



EAST AFRICAN COMMUNITY

EAST AFRICAN LEGISLATIVE ASSEMBLY (EALA)

The Official Report of the Proceedings of the East African Legislative Assembly

174th SITTING - THIRD ASSEMBLY: SIXTH MEETING – FIFTH SESSION

Wednesday, 31 May 2017

The East African Legislative Assembly met at 11.00 a.m. in the Chamber of the Assembly, EAC Headquarters in Arusha, Tanzania.

PRAYER

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

MOTION

FOR THE CONSIDERATION AND ADOPTION OF THE REPORT OF THE COMMITTEE ON LEGAL, RULES AND PRIVILEGES ON THE CONSIDERATION OF THE PROPOSAL TO AMEND THE RULES OF PROCEDURE OF THE EAST AFRICAN LEGISLATIVE ASSEMBLY

*(Debate interrupted on 30 May 2017
resumed_)*

The Speaker: Honourable members, you will remember that yesterday, mid-afternoon, we had to adjourn the House prematurely due to quorum issues. We now have full quorum of the House.

The business that was interrupted was on the Report by the Committee on Legal, Rules and Privileges. The Motion on the Floor of the House is –

That the report of the Committee on Legal, Rules and Privileges on the consideration of proposal to amend the Rules of Procedure of the East African Legislative Assembly be adopted.

I now invite hon. Kalinda to present the report and call for attention and notice of members of the committee on what we have agreed upon on this particular report. Proceed with the presentation of the report.

Mr Francois Xavier Kalinda (Rwanda):
Thank you, Mr Speaker, Sir.

Introduction

On 3 March 2017, the Committee on Legal, Rules and Privileges received a proposal for amendment of the Rules of Procedures of the Assembly from hon. Dora Byamukama. Likewise, on 8 March 2017, the Committee received another proposal for amendment of the Rules of Procedure of the Assembly from hon. Abdullah Mwinyi. Both proposals were submitted in accordance with Rules 85 (1) and (2) of the Rules of Procedures of the Assembly. Rules 85 (1) and (2) provides as follows:

- (1) Any member may propose amendments to these Rules; and
- (2) Any member wishing to propose any amendment to these Rules shall forward his or her proposal to the relevant Committee, which shall consider the proposal and report to the House.

The Committee on Legal, Rules and Privileges is empowered by Rule 81 and Annex 5. B. 2 (g) of the Rules of Procedure to receive and dispose proposals for the amendment of the Rules of Procedure.

Methodology

The Committee held a meeting in Kigali on 14 March 2017 to consider the proposals it received. The meeting of the Committee was held in Committee Room “A”, Parliament of Rwanda Buildings in Kigali, Rwanda. In considering those amendments, the Committee referred to the following instruments:

- i. The Treaty for the Establishment of the East African Community;
- ii. The Rules of Procedure of the Assembly; and
- iii. The East African Legislative Assembly Elections Act, 2011; the Rules of Procedure of the Parliament of Uganda and the National Assembly of Kenya.

1. PROPOSAL BY HON. DORA BYAMUKAMA

The proposal by hon. Dora Byamukama aimed at amending Rule 94 of the Rules of Procedure by adding two Sub- Rules: Sub-Rule (2) and Sub-Rule (3) as follows:

“Rule 94 (2): Business of Committee not to lapse on prorogation of the House

- (a) Any business pending before a Committee shall not lapse by reason only of the prorogation of the House;
- (b) A Committee which is unable to complete its work before the expiration of its term or before the dissolution of House may report to the House that the Committee has not been able to complete its work; and
- (c) Any preliminary report, memorandum or note that the Committee may have taken shall be made available to the new Committee.

“Rule 94 (3): Lapse or reinstatement of the Assembly Business upon dissolution of the House:

- (a) A Bill, petition, Motion or other business before the House or any of its Committees during a term of the Assembly lapses upon dissolution of the Assembly;

- (b) Notwithstanding Sub-Rule 94 (3) (a), a Bill, petition, Motion or other business before the House or any of its Committees may be reinstated in the next Assembly by a resolution of the Assembly; and
- (c) The reinstatement of a Bill, petition, Motion or other business before the Assembly or a Committee shall be treated as a fresh reference to that Committee.

The Committee observed that the main purpose of the proposal by hon. Dora Byamukama is to provide for the saving and reinstatement of the pending activities of a dissolved Assembly. Section 11 of the East African Legislative Assembly Elections Act, 2011 provides that the Assembly shall stand dissolved at the expiration of the 5-year term. It has been a practice that once an Assembly is dissolved, all the pending works of that Assembly are dissolved.

It has been a practice that members generate most of the works transacted by EALA. Therefore, it is imperative for the Rules of Procedure to save the activities left by the out-going Assembly to be considered by the up-coming Assembly. It was observed by the Committee that the Parliament of Uganda has provisions to save the pending activities of the dissolved Assembly.

The Committee made the following changes to the proposal by Hon. Dora Byamukama:

- i. On the proposed new Rule 94 (2), the Committee decided to delete paragraph (a) and adopt the remaining two paragraphs; and
- ii. On the proposed new Rule 94 (3), the Committee decided to add one paragraph as paragraph (b), which reads as follows:

- (b) A report on pending business of a dissolved Assembly shall be moved by way of a Motion by the Commission at the commencement of the business of the new Assembly.

Basing the amendments made by the Committee to the proposal by hon. Dora Byamukama, the following are the adopted proposals to be considered by the Assembly:

“Rule 94 (2): Business of Committee not to lapse on prorogation of the House:

- (a) A Committee which is unable to complete its work before the expiration of its term or before the dissolution of House may report to the House that the Committee has not been able to complete its work; and
- (b) Any preliminary Report, memorandum or note that the Committee may have taken shall be made available to the new Committee.

“Rule 94(3): Lapse or reinstatement of the Assembly Business upon dissolution of the House:

- a) A Bill, petition, Motion or other business before the House or any of its Committees during a term of the Assembly lapses upon dissolution of the Assembly;
- b) A report on pending business of a dissolved Assembly shall be moved by way of a motion by the Commission at the commencement of the business of the new Assembly;
- c) Notwithstanding Sub-rule 94 (3) (a), a Bill, petition, Motion or other business before the House or any of its Committees may be reinstated in the

next Assembly by a resolution of the Assembly; and

- d) The reinstatement of a Bill, Petition, Motion or other business before the Assembly or a Committee shall be treated as a fresh reference to that Committee.

PROPOSAL BY HON ABDULLAH MWINYI

The proposal by hon. Abdullah Mwinyi aimed at amending Rule 12 (1) of the Rules of Procedure of the Assembly by changing the composition of elected Members that shall constitute the quorum of the Assembly as follows:

- 12 (1) The quorum of the House or of the Committee of the Whole House shall be half of the elected Members and shall be composed of at least one third of the elected Members from three Partner States.

The proposal aims at changing the requirement of the composition of elected Members, who shall form the quorum of the Assembly to be from three Partner States, instead of all Partner States as it is required in the current Rules.

The Committee was informed that the amendments intend to improve and facilitate the activities of the Assembly by ensuring that businesses of the House are conducted as planned. That proposal took into account Article 57 (1) of the Treaty for the Establishment of the East African Community that reads as follows: “57 (1)

Subject to this Article, the Rules of Procedure of the Assembly shall make provision as to the number and composition of the elected Members that shall constitute a quorum of the Assembly.”

The Committee considered the proposal and agreed that it is a high time that the Rules are simplified to ensure that the activities of the Assembly are conducted as planned. However, the Committee found that the requirement of having Partner States in the composition of the quorum might still hamper the activities of the Assembly. Therefore, it decided that the quorum be only half of the elected Members.

Basing on that decision, the Committee recommends that Rule 12 (1) of the Rules of the Assembly be amended by deleting the words “*and such quorum shall be composed of at least one third of the elected Members from each Partner States.*”

RECOMMENDATIONS

The Committee recommends to the Assembly to adopt the proposed amendments to the EALA Rules of Procedure (2015 Edition), as amended by the Committee as follows:

- i. Amend Rule 12 (1) of the Rules of Procedure by deleting the words “*and such quorum shall be composed of at least one third of the elected Members from each Partner States.*”

The amended Rule 12 (1) shall read as follows: 12 (1) the quorum of the House or of the Committee of the Whole House shall be half of the elected Members.

- ii. Amend Rule 94 by adding the following new sub-rules:

Rule 94 (2): Business of Committee not to lapse on prorogation of the House:

- (a) A Committee which is unable to complete its work before the expiration of its term or before the dissolution of House may report to the House that the

Committee has not been able to complete its work; and

- (b) Any preliminary Report, memorandum or note that the Committee may have taken shall be made available to the new Committee.”

Rule 94(3): Lapse or reinstatement of the Assembly business upon dissolution of the House

- (a) A Bill, petition, Motion or other business before the House or any of its Committees during a term of the Assembly lapses upon dissolution of the Assembly;
- (b) A report on pending business of a dissolved Assembly shall be moved by way of a motion by the Commission at the commencement of the business of the new Assembly;
- (c) Notwithstanding Sub-rule 94 (3)
 - (a), a Bill, petition, Motion or other business before the House or any of its Committees may be reinstated in the next Assembly by a resolution of the Assembly; and
- (d) The reinstatement of a Bill, petition, Motion or other business before the Assembly or a Committee shall be treated as a fresh reference to that Committee”.

As consequences to the amendment to Rule 94, the current Rule 94 will be 94 (1).

Mr Speaker, Sir, I beg to move.

The Speaker: Thank you, hon. Kalinda. Honourable members, the motion before the Assembly is that the Report of the Committee on Legal, Rules and Privileges be adopted.

(Question proposed.)

Mr Abdullah Hassan Mwinyi (Tanzania): Thank you, Mr Speaker, Sir. First and foremost, I would like to commend the Committee on Legal, Rules and Privileges and its acting Chairperson, hon. Kalinda, on behalf of the Chairperson, hon. Peter Mathuki, for a report well written with clear recommendations and instructions to the Assembly.

I would like to specifically touch upon the recommendations proposed by myself. It is on the amendment of Rule 12 (1) on quorum. These proposed amendments were made in good faith. Their aim was to enable the smooth and efficient functioning of the Assembly. The proposed amendment is predicated on the Treaty itself. Article 49 (2) (g) is on the function of the Assembly. If I may; “The Assembly shall make its Rules of Procedure and those of its Committees.”

It is further predicated on Article 57 (1). Subject to this Article, the Rules of Procedure of the Assembly shall make provision as to the number and composition of the elected Members that shall constitute a quorum of the Assembly. Very clearly, the Treaty provides for that and grants the Assembly the mandate on two aspects; the number and composition.

Furthermore, we never stopped there. We went ahead and did a study on Commonwealth Parliamentary practices and traditions. EALA being part of the Commonwealth Parliamentary systems and in that family, we sought to look at what other Assemblies provided for in terms of quorum. We sought, specifically, those Federal Assemblies that would have a similar nature to an intra-governmental Assembly like ourselves. We found that on average, the quorum was below 10 per cent. It was given that Members would have the dignity and responsibility to be present and ensure that

their agenda is carried out at any given time. Therefore, the quorum numbers were reduced to a low level to ensure the smooth functioning.

Previously in this very Assembly, there have been a number of times, being a culprit myself, when not always for sound reasons, that a small group decides to paralyse the activities of the House. The aim and the mischief that should be corrected is to ensure that there is a minimum threshold that is not as frivolous to supersede the functioning of the Assembly. That being the case, the Treaty itself envisages that the integration process would be a Partner State affair and within the cardinal principles of the integration process is equal participation of each Partner State. That is the essence or the root of our integration process; an integration of equals with equal participation. With that in mind, I urge my colleagues that we restate the fundamental principles of the Community. That is equal participation on all decision making.

The Assembly is unique in that within the EAC, this is the only institution that does not conduct its business on the principle of consensus. We make participate and make our decisions on the principle of simple majority rule. That being the case, the quorum needs to reflect the principle of all participating Partner States to be present in any decision making process.

Mr Speaker, as I said, initially, these amendments were brought in good faith with the aim of facilitating the Assembly to work efficiently and to remove the mischief of frivolous walking out and paralysing the institution.

With that, I urge the committee members and the chairperson to withhold the proposed amendment to withdraw such an amendment

and to leave the provisions of Article 12 as they are currently.

I beg to move.

The Speaker: Thank you, hon. Mwinyi. Yes, hon. Ogle?

Mr Abubakar Ogle (Kenya): Thank you, Mr Speaker, Sir. I drove from Nairobi very early this morning because I was concerned about what happened here yesterday. I was to disabuse the notion, with a lot of respect to my dear sister, hon. Mumbi, that there was some kind of conspiracy by Kenyans because there was not. Some Kenyans, including myself, were in the clamour to amend these Rules accordingly for obvious reasons.

Let us call a spade a spade. One would have expected that once the Community grew, we would strengthen our integration, widen and deepen as they refer to it in the Treaty. However, somehow we are getting increasingly parochial. We are going back to our national cocoons and this has affected the operations of this House. It was in good faith that the framers of our rules provided that three members from each Member State would comprise quorum for this House to proceed. Nonetheless, that was over time abused. This is because of the increasing parochial nature of our membership with a lot of respect. This issue has been abused and I think it is not fair that the dysfunctional nature of a particular Partner State should have any bearing on the operations of this House. It should not.

When you have your problems as a Partner State, those are your problems and they have nothing to do with this House. They should not affect the operations of this House. It is important that we remove the provision that provides for three members from each Partner State providing quorum. That should

be done away with because we are no longer thinking East African any more. We have been thinking in a parochial and national way running into our small cocoons. That is not our business. That belongs to other powers. It is important and critical that we amend that provision.

I am particularly interested in the removal of that provision. I think half the House will form enough quorum. The latest incident in Kigali was a case in point when members from a particular Partner State, out of their own thinking and for whatever reasons, decided to abscond from participating in the business of this House. Had it not been for the five heroic gallant Members of this House who provided quorum, we would certainly have had no business in Rwanda. We should not be victims of that kind of parochial practices. It is important that the House takes firm action so that we change that provision.

With those few remarks, I beg to support.

Mr Bernard Mulengani (Uganda): Thank you, Mr Speaker, Sir for the opportunity to put my mind to this Motion and Report to amend the rules. I want to focus on Rule 12 where the proposer is moving to leave the status quo.

We were elected to come and sit in this House and use our brains to discuss and debate, in order convince one another to agree with the decisions we are taking. That is why we go for voting to decide. As hon. Mwinyi said, as much as the Council uses consensus, Parliament approaches it through the vote. I want to give a scenario. As six Partner States, assuming that South Sudan is represented here, a Partner State may take a particular decision to vote against a Motion. However, the other five Partner States may vote for the Motion and ultimately carry the day. The only difference here is that they will have

participated in voting. However, ideally, they would have been defeated. What is the fear of saying which Partner State fears the formula that has been proposed? Why fear? We should not use walkouts to achieve what we want to achieve in this House because we will be depriving the people of this Community of what they send us to do for them. Everybody is obligated to be in this House to represent using his or her brains and not their legs to walk out.

Walking out paralyses business of the Assembly and this should be stopped. The amendment we are proposing is not for anybody in particular. It may affect Uganda, Kenya, Rwanda, Burundi, Tanzania and even South Sudan. This is not a monopoly of any country. The reason we are moving this way is to ensure that we make progress for the Assembly. Creation of paralysis in the Assembly through walkouts does not attain anything for Parliament. As much as the Member is proposing to withdraw, this issue has come to the House. It is business of the House.

I encourage my colleagues to look at a situation where we will have disagreements in the House and we start walking out. We need, therefore, to put in the Rules that if the status quo is maintained after the first walkout, the second walkout will be considered null and void. We need to put such provisions otherwise the House will be held at ransom in case a country wants to take a position on an issue and there will be no business.

The other point I propose is that we should put in the Rules that a country that intentionally deprives this House of quorum should be charged. Do you come here to pick per diem and then you walk out?

Mr Ogle: On a point of clarification, Mr Speaker, Sir; how does anyone measure intention? If Members of a country walk out intentionally, what instrument do we use to measure whether that is intentional? Do we use a barometer? *(Laughter)*

Mr Mulengani: Mr Speaker, Sir, these are subjective issues. When they occur, you will see Members of a certain country walking out to go discuss an issue outside the plenary or for purposes of derailing progress.

There are circumstances that may cause a walkout where you need to agree away from the microphones and that is logical. The intentional walkout which is baseless, as I would say, is a walkout that intends to deny quorum so that an issue dies. I propose that if we leave the status quo, we should go ahead and add that once there is a first walkout, discussions should be held outside and subsequent walkouts should not stop progress of the House. I propose an amendment to that effect and encourage colleagues that we leave the status quo and carry the report as it is.

The Speaker: Hon. Members, just before Dr Ndahiro takes the Floor, as a way of guiding Debate, we are debating the Report as it is but we invoke the provisions of our Rules that the amendment, before we adopt the Report, will be moved officially, seconded and disposed of and then we adopt the Report. The most important statement that came from hon. Mwinyi and hon. Ogle is that whatever is being done is good. However, we should leave it for another Assembly because the first business of the Fourth Assembly will be to adopt their own Rules. Let us proceed along that guidance.

Dr James Ndahiro (Rwanda): Thank you, Mr Speaker, Sir. I think you have captured the first part of my contribution. I want to suggest that we save this particular business,

as we have saved other unfinished business, so that the Fourth EALA and the Commission may raise the business.

Secondly, I want us to remind ourselves of the fact that the Legislature is not the Executive. We will subject ourselves to the practices of the Executive where the framers of the Treaty envisioned the principle of consensus. Parliament follows a different route. We are here to debate on issues, agree, disagree and vote. The framers of the Treaty wanted us to have separation of powers for a purpose. If it were just a case of sitting down and having consensus on an issue, then the Council of Ministers would prevail on everything and there would be no need to establish a Parliament. Therefore, we should have it in mind that this is a people-centred organisation. It is not only an inter-governmental agency that stops with the principle of consensus. This is a people-centred House and it was envisioned that the representatives of people would come together, deliberate and even debate openly. That is why when we debate here and our citizens follow the proceedings. At times, the business we bring here originates from the citizens. We should not restrict ourselves or even disappoint the citizens who elected us to come here to conduct business as Executives do. Partner States have Ministers in charge. They drive the Partner States agenda. Let us continue to drive our people's agenda.

Thank you. I also support the amendment that says that we should move the unfinished business to the Fourth EALA.

Ms Dora Byamukama (Uganda): Thank you, Mr Speaker, Sir, for giving me this opportunity to debate this Motion. I would like to say, from the onset, that I support what has been said by hon. Ndahiro. However, before I come to that conclusion, I would like to make two observations.

Number one; by the time the mover, hon. Mwinyi, came up with this particular amendment on the issue of quorum, it was clear and it has been clear all along that we need to cure this mischief. We have a challenge when it comes to the issue of quorum. I would like to categorically state that when you consider our Rules of Procedure, you will find that the problem under Rule 93 can be cured by providing for leave of absence. You will remember clearly that when this issue was brought to the Floor of the House, there were many uncomfortable feelings. However, at the same time, as it was noted, we have a duty to be in the House and represent East Africans consistently. On top of that, being an oversight body, we should be exemplary in every manner.

Therefore, without fear or favour, I want to say that very clearly. On the other hand, as my brother hon. Mulengani has said, when it comes to the issue of walking out, sometimes this is used as a Parliamentary practice to show that the issue on the Floor is not favoured. However, where it becomes obvious that the intention deduced from the action is intended to paralyse the business, then we must do something to cure it.

Finally, on this issue, I also want to bring to the attention of the House the fact that we have made progress in the Committees. The Committees of this House do not operate on having one half and a representative from each Partner State. The Committees work on behalf of the House. I believe that this was a form of building confidence. However, we are hesitant when it comes to the main House. I think we need to search our souls. If Committees can operate very effectively in this manner, then why can the House not operate in the same manner? We need to do some soul searching. I hope that this proposed amendment will lay ground for the

Fourth Assembly to bring in more harmony, as well as confidence that whatever the House decides will be for the good of all the East Africans just as we say in our prayer every day.

Mr Speaker, Sir, I would like to make some amendments on what has been provided for in our Report, as much as I am a Member of the Committee. When you go to page 3, you will find that every time the word “Committees” is mentioned, it is in lower case. It should be in upper case and not in lower case. For drafting purposes, every time we mention Committees, the word should be in upper case. I also want to go to the second paragraph on page 3, which refers to Section 11 of the East African Legislative Assembly Elections Act. That is of 2012 and not 2011. Our Committee is in charge of legal affairs and should have that corrected.

As it was noted by hon. Kalinda who stood in for the Chair, the words in the third paragraph; it has been a practice that most of the “work” and not “works” transacted by EALA is generated by Members. Therefore, it is imperative for the Rules of Procedure to save the activities left by the outgoing Assembly to be considered by the “incoming” Assembly and not by the “upcoming” Assembly. I thought that for the record, we should correct that. When you go further, the second last paragraph, “b” says that the Clerk shall submit to the Commission the “report of pending businesses.” The word “business” has no plural and therefore, that should be amended accordingly. Consequently, whenever it appears, it should not be reflected as “businesses.”

Mr Speaker, Sir, I would like to conclude by imploring this House to support this amendment. As you can see in the Order Paper, we have many items. Most of these items will not be concluded today or

tomorrow and even if they are concluded, action has to be taken on them. Therefore, this is clear evidence that we need to save our work.

Secondly, I think it would be good practice for us to do a proper hand over report so that the Fourth Assembly can have some activities to start with. Finally, the Report has an addendum, which is in form of Bills that are pending. However, I just want to highlight that we should not just talk about Bills. There are Bills, Motions and other activities. This is wider than the Bills. I want to conclude on this note with regard to the Bills. The Treaty is specific on time frame. However, at the same time, we have had a practice because of the way we operate. We have had our Bills assented to at the time we have. I would like to urge the Council of Ministers - I know that the Chairperson, Council of Ministers is a very diligent person - to help us to have these Bills assented to in record time because some of these Bills cannot wait. For example, when you talk about the Trafficking in Persons Bill, as we sit here; young people are being trafficked in the EAC and across our borders. So, some of these Bills need to be expedited. I hope and pray that they will be given due consideration.

With those few comments, I would like to urge my colleagues to support the amendments. Since the first amendment by hon. Mwinyi has been withdrawn, I would like to support the position that has been put across by Dr Ndahiro that we carry the issue forward. Since we have made some comments, we hope that the comments will form part of the record that will guide the next consideration of this matter.

I thank you and I hope that you support the Report.

The Speaker: Thank you hon. Dora for your work on the amendment and the editorial work.

Mr Mukasa Mbidde (Uganda): Thank you, Mr Speaker, Sir. I equally stand, first of all, to support the Report but also to propose that the same be deferred to the new Assembly.

I think the framers of the principle of law who determined that law is organic were completely correct. Law should be a substantive outgrowth by way of legislation, pursuant to the obtaining state of affairs of the people and particularly those that are being targeted under the circumstances. The deference of this matter gives consensus a chance. We will not bury our heads in the sand and forget to tell each other, even if we do not tell East Africans, that there is still consensus required for us to move as a serious Assembly, which will be called the Fourth Assembly.

Mr Speaker, Sir, that notwithstanding, I add to the justification by my honourable colleague of what else would have obtained, had we not taken a position to have the same deferred. I would like the Membership to look at Article 57 of the Treaty, *vis-a-vis* Rule 12.

Article 57(3): *“The Assembly may transact business, notwithstanding that there is a vacancy among its Members and the attendance or participation of any person not entitled to attend or participate in proceedings of the Assembly and shall not invalidate those proceedings.”*

That has an indirect and close reference, by way of quorum, to what would have existed under such circumstances. So, how did I come here to this Assembly? I can remind you shortly that my political party was not allowed to front candidates for EALA

because the Rules of Procedure for the Parliament of Uganda provided that there was a principle called numerical strength; that political parties with the highest numerical strength are the only ones allowed fronting candidates. The good thing is that the framers of the EAC integration had provided several organs through which we can vent our anger and have resolutions made; one of them being the East African Court of Justice (EACJ). I had to come here to have the Rule quashed in order to qualify for election to the Third Assembly because the provision was inconsistent with Article 50 of the Treaty. Therefore, the importation of numerical strength as a standard was alien. Rule 12 imports composition, which is alien to Article 57 of the Treaty.

Therefore, as we go to the Fourth Assembly, as you have guided, Rule 95 will apply with equal force. The procedure for adoption of Rules shall include debates and according to Rule 12, we shall have no option but to have it scrapped. There is no way it will exist. However, that does not mean that it will be a procedure for war. We must always prioritise peace in this Assembly. For me, that is going to form the objective reason that has made it a logical necessity for the serious Members of the Ugandan Assembly to have me voted to the Fourth Assembly. That is all I do.

Mr Speaker, Sir, I guarantee you that we will perform that duty to the best of our knowledge because this has to be checked. It does not matter which country, by the way. Quorum, the way it is established, can be used by any Partner State in a magic way to solve inconsistencies and disagreements.

Secondly, the EAC is still puzzled with security inconsistencies. There will be a time when one country cannot access the soil in Arusha. We have been joined by our Members who are younger as a country and

as Members of the EAC; South Sudan. There could be a time when all their airports are closed and they will not attend. We cannot say that in such circumstances, the Assembly will wait until peace prevails.

For that reason, I end my debate and support the deference, as well as the Report.

The Speaker: Thank you, hon. Mbidde for introducing your Fourth Assembly debate in the Third Assembly. Of course, as you said, we will always prioritise peace and wish the best to every Partner State.

Ms Mumbi Ng'aru (Kenya): Thank you, Mr Speaker, for giving me an opportunity to speak. Yesterday, I raised temperatures because I raised the issue of quorum from unexpected quarters but I am glad I did it. I would like to state from the beginning that I appreciate the Report. However, I also want to note that the time and lifespan of this Assembly ends tomorrow. The debates end tomorrow.

The *Hansard* can bear me witness that about a year and a half ago, hon. Mwinyi brought almost a similar amendment to take care of the issue of quorum. That did not come to this Assembly until two days to the end of this Assembly. I also want you to note, with due respect, that the Members that are very passionate about amending the same Rules are now doing ten years, two terms in this Assembly.

I served in the first Commission where we also had walkouts. This has to be sorted out. I am not condoning walking out. I am suspicious that because hon. Mumbi raised an issue of quorum that became big news yet other Members whipped a whole country out of the Assembly and we were left paralysed. Those double standards are not healthy for integration.

I would like to thank hon. Mwinyi for withdrawing that amendment. In this Assembly, you can never know who has a card below the table. Let us be very honest to ourselves. I will stand and defend what I did yesterday to the best of my ability.

The Speaker: Hon. Mumbi, your action of yesterday was in accordance with our Rules of Procedure and it is not the first or second time that we have had such Motions. We have had such Motions and the House had to stop. So, proceed with your debate on the Report.

