to an understanding that two years is a good and sufficient time for the Community to have arrived at something tangible to report to the House. Mr Chairman, Sir, I beg the indulgence of this House to support the committee. Thank you. *(Applause)*

The Chairperson: This is the first time I am hearing the frontbench supporting something. *(Laughter)*

Ms Byamukama: Mr Chairman, Sir, I am hearing a change of mind but that notwithstanding, I think the point really is to operationalise the law. And we would like it to be done and to have a report at least annually. The other point is that we have never had a progress report on this issue. So, I would like to say that since we were not informed earlier, if the commencement of the negotiations is going to be in March, consistent to the principle of having some annual progress report, and maintaining our role as a parliament which has the oversight mandate, then this could be moved to march 2011 where we will be in this House and able to monitor the progress of the implementation of the Customs Union Act.

This Customs Union Act is very important to the peoples of East Africa and it is paramount that we do not relegate it to the Third Assembly which may not have the kind of information and knowledge that we have garnered over this time. So, I beg to move an amendment so that we can consistently monitor it on annual basis and move it to March 2012, where we shall also still be in this House and able to monitor it. And we hope as per the recommendation of the committee, we shall have regular reports at least bi-annually to keep us abreast. I beg to move.

The Chairperson: Hon. Member, what are you now doing? Are you withdrawing your earlier amendment and bringing another one or what are you doing now?

Ms Byamukama: Mr Chairman, since hon. Ndahiro could amend the amendment of the committee and thereafter amend his own amendment-

The Chairperson: No, hon. Ndahiro did not amend anything. *(Laughter)*

He only implored this House to follow the committee's amendment; that is all he did.

Ms Byamukama: On a serious note, I would propose that we give a year from March 2011 to March 2012 and in March 2012 if need be, the Council of Ministers can come to this House which has been so gracious and we shall see what progress what progress will have been made. So, in effect I am making an amendment to that effect. I beg to move.

Ms Kimura: Mr Speaker, Sir, I am asking this House to support the report of the committee and I do hear what hon. Dora is saying and we are very conscious as a committee that the Council of Ministers has been rather lax in dealing with this matter.

We were conscious of that even as we made this proposal. For your information, Mr Speaker, the Council of Ministers did come back to the committee with a proposal of four years which the committee felt was not reasonable and practical.

Mr Speaker, the committee would really beg this House to consider the proposal on the table mainly because we know the consultative process that goes on through our system. The Council of Ministers, the Sectoral Council, the Summit and all that and it takes time. We are also aware that our Partner States are going through election processes and therefore even in terms of the times they can meet, there are certain limitations.

It is in view of all those facts, the committee considered that two years would be reasonable and further went to request the Council that they bring a progress report on an annual basis.

I am aware that Members would like to conclude this before this particular Parliament comes to an end in June but the Assembly will continue even if the current members are not there. Please, I beg your indulgence, let us support this report. Thank you, Mr Speaker.

The Speaker: Hon. Kimura, I think you better come and sit here, you are doing a good job for them. With that, I think the honourable has given you a good- You are conceding, I hope?

Ms Byamukama: No, I am not conceding sir. I am standing by the 31st.

The Speaker: Okay hon. Members; let us put a vote on the amendment by hon. Dora. I put the question on the amendment by hon. Dora that states, "The date to be determined by the Council 31st December 2011". I didn't get the March one; I am just reading the December one. I told you to write it and you haven't written it. She is talking of 2012. Honourable, we have gone through this; you never put it in writing. I now put the question on hon. Dora's amendment.

(Question put and negatived.)

The Speaker: Hon. Members, when the Speaker says yes or no- Hon. Patricia, are you questioning the Speaker first? The answer is no.

Secondly, if you look at the rules, there are ways on what to do if the Speaker did not hear properly. Not that you are questioning but he did not hear properly. So unless you have that which you don't, I think you only have three members instead of the required number. Next.

Hon. Waziri, I think there was a proposal on the floor from the committee. What do you say about it?

Ms Mossi: I support the proposal and the clause of the bill will be amended by deleting the words "date to be determined by the Council" in the proposed amendment and replaced with the words "31st December 2012".

The Chairman: Hon. Members, I put the question that Clause 2, as amended, be part of the bill.

(Question put and agreed to.)

The Title

The Chairman: Hon. Members, I propose that the title be part of the bill. I put the question.

(Question put and agreed to.)

MOTION FOR THE HOUSE TO RESUME

The Chairperson, Council of Ministers (Ms Hafsa Mossi): Mr Chairman, I beg to move that the House do resume and the Committee of the Whole House reports thereto.

The Chairman: Hon. Members, I now put the question that the House do resume.

(Question put and agreed to.)

REPORT FROM THE COMMITTEE OF THE WHOLE HOUSE

The Chairperson, Council of Ministers (Ms Hafsa Mossi): Mr Speaker, I beg to report that the Committee of the Whole House has considered the bill entitled the East African Community Customs Management Amendment bill, 2010 and passed it with amendments.

MOTION

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

The Chairperson, Council of Ministers (Ms Hafsa Mossi): Mr Speaker, I beg to move that the report of the Committee of the Whole House be adopted.

The Speaker: I thought you were talking of seconding, hon. Munya. Is there someone to second the minister?

The Counsel to the Community: Seconded

The Speaker: Hon. Members, I now put the question that the report of the Committee of the Whole House be adopted.

(Question put and agreed to.)

BILLS'

THIRD READING

The East African Community Customs Management (Amendment) Bill, 2010

The Chairperson, Council of Ministers (Ms Hafsa Mossi): Mr Speaker, I beg to move that the East African Community Customs Management Amendment Bill, 2010 be read the Third Time and do pass.

The Counsel to the Community: Seconded

The Speaker: Hon. Members, I put the question that the East African Community Customs management Amendment Bill, 2010 be read a Third Time and do pass.

(Question put and agreed to.)

Bill reads a Third Time.

MOTION

FOR THE CONSIDERATION AND APPROVAL OF THE EAC SUPPLEMENTARY BUDGET ESTIMATES FOR THE FINANCIAL YEAR 2010-2011

The Minister for EAC Affairs Rwanda, and Chairperson, EAC Council of Ministers (Ms Hafsa Mossi): Mr Speaker, I beg to move that the Committee of Supply do consider and approve the supplementary budget estimates of \$ 18,784,993 to the budget of the East African Community for the Financial Year 2010-2011.

The Counsel to the Community (Mr. W.T. Kaahwa): Seconded.

Ms Mossi: Mr Speaker sir, I beg to move that this esteemed Legislative Assembly resolve into a House Committee to debate and approve the proposals by the Council of Ministers of the East African Community for the supplementary budget of the East African Community for the Financial Year 2010-2011.

The Hon. Members will recall that during the presentation and debate of the EAC budget for the Financial Year 2010-2011 in Mombasa in May 2010, the Council promised to bring later the supplementary budget of the Community once the funding arrangements have been confirmed.