Ms Ng'aru: Thank you, Mr Speaker, Sir. I support this Motion. However, I want to go by the amendment by hon. Ndahiro that we defer this report. We have very important business that we must conclude even if we have to sit until midnight.

Yesterday, as you guided, I was being accused of not being sensitive to the issue of budget. If we can defer this report, Mr Speaker, we will have enough time to deal with issues of the Assembly and the Budget. Even after we exit, the EAC will continue. However, if we continue buttressing this report, with due respect, I think we will be missing our priorities.

I support Dr Ndahiro that we defer the Report. Let the Fourth Assembly come and do their thing. We have hon. Mbidde here. They know at what point we have left it. They have suffered with us with the walkouts. They will deal with the issue in the Fourth Assembly.

The Speaker: I want to make Dr Ndahiro's point very clear because I followed it very carefully. He debated in support of hon. Mwinyi; that we drop the amendment as introduced by hon. Mwinyi but we do not just drop it and allow it to get lost. We should save it in the spirit of amendment of Rule 94

to be considered by the Fourth Assembly but not to defer the Report of the Committee. That is what I understood.

Conclude hon. Ng'aru. (*Applause*)

Ms Ng'aru: Thank you Mr Speaker, Sir. I stand guided. I will still go with hon. Ndahiro's amendment so that we save time and get into more serious business that we should conclude before tomorrow.

The Speaker: We are doing this very serious business.

Mr Chris Opoka-Okumu (Uganda): Thank you, Mr Speaker, for giving me an opportunity to contribute to this Debate. I am not a Member of the Committee but I would like to support the Report.

I would like to differ very vehemently with my colleague, hon. Mwinyi, for attempting to withdraw the recommendation that he made. We in this Assembly are the ones with the experience and we have suffered the bitterness of walkouts, which has paralysed this Assembly many times. This amendment, which has been proposed and is now the property of the House, should be carried forward – (*Interruption*).

Ms Susan Nakawuki (Uganda): On a point of information, Mr Speaker, I would like to give information to my colleague that the Fourth EALA will have Members with experience on these issues, like myself. So, worry not.

Mr Opoka: Mr Speaker, Sir, from the information we have regarding election of Members in Partner States, the Members that Ms Nakawuki is referring to will form the minority. New Members who will not have the experience will form the bulk. Experience is the best teacher. They will not have

experience on what has transpired in this Third EALA.

Mr Speaker, I would like to convince my colleagues that going by the proposal made by hon. Mwinyi and the steps taken by hon. Ogle, we should pass this amendment now. *(Loud consultations)*

Mr Opoka: Mr Speaker, I seek your protection.

The Speaker: Hon. Chris Opoka is protected. He has a right to make his submission.

Mr Opoka: Mr Speaker, we still have tomorrow. We have a very important debate. We have the debate on the Budget. We do not know whether somebody will not walk out. If that happens, the Assembly and the Community will have been paralysed. This amendment is here. We have experienced the bitterness of walkouts and I think we need to pass this report and amendment because it is very important. The work of the Community needs to be carried forward.

The Fourth Assembly will come. The new Members will not have an experience of the walkouts and how this paralyses the work of this Assembly. It is proper that we pass this amendment today and it is up to them either to accept it or carry on as usual.

Mr Speaker, I strongly support this report and strongly advise Members that we pass it. We do not know what will happen tomorrow. Thank you.

The Speaker: I see that hon. Kimbisa wanted to contribute. However, I beg your indulgence. I will give you priority in the next Order. Let us treat this business like this.

Hon. Mwinyi has moved to strike off the amendment on Rule 12 on the Report.

Those in support, please stand up.

(Several Members stood up in their places.)

(Question, to strike off the amendment on Rule 12 put and agreed to.)

The Speaker: Honourable members, before I give hon. Kalinda to summarise, I want to put a question on the Motion moved by Dr Ndahiro that what has been dropped be treated as per the provision of saving the work. We will make sure that the records reflect what has been done and the Fourth Assembly will take cognisance of the Debate. The *Hansard* Report will inform them. Good enough, we have Members who will be in that Assembly.

Dr Ndahiro, by the action of voting on Mwinyi's Motion, you cannot now see the light of day. Thank you for your indulgence. I will now invite hon. Kalinda to summarise before I put a question on the Report, as amended.

Mr Kalinda: Thank you, Mr Speaker. I want to thank Members for their constructive contribution. I have taken note of the corrections made by hon. Dora Byamukama and those will be corrected. I want to thank Members who made contributions starting with— *(interruption)*

Mr Martin Ngoga (Rwanda): On a point of clarification; I seek clarification on the aspect of the Report that has to do with the Motion moved by hon. Dora. Hon. Mwinyi could have withdrawn that amendment. I do not know whether the decision we have taken affects the entire Report or just the part that concerns the amendment moved by hon. Mwinyi. I wonder at what point we will

pronounce ourselves on the component of the Report that has to do with saving work on progress.

The Speaker: Before hon. Kalinda resumes the Report, we are debating the Report and an amendment was made to the Report. Therefore, the Report that is before the House contains the holistic provision of saving as articulated in the Report and as moved by hon. Dora. Therefore, the question I will put will be on the Report as amended. This will contain the amendment to save the work as moved by hon. Dora minus what was moved by hon. Mwinyi. We will take that final vote.

Mr Ogle: Mr Speaker, Sir, I am puzzled by the continued reference of this Debate to something called the “Fourth Assembly.” This House is in charge of its business and it should be limited to that. This reference of, “I am a Member of the Fourth Assembly and we will do this or that is neither here nor there, for God’s sake.” Besides that, a very critical point was raised by hon. Chris Opoka. We must consider it with the understanding that we have that understanding here. There is a House that is coming. This House has no experience of what we have been through in this House. It is only incumbent upon us to pass legislation or Rules as we want now and not leave issues for them to deal with.

Mr Mukasa Mbidde (Uganda): On a point of procedure, Mr Speaker, Sir; my honourable colleague seems to be debating out of the Rules of Procedure. He has risen on a point of clarification when he is actually the only one talking.

It was from your submission that the honourable colleague is rising on a point of clarification, thereby citing components of debate that are already concluded. Is that procedurally correct, that the honourable Member can continue debating without

necessarily referring to the Rules of this House?

The Speaker: Hon. Mbidde, on the procedural matter, honourable Ogle should stick to the clarification on the matter that is substantively on for discussion now. I would like to guide again. We have no business with the Fourth Assembly as we deliberate. We are the Third Assembly legitimately dealing with the business before the House. The Committee on Legal, Rules and Privileges brought a Report to this House and debate has ensued.

An amendment was moved on the Report and the amendment was adopted. We are moving towards concluding the Report as amended. I plead with you, Members, to desist from speculative thinking of the business of the Fourth Assembly. This is our business. Hon. Kalinda.

Mr Kalinda: Thank you Mr Speaker for your guidance and for allowing me to resume my summary. I was at the point of thanking all the Members who have contributed to this report, starting with hon. Mwinyi, hon. Ogle, hon. Mulengani, hon. Ndahiro, hon. Dora, hon. Mbidde, hon. Mumbi, hon. Opoka Okumu and hon. Ngoga.

I thank you Mr Speaker. I beg to move.

The Speaker: Honourable members, let me make some clarifications before we move on such that we are at par on what we are voting on.

The Committee brought the Report, which contained amendments of two Rules specifically; Rule 94 and Rule 12. Now, in the process of debating this report, a Member debated and moved that amendment of Rule 12 be struck out of the Committee Report.

Many of you debated this matter, a vote was put and that was passed.

We now have a Report of the Committee minus the amendment on Rule 12, with the total amendments of Rule 94 as submitted. I now put the question. – *(Interruption)* -

Ms Byamukama: On a point of procedure, Mr Speaker, Sir; I do not want to raise anything against what you have guided but to say that the matrix, which is attached to the Report, as I said in my submission, is incomplete in many ways. When you look at it, for example, it does not have critical Bills like the one we passed on Gender, FGM, the one we will hopefully pass on Polythene Materials and the one we did on Disaster Preparedness. What I am saying is that the proposed amendment is talking about a Bill, petition, Motion or other business. Therefore, we should take it in that holistic manner and not confine ourselves to the incomplete matrix because I am aware that Committee Chairpersons have already handed over the Committee Reports. Therefore, we should not take that matrix as the only matter that should be handed over to the next Assembly. That is the procedural aspect I wanted to raise. I thank you.

The Speaker: Thank you hon. Dora. You are in context. We are saving all works of the Assembly that shall not be concluded by the end of this Assembly as per Rule 94; the holistic work which is before this Assembly.

(Question on Motion to amend the Rules of Procedure of the East African Legislative Assembly, as amended, put and agreed to.)

(The Report, as amended, was adopted.)

The Speaker: Let us move to the next Order - Chairperson of the Committee on General Purpose.

PAPERS LAID

The Chairperson of the Committee on General Purpose (Dr Odette Nyiramilimo): Mr Speaker, Sir, I beg to lay the following Report on the Table, the Report of the Committee on General Purpose on the EAC Annual Report for the period 2014/2015.

(Dr Nyiramilimo laid the Report on the Table.)

MOTION

REPORT OF THE COMMITTEE ON GENERAL PURPOSE ON THE EAC ANNUAL REPORT FOR THE PERIOD 2014/2015

Dr Nyiramilimo: Mr Speaker, Sir, I beg to move that, the Report of the Committee on General Purpose on the EAC Annual Report for the period 2014/2015 be adopted.

The Speaker: Seconders are Hon. Mulengani, hon. Valerie, hon. Kalinda, hon. Ussi, hon. Jean Marie and all the Members standing.

(Loud consultations)

The Speaker: I hope that Members have copies of the Report.

Hon. Members: No!

The Speaker: Could I ask the Office of the Clerk and the Sergeant-At-Arms to ensure that copies of the report are available to Members in the interest of time? The Report of the Committee on General Purpose on the EAC Annual Report for the period 2014/2015. I am sure that some Members have it. As we bring copies for those who do not have, just follow what the Chairperson is reading.

Dr Nyiramilimo: Mr Speaker, Sir, I am sure that the copies are being circulated now.

Introduction

The East African Legislative Assembly is mandated under Article 49 (2) (c) of the Treaty for the Establishment of the East African Community to, among others, consider the annual reports on the activities of the Community.

Further, Article 59 (3) (a) of the Treaty provides that the Council shall publish annually and present to a meeting of the Assembly a general report on the activities of the Community and which the Assembly shall consider at its meeting.

Articles 48 (3) and 49 (2) (e) of the Treaty also mandate the Assembly to establish Committees for the effective discharge of its mandate. This is amplified, particularly, by Rules 81 (1) (c) and 81 (2) of the Rules of Procedure for the Assembly. EAC Annual Reports are considered by the Committee of General Purpose and adopted by the Assembly.

The EAC Annual Report for 2014/2015 was tabled by the Chairperson, Council of Ministers before the Assembly on 23rd November 2016 in Nairobi, Kenya during the 3rd Meeting of the 5th Session of the Third Assembly.

Pursuant to the above Treaty provisions and the Rules of Procedure of the Assembly, the Committee on General Purpose convened on 7th - 10th May 2017 at the EAC Headquarters in Arusha, the United Republic of Tanzania to consider the EAC Annual Report for 2014/2015 and present its report to this august House for debate.

Methodology

During the meeting, the Committee:

- (i) Reviewed/analysed the EAC Annual Report for the year 2014/2015;
- (ii) Interacted with the acting Deputy Secretary General-Planning and Infrastructure, Mr Njoroge and Senior technical officers under this office;
- (iii) Reviewed previous reports of the Assembly on EAC Annual Reports (particularly the last two reports) and the recommendations therein, and
- (iv) Interacted with the Council of Ministers.

Findings and observations

Previous Assembly Reports on the EAC Annual Reports

- (i) It was noted that the Assembly in its previous reports, particularly in 2015 and 2016, expressed displeasure about the quality/content of the EAC Annual Reports. Specifically, the Assembly found the Annual Reports very misleading since the facts/statistics therein were inaccurate and full of typo errors; and
- (ii) The Assembly also found the annual Reports very sub-standard, could not meet international benchmarks and did not reflect a true picture of the milestones

registered in the EAC integration process.

- (iii) In light of the foregoing, the Assembly in 2016 recommended, among others:
 - a) That the Council of Ministers makes effort to improve the quality of EAC Annual Reports by, among others; providing accurate statistics, a true picture of the progress in EAC integration and do a proper analysis that meets international standards.
 - b) That the Council ensures timely presentation of the EAC annual Reports to the Assembly to inform the subsequent year's budgeting process.

The EAC Annual Report 2014/2015

1. Despite the previous recommendations of the Assembly to the Council of Ministers to improve the quality of the EAC Annual Report, nothing has been done in this regard. The information in the report does not reflect a true picture of the state of affairs of the EAC during the period under review.
2. Like the previous reports, the 2014/2015 report is narrative, has inaccurate information and statistics and lacks the analysis to show how impactful the implementation of EAC programmes and projects have been on the livelihoods of EAC citizens.
3. The report does not talk about the status of implementation of the Summit directives and decisions and neither does it make any mention of the progress made by the various Organs and Institutions in implementing Assembly resolutions/recommendations and Council decisions.
4. The annual report is equally silent on financial and human resource matters, progress on harmonisation of laws in

the EAC context, negotiation of protocols or any other legal instruments or peace initiatives in the region.

5. The report was found to contain glaringly misleading information and inaccuracies which makes its credibility questionable. For example, it is not signed by the Chairperson of Council of Ministers, while the pictures contained therein do not bear captions or explanatory notes which make their interpretation difficult. On page 19 of the Report, different base years are given for each country to correlate literacy statistics.
6. According to Mr Charles Njoroge, Ag. Deputy Secretary General, Planning and Infrastructure-DSG, P & I, it was apparent that over the years, the EAC Secretariat has not done any planning in regard to preparation and writing of the EAC Annual Report. No specific committee has ever been constituted to do the compilation and analysis of the report. This explains why the report contains raw data and is just narrative.
7. The poor quality of the EAC Annual report reflects badly on the image of the EAC and puts to question the professional and technical credentials of the officers responsible for writing this report. This resonates well with the confession of Mr Charles Njoroge, Ag. DSG-P&I during his interaction with the Committee, *"I have seen and read annual reports for institutions/organisations. I know the standards and I must agree that the EAC Annual Report for the period under review is lacking"*.
8. The Annual report is expected to be factual, informative and analytical with actionable recommendations

which inform policy formulation and legislation. Therefore, the EAC Annual Report for 2014/2015 cannot be used by the Assembly or any other EAC Organ/Institution, not even the Development Partners.

9. It is the considered view of the Committee that the Assembly needs a report that reflects a true picture of the state of affairs of the EAC for the period under review. It should clearly reflect among others, the achievements vis-a-vis the set priorities, challenges/gaps, opportunities, and way forward.

Conclusion

Comparatively, there is no significant difference between the EAC Annual Report for the year 2014/2015 and the previous ones. The quality of the report for the period under review was found wanting in terms of substance, facts, statistics, clarity, analysis and actionable interventions to influence policy formulation and legislation in the EAC.

Recommendations

The Committee requests the Assembly to:

1. Urge the Council of Ministers to fully assume their responsibility as prescribed by Article 14 of the Treaty, which comprises, among others: "monitoring and keeping under constant review the implementation of programmes of the Community and ensure the proper functioning and development of the Community...", and Articles 49 (2) (c) and 59 (3) (a) which provides for the production and presentation of the Annual Report on the activities of the Community to the Assembly;
2. Urge the Council of Ministers to present to the Fourth Assembly the EAC Annual Report for the financial year 2015/2016

- not later than the month of August 2017 (before the pre-budget conference); and
3. Ensure that the quality of the EAC Annual Report is improved, taking into consideration the findings and observations of the Committee as contained in this report and further ensure the timely presentation of the Annual Report to the Assembly to inform the budget process of the following financial year.

Mr Speaker, Sir, the Committee wants to thank the Right Mr Speaker and the Office of the Clerk for facilitating this work. The Committee would also like to thank the Council of Ministers and staff of the Secretariat who came to explain this report and committed to improve on giving a Report that is usable by the Assembly. I would like to move that the Report of the General Purpose Committee be adopted.

Mr Speaker Sir, I beg to move.

The Speaker: Thank you, Dr Odette, Chairperson, Committee on General Purpose.

(Question proposed.)

Ms Nancy Abisai (Kenya): Thank you Mr Speaker, Sir for giving me this opportunity. From the onset, let me say that I am a Member of this Committee. I have been privileged to serve in this Committee for the past five years. I, therefore, speak from a very informed position. From the first time I became a Member of this Committee, there are issues that we raised on the aspect of the annual Report. The first financial year we looked at while considering the annual Report had observations and recommendations which were much more that what we have presented this time. I am sad to say that after five years, we are raising more or less the same issues, giving the same

recommendations and having almost the same observations. It is just business as usual. We maintain the status quo.

It would be wrong to say that the report has not improved. It has improved to some extent. However, this is a Community that is supposed to be a role model to the other regional bodies because we are unique in the way we do our things. I like the way we conduct our business. It is not right for us to have Reports that are lacking in narrative, accuracy, information and statistics. We have departments which have qualified people who handle statistics and who can come up with good narratives. That means that some of the aspects of this report have not been internalised by the staff or whoever handles it before it comes to the Committee.

The annual report is treated as a document that must be produced because we must have an Annual Report. I would like to urge the Council of Ministers to look at the recommendations and observations of the Committee.

If you care to go further, look at the previous reports of this Committee and the very important recommendations that have been raised regarding the annual report. Since I joined the General Purpose Committee, we have been raising these issues. So, this is not just an issue of this financial year. This is an issue that has occurred since we came to this Assembly in 2012. We raised these issues and yet they are still prevailing. Let us just go back to it. I would like to urge the Council of Ministers to please go, look at the recommendations and observations and let us try and make this report a document we can be proud of as a Community; a Report that we can take out there and say that this is the Annual Report of the EAC.

I beg to support.

Mr Issa Twaha Taslima (Tanzania): Thank you Mr Speaker Sir. It is very unfortunate and this is something that we do not expect to be done at this level of integration process. As far as I am concerned, the fact that the EAC Annual Report in question does not bear a signature as to who the author of the report is tantamount to having no report at all. In that case, since we have no Report, this document should not be treated as a Report. We should just leave it at that.

The Speaker: Hon. Taslima has raised a very important issue; that the Committee considered a Report which is not signed. I do not know whether the Chair and the Committee Members were sure that they were considering the right Report anyway.

Mr Ngoga: On a point of information, I think the omission as raised by hon. Taslima is very important. However, I do not think it can take us to the extent of questioning the authenticity because I have seen from the Committee Report that the officials of the Secretariat came to defend it. So, they owned it even if the signature was not there. I think they debated an authentic report.

Mr Mulengani: Thank you, Mr Speaker, Sir. I want to seek the indulgence of my colleagues. It is true that as a Committee, we looked at this report. I want to draw your memory back to a time when we threw out a report in this House. We debated amongst ourselves on whether we should pronounce ourselves and throw out this report again this year and we thought that it best to bring it to the bigger House. For purposes of informing the House, the Committee Report basically says that there is no Report.

What we did not pronounce ourselves on as a Committee is to say that we should throw out this report. However, the Committee's

position is not final. The whole House can adopt the Report. Indeed, look at what hon. Taslima has raised. We raised a lot of concerns. I will not go into details and to consume parliamentary time. I think this report is not worthy debating, given the Committee's position in terms of the content of the report. It is statistically wrong, has no signature and everything has been raised to conclusion.

As a Committee, we felt that Members should also contribute, just as hon. Taslima has said. We might have had an oversight and did not look at the signatures.

Ms Byamukama: On a point of clarification.

Thank you, Mr Speaker and my brother, hon. Mulengani for giving way. I know him as a very accomplished statistician. I am listening to him very carefully but I am concerned. Page 3.1.1 says; "it was noted that the Assembly, in its previous reports, particularly 2015/2016, expressed displeasure about the quality and content of the EAC Annual Reports. Specifically, the Assembly found the Annual Reports very misleading since the facts/statistics were inaccurate and full of typing errors."

Mr Speaker, Sir, I do not know how to put it but I am a professional. I find it very difficult, with the experience I have, to consider how I will put my vote on such a Report. I would like to categorically say that I will not support this report unless the Committee can satisfy us otherwise. If this is stated as such, then what are we talking about? I have a problem. Really, should we spend more time on this? I thank you.

The Speaker: Hon. Dora rose on a point of clarification and hon. Mulengani is on the Floor. Let us get another clarification from

hon. Ogle, then hon. Mulengani will summarise.

Mr Ogle: Mr Speaker, I am also a Member of this Committee. You will realise that my signature is not on this report; not because I wanted to write a minority report or I am against it but because I was not around, anyway. However, I will take my mind back to what we discussed as a Committee regarding this report. We said that because of its inconsistencies, typographical errors, misleading facts and figures and all that, we should recommend to the House to reject this report. I do not know why we are beating about the bush and using so many words here instead of making one recommendation. In view of all these things, there is no Report here and this document should be rejected. That is what we agreed as a Committee. I think they took advantage of my absence and brought the Report. *(Laughter)*

Ms Byamukama: On a point of information. When you read further, I will put one small snippet of it. On Page 3.2, the Assembly also found the Annual Reports very substandard, could not meet international benchmarks and did not reflect the true picture of the milestones registered in the EAC integration process. The word “very” is superlative and means beyond the ordinary.

Mr Speaker, Sir that is further information. Can we hear more and can the Committee be explicit?

The Speaker: Hon. Mulengani, you may need to help us here. This Parliamentary time is very precious. If this issue is as prescribed here, it is putting the Third Assembly in disrepute to adopt it. So, hon. Mulengani, resume the Floor.

Mr Mulengani: Thank you, Mr Speaker. Indeed, the reason we come together as a

whole House is to build consensus where the Committee may have had a gap. I want to propose to this House, with the indulgence of my colleagues in the Committee on General Purpose, that we amend to include, under the recommendation, that from the above observations, we propose that this report be thrown out as the fourth agenda.

The Speaker: Hon. Members, I have told you that we do not have time. The Order Paper is long. This report categorically, from the recommendations from the Committee, is misleading. For us to continue pursuing Debate on it is, in itself, misleading. Unless someone has a contrary opinion, the best thing is to recommend that this report be taken back and a better Report be generated and presented immediately to the next Assembly.

Ms Nakawuki: Mr Speaker, Sir, there is an important issue I want to raise about this report. I want to put it to the Assembly the timeliness of the report. We are dealing with the report of 2014/2015 which is already in circulation out there. We do not even have copies available. It has gone out there and is within the public domain. Right now, there is no damage control we can do. If we had the report, maybe we could have done something. The way things are now, it is out there and we cannot recall it.

Now this brings me to something that is of concern to the Assembly, that this report should be made available to the Committee early enough so that when such issues are detected, we handle them. As we talk, the Report for 2015/2016 is not there. It is not ready and even the staff who are responsible for the Report do not know when it will be ready and here we are in the third quarter of the financial year and we are also entering in the financial year 2017/2018. However, they do not know when we will have the one of

2015/2016 financial year. When you try to get a timeline from them, they will tell you that they are not sure because they have to make a compilation from the different Organs and Institutions of the Community. This is a big problem and I find it very funny.

For example, the Office of the Secretary General has to own a Report of the Community for activities that took place when he was not even in the Community. I find this unbecoming.

The Speaker: Hon. Susan, we are talking about the Office of the Secretary General and not the person of the Secretary General. You are a lawyer.

Ms Nakawuki: Yes, Mr Speaker. However, as much as it is the office, the signature that is appended is that of the Secretary General himself as an individual. It is unfair to commit the person of the Secretary General over issues and activities that took place when he was not there. However, if we made it timelier, everybody would be held accountable for everything.

To save time, I would like to re-emphasise the issue of the Committee that proposes to come up with a committee to analyse this report. The way the report is means that there were no people to proof read it and do quality assurance. It is my humble plea to the Council of Ministers, whether we throw out the report or not, to do this as a first task when it comes to a Report of the Community. They should have this committee in place to scrutinise, analyse and to confirm the statistics to avoid embarrassment.

The Speaker: Hon. Members, I beg your indulgence. Allow me to guide you on this matter in the interest of time. I am very much alarmed that the report is in circulation with inaccurate information portraying the wrong

image of the Community. I remember vividly that this very Assembly recalled a report which was in circulation, threw it out and requested Council that a report is redone to reflect a true picture of the Community.

I would like to direct that; first, this report is recalled at once because it misrepresents the Community. Secondly, a proper review and accurate information should be contained in the Report and be urgently presented to EALA for consideration. I further guide that before the next Report or any other Annual Report is circulated, it should first be adopted by the Assembly before it is sent out. *(Applause)*

If it is already out, then it is not necessary for us to adopt. What is the purpose for us to adopt?

Chairperson, Council of Ministers.

The Second Deputy Prime Minister, EAC Affairs, Uganda (Ex-Officio) (Dr Kirunda Kivejinja): Rt Mr Speaker, as a person, I have to own up to issues that go on here. After all, we are supposed to be a competent Secretariat and the Council should scrutinise. I will only give to undertake that from now onwards, this is going to be our priority. We have to scrutinise, with my colleagues, everything before it is brought here. After all, you are not supposed to do our job. We are only supposed to present a report which reflects ourselves. Therefore, I must apologise for whatever has happened.

As I always say, we will now adopt a more rigorous way of doing things.

Mr Ogle: On a point of clarification. We have heard another Member of the Council of Ministers, in fact - I think it was during the plenary session in Zanzibar - stand before this House to tell us that in terms of Article 59 (3)

(c) of the Treaty, they would henceforth present a Report on the Regional Peace and Security. That was then and it has not been done up to now. I wonder what the Minister means when he stands up again to say he is guaranteeing and will undertake, when they have that notoriety of not doing anything at all. We have been making noise about this report for the past four years. I think he needs to go beyond that.

Ms Tiperu Nusura (Uganda): On a point of order, Mr Speaker, is the honourable Member in order to question the authenticity of the honourable Minister and yet he is aware that the Minister has just assumed office as the Chairperson, Council of Ministers? He has the authority and is speaking from the point of view that during his term of office, he intends to do his work in a manner that will be different.

So, is he in order to judge him based on the performance of another person?

The Speaker: Hon. members, hon. Nancy said that she has been a Member of the Committee for five years. In her submission, she said that the Report is lacking but there is improvement. That is what she said. That means that yes, the Report is bad but some work has been done and it can be done better. I just plead with this House that we take the position of the Minister. I do not know whether the Minister wants to conclude now.

The Second Deputy Prime Minister, EAC Affairs, Uganda (Ex-Officio) (Dr Kirunda Kivejinja): From the surveys that have been undertaken by others, we are ranked as one of the most progressive regional organisations. However, it appears that our people have not captured that and put it in their own document. It appears as if it is other people blowing the trumpet for us but we are not

blowing it. That is what I said. We have undertaken that this time round, we will do more supervision and work together with the Secretariat.

The Speaker: Chairperson, could you say a few things then we conclude this?

Dr Nyiramilimo: Thank you Mr Speaker. As many Members, the Committee and I reported, this report is really wanting. If we did not use terms like throwing out or rejecting it, it is because we are very diplomatic and polite. However, that is what we mean in the report, if you read and re-read it very well. It is very clear that the Report is very wanting. I would like to thank Members of the General Purpose Committee. As you have seen, we had many Reports to deal with. Members have always been there and worked very hard to make sure that analysis of Annual Reports is done in a very good manner. I also thank the other Members who talked and those who wanted to talk but did not talk because of time.

I thank hon. Nancy, hon. Taslima, hon. Ngoga, hon. Mulengani, hon. Dora, hon. Ogle, hon. Nakawuki and the Chair, Council of Ministers for his commitment. We all wish that this report will be done in the right manner. Therefore, we do not have a proper Annual Report for the year 2014/2015.

The Speaker: Honourable members, this House has directed that the Report be recalled, due diligence be done to it and that it be presented back to the Assembly. The House also directs that the 2015/2016 Report be presented in time to the Assembly.

ANNOUNCEMENT

The team from the AAR are around to meet Members and to conclude what we started, regarding the renewal of our health

insurance. Based on that, the Sergeant-At-Arms will direct Members on where the AAR staff are seated.

Suspension of House

I will adjourn the House to allow us to do that. We will resume at exactly 2.30 p.m. to proceed with business.

(The House was suspended 1.15p.m. until 2.30 p.m.)

(On resumption at 2.30, the Speaker, Mr Daniel Kidega, in Chair_)

(Dr Odette Nyiramilimo on 25.5.2017)

(Resumption of Business interrupted on 25.5.2017)

Consideration of the Budget for the EAC for the Financial Year 2017/2018

REPORT OF THE COMMITTEE ON GENERAL PURPOSE ON THE DRAFT ESTIMATES EAC BUDGET FOR THE FINANCIAL YEAR 2017/2018

The Speaker: Hon. members, good afternoon. You will remember that the minister moved the Motion that the House do resolve to constitute itself into a Committee of Ways and Means to consider and approve the Financial Statement for the financial year 2017/2018, a Committee of Supply to consider and approve the Estimates of Expenditure for the Financial Year 2017/2018

I now call upon the Chairperson to present the Report of the Committee.

The Chairperson of the Committee on General Purpose (Dr Odette Nyiramilimo): Thank you Mr Speaker. First of all, I would like to lay the Report on the Table.

(Dr Nyiramilimo laid the Report on the Table.)

Mr Speaker, Sir, I beg to move that the Report of the Committee on General Purpose on the EAC Budget Estimates for Revenue and Expenditure for the financial year 2017/2018 be adopted.

The Speaker: Seconders. Hon. Bucumi, hon. Susan, hon. Valerie, Dr Martin, hon. Kalinda and all the Members standing.

Introduction

Mr Speaker Sir, in accordance with the provisions of Articles 49 and 132 of the Treaty for the Establishment of the East African Community, Rules 74, 75 and Annex 5 (f) (2) of the Rules of Procedure of the Assembly, I beg to present to the Assembly for consideration and debate, the report of the Committee on General Purpose on the estimates of Revenue and Expenditure of the East African Community for the Financial Year 2017/18.

In accordance with specifically, Articles 49 (2) and 132 of the Treaty for the Establishment of the East African Community, as well as Rules 74, 75, 76, 77 and 78 of the Rules of Procedure of the Assembly, the Annual Estimates of Revenue and Expenditure of the East African Community in form of budgetary proposals are presented to the Assembly for consideration, debate and approval. The Committee on General Purpose, mandated by the Rules of Procedure through its pre-budgetary function, analyses the proposals and makes recommendations thereof to the

Assembly. This mandate is specifically premised on Rules 81 (c), (d), (e), and (g), as well as Annex 5 (f) (2) (c).

The Estimates of Revenue and Expenditure of the East African Community for the financial year 2017/18 were tabled before the Assembly by the Chair, Council of Ministers on Thursday 25 May 2017 and referred to the Committee on General Purpose for consideration.

Methodology

The Committee held meetings in Arusha to:

- (a) Considered the estimates of Revenue and Expenditure of the EAC for the Financial Year 2017/2018 and EAC Budget Speech;
- (b) Interacted with the Council of Ministers, Secretary General, Deputy Secretaries General, Heads of Organs and Institutions;
- (c) Reviewed, among others, the following documents:

Policy Statement by the Secretary General on the EAC Budget Financial Year 2017/2018

EAC MTEF Budget 2016/17: 2017-2018

EAC Budget Summaries for 2017/2018

EAC Annex to the Budget 2017/18 (Detailed MTEF at inputs level)

EAC Annual Operational Plan 2017/2018

EAC Procurement Plan for 2017/2018

EAC Pre-Budget Conference Report 33rd Ordinary Meeting of Council of Ministers Report

EAC-Explanatory Notes to the EAC Budget for Financial Year 2017/2018

Financial Statements and Statement of Estimates of Expenditure for 2017/2018

BUDGET ESTIMATES FOR THE FINANCIAL YEAR 2017/2018

The Council of Ministers requests approval of USD 110,130,184 (excluding CASSOA) for Financial Year 2017/18, as compared USD 101,374,589 for Financial Year 2016/17 as shown in the Table I.

TABLE 1. Summary of the Proposed Budget for FY2017/2018

| PLANNED EXPENDITURE | | | | | | | | |
|-----------------------------------|---------------------------|---------------------|------------|-------------------|---------------------|------------|-----------|-----|
| Organ/ Institution | FY 2016/2017 | | | FY 2017/2018 | | | Change | |
| Description | Internal Resource s | External Support | Total | Partner States | External Support | Total | USD | % |
| EAC-Secretariat | 21,036,328 | 36,704,857 | 57,741,185 | 20,2083,576 | 40,099,625 | 60,183,201 | 2,442,016 | 4% |
| East African Court of Justice | 4,107,977 | 178,500 | 4,286,477 | 3,997,366 | 142,800 | 4,140,166 | -146,311 | -3% |
| East African Legislative Assembly | 15,837,624 | 248,600 | 16,086,224 | 17,783,559 | 213,400 | 17,996,959 | 1,910,735 | 12% |
| Lake Victoria | 2,953,814 | 8,260,894 | 11,214,708 | 2,900,247 | 9,060,396 | 11,960,643 | 745,935 | 7% |

| PLANNED EXPENDITURE | | | | | | | | |
|---|---------------------------|---------------------|--------------------|---------------------------|---------------------|--------------------|------------------|-----------|
| Organ/ Institution | FY 2016/2017 | | | FY 2017/2018 | | | Change | |
| Description | Internal Resource s | External Support | Total | Partner States | External Support | Total | USD | % |
| Basin Commission | | | | | | | | |
| East African Science & Technology Commission | 1,196,138 | 0 | 1,196,138 | 1,500,164 | 0 | 1,500,164 | 304,026 | 25% |
| East Africa Kiswahili Commission | 1,179,542 | 0 | 1,179,542 | 1,553,098 | 0 | 1,553,098 | 373,556 | 32% |
| East Africa Health Research Commission | 1,397,438 | 0 | 1,397,438 | 1,871,922 | 353,402 | 2,225,324 | 827,886 | 59% |
| East African Competition Authority (EACA) | 841,365 | 746,200 | 1,587,565 | 817,995 | 519,050 | 1,337,045 | -250,520 | -16% |
| The Inter University Council for EA | 4,553,890 | 0 | 4,553,890 | 5,203,478 | 1,563,450 | 6,766,928 | 2,213,038 | 49% |
| Lake Victoria Fisheries Organizatio n | 1,552,872 | 578,550 | 2,131,422 | 1,550,140 | 916,515 | 2,466,655 | 335,233 | 16% |
| Total | 54,656,988 | 46,717,601 | 101,374,589 | 57,261,545 | 52,868,638 | 110,130,183 | 8,755,594 | 9% |
| EXPECTED REVENUE | | | | | | | | |
| SOURCE OF REVENUE | FY 2016/2017 | | | FY 2017/2018 | | | CHANGE | |
| Description | Internal Resource s | External Support | Total | Internal Resource s | External Support | Total | USD | % |
| Ministries for EAC Affairs | 41,890,538 | | 41,890,538 | 50,226,522 | | 50,226,522 | 8,335,984 | 20% |

| PLANNED EXPENDITURE | | | | | | | | |
|---|---------------------------|---------------------|--------------------|-------------------|---------------------|--------------------|------------------|-----------|
| Organ/ Institution | FY 2016/2017 | | | FY 2017/2018 | | | Change | |
| Description | Internal Resource s | External Support | Total | Partner States | External Support | Total | USD | % |
| Ministries Responsible for Education | 4,121,968 | | 4,121,968 | 4,848,432 | | 4,848,432 | 726,464 | 18% |
| Ministries Responsible for Fisheries | 1,552,872 | | 1,552,872 | 1,549,254 | - | 1,549,254 | -3,619 | 0% |
| Member Universities | 431,923 | | 431,923 | 323,755 | | 323,755 | -108,168 | -26% |
| Developmen t Partners | 0 | 46,717,601 | 46,717,601 | 0 | 52,868,638 | 52,868,638 | 6,151,037 | 13% |
| Miscellaneo us Revenue | 305,440 | | 305,440 | 313,583 | - | 313,583 | 8,143 | 3% |
| General Reserve | 6,354,247 | | 6,354,247 | - | - | 0 | -6,354,247 | -100% |
| Total | 54,656,988 | 46,717,601 | 101,374,589 | 57,261,545 | 52,868,638 | 110,130,183 | 8,755,594 | 9% |

Summary for the Budget Performance per Organ/Institution

| Vote | Organ/ Institution | Annual Approved Budget in USD (A) | Budget July 2016 to March 2017 in USD (B) | Total Spending in USD (C) | Budget remaining by March 2017 (B-C) | %- Utilization- Budget to March 2017 (C/B) |
|------------|--|---|---|------------------------------------|--|---|
| 001 | EAC-Secretariat | 57,741,185 | 49,620,469 | 21,271,739 | 28,348,730 | 43% |
| 002 | East African Legislative Assembly | 16,086,224 | 11,885,995 | 11,594,397 | 291,598 | 98% |
| 003 | East African Court of Justice | 4,286,477 | 3,268,383 | 2,533,979 | 734,403 | 78% |
| 005 | Lake Victoria Fisheries Organization | 2,131,422 | 1,128,147 | 1,079,859 | 48,288 | 96% |
| 006 | Inter-University Council for East Africa | 4,553,890 | 3,415,418 | 2,568,795 | 846,623 | 75% |

| Vote | Organ/ Institution | Annual Approved Budget in USD (A) | Budget July 2016 to March 2017 in USD (B) | Total Spending in USD (C) | Budget remaining by March 2017 (B-C) | %- Utilization- Budget to March 2017 (C/B) |
|-------------|--|--|--|--|---|---|
| 007 | East African Science and Technology Commission | 1,196,138 | 888,971 | 570,171 | 318,800 | 64% |
| 008 | East African Kiswahili Commission | 1,179,542 | 972,839 | 782,480 | 190,359 | 80% |
| 0009 | East African Health and Research Commission | 1,397,438 | 1,092,530 | 605,417 | 487,114 | 55% |
| 010 | East African Competition Authority | 1,587,565, | 685,400 | 123,382 | 562,018 | 18% |

Table 02B: Summary for the Budget Performance as of 31st December 2016

| Vote | Organ/ Institution | Annual Approved Budget in USD (A) | Budget July 2016 to March 2017 in USD (B) | Total Spending in USD (C) | Budget remaining by March 2017 (B-C) | %- Utilization- Budget to March 2017 (C/B) |
|-------------|--------------------------------|--|--|--|---|---|
| 004 | Lake Victoria Basin Commission | 11,214,708 | 6,119,316 | 2,791,704 | 3,327,612 | 46% |

This status of expenditure is low, meaning slow implementation of activities, and this is due to liquidity challenges faced by the Community.

Achievements during fy 2016/2017
Priority programmes in Financial Year 2016/2017
The following were the priority programs/activities planned for the Financial Year 2016/17:

- (i) Full implementation of the EAC Single Customs Territory;
- (ii) Enhanced implementation of the EAC Common Market Protocol, especially with regard to negotiating additional commitments and interconnectivity of border

- immigration systems and procedures across the Partner States;
- (iii) Development of cross-border infrastructure and harmonisation of laws, policies and standards in the respective sub-sectors; implementation of a liberalised EAC Air Space; enhanced implementation of computerised weather prediction models; implementation of a One Network Area in telecommunications and convene 4th Heads of State Retreat on Infrastructure Development and Financing;
 - (iv) Enhancement of productivity and value addition in key productive sectors including regional agricultural and industrial value chains and strengthen capacity for food security, natural resources tourism and wildlife management;
 - (v) Institutional Strengthening;
 - (iv) Development and harmonisation of policies, legislation, regulations and standards to establish an EAC Energy Common Market, including work on an EAC Energy Exchange and finalise remaining energy interconnectors across borders and
 - (v) Implementation of EAC peace and security initiatives.

Key achievements during Financial Year 2016/2017

The Committee was informed that the following were the key achievements during the Financial Year 2016/2017, in line with the priority areas outlined above:

- (i) Under the Customs Union Pillar, implementation of the Single Customs Territory has continued very well and coverage of goods

cleared has been expanded to include all intra-regional trade within the region. With the establishment of the Single Customs Territory (SCT), coupled with the launch of fifteen (15) One Stop Border Posts (OSBP), 11 of which are operational, there has been substantial reduction in turn-around period of clearing of selected imported goods;

- (ii) Movement of cargo from Mombasa to Kampala and Kigali is reported to have reduced from 18 and 21 days to four and six days respectively;
- (iii) Cargo movement from Dar es Salaam to Kigali and Bujumbura has also registered substantial reduction from 18 days to three to four days.
- (iv) In view of these achievements, it is imperative that all efforts are accorded to ensure fully-fledged operations to maximise the benefits from the Single Custom Territory, especially reduction in the cost of doing business in the region.
- (v) Implementation of the EAC Common Market Protocol gained significant achievements over the year. The EAC Partner States have enacted new laws to conform to the Common Market Protocol, aimed largely at ensuring free movement of persons, labour, and services.
- (vi) Currently, Kenya, Rwanda and Uganda allow their respective citizens to enter and exit their territories using National IDs;
- (vii) The Republics of Kenya, Rwanda and Uganda have further harmonised to zero the

- Entry/Work and Residence Permit fees and are according preferential treatment to citizens of the EAC Partner States. Likewise, the United Republic of Tanzania (URT) has amended her immigration regulations, leading to reduced Residence Permit fees by 50 per cent from US \$3,000 to US \$1,500, effective 1 October 2016;
- (viii) Four Mutual Recognition Agreements (MRAs) have already been negotiated and signed among professional associations (Accountants, Engineers, Architects and the Veterinary Services), while negotiations among surveyors, lawyers and advocates in East Africa were finalised between August and October 2016. All the MRAs are awaiting signature by the respective authorities. Negotiation of MRA for pharmacists has commenced;
- (ix) The International East African Electronic Passport was launched during the 7th Summit of the Heads of State held in March 2016. All EAC Partner States are expected to commence issuance of the EA e-Passport, effective 3 April 2017.
- (x) Under infrastructure development, the Community has witnessed several milestones. These include, among others;
- (xi) Commencement of construction of sections of the Arusha–Holili/Taveta-Voi road;
- (xii) Enactment of the EAC Vehicle Load Control Act, 2016 and respective regulations aimed to reduce the destruction of roads by overloaded vehicles and ease the movement of persons and goods across the EAC borders respectively;
- (xiii) Construction of the Standard Gauge Railway (SGR) from Mombasa to Nairobi which is underway and completion of studies on the EAC Railway Sector Enhancement Project;
- (xiv) Development of the EAC Regulations for liberalisation of Air Transport and completion of the feasibility study and roadmap for the establishment of the EAC Unified Flight Information Region (UFIR).
- (xv) In the Energy sector, the Community has implemented a number of initiatives that aim at providing East Africans with adequate, reliable and cost effective energy. Among the initiatives are:-
- (xvi) Launch of the East African Centre for Renewable Energy;
- (xvii) Implementation of various inter-connection projects between the EAC Partner States;
- (xviii) Feasibility studies for more than 2000 km on oil pipeline projects across the EAC Partner States.
- (xix) Development of the EAC Aflatoxin Control and Prevention Strategy at the national and regional levels was finalised in June 2016. The multi-sectoral strategy is designed to mitigate the impacts and effects of aflatoxin across the health, agriculture, livestock, trade, industry and environmental sectors;
- (xx) On the political front, the Community has intensified efforts towards promotion of peace, security and democracy. This is evidenced by the

Community's active participation in the election observer missions in the Republics of Burundi, United Republic of Tanzania and

Uganda in 2016, as well as facilitations of the Inter-Burundi Dialogue.

BUDGET PERFORMANCE DURING FY 2016/2017

The total budget approved for the Fiscal Year 2016/2017 was US \$**101,374,589**. The total spending up to March 2017 (except LVBC) against the planned budget for same period was as follows:

Summary of the Budget Performance per Organ/Institution as of 30 March 2017

| Vote | Organ/ Institution | Annual Approved Budget in USD (A) | Budget July 2016 to March 2017 in USD (B) | Total Spending in USD (C) | Budget remaining by March 2017 (B-C) | %- Utilisation- Budget to March 2017 (C/B) |
|-------------|--|--|--|----------------------------------|---|---|
| 001 | EAC-Secretariat | 57,741,185 | 49,620,469 | 21,271,739 | 28,348,730 | 43% |
| 002 | East African Legislative Assembly | 16,086,224 | 11,885,995 | 11,594,397 | 291,598 | 98% |
| 003 | East African Court of Justice | 4,286,477 | 3,268,383 | 2,533,979 | 734,403 | 78% |
| 005 | Lake Victoria Fisheries Organization | 2,131,422 | 1,128,147 | 1,079,859 | 48,288 | 96% |
| 006 | Inter-University Council for East Africa | 4,553,890 | 3,415,418 | 2,568,795 | 846,623 | 75% |
| 007 | East African Science and Technology Commission | 1,196,138 | 888,971 | 570,171 | 318,800 | 64% |
| 008 | East African Kiswahili Commission | 1,179,542 | 972,839 | 782,480 | 190,359 | 80% |
| 0009 | East African Health and Research Commission | 1,397,438 | 1,092,530 | 605,417 | 487,114 | 55% |
| 010 | East African Competition Authority | 1,587,565, | 685,400 | 123,382 | 562,018 | 18% |

Summary of the Budget Performance as of 31st December 2016

| Vote | Organ/ Institution | Annual Approved Budget in USD (A) | Budget July 2016 to March 2017 in USD (B) | Total Spending in USD (C) | Budget remaining by March 2017 (B-C) | %- Utilisation- Budget to March 2017 (C/B) |
|-------------|--------------------------------|--|--|----------------------------------|---|---|
| 004 | Lake Victoria Basin Commission | 11,214,708 | 6,119,316 | 2,791,704 | 3,327,612 | 46% |

This status of expenditure is low, meaning slow implementation of activities and this is due to liquidity challenges faced by the Community.

Key challenges during fy 2016/2017

The Committee was informed by the Secretary General that during Financial Year 2016/2017, the Community faced the challenges indicated below, which affected the implementation of the Community programmes and projects.

- a) Slow pace in harmonisation of domestic taxes to facilitate the functioning of a Single Customs Territory;
- b) Inadequate political mobilisation for the full implementation of the Common Market Protocol;
- c) Maintenance of the key macro-economic criteria essential for the Monetary Union;
- d) Inadequate staffing, particularly in the run-up to exit of several staff in early 2017;
- e) Delays in remittance of funds from Partner States and Development Partners to Organs and Institutions of the Community;
- f) Limited financial resources, occasioned especially from non-remittance from Development Partners and
- g) Long decision making and budget approval processes.

**PROPOSED BUDGET ALLOCATION
AND PLANNED ACTIVITIES/OUTPUTS
IN FINANCIAL YEAR 2017/2018**

EAC-SECRETARIAT

The EAC-Secretariat requests the approval of **US \$60,183,201** for Financial Year 2017/2018, compared to **US \$57,741,185** of Financial Year 2016/2017. This amount has been allocated to the offices as indicated below:

Office of the Secretary General

The office requests the approval US **\$3,208,800** to implement the key activities and achieve the following at the end of Financial Year 2017/2018:

- (i) The EAC-Business image promoted through participation in the regional and international fora;
- (ii) Leadership and guidance for integration process provided by the Summit of Heads State;
- (iii) EAC image enhanced and understood and supported regionally and internationally;
- (iv) An interaction between the EAC Secretariat and Organs/Institutions strengthened;
- (v) EAC-Secretariat facilitated to participate in legislation process;
- (vi) Assurance services provided to the Organs and Institutions;
- (vii) EAC Organs and Institutions Risk Register maintained;

- (viii) Defence corporation strengthened to promote peace and security in the region;
- (ix) Five laws touching on the Common Market harmonised;
- (x) Legal advice provided to Organs and Institutions;
- (xi) Enhanced popular participation of the citizenry in the EAC integration process and
- (xii) Resource mobilisation capacity strengthened.

Office of the Deputy Secretary General- Finance and Administration

The office requests the approval of US \$21,341,195 cater for the personnel emoluments and administrative costs and to implement the key activities to achieve the following at the end of Financial Year 2017/2018:

- (i) Phase One (I) of the Institution Review Recommendations implemented;
- (ii) Terms and conditions of the EAC Secretariat executed;
- (iii) Systems supported and policies strengthened;
- (iv) Performance evaluation system rolled out to other Organs and Institutions;
- (v) Internal communication strategies in place and implemented;
- (vi) EAC Institutional Framework strengthened;
- (vii) Statutory meetings coordinated;
- (viii) EAC Headquarter, Information Technology, security and safety systems maintained;
- (ix) Information sharing and networking among EAC organs and institutions

- and coordination Ministries enhanced and
- (x) Financial discipline and accountability effected across organs and institutions.

Office of the Deputy Secretary General- Planning and Infrastructure

The office requests the approval of US \$12,985,886 to implement the key activities and achieve the following at the end of Financial Year 2017/2018:

- (i) Common Market implementation monitored;
- (ii) Pre-Budget conference convened to harmonise and ensure proper planning;
- (iii) EAC Policy Research Unit maintained;
- (iv) EAC Secretariat Quality Management System maintained
- (v) Outcome indicators of the 5th EAC Development Strategy developed;
- (vi) Statistics necessary for operationalisation of the Common Market and EAMU in place;
- (vii) Single Financial Markets and Systems created;
- (viii) Fiscal and monetary policies for Monetary Union harmonised;
- (ix) Payment and settlement system structured and coordinated and
- (x) Regional road fatalities reduced by at least 20 per cent;
- (xi) At least five regional projects prepared and presented to Development Partners for investment;
- (xii) TORs and Regional Funded Projects developed for preliminary engineering design of bankable links;

- (xiii) Multilateral Air Services Agreement prepared and
- (xiv) The roaming framework implemented.

**Office of the Deputy Secretary General-
Productive and Social Sectors**

The office requests the approval of US \$ **14,801,047** to implement the key activities and achieve the following, among others, by the end of Financial Year 2017/2018:

- (i) Best practices mechanisms in post-harvest market information capturing and sharing introduced;
- (ii) Training workshop on management of maize Lethal Necrosis Disease and other trans-boundary diseases conducted;
- (iii) EAC-Agriculture Week to share experiences and best practices and scaling up successful innovation organised;
- (iv) Sub-regional strategy and country action plans for promoting decent employment for youth in agricultural sector developed;
- (v) Showcase and demonstration of best practices in post-harvest management storage supported;
- (vi) EAC-Seed Regulatory Framework developed;
- (vii) Sanitary and Phyto-Sanitary regulations developed;
- (viii) Technical field trips for pipelines project held;
- (ix) Feasibility Study Report for Kigali-Bujumbura Oil Pipeline approved;
- (x) EAC's Institutional and Financial Capacities for Environment and Climate Change Adaption and Mitigation strengthened;
- (xi) Climate change key activities undertaken;

- (xii) Best practices and sustainable biodiversity management for park rangers, managers and biodiversity practitioners organised;
- (xiii) EAC-Water Vision finalised;
- (xiv) Integrated Water Resources Management Strategy developed;
- (xv) Tourism activities promoted as a Single Tourist Destination;
- (xvi) A regional regulatory framework/guidelines for trade and production of quality hides and skins developed;
- (xvii) Trade and distribution of textiles and cotton through public and private partnerships feasibility study conducted;
- (xviii) A regional brand strategy for Buy-East Africa, Build East Africa scheme and hold Trade and Investment Roundtable held for textiles and leather actors;
- (xix) Mutual Recognition Agreement negotiated;
- (xx) National Examination Bodies aligned with new structured curricula and EAC-Examinations Rules and Guidelines;
- (xxi) National Teacher training curriculum harmonised with approved EAC-Teachers Training curriculum;
- (xxii) EAC Students Essay Competition conducted;
- (xxiii) Comprehensive Report on Gender, Youth, Children, Social Protection and Community Development consolidated and considered by Sectoral Council;
- (xxiv) EAC regional pharmaceutical manufacturing plan implemented;
- (xxv) Eight (8) Vehicles mounted mobile medical laboratories procured and deployed in the Partner States;

- (xxvi) EAC-Labour Migration Policy validated and
- (xxvii) EAC-Refugees Management Policy validated.

Office of the Deputy Secretary General-Political Federation

The office requests the approval of **US \$4,793,474** to implement the key activities and achieve the following among others by the end of Financial Year 2017/2018:

- (i) Capacities of Electoral Management and observation and EAC enhanced;
- (ii) 7th Annual Conference on Good Governance dialogue convened;
- (iii) Good Governance Conference convened to strengthen democracy in elections;
- (iv) Capacities of EALA and EAC staff enhanced in electoral monitoring, data collection, analysis and evaluation and
- (v) Key peace and security interventions undertaken.

Office of the Director General (Customs and Trade)

The office requests the approval of **US \$3,053,600** to implement the key activities and achieve the following, among others, by the end of Financial Year 2017/2018:

- (i) Customs and Trade Instruments printed and published;
- (ii) Pre-Budget meeting for consideration for proposals for inclusion to the National Budget held;
- (iii) Implementation of the EAC-Common External Tariff review;

- (iv) Product identification bullets developed;
- (v) Selected products studies and research conducted to inform policy review;
- (vi) Single Customs Territory business processes developed;
- (vii) Single Customs Territory operationalisation monitored and evaluated;
- (viii) Customs officials trained on One Stop Border Post procedures;
- (ix) Capacity building to customs experts undertaken on valuation, Rules of Origin and Single Customs Territory;
- (x) Training programme for Customs Instruments developed;
- (xi) Customs interconnectivity system to support Single Customs Territory processes in the region enhanced;
- (xii) The duty remission and exemption regime review;
- (xiii) EAC-Trade Report in place;
- (xiv) EAC-Time Bound Programme on elimination of the identifies NTB deliberated;
- (xv) Study on Impact of the *Jua Kali Nguvu Kazi* Exhibition undertaken;
- (xvi) Implementation of the WTO assessed;
- (xvii) EAC-Export Promotion Strategy developed;
- (xviii) Liberalisation of Trade in Service negotiated.