Mr Speaker sir, the supplementary budget is mainly contribution from the development partners.

Allow me to point out that the absorption of development partners funds overall is dependent on disbursement as they are made. Usually there are delays in such disbursements and the Council of Ministers is working on a resource mobilisation strategy to address these challenges.

Mr Speaker sir, I am pleased to report that following the confirmation of financing arrangements by the development partners and the subsequent consideration of the supplementary estimates by the Council of Ministers during its 21st ordinary Meeting held in November 2010. I am now ready to present the supplementary budget for debate and approval by the Assembly.

Mr Speaker sir, from the budget speech of May 2010, you may recall that the theme of this year's budget is 'Operationalising the Common Market and laying the foundation for a Monetary Union'.

Kindly note that some of the priorities of the Community for this Financial year 2010-2011 include consolidation of the Customs Union, operationalisation of the EAC Common Market, introducing in the East a African Legislative Assembly such bills required for the implementation of the Common Market, launching of the negotiations of the EAC Monetary Union, strengthening of the integration of Rwanda and Burundi to the Community, launching and implementation of the East Africa food security and climate change policy, intensification of programs on infrastructural development, preparation of strategic plans on gender, children,

youth and women on socio-economic development, completion of the industrialisation policy and the investment strategy, deepening of cooperation in defence, security and political matters, promotion of sustainable management and utilisation of environment and natural resources, enhancement of the implementation of the Lake Victoria Development programs, continuation of the construction of the EAC headquarters in conclusion of the tri-partite free trade area arrangements of COMESA, EAC and SADC.

Mr Speaker sir, in view of the above priorities, the Council of Ministers is further seeking approval of the supplementary budget of \$ 18,784,993 for the Financial Year 2010-2011 in accordance with Article 132 sub clause 2 of the Treaty for the Establishment of the East African Community.

Mr Speaker sir, the supplementary budget is for the following projects:

1. Preparatory study for oil products pipeline from Kigali to Bujumbura
2. Power master plan and grids code study
3. Dar es Salaam-Tanga-Mombasa natural gas pipeline study funded by the African Development Bank infrastructure project preparatory facility. The agreement was signed in September 2010 for \$ 947,854.
4. EAC financial sector development and regionalisation project funded by the World Bank to the tune of \$ 1 million and the agreement was signed in July 2010.
5. Strengthening trade in agricultural inputs in Africa funded by International Fertiliser Development Centre to the tune of \$ 55,000 and the agreement was signed in July 2010.
6. Conflict prevention management and resolution small arms and light weapons project funded by the European Union under EDF 9 to the tune of over \$ 1 million. The agreement was signed in July 2010.
7. Participation of African nations in sanitary and Phyto sanitary standards, setting organisation funded by the African Union inter African phyto sanitary Council to the tune of \$ 209,800 and the agreement was signed in September 2010.
8. Construction of EAC headquarters funded by the government through KFU to the tune of over \$ 9 million.
9. EAC capacity building project funded by DFID through Trademark East Africa to the tune of over \$ 1 million and the agreement was signed in September 2010.
10. Veterinary governance project funded by the European Union under EDF 9 to the tune of over \$ 100, 000 and the agreement was signed in November 2010
11. Climate change project funded by the Norwegian government to the tune of over \$ 100,000 and the agreement was signed in October 2010.

12. Regional political integration and human security program funded by the European Union under EDF 10 to the tune of over \$ 900,000 and the agreement was signed in October 2010.
13. Support to the EAC Common Market environment and natural resources and customs union funded by USAID to the tune of over \$ 2 million and the agreement was signed in November 2010.
14. Support to the EAC-EC-EPA negotiations funded by SIDA to the tune of over \$ 1 million and the agreement was signed in November 2010.

During the consideration of the supplementary budget by the Council of Ministers in November 2010, two projects namely trans boundary eco systems bill, 2008 funded by the African Union Commission to the tune of over \$ 70,000 and support to EALA phase two funded by Westminster Foundation for Democracy to the tune of over \$100,000 were not considered.

Upon the request by the Secretary-General and after consultation with members of the Council of Ministers, we have decided to include the above projects in the supplementary budget for your debate and approval.

Mr Speaker, Sir, based on the above, we are requesting this august House to approve the supplementary budget amounting to \$18,784,993 for the Financial Year 2010-2011.

Mr Speaker sir, before concluding my contribution, I would like to take this opportunity to first of all thank our development partners for the continued support to our integration agenda. In particular, I would like to recognise the following; Germany, Norway, the United States of America, Sweden, the African Development Bank, the World Bank, International Fertiliser Development Centre, the European Union, the African union inter-African council, trademark East Africa, African Union commission and Westminster Foundation.

I would like to also thank this august house for the continued support, collaboration with the council of ministers. I thank you. I beg to move.

The Speaker: Hon. Members, the proposal on the floor is that this assembly do resolve itself into a committee of supply to consider and approve the supplementary expenditure of 18,784,993 as the budget of the EAC for the financial year 2010/2011. Debate is open.

Ms Nassor Sebtuu (Tanzania): Mr Speaker, Sir, in accordance with provisions of Article 59 and 132 of the treaty establishing EAC and with rules 72 and 79 as well as annex 5 (f) of the assembly rules of procedure, I beg to present to the house for the report of the general purpose committee on the supplementary budget of the EAC for the financial year 2010/2011 for consideration and adoption.

EAC secretariat on the 3rd of December 2010 presented a supplementary budget amounting to \$ 18,605,793 following consideration by the 21st ordinary meeting of the council of ministers held on 30th November 2010 to the assembly for debate and approval. The supplementary budget amounts are summarised as shown below in the reports.

Mr Speaker, Sir, the content of this table has been presented by the chairperson of the council of ministers in her speech and in her reports page 4 and 5. So, I am not going to repeat it.

After consultation with the council of ministers and the deputy secretary general of EAC the committee considered an addendum to the supplementary budget for the EALA to the supplementary budget amounting to \$178,700.

Methodology

The committee adopted the following methodology; analysis of the following documents, the supplementary budget estimates for the financial year 2010/2011, reports of the 21st meeting of the council of ministers, all MOUs, agreements and contracts on funding, which are included here – the 2010 committee budget report of June 2010, and among those all MOUs, the EAC advanced agreements for preparation of proposed financial sectors development and liberalisation projects, the NEPAD IPPF grant for the feasibility study for the natural gas pipe line from Dar-es-Salam to Tanga and Mombasa letter of agreement, Germany Financial corporation with EAC construction of the new EAC headquarters in Arusha Tanzania, a supplement to the memorandum of the understanding dated 13 August 2007, the EAC and the international Fertiliser centre, the MOU between the African Union commission, and the Inter African Bureau for Animal resources and the EAC on the implementation of the participation of African Nations in sanitary standards organisation programme, November 2009.