EAST AFRICAN LEGISLATIVE ASSEMBLY (EALA)

The Assembly requests the approval of **US \$17,996,959** to implement the key activities and achieve the following, among others, by the end of Financial Year 2017/2018:

- (i) Retreat for the Commission to review terms and conditions of services for EALA;
- (ii) EALA Strategic Plan and Monitoring and Evaluation Framework for oversight reviewed;
- (iii) Bi-Annual sensitisation in Partner States undertaken;
- (iv) EAC-Annual Inter-Parliamentary Games organised;
- (v) Bills debated and approved through Plenary Sessions, preparatory and Committee meetings;
- (vi) EALA's corporate image and visibility enhanced;
- (vii) Rules of Procedure and Code of Conduct for 4th Assembly reviewed;
- (viii) EAC-Financial Statements audited, examined and tabled to the House;
- (ix) Committee Reports and other documents published and
- (x) Chamber fixtures and security gadgets for Assembly procured and installed.

EAST AFRICAN COURT OF JUSTICE (EACJ)

The organ requests the approval of **US \$4,140,166** for Financial Year 2017/2018 to implement the key activities and achieve the following among others by the end of Financial Year 2017/2018:

- (i) Court plenary sessions held and committee activities undertaken;
- (ii) Role and place of the Court sensitised to stakeholders.

LAKE VICTORIA BASIN COMMISSION (LVBC)

The organ requests the approval of **US \$11,960,643** for Financial Year 2017/2018 to

implement the key activities and achieve the following among others;

- (i) LVBC Annual work plans produced;
- (ii) Monitoring and evaluation at LVBC Secretariat strengthened;
- (iii) LVBC laws, policies and regulations harmonised;
- (iv) EAC Instruments customised to accommodate LVBC requirements;
- (v) LVBC Risk Registers established;
- (vi) Climate change adaptation within the region strengthened;
- (vii) Human and Infrastructure Resources Capacity of the Commission strengthened;
- (viii) Trans-boundary Freshwater Ecosystem in the EAC strengthened;
- (ix) Safety and security of navigation in the lake improved;
- (x) Population, health and environment coordinated and managed;
- (xi) Integrated Water Resources Management plan implemented and
- (xii) LVBC institutional capacity strengthened.

INTER- UNIVERSITY COUNCIL FOR EAST AFRICA (IUCEA)

The institution requests the approval of **US \$6,766,928** for the Financial Year 2017/2018 to implement the key activities and achieve the following among others;

- (i) Establishment and facilitation of Centres of Excellence in key areas of Higher Education;
- (ii) Human Resources and Professional Capacity of the Internal Audit Unit enhanced;

- (iii) Governance Principles and Compliance ensured;
- (iv) Laws, Rules and Regulations governing IUCEA management are abided with;
- (v) IUCEA corporate image among stakeholders enhanced;
- (vi) Communication strategy is elaborated, approved and implemented;
- (vii) Facilitate MOUs and collaboration between Universities in the region and with stakeholders outside the region;
- (viii) Organise forums and mediums for knowledge sharing, exhibition of innovations and for recognition of innovators;
- (ix) Regional recognition of programs and mutual recognition of qualification across EAC;
- (x) Additional benchmarks for academic programs developed;
- (xi) Establishment of Quality Assurance Units and training of quality experts promoted and
- (xii) Academic Centre for Digital Innovation in East Africa.

LAKE VICTORIA FISHERIES ORGANISATION (LVFO)

The organisation requests the approval of US \$2,466,655 to implement the key activities and achieve the following, among others, by the end of Financial Year 2017/2018:

- (i) Access to Information Systems Services on fisheries and aquaculture;
- (ii) Use of new technologies for management and development;
- (iii) Financial Management Information Systems in place;
- (iv) Capacity building to facilitate the expanded mandate;

- (v) Preparation of annual performance contracts and Annual Report;
- (vi) Status of implementation of Lake Victoria Fisheries Management Plan;
- (vii) Harmonised regional aquaculture policies and legal framework;
- (viii) Regional guidelines on fisheries licensing developed;
- (ix) Increased catches and income as a result of enhanced protection of critical habitats;
- (x) Update indicators on status of fish stocks, exploitation levels and aquaculture;
- (xi) Standard Operating Procedures and databases are reviewed and updated;
- (xii) Statistical bulletin for fisheries and aquaculture produced annually;
- (xiii) Increased accessibility of fish and fishery products to international and regional markets and
- (xiv) Guidelines for fish traceability.

EAST AFRICA SCIENCE AND TECHNOLOGY COMMISSION (EASTEKO)

The Commission requests the approval of US \$1,500,164 for the Financial Year 2017/2018. The implementation of budget will result into the following:

- (i) Research and Development (R&D) Institutions in EAC region assessed and supported with Centres of Excellence according to priority areas;
- (iii) Forum for R&D institutions and private sector established;
- (iv) Regional journal on innovative research and technologies launched;
- (v) Regional network of STI Parks established;

- (vi) Cooperation and coordination arrangements with organisations with Science, Technology and Innovation objectives developed;
- (vii) Regional arrangements & programmes for collaborative research developed;
- (viii) EASTECO Protocol, 2007, amended by December 2017;
- (ix) EASTECO Bill enacted;
- (x) STI Working groups/think tanks on Research, Technological Development and Innovation established and
- (xi) A regional database on Science, Technology and Innovation, with STI

indicators established.

EAST AFRICA KISWAHILI COMMISSION (EAKC)

The Commission requests the approval of US \$1,553,098 for the Financial Year 2017/2018 against US \$1,179,542 for Financial Year 2016/2017. The implementation of budget will result into the following:

- (i) Preparation and harmonisation of EAC positions on Kiswahili;
- (ii) Partnerships and collaborations with the media in Partner States on the development and use of Kiswahili;
- (iii) EAKC Board of Management established;
- (iv) Promotion of the development and use of Kiswahili as a language of wider communication in EAC Partner States; and
- (v) A database of Kiswahili research publications and findings established.

EAST AFRICAN HEALTH RESEARCH COMMISSION (EAHRC)

The Commission requests the approval of US \$2,225,324 for the Financial Year 2017/2018. The implementation of budget will result into the following:

- (i) The East African Health Research Commission operational;
- (ii) Infrastructure and logistics for capturing, accessing, sharing and utilisation of knowledge established;
- (iii) Baseline Research Capacity of Institutions in the region assessed and
- (iv) Clinical Trials Baseline Research Capacity of Institutions in the region assessed.

EAST AFRICAN COMPETITION AUTHORITY (EACA)

The Authority requests the approval of US \$1,337,045 for the Financial Year 2017/2018. The implementation of this budget will enable the Authority to achieve the following:

- (i) Competition and protection of consumers enforced;
- (ii) Advocacy and awareness campaigns implemented and
- (iii) Subsidiary legislations, development of user manuals, guidelines and threshold notification requirements enacted.

SPECIFIC OBSERVATIONS AND RECOMMENDATIONS OFFICE OF THE SECRETARY GENERAL

(a) "Savings from Travels"

It was noted that the Secretary General has on many occasions, in the course of Financial Year 2016/2017, informed the Assembly that since he assumed office, he has made substantial savings (amounting to US \$3 million) through his deliberate intervention of scaling down on travel expenses of the

Community. No evidence of such savings was adduced during our review and analysis of the budget performance. On the contrary, the Committee noted that the said cash savings were never proved since there was a low budget performance due to delayed or non-remittance of funds by Partner States and Development Partners.

(b) Budget line for Attending EALA Sessions

The Office of the Secretary General intends to facilitate the SG to attend fifty six (56) EALA Sittings in Financial Year 2017/2018. EALA holds six sittings in each financial year, which is equivalent to seventy two (72) sitting days. However, out of the 72 days, two (2) sessions are held in Arusha, which reduces it by 24 days. The SG is seeking per diem for 56 days instead of 48.

In the same vein, it was noted that this docket had budgeted for the officers accompanying the Secretary General (Chef d'Cabinet and the Secretary) to attend 168 sittings of EALA. However, the actual number of sittings they will attend is 96. The Counsel to the Community (CTC) will also attend 48 sittings of EALA instead of the proposed 84. In light of this, the Committee noted that an excess of US \$34,700 had been budgeted for as per diem for the above officers to attend EALA sittings.

The Committee recommends that a total sum of US \$34,700 that was budgeted for as per diem for officers under the SG's Office to attend EALA Sessions be reallocated to the East African Parliamentary Institute.

(a) Resource Mobilisation

According to the budget estimates (Page 53), a total of US \$47,850 has been earmarked to fund a Donor Conference in Financial Year 2017/2018 as part of the resource mobilisation drive. According to the written

response from the Secretary General, the Donor Conference will be held “*after completion of the 5th EAC Development Strategy*”.

While the Committee commends the Secretariat for this initiative, it is not possible to hold the conference in Financial Year 2017/18 since the 5th EAC Development Strategy is not yet in place. Realistically, the Secretariat cannot develop the 5th EAC Development Strategy, have it approved by Council and then hold a Donor Conference in the Financial Year 2017/2018.

The Committee recommends that the Assembly reallocates US \$47,850 that was meant for the Donor Conference to the East African Parliamentary Institute.

OFFICE OF THE DEPUTY SECRETARY GENERAL—FINANCE AND ADMINISTRATION

(a) The EAC Ad hoc Service Commission

It was noted that the Ad hoc Service Commission was appointed and commenced work in September 2016. The Commission has since conducted interviews for over thirty (30) professional staff of the Community, majority of whom were appointed during the 35th Council Meeting held in April 2017.

It was further noted that the Ad hoc Service Commission does not have an established Secretariat to give it the requisite administrative, technical and professional support. Currently, the Commission relies on the Secretary General and the Director Human Resources and Administration for technical and administrative support.

The absence of an established Secretariat, appointed specifically as a unit of the Adhoc Service Commission mandated to provide administrative and technical support to the Commission, has exposed this institution to

the risk of continued reliance on the Officers/employees of other Organs and Institutions of the Community who may have conflict of interest, especially during the recruitment exercise.

It was further noted that since the Adhoc Service Commission is not a full time body of the Community and with no established Secretariat, Members of the Commission carry with them vital records of the Community to their respective Partner States. This practice exposes such confidential records to possible leakage.

Relatedly, while the Community may be optimistic that the Ad hoc Service Commission will diligently execute its mandate, we should take cognisance of the fact that it does not have technical expertise, especially in highly specialised professions such as medical/health, engineering. Such professional expertise may have to be outsourced during the time of interviews.

The independence and integrity of the Ad hoc Service Commission needs to be put on the priority agenda of the EAC. This is so because the Commission plays a critical role in determining the recruitment of technically competent and astute staff in the Service of the Community. Therefore, there is need for the establishment of a Secretariat for the Ad hoc Service Commission in the short run and transforming the Commission into a full time EAC Public Service Commission in the long term.

It was noted that all recruitments for professional and project staff are being done by the EAC Ad hoc Service Commission, except for General Staff which, as per the Staff Rules and Regulations, the appointing authority is the Secretary General. It is the considered view of the Committee that the EAC Ad hoc Service Commission assumes

full responsibility for the recruitment of all categories of staff in the EAC.

The Committee recommends that the Council of Ministers prioritises the amendment of the EAC Staff Rules and Regulations to accommodate the mandate of the EAC Adhoc Service Commission.

(a) **Recruitment of Staff**

It was noted that eighteen (18) professional staff will be recruited in Financial Year 2017/2018, six (6) of whom will be replacing the exiting EALA staff. In light of the recently concluded recruitment exercise which witnessed delays that led to serious manpower gaps in the Community, the Committee was concerned that if similar delays occurred, it would cripple the operations of the Assembly.

The Committee recommends to the Assembly to urge the Ad hoc Service Commission to expeditiously conduct and conclude interviews for the said positions, particularly the EALA positions, at least three months before the end of term of the exiting staff.

Follow-up for IPSAS/GFS Framework for new EAC Institutions

A budget line of US \$27,750 has been earmarked to facilitate the Office of DSG (F&A) to follow up the implementation of IPSA/GFS Framework in new EAC Institutions of EASTECO, EAKC, and EAHRC. This activity relates to implementation and operationalisation of the financial accounting systems and standards (the International Public Sector Accounting Standards/Government Financial Statistics Financial Reporting Framework) in the three (3) new institutions.

It is the considered view of the Committee that it is the mandate of the Internal Audit

Unit and the Audit Commission, not the Office of the DSG-F&A (Accountant), to ascertain whether or not the established EAC Institutions (EASTECO, EAKC, EAHRC) adhere to the International Public Sector Accounting Standards. Suffice to say, this is done through routine auditing.

The Committee recommends to the Assembly to reallocate US \$27,750 to the East African Parliamentary Institute.

OFFICE OF THE DEPUTY SECRETARY GENERAL, PLANNING AND INFRASTRUCTURE

(a) The Financial Sector Development and Regionalisation Project (FSDRP)

It was noted that the implementation of the first phase of the Project (FSDRP) amounting to US \$16 million (effective April 2011) was closed in September 2016 and the EAC was granted an Additional Financing (AF) of US \$10.5 million. The additional funds will support the project activities for the next three years (October 2016-30 September 2019).

It was noted that the project has faced a number of challenges such as lack of cooperation of some Partner States/Stakeholders in the execution of the project activities. The Republic of Kenya pulled out of the project due to failure by the World Bank and the EAC Secretariat to address the concerns raised about the procurement process. Suffice to note, Kenya had requested that a site visit be conducted to ascertain the competence of the vendor but was ignored.

The current volume of trade between/across border is still very minimal to sustain the infrastructure. When the World Bank pulls out at the end of the Project (FSRP), the infrastructure may not be sustained without the full participation of all the EAC Partner States. Therefore, there is need to bring on

board all the EAC Partner States.

The Committee recommends that to guarantee the sustainability of the EAC Financial Sector Development and Regionalisation Project, deliberate efforts should be made by the EAC Secretariat in liaison with the Council of Ministers to bring all the EAC Partner States on board. The need to integrate together cannot be over emphasised.

The Committee also recommends that the EAC Financial Sector Development and Regionalisation Project be mainstreamed into the EAC Framework. There is also need to follow up on the implementation of the provisions of the Financing Agreement.

(b) Operationalisation of the Common Market

While the Committee appreciates the efforts being made to operationalize the Common Market Protocol, apparently, there are some legal and institutional bottlenecks that need to be addressed if the Community is to realise tangible benefits. There is an outstanding recommendation of the Assembly to the Council of Ministers to initiate and bring a Bill in the House to better operationalise the Common Market Protocol.

The Committee reiterates the Assembly recommendation to the Council of Ministers to expedite the finalisation of the Bill to operationalise the Common Market Protocol and have it presented to the House in Financial Year 2017/2018.

(c) Railway Infrastructure

It was noted that at the regional level, EAC has just concluded a study known as the EAC Railways Sector Enhancement Project, which was a follow-up on to the EAC Railways Master Plan done in 2009. The study has proposed new priority links and strategies for

harmonising railways standards. The Secretariat will prepare a roadmap on the implementation of the recommendations of the study. The Committee recognises the importance of railway infrastructure in the development of the EAC. However, currently, each Partner State is separately implementing her own railway infrastructure. As for railways infrastructure development, Kenya has completed Phase One of the Standard Gauge Railways, Tanzania has commenced construction and Uganda is in the procurement stages for its SGR.

The Committee recommends to the Assembly to urge the Council of Ministers to prioritise the establishment of the EAC Railways Regulatory Authority.

(d) Hire of a Consultant to review Summit and Council Decisions

It was noted that this office has earmarked US \$68,000 to engage a consultant to review outstanding Summit and Council decisions and directives. The Committee wonders whether the Officers in this office do not have the technical expertise to carry out this assignment to the extent of hiring a consultant. The Committee takes exception to the increasing habit of the EAC Secretariat to rely on consultants to do work for the Community, even in basic areas where the Officers of the Community are deemed to have the requisite technical expertise.

The Committee recommends that the Assembly reallocates US \$68,000 to the Audit Commission.

(e) EAC Roaming Framework

While the Committee commends the Republics of Kenya, Rwanda and Uganda for making strides in the implementation of the EAC Framework on One-Network-Area (i.e. the EAC Roaming Framework), the Republic of Burundi and United Republic of Tanzania

are yet to implement the provisions of this framework. As a result, roaming charges remain high in the two Partner States, which escalates the cost of doing business in the region.

The Committee recommends that the EAC Secretariat, in conjunction with the Council of Ministers continually engage with the Republic of Burundi and the United Republic of Tanzania to implement the Framework, facilitate the adoption of key statistical indicators for monitoring the implementation of the Framework.

OFFICE OF THE DEPUTY SECRETARY GENERAL– POLITICAL FEDERATION

(a) Confederation

It was noted that the Summit of Heads of State resolved that the EAC will adopt a Confederation as a system of governance before transiting into a fully-fledged federal system. At the 35th Meeting of the Council of Ministers, the Republic of Kenya requested for additional time to study the implications, which was granted. Against this development, no further recommendations for action could be submitted to the EAC Summit of Heads of State for consideration.

(b) Mainstreaming APSA Staff into the Community

It was noted that the 34th Meeting of the EAC Council of Ministers was explicit on the need for continuity in the Peace and Security Department. A clear roadmap, inclusive of recommendations of the EAC Service Commission on implementation of the Institutional Review, will be considered by the 36th Meeting of the Council of Ministers and will provide a clear way forward with respect to integration of the APSA components upon end of EU funding in 2018.

(c) The EAC Panel of Eminent Persons

It was noted that the EAC Summit of Heads of States guided that the Panel will be appointed on need basis. The planned interventions include establishing and building capacity of a critical mass of experts, who will be available to support the work of the Panel whenever called upon.

(d) Promotion of friendly relations between states and addressing Intra-State tensions

The Treaty underscores the need for good neighbourliness further elaborated in the Peace and Security Protocol which also identifies intra-state conflicts as an area of intervention. However, such interventions can only be undertaken within an environment where the Protocol has been fully ratified and is operational, a task that is far from conclusion with only two Partner States having concluded the ratification process.

OFFICE OF THE DEPUTY SECRETARY GENERAL—PRODUCTIVE AND SOCIAL SECTORS**(a) Underfunding and understaffing**

It was noted that besides being understaffed, the programmes and activities of this docket continue to be the most underfunded at the EAC Secretariat. For example, the education sector has only one activity (Essay Competition) which is funded by Partner States. The rest of activities depend on funding from Development Partners. Currently, there is one officer who handles issues of gender, youth, children and Persons with Disabilities, social protection, civil society mobilisation and community development.

(b) Regional Councils for Youth, Women, Children and PWDs

The Committee noted that there has not been any action taken on the action plans of the youth and PWDs which were adopted by the

Council of Ministers in 2016. The Community is yet to operationalise regional Councils for youth, women, children and PWDs, yet these regional Councils are stated as the oversight institutional bodies to monitor and coordinate the implementation of these action plans.

**OFFICE OF THE DIRECTOR GENERAL CUSTOMS AND TRADE
Full Implementation of the Single Customs Territory**

It was noted that an incremental roll out of products has been adopted on both the Northern and Central corridors and full roll out to be achieved in July 2017. However, some of the products still face NTBs, arising from Partner States' standards and regulatory requirements on agricultural products. There has been no complaint of lack of trade in agricultural products. What is being witnessed is where some Partner States, for food security reasons, restrict trade in agricultural products. This contravenes the Customs Union principles and laws.

EAST AFRICAN COURT OF JUSTICE (EACJ)**(a) Extended Jurisdiction**

The Committee was informed that the jurisdiction of the EACJ was extended to include matters of trade and arbitration. The Judges will undertake appropriate training to acquire the necessary knowledge and skills in regards to the expanded mandate.

(b) Financial and Administrative Autonomy

It was noted that while the EAC Ad hoc Service Commission was given the mandate to review and unpackage the scope of the financial and administrative autonomy to be granted to EACJ and EALA, the Commission does not have the professional and technical expertise to make appropriate recommendations on this matter.

It was further noted that uniqueness and peculiarities of the EACJ and EALA require due attention and consideration during this exercise. Therefore, extensive engagement of the leadership of these two organs cannot be overemphasised.

The Committee recommends that the EAC Ad hoc Service Commission engages comprehensively with the leaderships of EACJ and EALA on the Financial and Administrative Autonomy of these Organs to ensure that this matter is concluded in Financial Year 2017/2018.

EAST AFRICAN LEGISLATIVE ASSEMBLY (EALA)

(a) Increased Membership of the 4th Assembly

Upon the attainment of full membership of the EAC, the Republic of South Sudan will be duly represented in the Assembly, effective June 2017. This will increase the Membership of EALA from the current fifty two (52) to sixty two (62).

The Committee was also informed that as a result of the inclusion of the Republic of South Sudan and the impending recruitment of a Deputy Clerk in charge of Finance and Administration, the budget of the Assembly attracted a 12.5 per cent growth in Financial Year 2017/18.

(b) Unfunded/Underfunded Priorities

The Committee was informed that the Assembly made an initial proposal of a 32 per cent increase to cater for:

- (i) Lifting of committee activities from four to seven days;
- (ii) Operations of EAPI;
- (iii) Installation of the Speaker;
- (iv) Review of the Rules of Procedure of the 4th Assembly and

- (v) Training of Members of General Purpose and Accounts Committees on auditing and MTEF.

(c) Audit Commission

Save for the Audit Commission whose budget was significantly reduced, the other activities were out and therefore remain unfunded in Financial Year 2017/2018.

In view of the fact that the membership of EALA will increase effective Financial Year 2017/2018 and considering that the 4th Assembly will have its expanded territorial jurisdiction with the Republic of South Sudan coming on board and therefore, increasing its volume of work in regards to her oversight, legislative and representative mandate; a more realistic or corresponding budget should have been provided.

It is important to note that the above critical activities need to be funded since they have a significant bearing on the effectiveness of the Assembly. Parliaments, like other modern corporate bodies, invest substantial resources in training and retooling their Members in a bid to strengthen their capacity to effectively discharge their legislative, oversight and representative mandate.

Relatedly, it is inconceivable that at a time when the Community is facing increased allegations of financial mismanagement and the need to strengthen the capacity and independence of the Audit Commission, a decision was taken to reduce its budget from US \$570,000 to US \$385,000. Besides, the creation and establishment of more EAC institutions translates to increase in volume of work for the Audit Commission, which calls for an enhanced budget of the Audit Commission for the effective discharge of its mandate.

(d) Financial and Administrative Autonomy

It was noted that while the Summit and Council of Ministers took a decision to grant financial and administrative autonomy to the EALA and EACJ, the scope of this autonomy is yet to be concretised and approved by the Council. Therefore, no specific budget has been provided for the operationalisation of the autonomy of EALA and EACJ, save for a budget line for the recruitment of the Deputy Clerk in charge of Finance and Administration.

The Committee was informed that Council directed the Secretariat to develop a paper which the Council will adopt, detailing which areas will be affected by the autonomy of EALA and EACJ and this will inform the basis for proper budgeting.

The Committee recommends that the Secretariat expedites the development of a paper on the autonomy of EALA and EACJ for consideration by the Council of Ministers in Financial Year 2017/2018.

The Committee further recommends to the Assembly to urge the Council of Ministers ensure that the relevant instruments for the operationalisation of the EALA and EACJ financial and administrative autonomy are put in place before the end of Financial Year 2017/2018.

(c) East African Parliamentary Institute (EAPI)

The Committee was informed that the 35th Meeting of the Council of Ministers approved 1st October 2017 as the commencement date for the operationalisation of the EAPI. The budget is not factored in the current budget estimates.

The Committee recommends that the Council sources for the requisite funds to

operationalise of EAPI in Financial Year 2017/2018.

LAKE VICTORIA BASIN COMMISSION (LVBC)

(a) Safety and Security of Navigation

It was noted that LVBC, under the LVEMP project, commissioned and handed over the Aids to Navigation Installations to the riparian countries in the Lake basin. The installations have reportedly enhanced navigation safety and reduced maritime accidents. LVBC has also negotiated with the African Development Bank to undertake a Multinational Maritime Communication and Transport Project. This will involve the establishment of Regional Maritime Rescue Communication Centre (MRCC) in Mwanza with additional sub-centers at Entebbe (Uganda) and Kisumu (Kenya); establishment of 22 emergency search and rescue stations around the lake and development of the East African Maritime transport strategy, among others.

(b) Sustainability of Projects

The LVBC continues to depend on Donor Funding to the tune of 76 per cent of the budget while the Partner State contributions to LVBC have substantially decreased to the tune of two per cent. This trend is a cause for concern since there are no concrete strategies to address the sustainability of the Commission.

It was noted that there is a serious deficit from Partner States' contribution to the budget on resource mobilisation. In the long term, LVBC interventions may be hampered with the lack of resources mobilisation. While LVBC initiated a trust fund mechanism whereby the different donors might contribute, the efforts to engage Donors on this matter have been hampered by budgetary constraints under resource mobilisation.

The Committee recommends to the Assembly to urge the Council of Ministers to direct Partner States to contribute towards the development budget of LVBC. Efforts should also be made by the Partners to mainstream LVBC projects upon completion into their national plans and budgets to guarantee sustainability.

LAKE VICTORIA FISHERIES ORGANISATION (LVFO)

It was noted that the budget outturn for LVFO in Financial Year 2016/2017 stood at 44 per cent, as at 15 May 2017. The Organisation receives funding directly from Partner States. The Committee was informed that the United Republic of Tanzania has not honoured its financial contribution to LVFO for the last two Financial Years; 2015/2016 and 2016/2017. The underfunding of LVFO, coupled with low or non-remittance of funds by Partner States, significantly affects the effective and efficient functioning of the organisation.

EAST AFRICAN SCIENCE AND TECHNOLOGY COMMISSION (EASTECO)

Unlike other Organs and Institutions of the Community which witnessed a reduction or zero increase in their budget ceilings for Financial Year 2017/2018, the budget of EASTECO was increased by 25 per cent. The Committee commends the Council of Ministers for this intervention given the critical programmes/activities the institution needs to undertake in its infancy.

(a) Constitution of the Board

The Committee was informed that since its inception in July 2016, the Commission's staff establishment stands at four (4). The Commission is also yet to receive the names of members from the Republic of Rwanda to have a duly constituted board. This explains

why the Commission is yet to hold the first meeting.

It was noted that upon the Republic of South Sudan becoming a member of the EAC, in Financial Year 2017/2018, the membership of the Board is expected to increase from the current thirty five (35) as provided in the Protocol to forty two (42). However, if no effort is made to expeditiously and duly constitute the board, the operations of the Commission will be affected since this is an important policy making body of the Commission.

(b) Review of the EAC Science, Technology and Innovation Policy

It was further noted that in the proposed budget of EASTECO there is a provision of US \$63,000 to finance a meeting to review the report of the consultant on the Regional Science, Technology and Innovation Policy while a paltry US \$400 is provided for the hire of a consultant to develop the said policy. The Committee considers the money proposed for hire of a consultant too little and therefore unrealistic. Besides, it is not possible to procure a consultant for this activity who will accomplish the work to enable the Commission review the said report in the same Fiscal Year 2017/2018.

The Committee recommends that the Assembly reallocates US \$63,000 that was meant for the review meeting to enable EASTECO procure a consultant to develop the EAC Science, Technology and Innovation Policy.

INTER-UNIVERSITY COUNCIL OF EAST AFRICA (IUCEA)

It was noted that IUCEA is developing and implementing strategies for alternative sources of funding, either by directly having

Development Partners fund its activities or through proposals for funding, which has seen the following partnership:

- (i) For the next five years, IUCEA activities will be supported by the World Bank (US \$8million), GIZ (US \$4 million), German Bank KfW (scholarships to students: total amount not yet declared) and SIDA through bilateral partnerships with universities in the region and DAAD for quality improvement of graduate studies;
- (ii) Conducting activities on a cost sharing basis with IUCEA member institutions;
- (iii) Enhanced follow up of financial promises from Partner States and member institutions;
- (iv) Aggressive follow up on VAT refunds. To date, IUCEA has recovered US \$235,000 and
- (v) Increased cost cutting measures such as conducting of meetings at IUCEA Headquarters or in Kampala where number of participants cannot be accommodated at IUCEA Board Room.

The Committee was informed that IUCEA, in collaboration with the Office of the Counsel to the Community and that of the Secretary General, has made proposals for the amendment of the IUCEA Protocol, as directed by the Sectoral Council on Legal and Judicial Affairs. They are waiting input from Partner States.

It was further noted there is growing demand by non-degree awarding institutions such as technical and vocational training institutions to have them under the purview of IUCEA. However, the current IUCEA Protocol and Act limit its interventions to universities and other Higher Learning institutions that are

accredited and award tertiary education degrees. The Committee recognises the need for coordination of non-degree awarding institutions that include most of technical and vocational training institutions.

The Committee recommends that the Council of Ministers explores, among others, the possibility of establishing another regional body or the option expanding the mandate of IUCEA to include those institutions. Any of the two options requires in-depth assessment, prior to a final decision.

EAST AFRICAN HEALTH RESEARCH COMMISSION (EAHRC)

The Committee was informed that the Commission Secretariat will relocate to Bujumbura by end of June 2017, as directed by the 14th Sectoral Council of Ministers of 28 March 2017. A building for office accommodation has already been procured but is awaiting contract signing. The Commission was also talking to the MEACA Burundi to acquire the land that the Government has accepted to give.

EAST AFRICAN KISWAHILI COMMISSION (EAKC)

It was noted that following the Assembly Resolution to adopt Kiswahili Language as one of the official languages in the EAC Partner States, in April, 2017, the Council of Ministers welcomed and adopted this resolution and accordingly directed that efforts to operationalise this commence forthwith. Among others, Council directed that National Kiswahili Policies be developed, and a process for establishing Kiswahili institutions be initiated.

The Committee observed that the above initiative will consequently call for the amendment of the EAC Treaty and National Constitutions of Partner States, establishment

of Kiswahili Councils and national associations of Kiswahili, among others.

SUPPLEMENTARY BUDGET FOR FINANCIAL YEAR 2016/2017

On 25 May 2017, the Chairperson, Council of Ministers presented to the Assembly a

Supplementary Budget request for the Financial Year 2016/2017. The Mr Speaker referred it to the Committee on General Purpose for consideration. The request is meant to finance the following activities:

| Vote No. | ACTIVITY | AMOUNT IN USD |
|-----------------|---|----------------------|
| 001 | Regional network of Public Health Laboratories for communicable diseases | 79,367 |
| | The EAC Regional Centre for Excellence on vaccines, immunisation and health supply chain management | 68,630 |
| | The EAC-SIDA integrated Health Program | 1,259,744 |
| | Control and prevention of maize lethal necrosis disease and development of EAC harmonised seed regulatory framework project | 358,480 |
| 004 | Control and Prevention of Maize Lethal Necrosis Disease and Development of EAC Harmonised Seed Regulatory Framework Project | 123,840 |
| 009 | Preparation for the EA Health and Scientific Conference, International Health Exhibition and Trade Fair; and the establishment of the East African Journal of Health Research | 250,000 |
| | The Developing Countries Clinical Trials Partnership Programme | 6,452 |
| | TOTAL | 2,146,513 |

The Committee considered the Supplementary Budget request and finds it appropriate since the activities to be funded are in line with the EAC integration agenda.

The Committee recommends that the Assembly approves the Supplementary Budget amounting to US \$2,146,513 to finance the above mentioned activities.

GENERAL OBSERVATIONS AND RECOMMENDATIONS

1. It was noted that the EAC Budget has continued to either stagnate or decrease for some Organs and Institutions. While the resource envelope has not increased for the last four (4) years, the EAC has

witnessed remarkable growth, both in terms of territorial jurisdiction and the volume of activities in respect of the pillars of integration. However, this growth has not attracted an increase in the Budget to address the growing needs of the Community. In the 2017/2018 budget, save for about three institutions, the rest of the Organs and Institutions witnessed a zero increase or decrease in their respective budgets.

2. It was further noted that the EAC Budget for Financial Year 2016/2017 witnessed an unprecedented low outturn due to delayed or non-remittance of funds from Partner States and Development Partners.

In particular, remittance of funds from Partner States stood at 43 per cent as of 15 May 2017. As a result, most planned programmes/activities were not implemented.

It is likely that delays in disbursement of contributions by Partner States will re-occur during the Financial Year 2017/2018 and therefore, there is need for a new and alternative sustainable funding mechanism to be adopted by the Community. The Ministers of Finance are yet to meet and finalise work on the modalities required to establish a sustainable financing mechanism for the Community and report to the Summit.

The Committee recommends to the Assembly to urge the Council of Ministers to finalise the modalities on Alternative Sustainable Funding Mechanism for the Community.

The Committee further recommends that in the meantime, it is important for Institutions to streamline priorities so that available resources are spent on the most important activities with higher positive impact for the Community.

The Committee urges the Council of Ministers to put in place a mechanism to control unnecessary meetings and conferences. This should include the criteria for determining which meetings should be held via video conferencing or face to face.

3. The Committee noted that there are no clear guidelines on the operations of the General Reserve Account. The Committee could not ascertain evidence of existing accounting procedures for the Reserve Account. It is not clear how the money is requisitioned, approved and repaid. For example, the Committee was informed that most of the funds reflected in the name of

EALA are eventually retained by the Secretariat as recoveries into the General Reserve and EALA is expected to refund the said borrowed funds.

In the Mr Speaker's letter to the Secretary General dated 30 May 2017, it was noted that in the most recent allocation of Tuesday 30 May 2017, another deduction of US \$500,000 out of US \$700,000 was taken away from EALA, stating that it constituted funds borrowed in 2015 – the previous financial year. This followed another deduction at the beginning of May 2017 when US \$700,000 plus US \$164,000 was deducted from EALA in the midst of a very busy schedule.

It is the considered view of the Committee that all General Reserve Account transactions, including inter-Organ borrowings and refunds, should be backed by the requisite supporting documents, repayment vouchers and cheques for ease of follow up.

The Committee recommends that the Council of Ministers establishes clear guidelines and procedures for all transactions into the General Reserve Account.

The Committee further recommends that a complete inventory and portfolio of funds from the General Reserve Account to EALA against the recoveries for the period 1 July 2015 and May 2017 be availed to the Assembly by the Secretary General.

4. The effective and efficient execution of the budget calls for, among others, financial discipline and prudent management practices on the part of the Heads of EAC Organs and Institutions. In Financial Year 2016/2017, the Assembly, in particular, carried out investigations into the Procurement of Group Life

Insurance and the irregular dismissal of staff of the APSA Project. Despite the critical findings and recommendations of the Assembly, the Chairperson, Council of Ministers, in his Budget Speech, did not demonstrate any concrete interventions and commitment to enforcing financial discipline and prudent management practices in the EAC.

5. It was also noted that in addition to the Resource Mobilisation Unit at the EAC Secretariat, other Institutions of the EAC, notably, the East African Health Research Commission and the Lake Victoria Basin Commission, have established a similar office. While the Committee commends the said institutions for this intervention, a well thought out and coordinated approach to resource mobilisation should be adopted by these institutions in collaboration with the EAC Secretariat.

The Committee recommends that the Council of Ministers comes up with an interim measure to fund the Lake Victoria Basin Commission Resource Mobilisation Activity planned for 2017 since the budget allocated to this activity is unrealistic.

The Committee further recommends to the Assembly to urge the Council of Ministers to develop policy guidelines on Development Partners' funding and project selection criteria.

5. The Committee noted overlaps and duplications in the programmes/activities of Organs/Institutions. This is common with the newly established institutions, namely the East Africa Science and Technology Commission (EASTECO), East Africa Health Research Commission and the East Africa Kiswahili

Commission, particularly in the area of research and innovation.

6. While IUCEA is mandated to coordinate research and innovation activities that are undertaken by universities alone or in collaboration with other partners since it is part of training activities for graduate studies, EASTECO, LVBC, LVFO, EAKC and EAHRC have the responsibility to coordinate research activities of research institutions that are not academic.

The Committee recommends that at the time of developing Protocols that establish new institutions, due consideration be taken to minimise overlaps and provide for a legal framework that facilitates collaboration among the EAC Organs and Institutions in the execution of their respective mandates.

CONCLUSION

The Committee underscores the need for commitment and timely remittance of funds by the Partner States and Development Partners to guarantee effective implementation of the set priorities in the EAC Budget for Financial Year 2017/2018. Financial discipline and prudent management practices in the execution of this Budget cannot be overemphasised. The Assembly, Council of Ministers and Audit Commission need to step up their oversight credentials to counter any attempt or form of financial mismanagement in the Community.

The Committee hereby recommends that the Assembly considers and approves the proposed EAC Estimates of Revenue and Expenditure for Financial Year 2017/2018 and the programmes/activities therein.

ACKNOWLEDGEMENT

The Committee would like to acknowledge and express its appreciation to the Mr

Speaker, the Hon. Secretary General of the EAC, the Office of the Clerk, EALA and all the Executive Staff and officers of the Organs and Institutions of the East African Community it interacted with from 9 to 20 May 2017. The Committee would like to thank the Council of Ministers who also met with the Committee.

Mr Speaker, Sir, I would like to thank the Members of the General Purpose Committee for the hard work they have been doing for the two and a half years that I chaired the Committee. I thank them because they were a good example to the Members.

Mr Speaker, I beg to move that this report is adopted.

The Speaker: Thank you very much, Dr Odette, for eloquently presenting the Committee Report which is part of the bigger Motion moved by the Minister.

The Motion on the Floor is that the House do resolve itself into a Committee of Ways and Means to consider and approve the Financial Statement for the Financial Year 2017/2018 and a Committee of Supply to consider and approve estimates for the Budget for the Financial Year 2017/2018.

(Question proposed)

Ms Shy Rose Bhanji (Tanzania): Thank you Mr Speaker, Sir for giving me this opportunity. Before I begin, please allow me to first congratulate the Republic of Uganda for assuming the Chairpersonship of the EAC Heads of States. We wish His Excellency President Museveni all the best. *(Applause)*

Similarly, I would like to congratulate His Excellency, Dr John Pombe Magufuli for his role as the Chairperson of the Summit for the EAC Heads of States. He ably managed to

play his role. *Hongera sana Mheshimiwa Rais.*

I would now like to debate the Report presented by the Chairperson of the General Purpose Committee on the EAC Budget Estimates for Revenue and Expenditure for the Financial Year 2017/2018. I would like to congratulate the Chairperson. As you rightly put it, she eloquently read the Report.

Before I express myself on the key issues, I would like to say that I am very happy to note that the GDP in the EAC has grown by 6.1 per cent, compared to 5.8 per cent growth in the year 2015. This is good news. It is even better news that Tanzania has recorded one of the highest growths at 7.2 per cent in 2016. Let me now move to my area of focus.

For a start, I wish to congratulate the EAC Secretariat, under the Secretary General Ambassador Liberet Mfumukeko, for allocating a Budget of US \$1.5 million to the Kiswahili Commission to allow it to kick start its activities. I would like to congratulate the Chairperson, Council of Ministers for allocating this amount. The Kiswahili Commission will start with a Kiswahili conference in Zanzibar in September this year. This is a very welcome move towards the right direction.

The Speaker: Hon. Shy Rose, let me interrupt you a bit.

Hon. Members, we will combine the debate on the Budget Speech with the Committee Report because they are on the same subject matter. Ordinarily, I could have adjourned to allow you read the Report and internalise it. However, we are constrained by time. We are left with less than 48 hours to transact all the business for the Third Assembly.

Hon. Shy Rose, proceed.

Ms Bhanji: Thank you Mr Speaker, Sir. I was saying that the Kiswahili Commission will kick start with a very important conference on Kiswahili in Zanzibar in September this year. This is a very welcome move. The conference's theme is "Transforming the EAC for Kiswahili."

We all know that Kiswahili is the lingua franca of our Community. Therefore, successful mobilisation and empowering of our citizens is the best way to go into promoting Kiswahili. It is my sincere hope and belief that this conference will be conducted in Kiswahili to enable many participants to take part and come up with good strategic plans for the future.

My second issue is about peace and security. While we have welcomed South Sudan in our Community, it is also my hope that they will borrow a leaf from the peaceful co-existence of East Africans. We know that all is not well between the two major tribes of South Sudan. We pray that peace and reconciliation will prevail so that South Sudan can enjoy the—
(*interruption*)

Mr Ogle: On a point of clarification, Mr Speaker. I understand Ms Shy Rose's passion for Kiswahili. However, could she confirm that at some forum, some two to three months ago, she said that Kiswahili was synonymous with Tanzania and that the fact that the institution is currently being led by a Kenyan was a tragedy?

The Speaker: Hon. Shy Rose, that clarification is supposed to be made by you although the Speaker cannot remember where you made that statement. Proceed and clarify to Mr Ogle.

Ms Bhanji: Mr Speaker, Sir, I was talking about South Sudan. I was saying that we all

know that all is not well in South Sudan.
(*Laughter*)

We pray that peace prevails in South Sudan so that they can also enjoy the fruits of EAC integration. This concern also comes as a priority intervention under the promotion of Regional Peace, Security and Good Governance for the year 2017/2018 in the Budget Speech of the Council of Ministers.

Again, in the key specific priorities during the Financial Year 2017/2018, there is a budget on food security and agricultural products. We note with concern that the price of maize flour is so high yet this is a staple food for many East Africans. The price has skyrocketed both in Kenya and Tanzania to an alarming level, which is an indicator that there is a problem in terms of food security in these two countries. However, given the good weather that has prevailed, it is my hope that the region will experience a bumper harvest to reverse this situation.

Finally, I will speak about Lake Victoria. I will not dwell much on this because the Committee on General Purpose has spoken at length about issues concerning Lake Victoria. My contribution will dwell on the Lake Victoria's budget of US \$2.4 million.

This budget, in my view, is enough because LVFO has a duty to make sure that the fishing industry in Lake Victoria operates in a proper way. I am saying this because the catch assessment shows that there is a decrease in the value of catches from US \$840 million to US \$591 million. This means that the fishing industry in Lake Victoria is suffering from illegal fishing and other malpractices. This has a bad impact on the fish population in Lake Victoria.

In my view, the LVFO can utilise the funds allocated to it to ensure that the fishing

industry in Lake Victoria is well run. It is my appeal that this money will be well used to enable fish to multiply and the fishermen to adopt fish culture that will be productive to ensure survival of Tilapia, Dagaa and Nile Perch in Lake Victoria.

Lake Victoria has many uses in East Africa. It is there to ensure food security, employment for fishermen, foreign exchange through export of fish to other countries but also provision of water to the neighbouring regions. Most importantly, it is used as a means of transportation and is a source of income in the tourism industry. Therefore, LVFO has a big task and must not let us down in East Africa.

The Speaker: Thank you hon. Shy Rose. Hon. Members, I suggest that every Member takes not more than five minutes for us to manage the Order Paper. If you can, take two minutes, the better.

Dr Ndahiro: Thank you Mr Speaker, Sir. First of all, let me begin by thanking the staff of this Community, particularly those who are engaged in the budget making process. They have improved over the years. You have seen the list of the documents that we have been given. It is important to note that for the past nine years I have been in this Committee, every year, we have been struggling. However, at the end of it all, we have seen an improvement. The only thing that has not improved is one. The structure is good but you will always see an element of copy and paste left and right. That is because of our budget processes.

Mr Speaker and Members, we take all the items as lined up in the five-year development plan of the Community and all of them become budget lines. So, you are talking about building energy plans, railway master plans, road master plans and the

whole development plan is budgeted for. It is the view of this Committee that the Council of Ministers should take a lead. Yes, as the Secretary General comes up with a list of priorities, they should also support and ensure that it is the only priority that bears clear deliverables and can bear witness to East Africans that indeed, this integration process belongs to them. We have nothing to show so we should try and work out a mechanism to deliver to the aspirations of our people.

I am a Member of this Committee. I would like to bring out two issues that probably were read in my absence or probably were omitted by accident. There is an issue of the current Budget Act. We have always requested the Secretariat and the Council of Ministers to bring or introduce amendments to that Budget Act, which will help this Assembly in sequencing of Reports and following up on implementation of Community projects. Those amendments are yet to come. This is the third year we are requesting for that. I hope that the Chair of our Committee can include that recommendation because we had agreed on it during our deliberations. If it is there, I am sorry.

Secondly, we have a lot of questions and issues that were not resolved during our interaction with the Council and the Secretariat. I think to help Members debate this report properly; we need to get some clarification from the Council of Ministers and the Secretariat on issues that are in this report and require their input. For instance, we are talking about Council resolutions to operationalise EAPI by October 2017. We are passing a Budget of 2017/2018 but we are not sure why the Council of Ministers did not provide enough or appropriate funds to operationalise EAPI.

The Council should help this Assembly by clarifying on the issues we are grappling with.

We are talking about management of finances in this Community. We call for financial discipline from all institutions and organs of the Community.

We are still grappling with the issue of the Reserve Account. Up to now, we are not sure where we are. While budgeting for 2016/2017, you will remember, while we were in Dar es Salaam, we approved the usage of US \$6 million in the Reserve Fund, in anticipation that Partner States would remit in time and the account would be replenished.

Up to today, we are not sure although we are told that some Partner States have completed their remittances. We need to understand whether we still have the US \$6 million in the reserve account. We have been told that EALA still owes the Community account money. I would not want to leave EALA in debt. I would not want to walk away and leave EALA in shambles. We need clarification so that we pass this Budget knowing that all is good so that the Community continues to operate after we leave EALA. We should not leave EALA in shambles and then be blamed later.

Hon. Members, there are other recommendations that we dealt with during our deliberations with the Council. Who determines projects that are implemented in this region, particularly by development partners? We thought that it would be prudent for the Council of Ministers to establish an objective criterion that will guide people who go out there for resource mobilisation. They should go out there and source for resources that are good for integration. When I talk about good for integration, it is because I

know that there are many agenda items out there in the world. We would not want people to bring money here for the sake of it to fund some ideas or other programmes which are not within our priority areas. So, the Council of Ministers should help us work out a criteria so that we know that we know we are mobilising resources for x, y and z.

Two, we are telling the Council of Ministers to provide a framework or an approval procedure and proper management of the Reserve Fund. The Reserve Fund does not belong to the Secretariat but belongs to the Council. We requested the Council to sit down and come up with a proper procedure. It should not be upon a staff of the Community to determine when to refund the money in the Reserve Account or when to draw money from the Reserve Account. This is provided for under the Financial Rules and Regulations. However, I doubt whether it is adhered to.

We have, in the past, also recommended to the Council to ensure that the Financial Rules and Regulations are improved and are in accordance with the current development activities that we are involved in. You may want to know that the current budgeting processes, MTF and others are being conducted in vacuum of a legal framework. The current Budget Act, as it is, does not provide for MTF and yet this is the budget framework we are using.

Two, the same Act provides for a period when the technocrats in this Community are supposed to put up a report, indicating the clear status going forward so that the budgeting process is complete. That report has to come before end of June each year so that the budgeting process that begins by August can use a similar report in projecting activities ahead. There are so many unanswered questions. That is why I wanted,

if possible, for the areas that are not clear to be clarified by the Council and the Secretariat so as to direct this Debate.

Thank you so much. I support the Report by the Committee.

The Speaker: Thank you so much. Hon. Members. I was patient with Dr Ndahiro because of his special need. However, for the rest, take five minutes and below.

Ms Emerence Bucumi (Burundi): Thank you, Mr Speaker, for giving me the Floor. First of all, I would like to congratulate the new Minister for EAC Affairs from Burundi, hon. Ndahayo Isabelle, for the confidence bestowed on her. I welcome her to this Chamber, even though it is not the first time that she is taking up a seat here.

Secondly, I want to congratulate hon. Odette, the Chairperson of the General Purpose Committee where I am a Member. We worked very hard from 8 May up to today so as to deliver this report. Our Chairperson did not get tired.

Thank you very much Chairperson, General Purpose Committee.

I have two issues to raise regarding this report and on the Budget Speech. The first one is on page 28 of this report. On the Productive and Social Sectors, the Report says that the programmes and activities of this docket continue to be the most underfunded at the EAC Secretariat. That is true. I can give one example among others.

If you look at the budget allocated towards agriculture, you will find that it decreased from US \$1,401,585 million for the Financial Year 2016/2017 to US \$976,875 for the next financial year. This amount is for the budget line called Agriculture, Food Security and

Rural Development. Considering the global budget which is US \$110 million above, the agricultural budget only represents 0.8 per cent. However, the Budget Speech on page 27, paragraph 1, under agriculture and food security the Report says that the EAC is strongly committed to support implementation of the June 2014, Africa Heads of States Malabo Declaration on Agriculture, Growth and Transformation in Africa.

The same Speech in paragraph 2 talks about the formulation of an EAC Regional Agriculture Investment Plan which will be a key instrument in rallying key financial and technical support to move agricultural transformation. Is the 0.8 per cent enough to do so? From my understanding, there is a contradiction between the Budget Speech and the budget allocation in the agricultural sector. This shows that agriculture is not considered as a key priority among others for development and that is why it is neglected. Commitment is one thing but action is another. Maybe our EAC region needs to borrow experience from other countries like China which have showed a good example in promoting the agricultural sector. Since the EAC is people-centred, the agricultural sector should have been given the first priority.

The second issue is about rotational sittings. Of course, this has been highlighted in the Budget Speech page 57; that the rotational sittings in the EAC Partner States enhance the visibility of the EAC region. However, the experience I got during the sensitisation programmes is that the sensitisation programmes are better in creating awareness to the EAC citizens more than the sittings.

Let us say the truth. If there were no rotational sittings, some people would feel bad because they would not get anything. I

know you all know what I mean. However, we must be focused on what we want to achieve in terms of what we have as our budget, especially now that we are not getting anything much from Development Partners. In my view, we should increase the number of days for sensitisation so that we reach more people in each Partner State.

Mr Mulengani: On a point of information, Mr Speaker, Sir. Thank you, hon. Bucumi for allowing me to give information. I do not want to differ so much with what you are submitting. However, I just want to inform you that rotational sittings have enhanced my knowledge about the region. I know places like Kitega and Kigobe in Burundi. If I was left to sensitise people in Uganda without rotating, how would I represent the people of East Africa without knowing what they are going through? How would I also know the area of my concern or call of duty?

Ms Bucumi: Thank you Mr Speaker, Sir. Thank you, hon. Mulengani, for the information. I started by saying that we should know what we want to achieve since we have budgetary concerns. If we carried out sensitisation, people would know what the EAC is all about, what is happening at the EAC and the gains of being part of the EAC.

Mr Speaker, sittings should remain in Arusha as it is stipulated in the Treaty establishing the EAC. The Motion on rotational sittings must be reconsidered.

The Speaker: Thank you hon. Bucumi. As we conclude, you have become one of the best debaters in this House.

Mr Celestin Pierre Rwigema (Rwanda): Thank you Mr Speaker, Sir. First of all, I want to congratulate you because this is the last week and the last session of the Third Assembly. I want to congratulate you

because of your leadership. You have been a wonderful leader, full of capacity, achievement, responsible, a participant and very charismatic.

The Speaker: Hon. Rwigema, the Speaker does not take those comments and compliments from a senior citizen of the EAC like you very lightly.

Mr Rwigema: Personally, I want to thank you. The topic of my thesis was approved because of your cooperation. The topic was also very much appreciated.

Coming back to this report, I am not a Member of the Committee on General Purpose. I want to congratulate the Members and more so the Chairperson of the Committee for the way she eloquently presented the Report. I thank her for that. I want to focus on two or three points. I will not take too much time.

My first point is that I have observed, through this Budget, that there is no increase in terms of individual Partner States contributions. That means that we focused on the operating budget and not on the development side. The Council of Ministers should be keen about prioritising the different sectors of the Community.

Secondly, one of my colleagues was talking about the general reserve. However, if the contributions from Partner States do not come in time, we will definitely have manipulations to the reserve account. I wish the Council of Ministers can focus on ensuring that the contributions are given in good time.

Mr Speaker, the EAC Development Policy and Budget have to provide high value economic activities. This should be implemented if we are to develop our region

from a low productive region to a high productive region.

Last is about gender. If we do not promote gender equity in economic activities, we will not get overall growth for the Community. We have to focus on this. The last point is about mobilisation of funds. If you remember, this morning we were talking about the EAC Annual Report. If the Report of the EAC is inaccurate and lacks proper facts and statistics, then the donors cannot consider giving us funds. I call upon the Council of Ministers to see how the EAC Annual Report can be used as a tool to source for funds. That way, we will get money for development.

Ms Maryam Ussi (Tanzania): Thank you, Mr Speaker. Let me also take this opportunity to congratulate hon. Isabelle for migrating from this House to join the Council of Ministers.

This might be my last time to contribute. Therefore, let me thank you for your administration. Through your tenure, we have gained a lot of experience. As a fellow youth, you gave us an opportunity to grow. I thank you very much. I also thank Members who served in the Second EALA who are still here. They received us under their wings and we learned a lot. We have gained a lot of experience and some of us came back because of your mentorship. I thank you, together with EALA Three.