The EAC annual procurement plan 2010/2011, a brief of the veterinary governance of the EAC, the addendum to the supplementary budget from EALA that was considered upon the request of the house business committee of the EALA, letter of agreement, NEPAD infrastructure project preparation facility, supplementary grant for EAC and EAAPP, regional power master plan, Germany Financial Corporation with EAC construction of the new EAC headquarters in Arusha Tanzania separate agreement to the financing agreement dated 17th March 2005; funding confirmation from trade market east Africa for the capacity development plan, first amendment so assistance agreement between the united states of America and the EAC;

Conflict prevention management and resolution in East and Southern African on small arms and light weapons, financing agreement no RSA 002/05, African Union Commission, EAC, memorandum of understanding on the trans-boundary eco-system bill 2008 and the EALA Westminster foundation for democracy, capacity support agreement phase II.

The committee also held consultation with the council of ministers and officials of the EAC secretariat.

Consideration of the EAC supplementary budget for the year 2010/2011

The committee on general purpose considered the EAC supplementary budget for the year 2010/2011

The committee on general purposes considered the EAC supplementary budget for the year 2010/2011 from Monday 13th December 2010 to Thursday 16th 2010 and met with Hon. Chairperson of the council of ministers, members of the council of ministers, deputy secretary general of the EAC in charge of productive social sector and his team of EAC officials.

The committee also considered the addendum to the supplementary budget from the EALA which in consultation with the council of ministers has been included into the main supplementary budget. The committee would like to register its appreciation to the council of ministers and the EAC officials for the usual cordial and cooperative spirit in which the consideration of the supplementary budget of the financial 2010/2011 was held.

All the documents requested by the committee were readily availed which significantly facilitated the work of the committee. The questions and issues raised by the committee and the corresponding explanations and responses are attached in annex I.

The committee was satisfied with all the explanations and responses furnished by the council of ministers and the EAC secretariat.

Findings and observations

The committee reminded the secretariat that during its consideration of the financial estimates for the financial year 2010/2011 at the last budget session held in Mombasa the republic of Kenya in June 2010 the committee has requested secretariat to always bring to the assembly for approval supplementary funds received before any disbursement.

The committee had further requested that all memoranda of understandings agreements and contracts had to be annexed to the budget documents; however, the necessary documents were not immediately available to the committee at the beginning of the consideration of the supplementary budget.

Recommendations

The committee recommends that the necessary documents be as a principle attached to the budget documents for ease of reference with the committee. The EAC SECRETARIAT and the office of the clerk EALA urged to critically examine the documents and ensure the mentioned annexes are duly attached before being transmitted to the committee and house for consideration and adoption.

The committee requests that prior to the consideration of the supplementary budget the committee should be given ample time to consider it and the necessary documents before the scheduled regular plenary session.

EPA negotiations

The committee noted that there were funds allocated to training of partner states EPA negotiating teams and expressed concern at the nature and levels of training in negotiation skills.

The deputy secretary general explained that due to the changing trends of training and advancement in technology which is getting into EPA there is need for training to acquire knowledge and capacity building which is essential.

Recommendations:

The committee recommends that while training is essential, ensuring quality back up teams and EPA negotiation is even more still vital and the composition of such teams should be diversified and create a strong backing up team well equipped to represent the interests of East Africa.

The committee further recommends that EAC EPA negotiation should aim at sustainable, coordinated consistent engagement. To this end, the partner states should put aside a budget for EPA negotiations so as to match available resources in the community and empower our negotiators to be able to take positions that would be in the interest of the people of East Africa.

Mr Speaker, in conclusion, the committee would like to express its appreciation to the following individuals who facilitated the work to the end of the consideration of the EAC supplementary budget. The chairperson of the Council of Ministers, Assistant Minister East African Affairs Tanzania, Deputy Secretary General, productive and social sectors, Mr Alex Obatre, Deputy Clerk EALA, Mr Phillip Wambugu, Director Planning Infrastructure EAC, Mr Charles Mukiri Principal Internal Auditor EAC, Mr Toreto Salay, Senior Budget Officer EAC, Mr Stephen Mwilolzi, Budget Officer EAC and Mr Joseph Malesi Accountant EALA.

The committee would like to extend its gratitude to the hon. Speaker for giving it the opportunity to undertake the consideration of the EAC supplementary budget for the financial year 2010/2011 and the office of the clerk for facilitating the work of the committee.

The committee here by presents to the House for consideration and adoption of the EAC supplementary budget for year 2010/2011. Mr Speaker, I beg to move.

Maj. Gen. Mugisha Muntu (Uganda): Thank you Mr Speaker, Sir. I take this opportunity to thank the chairperson of the committee on general purpose for the comprehensive work you have done and the report that they have presented, and also to thank all those that have so far been thanked for facilitating that work to be done.

And to thank all the donor communities that have been indicated that are giving support to the different projects. However, there is one project to which I would like to take exception and I intend to move an amendment so that we withhold assent specifically to that project.

I agree entirely with the funding for 13 of the projects because they are critical and I think they are going to strengthen our capacities. However, I have exception not so much on the funding because I think this is a critical activity and it needs to be undertaken but it is the source of the funding and I will propose how I believe we should handle that, and that is number 12.

EPA negotiations

First I would like to thank the committee – because they have made observations and also recommendations on it, which I think on the map. The second paragraph of the recommendation says the committee further recommends that EAC/EPA negotiations should aim at sustainable coordinated and consistent engagement.

We are grateful to the committee for having made that observation and recommendation and they go ahead to say to this end, the partner states should put aside the budget, EPA negotiations so as to match available resources in the community.

But most critical the last part of that sentence "...and empower our negotiators to be able to take positions that would be in the interest of the people of East Africa" I would like to congratulate the chairperson and the committee for making that observation because it is very critical, and it is consistent with what the house debated and passed yesterday.

I am grateful for all those who participated in this debate and who supported in form of a resolution of EALA and adopted the position paper of the committee on communications, trade and investment and the economic partnership agreement and urging the EA partner states to pursue a favourable position on the EAC – EU EPAS-

What happened yesterday, basically, many people may not realise it, but yesterday we took a stand as an assembly by supporting the resolution and I really believe that we mean that. What does that do? It empowers our negotiators – negotiation is not just words. It is the psychological state of mind of the negotiators. *(Applause)*

They are at the front line; they need to understand that they have got back up.

Every moment they take a position, they need to know that there are people behind them who are not going to be weak need or bulk—international negotiations are quite complex. We are dealing with people who are sophisticated; we are operating in an environment where there are dynamic shifts in the global economic conditions in the world.

Anybody who is observant should realise that for the last century there has been an economic power blocks that had literary taken it for granted that they would be superior in the world. That has changed.

All these power blocks are now repositioning themselves for survival and in that game of survival, if you are weak, you will be eaten up. *(Applause)*

When economic blocks are pursuing their economic interests, they are roofless. But up to this point in time, many of us in this continent still think that there is good faith. *(Laughter)*

Some one said that in the world you don't get what you deserve, you get what you negotiate for. I can tell you in all these negotiations that we engage in nobody is going to do us a favour. It is impossible. They have got standards of living that they have built over time, they must be sustained. It is a question of life and death for them.