I have three comments which I will give quickly. The first one is on the Budget Speech which is on page 10, Publication of EAC Trade and Investments Report. We are debating on the Budget of 2017/2018. I would at least have expected us to have the record of GDP increase and decrease of at least 2016 because we are in 2017. The 2015

report may not reflect the true picture of the GDP increase or decrease.

Secondly, let me also give this as information. On page 16, the Chairperson, Council of Ministers told us that on corporation, statistics, harmonisation and development, the EAC Statistics Bureau Bill is already in the House. We do not have a record of this. Therefore, I urge the Chairperson, Council of Ministers to revisit this Bill and if possible, bring it up as an activity for the Fourth EALA since we do not have this Bill in the Assembly.

My main concern is about the underfunding in the social sector. We have left the social sector in the hands of Development Partners. More than 60 per cent of the population is made up of youth and women. However, we are still underfunding the social sector year in year out. On the health sector, let me thank the Government of Germany and Switzerland. They have given a lot of funding, especially in the HIV/AIDs and immunisation programmes. However, apart from that, the social sector has been ignored. There is youth, children, women and Persons with Disability Councils that are supposed to be established. This has already been passed by the Council of Minister to be adopted by June 2018. However, there is no money in that sector. There is only US \$3,000.

Apart from that, what is more heart breaking is that even the projection of 2018/2019 – in the General Purpose Committee, we look at projections of coming financial years – has no money. The operationalisation of these Councils is supposed to be finalised in 2020. However, there is no money in the 2017/2018 budget and zero projection in the 2018/2019.

I am wondering how we are supposed to implement this in 2020 yet there is absolutely zero projection of the budget. I would like the

Council of Ministers to revisit the issue of women and youth in the region. We call the region people-centred. Youth, women and people with disability are part of this region.

Let me give my comments on borrowing from the general reserve account. We need proper documentation and record of the money given to institutions. For example, there is money that was supposed to fill in the loan that was given by the Secretariat to EALA in 2015. We are getting this record now yet we are in 2017. Some staff members who were concerned with this issue have already left the Community. I believe that if we do not have proper records of the Organs, we will end up having financial malpractice. Therefore, in order to be credible, we must have proper documentation on the finances that is given to us across the Organs. It is quite understandable that at times, the money comes in late.

Lastly, let me finish. The Chairperson, Council of Ministers, when he was presenting his debate, promised to make sure that money from Partner States is remitted on time. We always stand here to remind Partner States that according to the Treaty, December of every year is the deadline of remitting funds. Unfortunately, as we come to the end of this financial year, there are Partner States that have not remitted. We hope that the Chairperson, Council of Ministers will do as he has promised. The good thing is that I will be here in the Fourth EALA. I will remind him to make sure that the money is remitted by December of every financial year, in accordance with the Treaty.

Thank you Mr Speaker. I support the Budget Speech and the Report.

Mr Ogle: On a point of clarification. I am seeking your guidance, although I had to invoke the clarification provision for lack of

a better provision. I want to speak on behalf of the Chairperson, Council of Ministers. We are fasting. We have been sitting throughout the morning. It is only fair that you grant some latitude to some of us who have been fasting so that you adjourn these proceedings a bit earlier than usual.

The Speaker: I am a very conscious of the fact that our Muslim brothers and sisters are in the Holy Month of Ramadhan. At the right time of breaking fast, I will request that we withdraw quietly from the Chamber. You should go, break your fast and then come back. I will try to talk to the administration so that we have tea. I plead with you so that we deal with the budget issues. However, I am very conscious about that. We also thank you for praying for us during this holy month.

Mr Chris Opoka-Okumu (Uganda): Thank you Mr Speaker, Sir, for giving me this opportunity. First of all, let me congratulate hon. Isabelle for being appointed Minister for EAC Affairs. She was the Chairperson of my Committee on Agriculture, Tourism and Natural Resources. She did very well and I am sure she will function very well.

Since I may not speak again, I would like to congratulate you for having steered this Assembly very well. I would like to thank the Chairperson, Council of Ministers for the Budget and also the Chairperson of the General Purpose Committee for presenting this report very well.

I have only one or two concerns. The first concern is on the issue of the financial sector; development and regionalisation projects which is contained on page 16 of the Budget Speech and which is also referred to on page 24 of the report of the Committee on General Purpose.

Mr Speaker, Sir, in the Budget Speech, we are told that the second batch of the US \$10.5 million had been approved by the World Bank. Even in the Report of the Committee on General Purpose, they talk about debt having been approved. Has it been remitted? The professionals, who are employed in this sector, are extremely very important and work on the setting of the base for the implementation of the Monetary Union, work every day. I can assure you that I have information that for the past four months, they have not been paid salaries and their children have not gone to school.

Some of these staff members are forced to share houses with colleagues. The staff members walk from their homes on foot to come and work. This is a very serious situation. We had a situation where three of the staff members were dismissed verbally by a DSG in charge of that sector, in total disregard of the Staff Rules and Regulations. This is a very serious issue and I would like to draw the attention of the Council of Ministers to remember what happened-
(*interruption*)

Dr Ndahiro: On a point of information, Mr Speaker, Sir. Thank you, hon. Chris Opoka. I want to give information with regard to the Financial Sector Regionalisation Project. The World Bank indicated to the EAC that in order to get a second tranche, they need to do three things. One is to work out a utilisation plan for the money. Two, adhere to the memorandum of understanding. The understanding is that the project was phased in a way that the second tranche would come in to fund specific identified areas.

Those specific identified areas required a minimum number of personnel. They made is clear that they should adhere to the number of personnel related to the areas or activities they were going to fund. We received

communication from different people in that sector indicating that there currently a problem where the Secretariat is unwilling to adhere to the terms of contract and the World Bank is unwilling to release the money. Therefore, there is a stalemate. Who will break that stalemate? That is a question to be posed to the Executive. Otherwise, the World Bank will not release that money. If the Community is not able to adhere to the terms of contract, pull out of that project. Unless the Community is able to raise funds from elsewhere, that project will die a natural death. Thank you.

The Speaker: Hon. Chris, before you get back the Floor, Chairperson Council of Ministers, actually, the issue of this project and the staff who have not been paid for four months and the condition they are in reached my office yesterday evening. They appealed to me in a way of seeking help through this Parliament. I am glad that the matter has been raised hon. Chris Opoka. It needs to be urgently picked up. I was about to approach the Office of the Secretary General to see how best we can address the situation.

Hon. Chris, proceed.

Mr Opoka: Thank you Mr Speaker. I thank Dr Ndahiro for the information. Unfortunately, he is a Member of this Committee and whatever he is raising is not in the Report of the Committee. The information should have been in the Report of the Committee. This is a very serious matter. According to the information I have, the utilisation document has already been sent to the World Bank.

The Speaker: We have information from the Secretary General. Maybe that will help with the debate.

The Secretary General to the EAC (Amb. Liberet Mfumukeko): Thank you Mr Speaker. I just want to clarify on the situation regarding this project. I know that there has been a lot of misinformation.

Here is the true information. We negotiated on 17 and 18 August with the World Bank and that was done through video conferencing. On 19 August, the DSG/P&I, Dr Bukuku who was the one running this project wrote to the World Bank, informing them that we had agreed to the terms of negotiations and the document negotiated. He attached on that letter the minutes of the negotiations. The minutes point to the fact that we agreed on a project document. So, there was a project document describing exactly what we had agreed on pertaining to the management of the project.

Page 17 of that project document says – the document is signed by Dr Bukuku – that all the project staff for the second phase would be kept during the first year. During the second and third year, the staff would be deployed in the Partner States. The documents are available. From there, they had to be paid. That is what we did, based on these project documents and a letter to the World Bank. We paid US \$192,000 for salaries. However, some people came out to say that we should not have done that. It has been a practice when we do not have money that we take it from the reserve account and reinvest that money. So, this has generated a lot of controversy just because we paid that money to the project staff.

Since there was that controversy, we have since stopped paying them. However, what is most interesting is that I sent my Deputy Secretary General/ PF to Washington DC last month. He met with the World Bank and they requested to have a work plan which we had submitted. We have communications by

email showing that they should be giving us the non-objection very soon. This is in emails which were communicated to us very recently. Therefore, the project will not die because we have submitted what the World Bank requested. They have told us in writing that what we have submitted looks good to them.

However, we are facing the same situation as we had with APSA. From October 2015, there was no funding. Until now, there is no financing agreement. We have paid, since October 2015 until now, using money from the Community. You will remember that there was a major debate on this one. Regardless of the fact that there was no money, we managed to find money to pay the eleven people because there was a promissory letter that the African Union would give money to the Community. With this project of the World Bank, we signed a financing agreement. We have it. That one provides for retro-active payments. So, to give the same treatment to all these people who have families and who have been there for a few months without pay, we should be allowed to get money where it is.

Mr Opoka: Thank you Mr Speaker, Sir. Thank you, Secretary General for the clarification. As you have heard hon. Members, the families of these staff members are suffering because of that kind of decision. The Council had directed the Secretariat to submit all appointments and termination of professional staff under projects to Council for consideration. Some of these members were dismissed without reference to Council.

As the Secretary General has ably put it, if we did the same thing for APSA while we were waiting for funds from the AU, why can we not do it for these professional staff who are engaged in very important work? They have been committed and they continue to work

for the Community. Their children are suffering. One of the staff's wife had a heart attack. *(Laughter)*

Surely, honestly, it is true. Yes, she was admitted in the hospital here. So, please, Council, you should take this matter extremely seriously.

My second intervention is on the issue of the Ad hoc Service Commission, which deals with appointments. I do not know how this came about. Who are the Members? Are they employees of this Community or do they come from outside? How do people from outside know better what is happening in the Community?

Ms Abisai: On a point of information. Thank you, hon. Chris for giving way. I appreciate what hon. Opoka is raising. I want to reiterate that one Partner State is pulling out of the financial regionalisation because of some suspicious elements. Those are the things we need to address. I think that is in the Report. You should look at it.

The Speaker: Could you give us full package of the information?

Ms Abisai: To be precise, Kenya. Kenya has issues with it. They have raised some concerns. They have some reservations. That is the information I wanted to give to hon. Opoka. I know that we say; "my people perish due to lack of knowledge." However, that is the truth.

Mr Opoka: Let me conclude my submission. I had already surpassed what hon. Abisai has raised. The point is that the Council of Ministers should go and inquire more deeply into this matter of this very important Committee on the financial sector regionalisation project much more deeply into this issue. Otherwise, as hon. Abisai has

said, some countries want to pull out. I have seen it in the Report of the General Purpose Committee that Kenya wants to pull out. So, the Council of Ministers has to take this very seriously.

I had already gone into the issue of the Ad hoc Service Commission. How did this come about? Who are the members? Are they employees of this Community? If they are from outside the Community, do they know what people in the Community want? I do not know how this has come about?

The Speaker: Hon. Chris, I think it is important for information to be given so that these commissioners do not appear to be people from outside.

The Secretary General to the EAC (Amb. Liberet Mfumukeko): Mr Speaker, Sir, Kenya is concerned about a procurement that was made a few years ago. I beg to state that I had not yet joined the Community. These were equipment purchased for the financial sector development project. The Counsel to the Community (CTC) will give us more information about that. However, the vendor who was picked has not performed yet. This was for a sizeable amount of money. Some arbitration has taken place and the CTC has been following closely on this matter.

The Speaker: You will also help us with the Ad hoc Service Commission on the creation and membership.

The Counsel to the Community (Dr Anthony Kafumbe): Thank you Mr Speaker. Let me start with the Ad hoc Service Commission because I was involved in it. The Ad hoc Service Commission was constituted by the Council. We have a Council decision to that effect because there were challenges with recruitment in the Community. The membership of the Ad hoc

Service Commission comes from Partner States. They are quite senior people because they are all commissioners. They have been involved in a number of recruitments so far. They took oath. They have their own rules and procedures. For all intents and purposes, they report to the Council. They do their report and present it to the Council. The Council is the one that does the appointment. Their work stops at recommending to Council the suitable candidates to appoint.

Regarding the financial sector development project, we have had some challenges with the provider. The provider is called Infortek. He was unhappy with certain things and took us for adjudication. What is important is that we won that adjudication. The adjudicator ruled in favour of the Community. Unfortunately, Infortek is still unhappy with what the adjudicator said. They wrote to say that they wanted to go for arbitration but that has not yet materialised. As it is now, the adjudicator ruled in our favour and I believe we put a very good case. As far as that is concerned, if he decides to go for arbitration, I think we will have a very good defence for the Community.

Mr Martin Ngoga (Rwanda): Thank you, Mr Speaker. I appreciate the clarification by the CTC. However, he would have been more helpful if he provided a timeline. If the vendor decided to appeal, would there be a timeline or is this an open ended process? There is some need for precision on this. Is there a matter before the arbitration? Is there any programming in terms of hearing or is this something that he is still considering? For how long will he be considering? I think matters of judicial processes are always time bound. Are we about to complete the process or we have no idea?

Mr Mulengani: Thank you, Mr Speaker, Sir. I would like the CTC to substantiate on the monies involved.

Ms Byamukama: Mr Speaker, Sir, I think hon. Mulengani has stated part of what I wanted to say. However, my clarification is, why would we go for arbitration which is non-binding? In the first instance, there is wastage of resources and we need to ascertain the resources we are talking about. I do not understand and need to appreciate why we would go for an arbitration which is non-binding under the circumstances.

The Counsel to the Community (Dr Kafumbe): I thank you, Mr Speaker. Let me start with the figures. This is in the region of **US \$700,00 (Exact figure??)**. I do not have the exact figures. The agreement is that he was supposed to deliver certain outputs before it is paid. In our assessment, it has not fully delivered but he thought that he had delivered enough to deserve that amount of money. Now, the agreement we concluded required that we go for adjudication first then subsequently arbitration. It would be incremental. He gave us notice that once we go for arbitration – we responded the timeline has already lapsed. Our thinking is that he has already abandoned arbitration and we look forward to discussing this with him.

Mr Ngoga: Further clarification. The CTC should not speculate about this. If there is no more room for the vendor to pursue this process, then he should start the process of enforcement. It appears that the CTC is not sure whether there is still more work to be done or whether the matter has been concluded. He may not be able to do that now but he must have his facts on his fingertips.

The Speaker: I think the CTC has offered his clarification. Hon. Chris, please conclude.

Mr Opoka: Thank you, Mr Speaker. From the clarification of the CTC, the Ad hoc Service Commission members come from outside the Community.

The Speaker: Hon. Chris Opoka, they are not staff of the Secretariat. They are drawn from the Public Service Commissions of Partner States because those are the expert structures within the national Governments. National Governments work with the Secretariat. Proceed.

Mr Opoka: I thought that they are not part of the Community staff and that is why the recommendation of the General Purpose Committee says that they should be mainstreamed in the Community service. That means that whenever there is recruitment, they come from outside to the headquarters to recruit. When the General Purpose Committee recommends that they should take full responsibility for the recruitment of staff, can you imagine if you needed an office cleaner and you have to fly them all the way to come and recruit? Would that not expand the expenditure of this Community on things which can be done by the Secretariat? Thank you Mr Speaker.

I support the Report, subject to what I have addressed.

Ms Patricia Hajabakiga (Rwanda): Thank you, Mr Speaker, Sir. I will tackle three very short interventions. I would like to say that I support both the Budget Speech and the Report of the Budget. I would like to intervene on two issues. One is on page 13 of the Budget Speech. I think hon. Ussi talked about one of the draft Bills that are supposed to come from the Council; the Monetary Institute of the EAC, the Monetary Institute and EAC Bill of Statistics. It was reported by the Chairperson, Council of Ministers that the Bills have already been submitted to the

Assembly. I think they should correct this Budget Speech and remove that section because these have not been submitted to the Assembly yet. I think they are still in the hands of the Council of Ministers. I hope they will do it soon. The record in the Budget Speech should be corrected.

The Speaker: Hon. Patricia, on that point regarding the Council of Ministers, it is true that this House has not received the Bill for First Reading. The Bill is not yet the property of this House.

The Second Deputy Prime Minister, EAC Affairs, Uganda (*Ex-Officio*) (Dr Kirunda Kivejinja): Mr Speaker, Sir, if it was stated so, that was a different matter. As far as I know, we have not yet processed it. After all, when we want a law, that is when we come to the Assembly. Otherwise, we are questioned by the Committee and we answer specific questions.

The Speaker: That is okay. We are saying that for purposes of record of the Budget Speech, it should be known that what is stated is not right. We have not received that Bill.

Ms Hajabakiga: Thank you so much, Mr Speaker. The second aspect I want to refer to is on page 33 of the Report of the Committee. This one talks about the constitution of the board for the East Africa Community Science and Technology Commission. I was alarmed by the number of the people who are supposed to make up that board to the tune of 42, inclusive of South Sudan. This is almost the size of this Assembly. Normally, unless it is another thing and not a board, how will the board be effective to advise the management? I did not see any recommendation as far as that aspect is concerned. I urge the Committee to agree that we amend by adding a recommendation that Council looks into it

to reduce the number of the members of that board in order to make it effective. That is all I wanted to add.

The last issue I want to ask is on page 38 of the Committee Report. I want a clarification, either from the Committee itself or from the Secretary General. I need to understand these issues of borrowing. I am not even bothered about going to reserve or otherwise. I know that the Assembly has a budget. So, do other Organs and Institutions of the Community. Does that mean that the Assembly borrowed money which is over and above its own budget? There is already an approved budget of the Assembly with a certain amount. We have received the funding from the Office of the Secretary General because I know that most of the Partner States send most of the money to the Secretariat and the Secretariat distributes the same to the organs and institutions.

Does that mean that the money that is taken away from our money is over and above the budget of 2015/2016? Is it over and above the budget of 2016/2017? What does that mean? I wanted to get that clarification.

The Speaker: Hon. Patricia, before you sit down, you have seen an indication that our budget is performing at 98 per cent. Most activities of the Assembly are statutory. You cannot postpone them. So, what happens is that the Clerk requests for money from the Secretariat. Owing to the urgency and the nature of the Assembly, the Secretariat, even if it does not have money, has to pick the money from somewhere to make sure that the Assembly does not fail. That request from the Office of the Clerk is within the Budget of EALA. Proceed.

Ms Hajabakiga: Thank you, Mr Speaker, Sir. I was once privileged to be an Accounting Officer. As long as we have not

exceeded our budget, we should not borrow anything.

Ms Valerie Nyirahabineza (Rwanda): Thank you, Mr Speaker, for giving me the opportunity to speak with regard to the Report of the Committee on General Purpose. From the onset, let me declare that I am one of the Members of the Committee. Therefore, I support the Report will all the amendments and ideas that were put forward by my colleagues.

Let me also join my colleagues in congratulating you for your leadership. *(Applause)*

I have to confess that this Assembly has been able to reach out to the people we are representing here through different activities; the most important being the sensitisation activity through which we have interacted with many groups of the EAC citizens. They gave us their ideas as far as integration process is concerned. We listened to them and they also brought in petitions which we handled. We were also given an opportunity to go back and report to them on what we have been doing.

Back to this report, let me state one thing. Since 2012, the theme of the Budget for each year has been, "Implementation of the Common Market Protocol". I know that this involves many activities. I also know for a fact that full implementation was supposed to be fully realised by December last year, if I am not mistaken.

Mr Speaker, I am insisting on this because in the current Budget we have been scrutinising and are about to pass, there is also an item called implementation of the Common Market Protocol. There is a prayer from this Assembly where we urged the Council to finalise or come up with a piece of legislation

allowing the EAC to implement the Common Market Protocol. As of now, considering that I am leaving tomorrow, that piece of legislation has not come before the Assembly.

Recently, we interacted with Members of the Council. I was shocked to see that while they told us they are working on that piece of legislation, they also said that consultations are still ongoing. If they could take this issue seriously and bring to this House that piece of legislation, that would be good.

Number two, in line with the legislative process, there is one item under the Secretary General's Office which talks about the EAC Secretariat being facilitated to participate in the legislative process. Probably I am wrong about this. However, how many Council Bills have we received since the last financial year? We have only been handling Private Members' Bills with so much hurdles and most of them have not gone through. They have been passed by this Assembly but have not been assented to.

The Speaker: Hon. Valerie, some have. For example, I can give information to this House that the EAC Education Integration Bill by hon. Zein has been assented to fully. It is an Act of the Community. So, we thank the Summit for the little they are doing.

Ms Nyirahabineza: Thank you, Mr Speaker, for that information. I hope that all the other Bills that have been passed by this House will also be assented to. Let me talk about my last point which is on page 28 of this report.

Once again as my colleague said, the Department of Productive Sectors is underfunded and understaffed. My attention goes particularly to the department that deals with social issues like the one that deals with gender, women, children, persons with

disability and community development. We have always made a plea in this House that the department be considered. Unfortunately, until now, there is one person who deals with all those aspects. However, most importantly, the Treaty for the Establishment of the EAC talks about enhancing the role of women in socio-economic development.

Mr Speaker, unless I am mistaken, in the previous financial year, we talked about the establishment of some structures which should eventually coordinate all activities aimed at enhancing the role of women. I do not know exactly what is contained in the institutional review but I hope that issues of this department will be looked into. The women council has delayed to take off because according to the Council, some Partner States do not have national women councils. I am reliably informed that they established such a structure back home. So, I think it is high time that the Council considered that. We want to see priorities implemented so that we can access the gains of the EAC integration.

I thank you and support the Report and all the recommendations therein.

Ms Byamukama: Thank you, Mr Speaker, Sir, for giving me this opportunity to contribute to the debate. I would like to start with the Budget Speech. When you look at the Budget Speech, pages one and two, which talk about the global economy and how it has expanded and the GDP of the EAC, you will find that much as the EAC is growing at a rate of 6.1 per cent, compared to 5.8 growth recorded in 2015, there are some instances where we should be concerned. My concern is mainly with regard to Partner States which have stagnated, others that have not grown at all and others that have contracted.

As it has been said before, the United Republic of Tanzania has grown. I am very concerned about this issue because when we have Partner States that are contracting, while others are stagnating and others negating, that means that the average would shrink. I am concerned about this issue because it will also touch on the revenue aspect of the Budget. We are unique and this could be a disadvantage that this Assembly does not have the powers to do something more on the revenue aspect of a Budget. You cannot only talk about expenditure without giving ample time and space to the revenue aspect.

I remember very clearly when we went to Brussels; I asked one of the officers why there are many countries that want to join the European Union at any given time. There is a stampede for them to join. Indeed, you have seen that Brexit that has been mentioned in number three of the Report has caused global challenges. The person replied to me and said one simple thing: We stand for quality. So, in the EAC, as it has been said by the Chair, Council of Ministers, we have a sterling performance when it comes to Regional Economic blocs. However, when it comes to the issue of economic growth of Partner States, it is important that we take this very seriously and look into areas which can boost and promote economic growth. The reasons given in the Report, which are very good, included the following; there is a drop in oil prices, low prices for metal exporting countries, less supportive global economic environment, rising food prices due to drought and all those have increased inflation.

Why am I bringing out this? If we do not address the causes for the slowdown in economic growth; it will be like wiping the floor when the tap has been turned on. The tap has been turned on with regard to the issue of rising food prices due to drought. All

the EAC Partner States are agriculture based. If every time we have drought we will be experiencing low economic growth, contraction, what does that mean? I want to support that we should have a budget on the issue of agriculture which contributes to the issue of food prices, as well as other mitigation measures such as irrigation. These should be attended to expeditiously.

Dr Ndahiro: On a point of information. Thank you, hon. Dora. The information I want to give you is that we have always said that. However, unless EALA finds a way of directly working with sectoral councils to debate the matters, we will continue to talk and respond to ourselves.

Ms Byamukama: Thank you, Dr Ndahiro, for that comment. You have taken it out of my mouth, so to say. I want to say that we must do things differently. When you go to Partner States, you will find that the Committee on Agriculture, Tourism and Natural Resources will interface, for instance, with a directorate that works on agriculture. That way, you are able to come up with concrete recommendations. We have proposed on the Floor of this House before that the Council of Ministers should not only reside in Arusha but should take on specific portfolio so that if one is in charge of the productive sector, they can interface with the Committee on Agriculture and talk about the issue of irrigation.

Here, in the EAC, we have many rivers, water bodies and the River Nile. How can we help each other so that we do not keep on getting shocked every time there is drought and the prices go up as well as inflation? In essence, if the inflation level continues to rise, that means that we will not attain our Monetary Union. The Monetary Union is based on us achieving certain inflation ratios which are not too high so that we move together as a

bloc. Therefore, I am very concerned about this issue.

I want to talk about the issue of quality a little bit. I wanted to salute what is happening in the Community when it comes to cross border infrastructure, especially roads. I would like to say that maybe we should increase the opportunities for border communities to do business as a way of utilising the infrastructure. There should be days when markets are open where East Africans can meet at that level.

My second point is on the issue of political federation. When you look at the Report that was given to us, there was a mention of Political Federation on page 48 under political affairs. What was reported here does not capture what was reported in the Communiqué of the Heads of Summit. All I am seeing here on political affairs is on election observer missions but nothing like what was captured in the Communiqué of the Heads of Summit.

What I remember very clearly in the Communiqué is that there was an agreement for there to be a Confederation as work was being done towards Political Federation. There was also a proposal that a Committee should be put in place to start working on a constitution. However, when you look at this report, I cannot see that progress captured. Was it by omission or intent? I think that is important because this is the ultimate place we are headed. So, if you give Political Federation half a page and we move to foreign policy, are we really committed to go to Political Federation? I thought I should mention that and hear more about it.

Mr Ogle: On a point of clarification. Thank you, hon. Dora, for giving way. By the very fact that the EAC has accepted the idea of Confederation, then the fourth pillar of our

core federation negates the whole idea of Political Federation. So, are we really going there when we have, in essence, accepted Confederation which is a totally different ball game from Political Federation?

The Speaker: Hon. Dora, before you take off, the Summit was succinctly clear that Confederation was a stepping stone towards Political Federation. However, it is not capping at Confederation.

Ms Byamukama: That is exactly what I said. We say that half a loaf is better than no bread at all. So, we are moving there. I would like to move to my third point which is captured on page 46. This is on the issue of refugees.

You know that your office has received a Motion, urging the Council of Ministers to operationalise Article 124 so as to establish a regional disaster management mechanism and also establish common mechanisms for management of refugees. This builds on the work of this Assembly.

As you know, hon. Patricia Hajabakiga had brought a Bill on Disaster Risk Management and our Committee; chaired by hon. Mwinyi has been talking about the issue of refugees. This particular issue of refugees has come up in the most recent years. The Republic of Kenya with 553,900 refugees is ranked the seventh country with the largest refugee population in the world. The Republic of Uganda, which witnessed the increase of refugees from 385,500 in 2014 to 477,200 in 2015, hosts the eighth largest refugee population in the world. This is according to the UNHCR Global Trends for Displacement Report of 2015.

This issue of refugees is very important. We may not give the desired attention it should but I would like to put it on record that first of all, we should acknowledge that we have

refugee producing Partner States. We have refugee hosting Partner States and we need to squarely address the causes of why people seek refuge and most importantly look at the mitigation measures on how this can be handled. I have said it before that if you are from the EAC and you are running away from your home, you should be treated very differently from someone moving to the EAC from another country. As an African, we should treat all of them equally. However, because we are in the EAC working towards a Political Federation, we should treat these refugees in a more special way. That is why we need a common mechanism for handling refugees.

I would like to conclude with the issue of the Non-Tariff Barriers (NTBs). This is an Act that we passed in 2015. The Republic of Kenya, the United Republic of Tanzania and Uganda have signed to it. I do not see a reason why the other Partner States have not signed to this very important law. The law also provides us with a basis for score card for harmonisation, free movement of goods and services and I salute the Secretary General's Office for coming up with the idea of redesigning the logo. We cannot keep on expanding that logo because of the geography like when we have South Sudan. I welcome this and with those few comments, I support the Report of the Committee, especially on the issue of the reallocation to support the Audit Commission and to provide for the East African Parliamentary Institute. I thank you.

Mr Mulengani: Thank you for the opportunity. I have a few comments to put into the Committee's Report. I am a Member of the Committee. I just want to make a few general observations and then I will highlight a few issues about the Report.

The Budget Speech by the Minister left out the review of the performance of the current year. I believe that this would have been healthy if the Speech of the Chairperson of Council of Ministers included tables as the Committee Report indicated from pages one to page six. However, maybe this was deliberate because of the challenges known regarding performance, resulting either from non-compliance and remittances from Development Partners and also from Partner States.

I want to look at the Committee Report from page 5 where we see the Secretariat performing at 43 per cent in three quarters. Can Council prove to this House that they are able to consume 57 per cent in two months? These are very fundamental questions which need to be answered. This table would have helped Council to know as to whether the Budget we are yet to pass, which has increased, is relevant for the Secretariat. If we have been able to achieve so much with 43 per cent and the glorification we have received with 43 per cent at the Secretariat, is it worth for us to give 57 per cent in the coming financial year? These are fundamental questions to answer. If it is, indeed, true that what we are being informed in terms of deliverables with 43 per cent, one wonders whether it is necessary to continue giving 57 per cent in the coming financial year. These are serious issues that the Council should start addressing itself to.

I want to turn to the issue of the Report of the Committee. There are fundamental issues. I want to quote one senior economist, the Keynesian, who defines savings as the amount left over when the cost of a person (you can replace person with the EAC) consumes expenditure (consumer expenditure is subtracted from the amount of disposable income he earns in a given period of time). Disposable income is real and not

nominal. It is real in its sense if we are to talk about savings. Now, the question we need to raise is: Will all the Partner States remit the remittances due for this Financial Year 2016/2017? Yes. Will the total budget if US \$110 million receive its remittances by 30 June? If yes, then we need to talk about the savings. If no, we are talking savings which cannot be realised in terms of disposable income.

Are savings that we are talking about in the activities funded by Partner States or in areas funded by Development Partners? These are fundamental questions for Council to know whether we are dealing with credible Development Partners who are willing to remit in the event that Partner States delay to remit. They need to answer all these areas. The other question is, when we save through scaling down on a budget of US \$110 million and we make a saving of US \$3 million but not in cash, what does that imply to the budget we passed of US \$111 million? These clarifications will put our discussion on the savings and the savings therefore reported to the Summit and Council so that we take them to be artificial savings that arise from - *(interruption)*

The Secretary General to the Community (Amb. Liberet Mfumukeko): On a point of information. Mr Speaker, I would like to repeat what I told the General Purpose Committee. When it comes to savings, I would like to remind hon. Members of Parliament that I have never talked about savings. I am also an economist; a well-trained one. Our only press release by the Secretariat was on 26 April, 2017 where we talked about cost reduction. Indeed, from May 2016 to February 2017, we have reduced our travel budget by US \$3.4 million. So, I know the difference between expenditure and savings. Economically, these two words mean something different. I

want to say that this report should be corrected to reflect what the Secretariat has been saying.

The Speaker: Thank you, hon. Secretary General. This matter of savings has caused a lot of discussions in the capitals. If you interrogate it further, you will see that it could have been a factor in the delay of remittances from Partner States. The message that went out there is that there are savings. I think it should be made clear that these are austerity measures to cut costs. I think, even the Communication to the Summit - I was seated there during the Summit - grossly misrepresented this matter. This is a serious matter, Chairperson, Council of Ministers. We should structure how we present things and stop politicising things which are supposed to be clearly communicated. We do not survive on political propaganda to manage a great institution like the EAC. That record must be made straight to correct the attitude in the capitals that may negatively affect next financial years' remittances to the Secretariat.

Proceed, hon. Mulengani.

Mr Mulengani: Thank you, Mr Speaker, Sir. Thank you for the information, Mr Secretary General. Economics is a wide subject. It has both macro and micro. So, it depends on where you originate in terms of discussion. The point I am emphasising is this. When you make a saving out of a budget we appropriated of US \$111 million and then you say that the budget is not in form of cash, you need to go further and elaborate to this House that much as it is not in form of cash, is the money disposable or not? When you cut costs, is it because they did not remit money or not? You are cutting costs because you did not receive the money. Those are the issues I wanted to raise.

On the issue of savings, I want to go further and kindly request Council that we need to review the way we handle MoUs in this Community. The Committee has put it in its Report that there is a challenge in the way we are handling MoUs. They are not consistent with the Treaty. They do not take in the aspirations of the Treaty very well. For example, the Audit Commission is not the external auditor for the projects within the Community. On the signed agreements for the said projects, the Community signs US \$194 million but in MTF, we insert US \$30 million.

However, somebody in the Community appended a signature to an MoU amounting to US \$194 million. The US \$164 in the MoU is deemed to be implemented by the donor without involvement of the people who signed for the project. However, also our Partner States' Budget Framework does not capture that money. They do not go further in the MoU to disaggregate this money on how much should go into each Partner State to look at the principle of equity in the Treaty.

As to whether the Development Partner will go by the Treaty, that is another question. As to whether that money will find itself in one Partner State is another question. As to whether that money will be utilised, we have no oversight authority and yet somebody in the Community is supposed to have put the entire year money that he appended his signature in the MTF. That is why we are calling the Council. In our Partner States, before a grant is authorised for usage in the country, a parliamentary committee has to scrutinise what it will achieve. For instance, is it achieving Customs Union, Common Market or Monetary Union? What are the activities to implement? Are they tangible or are they just for flying around to get per diems and salaries? That is done before it is

authorised as much as it is a grant. Here, we are passing a budget with such MoUs.

The Speaker: Hon. Mulengani, I need to be helped here. Hon. Mulengani is stating that we signed an MoU for a grant of a certain amount of money but what is reflected on the MTF is less than the amount we signed. It is not clear where the lesser amount will be spent and distributed. This is a matter that the Council must address this House clearly on.

Mr Mulengani: Thank you, Mr Speaker. I am raising these matters to tickle Council. Our responsibility is to remind you of where you may not have been keen. We were here for 12 days looking at this document. I am aware that the Council sits for only two days.

Treatment of unpaid remittances

On this one, I want to look at 2017/2018. While in the Committee, I raised a concern that I am aware that the Republic of Burundi has not remitted its remittances for the Financial Year 2016/2017 and there is a balance of US \$8 million plus. Assuming that this money comes during the Financial Year 2017/2018, how will it be treated? Am I correct to say that we are appropriating US \$110 then when the US \$8 million comes, it will be deemed to be US \$118 million, either in the reserve or as additional fund revenue to the existing budget?

The reasoning was that this money is included within the US \$110 million, if I recall well. Now, after sleeping over the response, it will be wrong because this money was already appropriated in 2016/2017 and when it comes, it will come in as arrears and will be channelled to the general reserve. That is my thinking if that is what is meant to be.

On the newly created institutions of the Community, there is a big challenge. I do not know whether the report that accounts handled will come for consideration. However, there is a challenge that we are creating institutions yet the centre is still hacking its arm in the created institutions and yet they have boards. Some of these have created serious losses. The East African Kiswahili Commission had a lot of its money diverted. After seven or eight months later, the money was refunded and yet nobody has been charged. This is a conspiracy either between (*interruption*)

The Secretary General to the Community (Amb. Liberet Mfumukeko): On a point of information, Mr Speaker, Sir. I stand to say that the Kiswahili Commission, as you know, has financial autonomy. We know of about two cases. Last year in March, there was a cheque for US \$6,000 and a transfer of US \$32,000 which were transferred. I would like to clarify and say that the police have been investigating these two cases. We have recovered the two amounts and as early as this morning, I wrote to KCB to put pressure so that we have details on these two transactions. The hon. Minister knows that this was discussed during the Council of Ministers meeting. Tanzania has been following up with the police to have details.

Mr Mulengani: Well, you can recover but if you do not apprehend anybody, this can reoccur.

May be the Secretary General, at an appropriate moment, can go ahead to tell this House who the signatory of the Kiswahili Commission is, if it is autonomous as he says. Who is the signatory to the accounts of the Kiswahili Commission?

Mr Straton Ndikuryayo (Rwanda): On a point of information, Mr Speaker, Sir. The

Secretary General said that the Kiswahili Commission has financial autonomy. However, during one of our activities, the Executive Secretary for Kiswahili Commission said that the people from the Secretariat are still signatories to the account of the Commission.

Mr Ogle: Further information. In fact, the signatory to the Kiswahili Commission Account was no less than the Director of Finance here. The Director of Finance was also a signatory to the Kiswahili Commission Account. So, there should be some involvement.

The Speaker: Are you saying he was or he still is?

Mr Ogle: He still is.

Mr Ngoga: On a point of clarification. Since this process is still on-going and investigations are underway, are the suspects still in their respective positions or have they been asked to give way for investigations to be conducted in a proper way?

The Speaker: These clarifications are not for you, hon. Mulengani. They are for the Council of Ministers to clarify.

Ms Hajabakiga: Thank you, Mr Speaker, Sir. Under the EAC regime, in terms of legal framework, the EAC Kiswahili Commission does not have a law. It operates under a Protocol. If it operates under a Protocol, it cannot have financial autonomy unless there is a law establishing it. The only institution which so far has financial autonomy is CASSOA. The rest operate under Protocol and depend on the EAC Secretariat for signatures.

The Secretary General to the Community (Amb. Liberet Mfumukeko): As you know, I

am a French Speaker. Therefore, when I talk about financial autonomy, we have a number of institutions which work under Protocols. In most of our institutions, the Executive Secretary is a signatory of the accounts. In most cases, they also have financial officers who are also signatories to the accounts. However, I want to tell you that this case is under investigation by the police. I think that at this point, we cannot start pronouncing that the people are guilty until we know exactly what the police findings are.

Mr Ngoga: On a point of clarification. I am a lawyer and I am very conscious. I cannot pronounce anyone guilty until it has been proven by a competent court of law. However, I know that it is good practice that when one is a suspect and he is likely to interfere with investigations, precautionary measures are taken. If the finding is in his favour, the status quo is reinstated. So, this has nothing to do with pronouncing anyone guilty before the process is completed. It has everything to do with taking measures to ensure that investigations are done in a proper way.

The Speaker: Chair, Council of Ministers, Members are saying that if there are investigations going on, there should be interdiction. The office bearers who can interfere with investigations may be requested to step aside until investigations are concluded. These are very basic practices.

Mr Mulengani: What my colleague has said is right. First of all, if I were the Chief Executive of the Community, I would have first lost trust in KCB Bank for not protecting funds of the Community very well. That would have been the first step. It raises questions if that step has not yet been taken to date. The Community, in practice of wanting to keep their arm in the created institutions, raised a debit note to EASTECO

because of handling recruitment on their behalf. These are things that the Council needs to see. How are we handling each other in the Community? What is the inter-institutional relationship and who does what? Micro management should be discouraged in the Community.

While interacting with the DSG/PSS, there was an item under Health to buy ambulances that are well equipped with gadgets to reach hard-to-reach areas. To my surprise, nobody thinks about the islands as hard-to-reach areas. There is no plan to buy a boat. There is no plan to buy a motorised boat to see how they can handle the population in the islands. This is a very serious matter that the Council must reconsider in this budget framework to see where they find resources and reach the EAC citizens on the islands of Lake Victoria and Zanzibar.

The other point is about the operation of the Budget Management System (BMS). The BMS has very serious challenges that are technical in nature. If an institution has inserted its framework in the BMS and MTF and changes are made without their consultation, they would not know. Changes can be made at the centre and the originating institutions or organs would not know. So, there is need for the Council to revisit the BMS and to restrict it to the BMS so that before changes are made, consent is sought from the originating institution and may be protect it to an extent that the receiver who puts it together cannot change anything until the originator is informed about that.

The Speaker: Hon. Mulengani, could you please conclude. This can be seen to be unfair treatment to the rest.

Mr Mulengani: Thank you, Mr Speaker, Sir. I just want to note that there are more institutions that have been created. However,

Partner States have not increased their remittances. What they have done is to divide amongst the institutions the existing budget. They are removing from the old one and putting to the new ones. Now, how do we achieve what we want to achieve when we are creating and not increasing the envelope? I think there should be some softening in this area. Or else, we should stop creating institutions. We should concretise these ones and then create others.

The Audit Commission money has been chopped but the institutions have increased. They are now 10 and their money has been reduced. They have to do a lot of work. However, their money has been reduced grossly.

Lastly is the term “borrowing.” When institutions talk about borrowing from each other and yet their remittances are not full, the term needs to be revisited by Council.

With those few remarks, I beg to support. Thank you for the opportunity.

Mr Ndikuryayo: Thank you, Mr Speaker, Sir. First of all, I want to congratulate the Chairperson of the General Purpose Committee and the Members for a good Report.

I will start with the last point by hon. Mulengani. On page 37 on remittances of funds from Partner States, 43 per cent was on 15 May, 2017. I want to hear from the Chair, Council of Ministers about the current status as at 31 May, 2017.

The second point is drawn from page 34 under IUCEA. I want to congratulate and commend the IUCEA for the good initiative and for the aggressive follow up of the VAT refunds. They mentioned that they recovered refunds totalling to US \$235,000 in form of

VAT refunds. I have raised this issue because for many years. That has been an audit query across all EAC institutions and Organs. I recommend that other EAC institutions to do the same so that we recover our VAT at an appropriate time.

Mr Mulengani: On a point of information. The policies in the Government of Uganda are very good. They adhere to what we discuss at the centre. One other thing you should do is to thank the Republic of Uganda for adhering to the VAT refund issues.

Mr Ndikuryayo: Thank you. Point noted. The other point is on page 28 on Regional Councils for Youth, Women, and People with Disabilities. Many Members have talked about it. However, I want to be specific and to talk about the Bill which is before this House. This is the Bill establishing the EAC Youth Council. The Bill was read for the first time yesterday. You referred the Bill to the Committee on General Purpose. If I am not mistaken, the Committee will go for public hearing to get different stakeholders to look into the Bill. I want to know whether there is a budget line for specific activities in this Budget.

I know that this will be dealt with by the Fourth EALA. However, we have colleagues here who will be in that Assembly.

My last point is on page 26 on the EAC roaming framework. The Report commends the republics of Kenya, Rwanda for making strides on the implementation of EAC Framework on One Network Area, the Republic of Burundi and the United Republic of Tanzania are yet to implement the provision of this network. They said as a result, roaming charges remain high in the two Partner States, which escalates the cost of doing business in the region.

I have raised that issue because the Committee on Communications, Trade and Investments carried out an activity on this particular framework. We met with different stakeholders including Telekom company operators, regulators, different government officials and people from the EAC Secretariat.

During the Kigali Session, the Report was placed on the Order Paper. This report had enough information, including recommendations of the Committee to the Council showing concerns from both sides. These three Partner States implementing this framework were showing the gains and benefits of joining this framework. Also, two other Partner States expressed their fears and concerns, which should be addressed before they join the framework. We did not manage all the business owing to time constraints. However, I do not know whether we now have enough time to bring that Report. That Report has a lot of information and serious recommendations to the Council to have all Partner States on board in this framework.

With those few remarks, I beg to support.

The Speaker: Thank you, hon. Straton. I will go to hon. Nancy and then move to the front. But before hon. Nancy takes the Floor, I am not insensitive to our Muslim brothers and sisters. I think time is up for that. I have talked to the administration to make sure that something is arranged for you out there. You can quietly go and break your fast then you join us.

Ms Abisai: Thank you, Mr Speaker, Sir. I will be very brief. I stood on a point of clarification or information a while ago and thought that what I was raising was not understood. The point I was raising on the Financial Sector Development and Regionalisation project is in the Report. The

Report of the Committee, page 24, talks about what I was raising. There were a number of challenges faced due to lack of cooperation on this project. Owing to that, the Republic of Kenya pulled out of the project due to failure by the World Bank and the EAC Secretariat to address the concerns raised about the procurement process. That is in the Report. This was because certain issues were supposed to be ascertained but they ended up being ignored. That is what caused it. With this issue on board, how is the Secretariat able to incorporate the action plan of the first phase that started off with problems? Those problems were inherited by phase two of the project, which also had its problems. How can you have these two phases harmonised because you have the same action plan?

Secondly, we were informed that a decision was made to stop the project so that we renegotiate the whole issue. If this is about renegotiating, how do you do that without looking at the staff? If I am not wrong, then CTC indicated that this is something that was on the table and which was being discussed. However, this is in the Report of the General Purpose Committee. It is something that was discussed before the Committee and it was reported. It is important for such to be harmonised and for the problems to be addressed, even as we look at the action plans for both phases. We need to be very aware of what we are doing. Some of my colleagues who spoke earlier said that we want to ensure that as we leave, we leave a Community where certain aspects have been addressed. So, when we talk about the issue in this Budget process, we are talking about an issue that is already on the table; the stagnation and decrease of the budget processes within the organs and institutions. We are talking about a resource envelope that is not increasing. We are also talking about a low turnout due to late remittances of funds. Now, when we

have issues within Partner States that are not being addressed, how do you go back to them and talk to them about remitting funds? I know that this is with the development partners. However, this is about managing perceptions on how funds are being used.

You said it right that there is a lot of misinformation out there. I agree but how do we handle that information? This is also not going down very well with the capitals. That is something we need to change and we must make sure that we do not get the low turnout because of late remittances of funds, otherwise the work of the institutions will stall. I do not want to say much due to lack of time.

However, my last point is why we are sustaining the Health and the Science and Technology commissions? Why are we sustaining these institutions by making sure that we give them money for day-to-day operations without any activities? We have the health and the ICT commissions on board yet they are not doing any activities. They are not doing work that they are supposed to do. We should make sure that we get value for money in this budget. Otherwise, we are merely sustaining them but they are not achieving the purpose for which they were put in place for.

(Interruption of Debate)

MOTION

MOTION TO EXTEND SITTING TIME

Mr Mbidde: Mr Speaker, Sir, I beg to move a Motion pursuant to Rule 30 (d) and subject to Rule 11 (1) of the Rules of Procedure of this House to the extent that we cannot, as an Assembly go beyond 6.30 p.m., which is the prescribed time under our Rules of Procedure, Rule 11 (1).

It is in this precedent, aware the importance of the subject matter before us that it has to be concluded safely, that I rise on a point of procedure, seeking that this House, pursuant to this Rule 30 (d), suspends the application of Rule 11 (1) for purposes that we can provide time commensurate with the requirement for debate and passing of the budget.

I beg to move.

The Speaker: Thank you for moving that Motion. The seconders are hon. Odette, hon. Ngoga and all the Members standing.

(Question that the House extends sitting time until Conclusion of business proposed.)

Question that the House extends sitting time until Conclusion of business put and agreed to.

(Resumption of debate.)

Ms Susan Nakawuki (Uganda): Thank you very much, Mr Speaker, Sir. Allow me, first and foremost, to thank the Secretariat, the Council of Ministers, together with the Committee on General Purpose for ensuring that the budgeting process is done well and yields results. Allow me also to appreciate the Chair of the General Purpose Committee because we worked tirelessly. We even shifted our working time of 9.30 a.m. to 8.30 a.m. That was due diligence.

To begin with, I know it is always good to give credit where it is due. I will begin by appreciating the Secretariat for the cost reduction initiatives when it comes to travels.

Mr Speaker, over the past three financial years, we have seen the cost of travel going down significantly. This has always been the plea of this august House and I am glad that it is being implemented. For the record, I want to give some statistics. For example, in the Financial Year 2014/2015, the budget for travel was US \$28.1 million. In the Financial Year 2015/2016, the budget for travel was US \$28 million, a reduction by US \$100,000. In the Financial Year 2016/2017, the budget has gone to US \$21 million. That is a difference of US \$9 million and deserves a credit.

The Speaker: Hon. Susan, those statistics are very important. However, we may need to know why there was a reduction in those costs. Is it that the delegations have been reduced or the activities have been scaled down or is it because of an impact of the video conferencing facility that we are now using? That needs to be captured very well.

Ms Nakawuki: That is very important. I think that the Council of Ministers and the Secretariat will give a good explanation. The Committee, on page 37 of the Report, talked about unnecessary meetings. I want to differ a bit. I know that there are no unnecessary meetings. All meetings that the EAC staff go for are important. However, there is an issue of wasteful expenditure.

For example, when we were considering the Budget, there was a Council meeting in Dar es Salaam and the Summit as well. However, all the staff we had to interface with told us that they had to run for those meetings. My point of contention is why should everyone go for Council or Summit meetings? Why should 90 people go for these meetings? We need to scale this further.

As much as Council meetings are very important, 30 staff members may yield better

results than the 90 staff. It is my plea to the Secretary General and to the Council, in the reforms that are being considered, to commit that the further cutting down of costs will be undertaken. If everyone goes, then who is left behind at the headquarters? By the way, who regulates the travels in the Community? Does it mean that if every staff wants to go as long as they can pull some resources from the reserve fund, they can pack their bags and go? Who determines how many people go for Summit? Who determines how many people go for Council? That extra bit needs to be catered for. I am sure it will help a lot in the Community.

I have come to appreciate the fact when there is a saving at the end of the financial year - I know that this time it will happen - they can ascertain how much has been saved and the money goes to the reserve fund. I am anxiously waiting to see that we make a further saving by scaling down on the people who go for conferences and how many people go for whatever consultations.

Secondly, on page 21 of the Committee on resource mobilisation, there is a proposal by the Committee to reallocate the money which has been set aside for the Donor Conference of US \$47,850. When we were in the Committee meeting in the morning, I had an issue with this vote. The information was that because this Donor Conference is dependent on development strategy, the strategy will not be complete by the end of the Financial Year 2017/2018.

However, when we finished as a Committee, before I came into the Assembly, I went to look for staff to verify the issue further. I was informed that this 5th Development Strategy is at its final stages of completion. It is almost done. I would like to request the Committee that we maintain this vote. We need these finances as a Community.

I know we were complaining that some donors had withdrawn their contributions to the Development Partnership Fund. We need these finances as a Community. They had reduced from 11 to four. This is the best way for us to mobilise resources further. It is my humble plea that the Chair accepts that we restore this budget to cater for that activity because it is very important.

Dr Ndahiro: On a point of clarification. I would like to know whether that other contact of yours can credibly inform the Committee that what you are saying, indeed, is factored in our Report because the official channels we used were to ask questions and receive responses. Now, we have official responses from the Secretariat and the Council. Which one should we take as a Committee; the official one or the other one of yours?

The Speaker: Hon. Susan, could you respond but I think it is incumbent upon Council to give the response. The Committee should give us the official position.

Ms Nakawuki: Hon. Chair, I would like to categorically say that when I was in the Committee, I raised these issues. However, I was misguided by Dr Ndahiro who told me that they have not started on this 5th Development Strategy and that they will not complete on it because the donor conference will be dependent on this. But now, when I took time and looked at the response on page 16, I request that I read it verbatim.

“The proposed donor conference has never happened in the EAC. This is an innovation that we want to take up. Participants will be all the current contributors to the EAC and potential donors. The overall objective of the donor conference is information among donors and between development partners and the EAC. The donor conference will be

an opportunity to present the EAC priorities for the next five years and we intend to do it after completion of the 5th EAC Development Strategy. Thematic sector groups will be formed to allow us to organise the sector donor round table going forward”. That was the response.

The response had not said that the 5th Development Strategy would not be ready. So, after the Committee meeting, because I was not satisfied, I had to do some due diligence to be sure that this strategy would not be ready. When I got the information, I wrote to the Chairperson of the Committee to notify her that this 5th Development Strategy is almost ready and is in the final stages so that we reinstate the budget. When she wrote me a response, she did not commit on whether we would have it included. That is why I am raising it personally. I know that the Council and the Secretariat can clarify on it further.

Allow me to comment on the issue of the stagnant budget. Yesterday, we had a good interaction with the Council of Ministers. We have always been concerned why this Budget has always been stagnant. We all brag and I have been bragging about the fact that EAC is one of the most progressive and fastest growing regional economic blocs. This is very important to all of us. But, when it comes to a budget which is stagnant and does not grow but instead is reduced, that is a problem. Mr Speaker, today, we are told that the budget increased from US \$111 million to US \$110 million. However, at the same time, the Community has grown. We have a sixth Partner State on board; South Sudan. Everything we have been doing as five Partner States will be done among six Partner States. Is this the growth in the Budget we are talking about?

The Speaker: And new institutions have been created.

Ms Nakawuki: Exactly! New institutions and commissions have been created. Yesterday, when we had an interaction with the Council, this is what hon. Francis Kanimba had to say to the Committee.

“That, the budget may never increase. In fact, this killed all the hopes I had. The budget may never increase because Partner States are not seeing tangible results.”

I asked myself; who should I look for to harass or punish for lack of tangible results? I wondered where the Chair, Council of Ministers picked the glossy achievements he was talking about during the Budget Speech. He talked about containers moving from Mombasa to Kampala in four days instead of 21 days. I wondered whether this was a lie or something.

That takes me to the concern of every Member who has contributed on the funding of the social and productive sector. This is a sector that touches on East Africans directly. However, it is the worst funded. It is the sector that shows the tangible value addition of the EAC. All activities that have been put there are either donor funded or given zero funding. I will give you an example. I will give you an example.

When you look at the docket of tourism and wildlife, this is entirely donor funded. This one brings in direct foreign exchange to boost the economies of Partner States. However, we have been talking about the single tourist visa and marketing the region as a single tourism destination and yet there is no single material promotion material that has been funded. That is still under a zero budget. Even the international tourism expos have a zero

budget. Sincerely, how are we marketing ourselves out there?

Allow me to add this. Thereunder, we have the industrial devolvement. This one gain is donor-funded. The Chairperson, Council of Ministers was telling us about the industrialisation bit where we will have a motor vehicle assembling plant. This is something to brag about. However, all the activities to do with the motor vehicle assembling plant are either donor funded or have no funding at all and yet this is supposed to create employment.