If it means suppressing us, they will do that without parting an eyelid. So, the way we position ourselves, ladies and gentlemen, honourable members, is very important. All these other 13 projects I consider them to be projects at a tactic level, you can have a road, you can build this capacity, maybe in one year, maybe you may delay for two years, it wont harm you.

EPA negotiations in as far as I am concerned is a question of life or death. For us who live long, for our children and our grand children. We are more or less looking at a situation that our

forefathers faced at the beginning of the last century when we were being curved up, \$1 million, we can't raise that, as a community?

We took a position yesterday, hon. Members, ladies and gentlemen, yesterday we took a position. And I hope we meant it, because these negotiations are not going to be easy. I would like to take this opportunity to thank the Rt Hon Speaker, I remember early this year when we detected that signatures could be appended again, when the speaker, I don't remember whether we were in Mombasa or Nairobi working round the clock, they sent a team of two members from the committee of trade.

I think first there were discussions which were taking place in Seychelles, it was a seminar and then subsequently in Dar-es-Salaam, I take this opportunity to thank some of our technical people in Brussels, they are not many, they are few, and within the community who have stood firm amidst being manipulated, and at times acting out there as if they are in the wilderness many times they don't get back up, at times some of the senior political people stab them in the back, but they stand their ground, because they are close to the technical issues, they know what it means for the future.

I would like to thank them for being that bold. The assembly yesterday stood up and took a stand, the question is, are we going to see through? If we want to see through, then we must be consistent. We must be consistent. People out there who are negotiating must know that the region backs us, even when we are going to difficult positions. That builds up their psychology.

I believe those who were in that workshop in Dar es Salaam when the region decided on the decision they took must be the happiest; those few individuals who have stood out amidst the difficulties that they go through.

My request, Mr Speaker, Sir; the Chairperson, Council of Ministers and the Chairperson of the Committee of General Purpose is simply that we withhold assent on this until February when we are going to sit in Nairobi, we give this period and the Council of Ministers goes and looks for other sources of funding and before then, I would like to make one specific request please. Brief the Summit because I don't think the Summit is involved in this. I think it was done at a middle level, I can see it is the customs department out of desperation maybe, which went and said, we need funding. I mean they just said okay and they gave the funding.

I have heard several of the members of the Summit when it comes to these issues only what they say- I know some of them and how deeply they feel about the integrity of the African people. I have heard many of them when they make comparisons with their fore fathers whom they keep saying sold us because of mirrors and beads. I have heard some of the members of the Summit saying that.

I also know that some of them are at the front line of trying to build capacities for Africa amidst very tough conditions. Some of them are under pressure. Brief them; tell them how the Assembly feels on this. Request them that they should look for an alternative source of funding. With the funds from SIDA, ask SIDA to shift those funds to some other funding. They can build a road or do whatever else but please, let us not fund these negotiations which mean life or death for our children and grand children. Give them some dignity when they are out there to know that they have been funded by the region, by the Partner States to negotiate and to take whatever firm

position they believe is in the best interests of the region. They should be able to look in the eyes of those people who will be sitting in front of them when they are negotiating and know that they can take any position because they have got back up.

For how long are we going to- I can understand when other people try to humiliate us, I cannot understand when we participate in our own humiliation.

Mr Speaker sir, this is my request. Unfortunately we never had time to discuss with the committee; we never knew that the committee was going to sit and that this was part of this. I am very sorry to bring this on the floor of the House, I normally want to sort out issues behind the scenes before they get here but we are time bad, we can't do anything. I would like to convince you, hon. Members of the House that we withhold assent to this. I only have one vote, I don't know how the rest of the members are going to vote but I just wanted to express my feelings on this issue. It means a lot to some of us.

Mr Speaker sir, thank you for giving me this opportunity.

Ms Patricia Hajabakiga (Rwanda): Thank you, Mr Speaker. I would like to thank the Committee on General Purpose along with the Council of Ministers to have taken seriously the recommendations of this House in relation to bringing the supplementary budget before it is disbursed.

However, the time frame in which we received this proposed supplementary budget denies the Members of this House time to actually go thoroughly into the matter in the budget itself. I hope that in passing this particular budget, this committee and the House would come up with a resolution on a time frame in which we have to receive budgets so that even those who are not in the committee have time to read the documents before we get into the plenary session. Most of all the documents- Some of us who are not members of the General Purpose Committee have just received the documents and that is really unfair and I think the Council of Ministers should think twice to allow also the members to be able to carry out their mandate and not just be rubber stamping.

Mr Speaker, turning to the report itself, let me echo hon. Muntu. I don't want to dwell on what he has already said because yesterday we took a decision on this House, we adopted a resolution, a position paper, it is like we are going to shoot ourselves in our own feet by adopting that budget line in terms of EPA support if we are to adopt it. I fully support the amendment which will be given by hon. Muntu.

On the same issue, Mr Speaker, I was wondering who did request for the \$ 1 million. Did it come from the EAC or did it come from the EU? I would like to learn this from the Council of Ministers and they tell us exactly how this project arose. In that case, we would be able to support it or not.

I would have expected the Council of Ministers to have mobilised funding to actually operationalise the EAC Joint Negotiations Act which would have provided this Community with permanent negotiators.

If these funds were to come from whoever but intending to build the capacity in operationalising that Act, I would be ready to support that amendment but if it just meant to build the capacity for

negotiating EPA, I would call this House and hon. Members to remove that particular aspect in this budget otherwise we are not doing a service to the resolution which we adopted yesterday.

Mr Speaker, there is one thing which I also want to point out and those who are members of the House Business Committee and I think also the Chairperson, Council of Ministers attended a meeting which we wanted a briefing from the Secretary-General on the issue of Trademark East Africa. Those who were in that meeting and it was this last week. Unfortunately the Secretary-General is not in the House today, probably he would have said something.

I remember when we asked about Trademark East Africa, he told us that so far, the EAC have only had only one interaction with Trademark East Africa and that they are still negotiating and that they were going to organise a meeting where they would meet members of the House Business Committee in the January-February Session in Nairobi so that we can also look at how we can cooperate so that the entire program is done to include all the organs and institutions of the Community.

Mr Speaker, to my surprise, this very afternoon- Because I am not a Member of the General Purpose Committee, I found a project from the same Trademark East Africa. It is a puzzle, Mr Speaker to realise that- I don't know, I remember I asked a question in that meeting as to whether probably the Secretary-General might not be aware of what is happening in his own Secretariat. The response was, oh hon. Patricia, which is unfair. How can this be that? How did this estimate and this particular project get to the Council because I thought the Secretary-General is also the accounting officer for the Community and should have been the one to send this document to the Council for approval.

Mr Speaker, you remember the Chair of Council gave a proposal that before any negotiations for programs for the Community, it would be good that all organs and institutions have time to look at them and see how we can all benefit for the betterment of the East African Community. This is not a small amount; I don't think it has just dropped as something in the ocean. \$ 1,114,832- I am sure someone sat down and wrote a project unless it is those things we simply receive for implementation when we don't even know what we want.

On the same issue, Mr Speaker, I looked at the document on the description of the project which is a capacity building project. The committee had commented on that part and raised the question on the administrative costs in relation to the capital cost. Here the description says the staff salaries is 1 million while the office equipment and furniture is about 100,000.

While I agree that there is really no big capacity in our EAC, I find it another way of the Secretariat getting competent staff without due consideration of other organs. This House lacks capacity to deal with its mandate in terms of staff. While the Assembly and probably other organs have to go through the usual channel for approval of posts who are employed by the Community, our fellows in the Secretariat have a loophole of having such projects which provide up to the tune of eight technical experts to support the work of the Secretariat.

Mr Speaker, I don't have answers of these issues, they are issues I just wanted to bring to the floor for members to digest and as we move forward, we need to learn how to solve some of these problems. I support the budget minus those amendments made by hon. Muntu.

Dr F. Lwanyantika Masha (Tanzania): Mr Speaker, like hon. Patricia, I find this exercise here very troubling in my mind. We are dealing with a lot of money, very little explanation in very short time. All the documents on this item I found them on my seat here and dealing with so much money with so many projects it hasn't been possible to digest all the details essentially.

Normally budget documents come in this format, I haven't seen a supplementary budget in this format so I am not sure whether it is being presented in our traditional manner and why it is not. I think we need some explanation.

As indeed already explained by some colleagues, the only information I can go by and I am not a member of the budget committee, the only information I can go by is the wonderful statement by the Council of Ministers hon. Mossi which I was able to read first. I wasn't able to read very fast the report of the committee but I got a gist of what it contains. I am still troubled. You know when you have a project which says preparatory study for oil; products pipeline from Kigali to Bujumbura, it is very clear, it is understandable and I have no problem supporting a project like that. When I get a project like EAC financial sector development and regionalisation project, what is that? Regionalisation project? What are we regionalising in that project?

But the only information I have to make a decision on the budget of \$ 1 million. In (j) regional political integration and human security program. What is that? And I am supposed to make a decision this afternoon on something so vague. EAC capacity building project funded by DFID, Trademark East Africa. This is the third time I have heard about this Trademark East Africa. What is it? Maybe members in the Budget Committee have had an opportunity to get an explanation what all these things mean but in the absence of documents explaining these things and that I was only able to see them this afternoon as I sat down in this hall, I find it difficult to be asked to pass them except for those who are very clear, the one on the oil pipeline project. There is another one construction of EAC headquarters, those are clear but I have a comment on that one as well.

Mr Speaker, yesterday I deliberately stayed quiet when we were discussing a well done document on our positions on the EPA negotiations. I commend the committee which did that document but within that document there was something which is repeated in these documents this afternoon including the statement by the chairperson of the Council.

On EPA negotiations, the segment being funded for EPA negotiations there is a reference to the effect that these negotiations were done in November 2010. It also appeared in the discussions yesterday. The negotiations have been signed that is what we have been told. So what is the money going to negotiate or is it negotiations for the ratifications- I don't know.

My friend hon. Muntu is correctly furious about this but the job has been done, the negotiations have taken place, we are being told the documents were signed in November 2010. Unless I don't understand English, they are not asking us to pass funds to go to negotiate, the negotiations have taken place and they have been signed. This is what I am reading here and that is why I didn't say anything yesterday on that wonderfully done paper because I thought it was an exercise in futility.

I get a feeling and maybe that is why I don't see the supplementary format, I get a feeling that some of the things being requested in here are not just requests but information to the Assembly

after all, how do we pass a budget for construction of the EAC headquarters which is already under construction and almost ready and you bring us to pass the budget? I get a feeling that we are being asked in some of these – We are just being given information. This is not a budget exercise, these are not supplementary budgets in the sense that we are being requested to approve. The job has been done.

Now I don't know- let me express appreciation as some have done that at least the Council of Ministers have been kind enough to bring these matters to our attention even if belatedly or *expo facto* but to come and request us to pass a budget on something which is already done or completed is preposterous to me.

Therefore perhaps to request hon. Muntu who is proposing an amendment to something which has been done, to just bear the futility of this exercise and not even introduce an amendment because it will be more exercise in futility - (*Interruption*).

Dr Ndahiro: Mr Speaker, I wanted to give the honourable information about the EPAs. It was not saying that EPAs was signed. They were meant to be signed but they were never signed. That is one. Two, the information I wanted to give honourable is about the budget lines. This is a supplementary budget which presupposes that some of these activities were part of our last budget and were duly approved. These names are just budget lines, they are not meant to explain what they are. Like for example, the financial sector regionalisation project stems from the decision by this Community to come up with one capital market regime, one stock exchange eventually and also to make sure that financial sector laws are harmonised so that this Community can mobilise long term funds to funds different activities for the Community such as infrastructure.

Therefore these are just budget items, budget lines. If you want further explanations, I think there are areas that you can get them. Thank you, Mr Speaker.

Dr Masha: Mr Speaker, Sir, I appreciate the information provided by hon. Ndahiro. May I suggest perhaps that he has a discussion with the Chairperson of the Council of Ministers who has told us in her statement and let me read exactly what it says “Support for EAC-EC-EPA negotiations funded by SIDA to the tune of \$ 1,083,590 and the agreement was signed in November 2010.” These are the words. The agreement was signed. I am not-

The Speaker: Honourable, the agreement with SIDA I think not with EPA for the funding.

Dr Masha: Alright, I concede. Nonetheless, let me go to the heart of the problem in this particular item which was very well clarified by hon. Muntu. If indeed then the negotiations have not started and given the wonderful positional paper which we passed yesterday, I didn't expect that sound minds would bring this kind of thing just a day later requesting us to more or less nullify the principles in the paper we passed yesterday.

Mr Speaker, bear with me, I will give you a little story. I worked with the United Nations for 21 years in New York and I remember at one of the negotiations going on in the UN in one of those years, a delegation from a country which I shall not name coming to negotiate with several advanced countries on an item together with the other people from developing countries. This was in winter. The negotiator from this country which I shall not name came to New York in winter without even a winter coat and when they received – The people they were going to

negotiate with went to pick up this guy at the airport, found him shivering in the cold, rushed him to a store to buy a coat and they found out he didn't have enough money to go and stay at a decent hotel so they put him up at a worthy hotel. This was on a Saturday.

On the Monday, he was going to negotiate on matters which were very important for his country with the same party that were buying this person this winter coat and putting him up at a hotel. I don't want to tell you the results of it but it is this kind of embarrassment that we might be putting ourselves in that the very people we are going to negotiate with are funding our negotiations.

I learnt English a long time ago and they say whoever pays the piper calls the tune. I don't know how you negotiate from that kind of weakness.