Ms Hajabakiga: I rise on a point of clarification, Mr Speaker, Sir. After South Sudan joined the EAC, which will increase the number of Members to the Assembly and staff the Secretariat and the members of the board that are now 42, does that mean that this budget includes the contribution from South Sudan? Are we going to have a Supplementary Budget to sustain South Sudan in this current budget? In that case, there is a decrease and not an increase.

The Speaker: Thank you hon. Patricia for that observation. However, that is not for you to answer, hon. Susan. The Chairperson, Council of Ministers will do it.

Minister for Trade, Industry and EAC Affairs, Rwanda and Ex-Officio Member (Mr Francois Kanimba): Thank you, Mr Speaker. I think it is important for me to give clarification because my name has been mentioned by Ms Nakawuki. I hope that this House does not discuss rumours.

The Speaker: That is against the Rules of Procedure.

Minister for Trade, Industry and EAC Affairs, Rwanda and Ex-Officio Member (Mr Francois Kanimba): We are discussing

the Report of the Committee. So, I do not think that this statement is anywhere in the Report. The reason I have taken the Floor to give clarification is because it is true I attended the General Purpose Committee meeting yesterday. The issue of increasing the Budget was raised. At the same time, we have a report from the Ministers of Finance meeting which gave us a lot of signals to us, related to some kind of preconditions to raise the budget of this organisation. We have to make sure that we conduct sufficient assessment for value of money and to make sure that the wastefulness that is mentioned here is removed before we increase. That is what I wanted to mention. That is what we need to do going forward.

Otherwise, the decision to increase has been discussed for many years. The Heads of States have provided sufficient guidance and the last Summit requested the Ministers of Finance to decide on this point in the next three months. My statement is with regard to that kind of framework. I just wanted to draw your attention to the fact that the issues raised by the Ministers of Finance should be addressed before the Budget for this Community is increased.

The Speaker: Thank you, hon. Minister. Hon. Susan, you can resume the Floor but I hope you got the context of the statement that austerity measures be done and that value for money be realised before increment is done.

Ms Nakawuki: Thank you very much, Mr Speaker. I will begin with hon. Patricia. The total budget of US \$110 million includes the contribution from South Sudan. I would like to put it to this august House that some institutions of the EAC had to do a negative increment to lower their current activities so that we can fit in this limited resource envelop that we have.

I also want to thank the Minister, hon. Kanimba, for giving me the rumours yesterday. I asked him whether I could quote him in this regard but he did not respond. However, I thought that it was good information because if we are being lied to, once you have information, it is important to look for solutions. As I conclude, there is a point I was trying to belabour on industrial development. I wanted to say that Partner States only finance industrial development by three per cent. This does not show seriousness. For example, as hon. Dora said, not even money for creating a refugee policy on refugee management was availed.

I plead with the Council to avail resources to this particular sector so that we can show East Africans tangible results that the Ministers of Finance are asking for. The other issue I want to talk about briefly is that of remittances. We raised this issue to the Council. The response we got from the Council - this is on page one of the responses - was that if delays arise, Council will write letters to the Partner States, make phone calls and make physical visits. I am sure that has been done even this time round but did not yield results. How about if we put some sanctions or penalties? We need to use more proactive measures to implement the Treaty because the Treaty talks about the sanctions. When will we implement this? Since the phone calls and letters have not worked, we need to devise alternative means.

Chairperson, Council of Ministers, I am requesting that you tell us more concrete means of ensuring that remittances are contributed on time. As I talk, we have only one month to the end of the Financial Year. Only one Partner State has made 100 per cent contribution. It is only one. I know what I am talking about.

Hon. Members: No! (*Loud Consultations*)

The Secretary General to the East African Community (Amb. Liberet Mfumukeko): Mr Speaker, I want to do justice to the Partner States. I want to thank them for performing better than they did in the last financial year. We now have more than one country which has remitted more than 100 per cent. As of today, we are at 79 per cent of the remittances. *(Applause)*

Last year, we were at 63 per cent. The year before, we were at 80 per cent. This is an indication that Partner States are making some effort. By the end of June, we may be at very good levels. Efforts are being made and I just wanted to make that comment.

The Speaker: Before hon. Susan resumes her debate, Chairperson, Council of Ministers, the concern of this Assembly is that these remittances are supposed to finance the budget of the financial year. If you give 100 per cent remittances in June, you are strategically strangling and killing the activities of the Community. The point is that 100 per cent towards the last quarter is not useful. The remittances should be given by December.

Ms Nakawuki: Thank you, Mr Speaker. Thank you Secretary General. I do not know who is lying to me. Yesterday, I got this document from the Council of Ministers. That is where I was quoting my statistics from.

The Speaker: The document was updated.

Ms Nakawuki: I want them to refute them. Even if we are talking about a deficit of US \$100, that does not make it 100 per cent. As to what I got from Council, the Republic of Kenya has given 100 per cent and has zero balance. The United Republic of Tanzania has a balance of US \$4,836. That does not

make it 100 per cent. The Republic of Uganda has a balance of US \$709,689 which is 92 per cent. The Republic of Rwanda has a balance of US \$540 dollars but that is not 100 per cent. We need zero balance.

Ms Abisai: On a point of information. Mr Speaker, we need to pat Members of this Assembly on the back for also putting in effort to ensure remittances of funds. This did not just happen. I just wanted to say that.

The Speaker: It is true that these Members have augmented the office of the Secretary General in lobbying the capitals to make sure that remittances are made. However, some of the information that needs to be availed to this House is that the volatility of our Partner States currencies against the dollar has also created that. The countries may have remitted 100 per cent but because of the rates of the dollars against the local currencies, that difference occurs. We understand that.

Ms Nakawuki: I thank you, Mr Speaker. I thank my colleague, hon. Nancy. I request Members to do more. At times we come up with wild allegations, take them out there to the media and make the situation worse. Let us help our Community to be better. Even with the issue of currency conversion, this is still an outstanding balance that needs to be cleared further.

Institutions like the LVFO can hardly operate. Some Partner States, for two financial years, have made zero contributions. Others up to date have contributed 40 or 20 per cent. Therefore, Council, unless we are tired of this institution and we want to get rid of it, let us help the situation for it to continue surviving.

My second last issue is about the budget line for the East African Parliamentary Games. First and foremost, I want to thank the

Director of the Inter University Council of East Africa because he participated in these games 100 per cent. When I saw him playing volley ball, as much as I had not ventured in it, I said that I would also play and I went for it head on. I want to request you, Council of Ministers, to come and be part of these games. That will help us further reap benefits of integration and educate the masses more. We would appear more serious when our top Executive is available. To the Council of Ministers, you have been there seeing the F&A slashing the budget.

The Speaker: Hon. Susan, you may also want to remember that hon. Maganda, who is a Member of the Council, participated 100 per cent. *(Applause)*

Ms Nakawuki: Most obliged. I really want to appreciate him because the Parliament of Uganda wanted him to play for them since he is a Member of Parliament of Uganda. However, he played for EALA. I look forward to seeing hon. Kirunda Kivejinja playing football. *(Laughter)*

From that angle, I pray that you will find it in your hearts to increase this budget of the games. The number of sporting activities has increased. However, we only have seven days. The Council of Ministers has been watching F&A slash the budget from mere 10 to seven. In this current budget, the days are seven.

Some of us are still suffering from the consequences of those games because they were too packed. I personally participated in every single activity. I participated in athletics- *(interruption)*

Mr Ngoga: On a point of information, Mr Speaker, Sir. One of the key players of the football team in EALA was rewarded with a position in FIFA. *(Laughter)*

The Speaker: That is how far the Inter-Parliamentary Games have gone.

Ms Nakawuki: That makes the Inter-Parliamentary Games more serious because even FIFA is represented. That is why we should increase this budget. We did athletics in one day and yet we had very many races. Now, we are adding another Partner State of serious sportsmen and women. How will we manage in one day? People still have backaches and neck aches. I lost all my toenails during those games as we were running during those games because I had no time to rest. I had to participate in all the races so that EALA was involved in all the races. So, Council, I do not know where you will find extra budgetary allocation. This time round, we request--- *(interruption)*

The Speaker: Hon. Susan, we congratulate you because you were less than three months from your maternity leave. That was great participation.

Ms Nakawuki: Thank you, Mr Speaker for appreciating. I hope that Chair, Council of Ministers will pronounce himself on that when it comes to this year's games.

Page 28 of the Committee Report talks about the activities of the youth under 5 (b), regional youth councils and women. Mr Speaker, I would like to make it clear that in the 2017/2018 Financial Year Budget, only US \$3,825 was allocated to the councils of youth, women, children and persons with disability. This does not make us appear very serious. I personally have a Bill which I request the Council to prioritise on the question of the East African Youth Council. This will fit into this issue because Council committed to work on the issues of youth, women and children. Therefore, if what you

are saying is true, I will want the Council to fast track this and give it a priority.

As I sit down, I request Council that next time as they consider the Budget, among the sources of financing should be the East African Development Fund. We discussed this in the Committee. This is an institution of the EAC, unless it is using us. It is a bank.

Ms Byamukama: On a point of information, Mr Speaker, Sir. Thank you hon. Susan for being gracious. I just wanted to say that this point was raised by the second EALA and has been raised now. The point I want to make is that if you look at the Treaty, this is one of the surviving institutions of the Community. However if you look at the Treaty, this is one of the surviving institutions of the Community. When you look at the shareholding, you will find that some Partner States have individual shareholding.

Our plea has been very simple. Since the EAC is a body corporate which can own shares and sell, we are pleading to take some money so that we buy shares in the East African Development Bank and become part of the shareholders. That way, we will not be running to other banks to finance the EAC. In fact, if this bank was well funded, even these challenges we have and the interests being earned by other banks in other areas would be earned by East Africans. That is very important and probably at an opportune time, some money will be allocated to buy shares in the name of the EAC.

Ms Nakawuki: Thank you, hon. Dora. I hope that the Council has taken that. As I conclude, I want to tell Council that my local bank, Centenary Bank in Uganda that serves the ordinary people, does what we call Corporate Social Responsibility. They set aside some money to do some small work for the people of Uganda. If the Development Bank sets

aside some money for Corporate Social Responsibility, it will do a lot to the social and productive sectors.

I beg to support the Committee Report.

Ms Mumbi Ng'aru (Kenya): Thank you, Mr Speaker, Sir for giving me an opportunity to pronounce myself on this report. I want to do it differently because this is our last year. I sat in the Committee of Accounts in 2013, 2014, 2015 and 2016. I have never been a Member of the General Purpose Committee and I want to thank the Chairperson. She has done a good job. Like the passion that comes with the General Purpose Committee.

However, allow me to talk about the Budget Speech of the Minister and about the Report of the General Purpose Committee. I will be very brief because of time.

Once upon a time in my previous life, I sat at an Assembly like this one. I was the head and the Speaker of that Assembly. This is the Thika Municipal Council. We did this kind of a thing over a long time. There is something that I have seen which is a disconnect between what happens in General Purpose and what happens in the Budget Speech. I will refer all of us to page 75 of the Budget Speech. Allow me to bring it to your attention that Item 175 reads:

Mr Speaker, the key sectors specific priorities during the 2017/2018 Financial Year include; there is a long list that goes on for about three pages. My concern is that we know that there is zero increment in the Budget which has been the story. Everybody is talking about it. We have new institutions and new activities. We have a new Partner State joining in, was it not possible for the Committee on General Purpose and the Council of Ministers to sit and prioritise this long list to something manageable that can be dealt with within a

year so that we see value for our resources? How can we have limited resources in a list of about 17 items? That is not possible. That is why I sometimes find myself in a contradiction.

This House held sensitisation exercises in Partner States. That was felt all over. People are talking positively about sensitisation programmes. That is in this list. Therefore, when a Member of the Council of Ministers talks in the General Purpose Committee like nothing has been happening in terms of adding value to integration, I get confused. Therefore, it is very important to for us to allow ourselves *-(interruption)*

Ms Ng'aru: Hon. Mumbi, sorry for the interruption.

The Speaker: I think the hon. Minister gave the context in which he addressed the Committee. They want tangible results to convince the Sectoral Council on Trade, Finance and Investments to increase the budget and also said that more austerity measures be done. It was in that context but not to rubbish that there is nothing tangible. That was not the context. No, that was not the context.

Ms Ng'aru: Thank you for the guidance Mr Speaker. I appreciate it but I wish you had allowed me to conclude my sentence because we would have agreed.

I still insist that there is a disconnect because the Council is the one that presents the issues that we raise here at the Summit level. For example, we have been urging the Council of Ministers to look for alternative funding. The first year I sat in this Assembly, I realised that the Budget of the EAC is literally donor funded by almost half. That has been going on in 2013, 2014, 2015, 2016 and 2017. We still do not have a position or a policy

statement about alternative funding. If it is there, then I do not know about it and yet I normally do not doze in the Assembly. I would have heard about it. I know that the issue has not come. This issue must have been presented to the Summit.

Ms Nakawuki: On a point of information, Mr Speaker. About the alternative funding, yesterday the Council told us, I will read from their response about alternative funding, that each Partner State will calculate their contribution to the African Union using 0.2 per cent levy on eligible imports and establish whether there is a positive balance as potential sources to funds to finance the Community. In short, if whatever is there is negligible or in case there is none, then we shall not get anything. However, whatever remains, we will have that as alternative source of funding.

Ms Ng'aru: Thank you, Mr Speaker. Thank you, Ms Nakawuki, for that information. I still insist that we have done well as an Assembly. The Council of Ministers, in the past five years, have also tried to do something good. We must appreciate the Secretariat. How on earth do I perform and yet every time I wake up, there is bashing from that side and another bashing from this other side and another bashing on my back? It is important to appreciate the small steps we have made to make this Assembly stand on its two feet as we have struggled.

It is a miracle that we are coming to the end of our five years. Whether we achieved 30 per cent, 40 per cent or 50 per cent, it is time to pat ourselves on the back that we did not collapse the EAC and the integration agenda is still on-going. That is why I said that I want to make a different contribution. I want to do it differently by encouraging ourselves and the Fourth EALA that will come after us that

there is a message of hope for the East Africans.

It is very difficult for some of us when we have children who are asking for school fees, clothes and everything else that a household needs and yet every time the salary of the *mzee* is the same. How are you supposed to manage those stomachs the same way? We somehow managed but of course if you have a quarrelsome wife, you know the consequences.

I, therefore, request that we congratulate ourselves. I sat in the first Commission and we did a beautiful document on the Strategic Plan for five years.

Mr Speaker, which is what you have implemented in your five years. There was sensitisation and other programmes that have been running. That is what you have implemented in your term. That is something good to take home. We did not collapse the Community.

Chairperson, Council of Ministers, if I spoke like this to the Summit, they would say that I am a quarrelsome wife. I am begging, on behalf of the Assembly, the Secretariat and other organs of the EAC, if they say that they do not see the value of what has been happening in the EAC, have a list to tell them that we opened the Kiswahili Commission, EALA went there, found there were problems and have the solutions. If that cannot be done by you, then I do not know.

Mr Speaker, Sir, let me do something that is not very normal. If they cannot do it for us, let them make a policy that the Speaker of that Assembly will also be presenting our small achievements directly to the Summit.

Thank you, Mr Speaker. I know that you presented us. I hear you were given one

minute or two. But it was something. It was a beginning. Those are the small steps that we should use to pat ourselves on our backs.

The Speaker: Thank you, hon. Mumbi. I am aware that the General Purpose Committee reported in this building at 8.30 a.m. I beg for your indulgence. I invite the Minister to give a few comments. The Chair will then respond to the issues raised about the Report and the Debate. The Chairperson, Council of Ministers will also comment then we dispose of the Report and conclude there.

The Second Deputy Prime Minister, EAC Affairs, Uganda (*Ex-Officio*) (Dr Kirunda Kivejinja): Thank you Mr Speaker. I thank all the Members for their enthusiastic contributions to this year's budget. The only place with no controversies is the cemetery. (*Laughter*)

The only way we can advance is by every one of us speaking out so that we chat the best way. We are not talking out of anger but we are talking because there are certain things we may have wanted but we did not achieve. However, the mere fact that we are talking about them means that we have achieved 50 per cent of the solution.

I have just been inaugurated as the Chairperson, Council of Ministers. You can see the difference. I have three Ministers here. We have not been that many in the Assembly. However, this time, I have two Ministers. One has been transferred from you to this bench and another one who despite being given another priority, because she has another portfolio of trade, has found time to stay here with us. This is a good sign.

When I was in that Ministry, I was given a young person to be with here so that Uganda would always be represented. I have been

here for one and a half years. If you have noticed, I have spent most of my time standing. It has so happened that I am now the Chairman. *(Applause)*

I told you one story after the swearing in, that I aspire to work for the EAC and the AU and I was blocked by the politics of that time from coming to this House in 1964. That is when I made an attempt but I was side tracked. However, God has allowed me to be here. So, definitely, I am not here without a mission because God has given me life. I need to fulfil the mission. I will not bother you with a lot of activities.

Regarding the Budget, my colleagues and I will sit down to see how we can streamline the Budget Act. My colleague was complaining that he has not seen the Budget. This is because of the in-built structures. There is a small group of people who come here most of the time to put down figures. They spend a lot of time and then they sieve it. There is then a Committee of Permanent Secretaries who report. Once they finish, they call the Ministers of Finance to look at it and adjust figures. Thereafter, we, poor fellows come to preside over before you that the Budget is well structured. This time round, we shall show some leadership. *(Applause)*

We have to set priorities and tell technocrats how to implement the priorities. Once we have that system, we can easily come here with the Budget, give direction, supervise and there will be no discrimination. The problems have been prolonged. We started with the Report of the EAC, 2014/2015. How do you expect me to be responsible for it although we are expected to have institutional memory? I will be responsible from now onwards and you will see us working. We do not want to blow our trumpets but definitely we have the energy to

give direction to the actualisation of the unity of EAC.

There are other points which have been raised especially by hon. Mulengani. The Secretary General has tried to answer them. If you do not use the right words, that can cause a misunderstanding. There was an issue on whether there was a saving or it was about the quality of management. I think he has answered that question. There was also an issue about the reserve account. I think I need to put that very clear.

Yesterday, I was not very clear about it but I now understand it. Money that will come, which was appropriated last time but managed to go through, will be deposited on the reserve account. The reserve account has its own rules. What I want is to ensure that the structures are in place and the channels of doing things are clear so that we stop feeding ourselves with rumours. Some people have been confronting me with a Report which I commissioned which has not been submitted to me but is available to everybody. What sort of organisation do you have? Am I the one who commissioned? I heard you complaining about so many things. I have two ears. I have been hearing.

The concerns of what have been going on in our organisation have been the talk of the day in the corridors, in the House and everywhere. Fortunately, the talk also found its way to me. I am structural. I am not here to disorganise. We are not going to produce new people to inhabit EAC. It is us who must realign ourselves. As a result, I said that if there is someone who has complaint and is a whistle-blower, he should submit his things officially. Rumours are there to enable you sip your beer.

The Speaker: Mr Prime Minister, these honourable members do not carry rumours. They only carry out their functions.

The Second Deputy Prime Minister, EAC Affairs, Uganda (*Ex-Officio*) (Dr Kirunda Kivejinja): I am telling them because there were not there. They have not been with me. As a result, I commissioned somebody to go and investigate and to bring me a report. The report is now in the papers. You have said that you have it. Can I really respond to you or should respond to the right person? I should first take her to task. How is it that the task I gave her is somewhere else? We should put everything in order. Everything will be resolved. Nobody who does something wrong will be shelved. We will do it.

Our forefathers formed the EAC so that we could come together. We should not find reasons why we should not be together. Let us sort out our differences. Despite our differences, the good thing is for us to stay together. God was not wrong to be the greatest architect. Of the 7 billion people in this world, no one resembles the other. That should not be the point. What unites a man and a woman is not the fact that they are the same but because they are different. So, please, differences should never be our problem. We can do many things if we work together. I have told you that I syphoned that one as one of the greatest things. I have also discovered that we have been working disjointedly. The EALA comes here and expresses itself. The Secretary General and the Secretariat does its own things which have no proper channels.

The Council of Ministers is paraded here for 30 minutes to have a budget passed because it was worked on by other groups. With such a situation, how can you establish synergy? The Committees of EALA are not structured

according to the pillars of the EAC. The Secretary General and his Deputies are given tasks not to strengthen the pillars but they are also different. How do we move? There is infrastructure. Do you think that the EAC can be able, apart from thinking and coming up with project proposals, to implement anything? Do we have the capacity? This should be a super brain to think for everybody. We should come and present ourselves here and sell the idea to people.

The Budget Framework Performance is now at 78 per cent and you do not need to worry. If money comes within, I will ensure that it goes to the reserve account so that it is utilised according to the rules. If the rules are loose, we will strengthen them because that is our job.

We have been talking about alternative financing mechanism until the end of the world. This was taken up by the Summit. It was directed that the Ministers for Finance must finalise the issue by August. I will supervise them. We are talking about very simple issues. What is our Budget? Is it US \$44 million dollars? I was saying that we are defrauded as a country due to this famine. I will give a good example.

There are shrewd businessmen in Uganda who said that there is famine and asked the Government to allow them to import tax-free rice. The government asked them for long they wanted to do it because the famine would not stay for years. They asked for four months to import 70,000 metric tonnes. When I took up my reading that was an amount equivalent to what we consume for a whole year. Now, do we want to grant people the licence to dump all that in the country for a year within four months? What would happen? Our production would go down. When I analysed the source of the rice being imported to Uganda, I realised that 50 per

cent comes from Pakistan while 38 per cent comes from Tanzania. Now, we have the potential. We must feed ourselves. We have a number of issues which if we tickle; we will find ourselves integrated in one room without even announcing. We need to identify them and move on.

Mr Speaker, Sir, as we go to the Committee Stage, everybody had a chance to express their views. I thank the Chairperson of the General Purpose Committee. Everybody has expressed their views. We cannot respond to everything but we have noted the concerns. When we go to the Committee Stage that is when we will separate the meat from the bones. This was a question of appointing ourselves and venting what we think should be done. I thank everybody. I will wait for a vote to be taken so that we move to the Committee Stage and vote for the Budget.

Mr Speaker, Sir, I do not want us to be in a situation where we leave the Budget free and then we give the Secretariat who handle the money at freehand. We must give them the Budget as they have asked. Do not worry. I want to thank you so much for steering the EAC activities in terms of EALA. For those who will not be here after tomorrow because your term is over, thank you very much. However, that is not the end of the world. *(Applause)*

When you go out there, continue to advocate for the unity of the East African people. We are letting you to go so that you continue on that front as we get another team and indoctrinate them. We should continue to grow bigger and bigger. I have been advocating for this. I thank you for your contribution. I encourage those who are going out not to lose touch with those who are coming in. Be the advocates of the EAC integration.

The Speaker: Thank you so much, hon. Chairperson, Council of Ministers, who is also the Rt. Second Deputy Prime Minister and Minister for EAC Affairs.

Sir, in the same seat that you are seated, there was another old man from Uganda who also did wonders; hon. Shem Bageine. We thank you so much. We respect old people from your side for the work they do.

Dr Nyiramilimo: Thank you, Mr Speaker. I thank all you because nobody rejected our Report. You all said that the Report of the General Purpose Committee is good and well researched. There are some amendments that you have proposed.

Dr Ndahiro wanted us to add the following words: “We urge the Council of Ministers to make sure that the Budget Act has been amended in a short time.” We accept that amendment. The Minister has said that he will mainstream that amendment of the Budget Act. That will be in the Report as a recommendation. We had said that in the Committee meeting but while drafting the Report, we forgot to insert it.

Another recommendation is from hon. Patricia. She proposes that we urge the Council of Ministers to consider reducing the number of board members for the EAC Science and Technology Commission from 42 to a reasonable number that can work effectively. As you may recall, the Council had brought a Bill to establish EASTECO. In that Bill, this number was mentioned. We found it impossible for it to be effective. They did not change the number because of the Protocol. The number is given by the Protocol. Therefore, it is the Protocol that has to be amended. We can add a proposal as one of the recommendations so that we urge the Council of Ministers to fast track the amendments of the Protocol establishing the

Commission in a view to reduce the number of board members. This should not only affect EASTECO but other commissions because there have been problems in implementing issues with the number provided for in the Protocol.

Other Members commended and proposed what Chair, Council of Ministers and the Secretariat should do. I will not go through those. Hon Mumbi said that there was a disconnect. Yes, we also found a disconnect between the Budget itself and the priorities that were adopted in the pre-budget conference where the General Purpose Committee participated. You are not the only one who has noted that. That is why we have done this report as it is. We also discussed the issue with the Council and with all heads of organs and institutions. We think that in future, everything will be in good hands as hon. Kivejinja has said.

I would like to thank hon. Shy Rose, hon. Ndahiro, hon. Bucumi, hon. Rwigema, hon. Maryam, hon. Chris Opoka, hon. Secretary General, hon. Dora, hon. Patricia, hon. Valerie, hon. Mulengani, hon. Straton, hon. Nancy, hon. Nakawuki, hon. Mumbi and the Chairperson, Council of Minister, Mr Deputy Prime Minister for what he has promised to accomplish during his tenure.

Mr Speaker, I beg to move.

The Speaker: Thank you, hon. Chairperson. Hon. Nakawuki had a case but I think you had stepped out to break your fast. She talked about the EAC Donor Conference that is waiting for the EAC Strategic Plan to be completed. The issue can, however, be effected at that level. You just have to keep your eyes on the ball.

Hon. Secretary General, it is difficult to give you a chance when the Chairperson, Council

of Ministers has already spoken but I will hear what you have to say.

The Secretary General to the EAC (Amb. Liebert Mfumukeko): Mr Speaker, Sir, I have some information. On page 20 of the Report, I had requested an amendment so that we use the terms “cost reduction.”

The Speaker: That has been captured. The gentlemen at the Table have captured the corrections. We are extremely interested in that correction because of what happened in Dar es Salaam at the 18th Ordinary Summit; the Summit Members were misled on the question of savings. So, this correction, through Council of Ministers should run from the Summit, to the Council to this Assembly and to the public that there is no US \$3 million that has been saved in the implementation.

(Question that the Report put and agreed to.)

Report adopted.

The Speaker: I would like to salute Dr Odette and the entire Committee for the work they have done. These Members reported here at 7.30 a.m. in the morning and they are still here working. We salute your commitment. God will award you abundantly.

Hon. Members, I suggest that we adjourn here and continue tomorrow. The question moved by the Minister will be moved tomorrow and then we move to the Committee Stage.

I have almost ten communications from Members of the General Purpose Committee. Some of you came here at 11 a.m. These people were already working. For the sake of efficiency, since we are going into looking at

figures. I request that we do this tomorrow. I am also going for another meeting with the Ministers to consult on other important issues. Allow me to adjourn the House to tomorrow, 10.00 a.m. in the morning.

ADJOURNMENT

(The House rose at 7.40 p.m. to reconvene on Thursday, 1st June, 2017 at 10.00 a.m.)