So I am in total agreement with the hon. Muntu on this particular case. Even though I conceded to hon. Ndahiro on that item on funding for EPAs, those negotiations, I still have a problem on the \$ 9 million for construction of the headquarters which is under construction. At least on that one- Maybe it is information i don't know. I know that this has come up in the budget earlier but if it is coming up again as a supplementary budget, is it that there is a short fall on the funds that were provided? They want extra money or they have provided extra money to complete it? Maybe the Budget Committee got explanations on these things but I must say there are items in here which don't make sense to me and the format in the manner in which it is brought to me is also very questionable. I find it difficult to support it but there are some items which are decent and good so maybe on the whole I would very reluctantly support the budget but I have problems with it. Thank you, Mr Speaker.

Ms Janet Mmari (Tanzania): Thank you, Mr Speaker for giving me this opportunity to contribute to this supplementary budget.

Mr Speaker, Sir, on the outset I wish to congratulate the Secretariat and the Council for having brought this supplementary budget here for approval before they spend it which means that the advice that we gave them before was taken and I believe we can work together. For that reason, I really commend and thank them.

Mr Speaker, Sir, usually when we talk of a budget, it means we have scarce resources that we want to allocate because the wish list is very long and those scarce resources must be allocated appropriately. I thank the chairperson of the Committee of General Purpose for having taken time to look into it, asked some questions and I thank the Secretariat and the Council for giving some answers.

However Mr Speaker sir, there are some areas in our Treaty that we have never looked at, at all. Those areas were actually provided for very clearly in the development strategy 2006-2011 but all these years we have always been told that there are no funds and probably according to maybe our priority list, that area has never been seen as an important area.

I am talking of Article 115 of the Treaty which talks of tourism, article 116 of tourism which talks of wildlife. Mr Speaker sir, if you may allow me to remind Members that when you look at the development strategy, there are some areas that we committed ourselves that we are going to look into. In of them was to market and promote East Africa as a single tourist destination. As far as I am concerned, I have never been given an update of what has been done by the Secretariat.

Two, it was to operationalise the East African Tourism and Wildlife Conservation Agency (EATWCA) and I remember the Council committed themselves that the agency was coming. So far nothing has been brought to this House, Mr Speaker.

Three, it was to implement the criteria for classification of hotels, restaurants and other tourist facilities. Mr Speaker,-

The Speaker: Honourable, before you continue, I don't know what gadget you are holding there.

Ms Mmari: Mr Speaker, we are supposed to be dot com this is a laptop and that is where I work. It is a notebook.

The Speaker: Well, first and foremost you are not supposed to be reading from anything. That is one. Secondly, if you read your rules also in terms of which electronic items are allowed in and out of this House, then maybe that will guide you and maybe you will be more of a dot com than you are now.

Ms Mmari: Point taken Mr Speaker. It is simply that I had copied the development strategy there; I will put it down, Mr Speaker.

The Speaker: You could write it somewhere and refer to it instead of reading from it.

Ms Mmari: Thank you, Mr Speaker. Point taken, Sir. What I am trying to say is that when you look at our development strategy and in particular when you look at article 115 and 116 on tourism and wildlife, nothing has been done.

In some Partner States and if I were to quote the constituency where I come from, tourism contributes about 16 percent of the GDP and I understand in some other quarters, it is either number two or number three of foreign exchange earners and it is a service that falls squarely under the common market which we are talking about but so far, when you look at everything that we have approved, tourism and wildlife doesn't feature anywhere.

So when I saw the 18 million, I was quite encouraged and thought probably they would have looked into this because it was properly provided for under the development strategy.

Mr Speaker, I can see that these monies have been allocated. Unfortunately when you read and I did not have time to read because I just found these papers here so I support what was raised by hon. Hajabakiga that at least we should have these papers in advance. But when I look at page 36, that is, the background paper because I had to look for the details - I saw that we were going to streamline procedures by the different authorities at the borders into a single process. And I was wondering if there is \$ 400,000 there, how come that we can provide for good and not be able to provide for services? So, I thought that probably – and I was going to move an amendment so that at least that particular service which concerns tourism should come under that provision of **P1A455** “Provision of adequate and reliable supporting infrastructure which would then streamline the clearance of procedures by the different authorities at the borders into a single process” There is \$ 400,000 there.

Further hon. Speaker, as I was thinking of where I was going to get the money which would then go into contributing to this very important sector, hon. Muntu did the job. I realised that we have \$ 1 million, which was going to EPAs negotiations. So, I was thinking, hon. Speaker that given the importance of this sector and given that we have within the four years that we had things that were to be catered for nothing has been done. We could probably look at a way of moving that amendment which was moved by hon. Muntu, which I seriously support so that the people who have negotiated for these monies can be negotiated to be put into tourism. Hon. Chairman with those few amendments, if I could be allowed to join that with hon. Muntu, I support the paper. Thank you.

Ms Kimura: I would like right on the outset to congratulate the committee for the work they have done and their report. I would also want to thank them for bringing to the attention of this House some very serious issues and reservations on this budget.

I sympathise with the committee because in their report, they say they had difficulties in accessing or having some of the documents that they required in good time so as to be able to interrogate this budget in a systematic manner. So, they were limited – the document seems to have been provided after they had started their work but in spite of that, they have done a good job.

Hon. Chairman I would like to associate my sentiments with Dr Masha on the format of this budget. I was a bit confused in the way it is presented. But nevertheless it does deliver the message.

I would like to again associate myself with the sentiments of hon. Muntu. Hon. Chairman, you afforded me and Dr Ndahiro an opportunity to attend a signing ceremony in Dar-el-Salaam for the EPAs in July. You were supposed to attend that ceremony; it was a signing ceremony and thank God that due to the position taken by this Assembly during the meeting in Mombasa and the motion that was passed, I believe you contributed, in a big way, in stalling that signing. So, this House should stand proud and stand tall that they have made their voice and they have made us proud in that process.

Mr Chairman, we were put in a very embarrassing position where upon some of us saying that our National Parliaments have not been properly briefed on the EPAs negotiations. We were told by the EU delegate that they have been providing funds for the empowerment of members and they went on to say that in fact your being here has been facilitated by EU.

So, you can appreciate the kind of psychological mindset that we were put into and when Dr Masha relates the story of that negotiator who had to have a winter coat first purchased for him at the hotel, I believe we were almost in that situation - our mouths are almost being gagged because we are her courtesy of the EU.

Mr Chairman, our newspapers – *The East African* and some of our national newspapers, about three weeks ago did write about EPAs. And one of the issues that was in those papers was that after the July signing aborted. The parties agreed that by November 2010, there would be a roadmap towards the EPAs conclusions; now full EPAs conclusions. But they went on to say that theirs had not happened because of lack of funds for negotiators.

Mr Chairman, five East African countries; sovereign states stall a process of this nature, which we believe is critical to our trade with Europe; it stalls because we cannot afford a million shillings, five countries! I think the Council of Ministers needs to really look at this issue and if we believe that EPAs are good for our region, then put East Africans' money into this process. B Yes, donor funds will come; we shall continue our association and dependence on our development partners but let it be for infrastructure, let it be for things that we cannot fund ourselves that we need in billions. When it is \$1 million to enable our negotiators negotiate from arms length instead of negotiating when their hands, their feet, their souls are in chains, then we are not doing justice to the people of East Africa.

I, therefore, want to associate myself and support hon. Muntu's proposal that indeed there should be a re-allocation from this budget so that Partner States' funds are voted for this process. Even if they will be development funds coming, let them ride on top of our own funds in order to empower our negotiators to negotiate from arms length.

Mr Chairman, it is my hope that after this House pronounced itself yesterday, on the position that East Africa should take on the issue of EPAS, we shall demonstrate that we were serious by making sure our negotiators are properly trained through funds voted in our budget by our partner states, there will be nobody to travel to Europe to Nairobi to where ever else using partner state funds for negotiations so that they minds are not tied and they can negotiate an agreement that is to the interest of the people of East Africa.

Having said that, Mr Speaker, I will look at some of the other projects that are in this budget and I have the same problems that we continue to get funds for studies instead of funds that go towards our infrastructure and to sustainable projects. If we believe that we need to do and we want to deepen our financial markets, and we want a regulatory framework for our financial markets for our capital markets, the if it is part of our development agenda, it is part of our strategy, then there should be money voted for this project, because we run the risk of every time the donor changes goals, that project stalls for a while until they re-think whether they are going to continue supporting it or not.

And, therefore, our agenda for some of these projects is impacted negatively. So, while we continue to get donor funding, let us also make sure that there is some matching funds from our own budget so that in case there is a problem, our own funds will be there to complete these studies. That is my humble submission. Thank you, Mr Speaker.

(Two Members rose in their places)

The Speaker: Hon. Members, I think the two members are in that committee and I think we don't have time – we should allow other people who are not in the committee to debate. Hon. Byamukama, I will allow you, please be very brief.

Ms Dora Byamukama (Uganda): Mr Speaker, I will be very brief. I would like to start off by thanking you sir and the committee for another excellent report and I would like to say quickly that after reading what the hon. Minister, Chairperson Council of ministers and the committee report I was reminded of a certain proverb we have where you say that if I swallow I will swallow fire and if I spit I will spit sweetness. Because when you look at the justification some of the aspects which are very important and close to what we are doing as a community are

stated here, for example Mr Speaker, I will quickly give an example on something we have just concluded, on page 3 of the chairperson council of ministers' statement.

It says that one of the areas which will be addressed in this financial year believing it ends on June 2011 and this is under 15, will be the conclusion of the Tripartite trade area arrangements of COMESA, EAC and SADC, which means that the arrangement which we have made today to the law may not have to wait for so long since June 2011 this will be concluded.

Mr Speaker, Sir, I will indeed bring a question to the floor of the house asking whether this was concluded and whether we needed to amend a law to reflect December 2011 in view of this justification.

My second point is on the issue of priorities. When we plan, we have priorities, but like those who have spoken before me have said, it is very clear that maybe we are not financially disciplined in that some of these areas like EPAS where we should have our own funding, we are still banking on donors. I would like to ask in relation to page 2, when will this resource mobilisation strategy be tabled in this house? We have had this issue raised since we joined this parliament.

Finally, is the issue of having a supplementary budget. Every budget calendar, we have had a supplementary budget. This is financial indiscipline and it also shows poor budgeting practices. I would like to say quickly that this time round we are gratified chairperson council of ministers has brought it to the floor in time. Hitherto, we have been approving it retrospectively, which is an anomaly.

So, I beg to ask that we minimise this practice as much as possible in order to be exemplary as we are considered. I thank you.

Ms Mossi: Mr Speaker, Sir, I would like to first of all to thank the chairperson of the general purpose committee and the committee for the well articulated report. I note especially the in-depth analysis and observation on the subject of the motion on the floor.

I further thank them for accommodating the council of ministers on all the queries raised. I wish also to thank all the hon. Members who have contributed to this motion.

Mr Speaker, I take into account the strong cautionary contribution by hon. Mugisha Muntu, the message in his contribution emphasises the need for us East Africans, to hold our destiny jealously in our hands. This is especially with regard to our dealings with other parties in such undertakings as the negotiations of economic partnership development with the European Union.

This is a matter that this august House has intensively addressed through both legislation and resolutions and we do agree that this is a matter that we need to take seriously. The council will follow up with this issue closely, with a view to ensuring timely ratification.

The council appreciates the contribution from hon. Muntu and has taken note of the adoption of the position paper by this house. EAC is however at a critical stage in as far as EPA negotiations are concerned. The delays in subjecting our partner states, particularly Kenya in a very awkward position because of being a development country hence may not be able to access the EU market. I wish to request this house to allow the negotiations to proceed.

Mr Speaker and hon. Members, your observation on timeframe and documentation is noted by the Council of Ministers and we shall ensure that the inconveniences will not occur in future.

Regarding hon. Hajabakiga's contribution, I wish to inform this august House that the EAC Secretariat sourced for the funding after the negotiations had stalled due to lack of funds. Sida, therefore, was approached and agreed to fund the negotiations.

I thank hon. Dr Masha for his eloquent observations. I would like to thank Dr Masha's contribution.

On the issue of the financial sector development and regionalization project to inform him that this project is intended to enhance capital market development including movement of capital and regionalization of stock exchanges that is necessary under the Common Market and Monetary Union.

Capacity building is the technical support for addressing capacity gaps particularly in the tripartite arrangement coordination, human resources, procurement and finance.

The EAC Headquarters budget is being brought to the House in accordance with this House's directive that all monies should be passed by this House. The budget amount is in accordance with amounts expected to be disbursed by the Germany Government.

Regarding hon. Janet Mmari's contribution, I wish to inform this august House that the tourism sector is catered for under different funding which will come for consideration by this House in February next year. The areas of funding are already embedded in the agreement with the development partners and may not be re-allocated to other areas.

The SIDA support as per the agreement is specific for EPAs and would require a fresh negotiation and by then the agreement would definitely be time barred.

Mr Speaker, Sir regarding hon. Kimura's contribution, then council fully recognizes and appreciates the need to generate local funds for EPAs. At this time, it is difficult for Partner States to make supplementary budgets for EPAs. We shall include it in the 2011/2012 budget but in the meantime, allow us to utilize the funds, which are already available. Thank you, Mr Speaker, Sir.

The Speaker: Hon. Members, I put the question that this Assembly do resolve itself into a Committee of Supply to consider and approve Supplementary Expenditure of US \$ 18,784,933 to the budget of the EAC for the financial year 2010/2011.

(Question put and agreed to.)

COMMITTEE OF SUPPLY

(The Hon. Abdirahin Abdi in the Chair)

SUPPLEMENTARY ESTIMATES 2010/2011

The Chairperson, Council of Ministers (Ms Hafsa Mossi): Mr Chairman, I beg to move that the Committee of Supply do consider and approve Supplementary Budget estimates of US \$ 18, 784, 993 to the budget of the East African Community for the financial year 2010/2011.

The Chairperson: Hon. Members, even though the hon. Minister moved for the whole Community, I think it is divided into three parts. There is for the Secretariat, the Lake Victoria Basin Commission and there is also for the Assembly. I think those are the three distinctions that are there. And the total amount is US \$ 18, 784, 993. I think to make it easier for us so that we can know the different budget lines; I think we can break it up in the different expenditures.

Hon. Members to make it easier, I now propose the question that a sum of US \$ 18, 605, 793 be provided as the supplementary expenditure for the expenses of the East African Community Secretariat and Lake Victoria Basin Commission for the year 2010/2011.

(Question proposed)

Major-General Mugisha Muntu: Thank you, Chairman. I would like to move an amendment for the deduction of US \$ 1,083, 590 in regard to EPA negotiations as a deferment until the sitting in Nairobi. We have heard the concerns of the Chairperson, Council of Ministers. We do not want to participate in halting this process. However we believe if we realise the gravity of the matter as we have presented it and it is all in our interests as a region that the Council of ministers after briefing the Summit about the feelings that we have about this specific funding, we know that we are not in a position to fully fund everything that is involved in our development process and that is why we are not intervening in all other areas but this has strategic importance. We are negotiating for our future and that is why we would like this to be differed in the meantime to allow the Council of Ministers to sit with the Secretariat and see how they can rearrange the votes or looks for supplementary from within the Partner States to fund this specific project.

Some of us are not willing to budge on that, that we be funded by the very party that we are supposed to negotiate with is absolutely unacceptable.

We had hoped that the Council would make consultations amongst themselves and agree to that deferment until February and then they can see how they can get funds from other sources. Let me refer you to a story for some of us who read the Bible.

There is a mind set Jacob and Esau, those who have read that story. Esau, because of his immediate need- He just wanted to satisfy his momentary hunger sold his birth right. Two months- If the Council of Ministers cannot withdraw this just because they are concerned about the immediate interest of these Partner States, and then you engage in an engagement that is supposed to spell our future, the future of our children and grand children just because of \$ 3 million I think it is supposed to be broken down. The immediate one is \$ 1 million- It is a mind set.

Mr Speaker, this is a mindset. That is what we are trying to tackle, a mind set. It is not even the figures involved, it is a mind set. May we appeal to the Council of Ministers to go along with us in trying to shift that mind set because if we don't shift that mind set in our region, we are under pressure from all kinds of-

The Chairman: Hon. Muntu, we have already heard. I think they already knew what you said.

Mr Muntu: So Mr Chairman, we still insist, we will carry out this amendment to pass the budget minus \$ 1,083,590 until February and we would like to request that until then, any further negotiations on this fund should be frozen in as far as its use for the negotiations on EPAs. Thank you, Mr Chairman.

Ms Mossi: Mr Speaker sir, we agree with the proposal.

Dr Masha: Mr Chairman, this is just a procedural question to the Chair. Perhaps you will help me; I do not have the Rules of Procedure so I could not invoke the proper rule. I have only two documents with respect to what we are talking about. One is a statement by the Chairperson of the Council of Ministers, the other one is the report of the Budget Committee. These are the only two documents, which I have. What document are you asking us to pass to which the amendment by hon. Muntu has been accepted or maybe there is another document, which I have missed?

The Chairman: Honourable, what happened was that the Schedule was already circulated and I think you already got it. Maybe you didn't check your pigeon hole but it was already circulated and the minister tabled the document here. Everybody has it, maybe you can ask the other Members to help you out, and it is there. You don't have it. Honourable, you just got it now but everybody else had it. Anything else?

Hon. Members, I think we have only one amendment. Hon. Mmari, do you have an amendment you are moving? I am not soliciting for any but you were saying something earlier. I guess not.

Hon. Members, I now propose the question that the total sum of \$ 17,522,203 under vote number 001 and vote 004 be provided as supplementary expenditure for the expenses of the East African Community Secretariat and the Lake Victoria Basin Commission respectively for the Year 2010-2011.

(Question put and agreed to.)

The Chairman: Hon. Members, I now propose the question that the total sum of \$ 178,700 be provided as supplementary expenditure for the expenses of the East African Legislative Assembly for the Financial Year 2010-2011.

Mr Mulengani: Mr Chairman, the figures you are reading are not very clear to me sir. Are you reading the total supplementary budget minus what hon. Muntu moved?

The Chairman: Honourable, I think you needed that clarification earlier. We already put the question to it and it is already gone. We are talking about the East African Legislative assembly now.

Hon. Members, I now put the question that the total sum of \$ 178,700 under Vote 002 be provided as supplementary expenditure for the expenses of the East African Legislative Assembly for the Financial Year 2010-2011.

(Question put and agreed to.)

The Chairman: Hon. Members, I guess now to help out hon. Mulengani, the total figure that we approved is \$ 17,701,403. That is the total figure now.

MOTION FOR THE HOUSE TO RESUME

The Chairperson, Council of Ministers (Ms Hafsa Mossi): Mr Chairman, I beg to move that the House do resume and the Committee of Supply reports thereto.

(Question put and agreed to.)

(The Assembly Resumed, the Speaker Presiding)

SUPPLEMENTARY ESTIMATES

REPORT STAGE

The Chairperson, Council of Ministers (Ms Hafsa Mossi): Mr Speaker sir, I beg to report that the Committee of Supply has considered and approved a supplementary budget of \$ 17,701,403.

MOTION

Adoption of the Report of the Committee of the Whole House

The Chairperson, Council of Ministers (Ms Hafsa Mossi): Mr Speaker sir, I beg to move that the report of the Committee of Supply be adopted.

Mr. Kaahwa: Seconded.

(Question out and agreed to.)

Resolution adopted.

COMMUNICATION FROM THE CHAIR

The Speaker: Hon. Members, I think we have come to the end of business today. First and foremost, I would like to congratulate hon. Hafsa Mossi, the new Chairperson of Council for having successfully passed her first Bill before this House and also her first supplementary budget. *(Applause)*

I would also like to thank all hon. Members for the good work they have done for the last two weeks.

Finally, before I adjourn, I would also like to thank the Speaker, hon. Members of the Uganda Parliament and all the staff of the Uganda Parliament for the hospitality they have accorded us for the last two weeks here. *(Applause)*

I also would like to thank the hon. Members of EALA Uganda chapter for taking good care of us for the last two weeks. *(Applause)*

Finally, hon. Members, Ugandan hospitality never ends. Again, we have another function we have been invited to by the EALA Uganda chapter. Hon. Mulengani, it is us to applaud not you. *(Laughter)*

So hon. Members, it is supposed to be 7.00 p.m. Honourable Chairperson of the chapter hon. Mike Sebalu says that we should leave together in a convoy because of the traffic here in Kampala so maybe we can try and see how we can coordinate that.

The Speaker: With those few remarks, I would like to adjourn the House *sine die*.

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