



EAST AFRICAN COMMUNITY

IN THE EAST AFRICAN LEGISLATIVE ASSEMBLY

Official Report of the Proceedings of the East African Legislative Assembly

66TH SITTING – FIRST ASSEMBLY: FOURTH MEETING – FIFTH SESSION

Tuesday, 19 September 2006

The East African Legislative Assembly met at 2.00 p.m. at the Chamber of the Assembly, Ngorongoro Wing, Sixth Floor, AICC Complex, Arusha

PRAYER

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

The Assembly was called to Order.

**COMMUNICATION FROM THE
CHAIR**

The Speaker: Honourable Members, I have been notified that the government of the Republic of Uganda has appointed the hon. Eriya Kategaya as Minister responsible for East African Community Affairs. Pursuant to the provisions of Clause 1(b)(i) of Article 48 of the Treaty, the hon. Kategaya now becomes an ex-officio Member of the East African Legislative Assembly. However, before he takes his seat in this Chamber he has to fulfil one more condition in accordance with the provisions of Rule 6 of the Rules of Procedure of this House, which states that no Member may sit or vote in the Assembly before taking the

Oath of Affirmation or Allegiance to the Treaty.

I am reliably informed that the hon. Kategaya is within the precincts of the Assembly, may I then request any two Members who happen to know the hon. Kategaya to present him to the Speaker to take the Oath.

ADMINISTRATION OF OATH

The Oath was administered to:

Mr Eriya Twahirwa Kategaya

PAPERS

The following Papers were laid on the Table:-

(by the Chairperson of the Committee on Accounts)

The Report of the Committee on Accounts on the Audited Financial Statements of the East African Community for the Year ended 30 June, 2005

MOTION

REPORT OF THE ACCOUNTS COMMITTEE ON THE AUDITED FINANCIAL STATEMENTS OF THE EAST AFRICAN COMMUNITY FOR THE YEAR ENDED 30 JUNE, 2005

Chairperson of the Accounts Committee (Mr. Bakari Jecha) (Tanzania): Mr. Speaker sir, I beg to move_

THAT, This Assembly, Pursuant to the Provisions of Articles 49(2)(c) and 134(3) of the Treaty and Rule 79(1) (h) of the Rules of Procedure of this House do consider and adopt the report of the Committee on Accounts on the Audited Financial Statements of the East African Community for the year ended 30 June 2005.

Mr. Calist Mwatela (Kenya): Seconded.

Mr. Bakari Jecha (Tanzania): Mr. Speaker, sir, Article 49(2)(c) and 134 (3) of the Treaty for the Establishment of the East African Community requires the Assembly to consider the reports of the Audit Commission on the Audited

Accounts of the East African Community and to make such recommendations and any other course of action that the Assembly may deem necessary.

The Committee on Accounts, whose main function is to carry out post-audit review and scrutiny of the audit reports of the Audit Commission convened at Parliament House in Kampala from 28th August to 1st September 2006 to examine the report of the Audit Commission on the Accounts of the East African Community for the Financial Year ended 30th June 2005, which was laid before the Assembly on 25 May 2006 by the Chairperson of the Council.

The report I have just tabled before this House, therefore, covers a review of the status of implementation of the previous recommendations of the Assembly, a review of the above said report of the Audit Commission and the recommendations of the Committee for adoption by the Assembly on the desired course of action that this Assembly may deem necessary. I now present highlights of the major issues that the report covers.

Review of the status of implementation of previous recommendations of the Assembly for the year ended 30th June, 2004:

The Committee made a number of recommendations in its report last year. The Secretary General reported varying degrees of implementation of the said recommendations as reflected on pages 2-9 of the report. The Committee noted that the Secretary General and his deputy in charge of Finance and Administration are still new in their respective offices and as such they pleaded for more time

to allow them to internalize the issues and in due course they would decide on the best course of action. The Committee requests that the Assembly, while debating this report, takes note of this fact.

Sub-Accounting Powers to other organs:

The only matter that I wish to highlight is the issue of sub-accounting powers to the Court and the Assembly. The report covers this matter in detail on pages 6-8. As you will notice, there are no compelling reasons as to why the two organs cannot be granted powers in the management of their finances and other day-to-day administrative processes.

The Committee would like to remind this House that the initial recommendation for granting of such powers came from the Audit Commission - and not the Assembly - way back in 2003, and yet no action has been taken. However, it is interesting to note that merit has been found to make very new institutions like the recently formed Lake Victoria Basin Commission autonomous.

As you will notice on page 7 of the report, the new Secretary General made no firm commitment on this matter either, but rather treated the committee to a lengthy lecture on how organs of an inter-governmental organization like the East African Community need to be closely linked and with overlapping powers.

The Committee was unable to understand why the principle of separation of powers had not been appreciated by the East African

Community executives; especially in as far as administrative and financial autonomy of the two organs was concerned. For this reason, it is our belief that the underlying issue is the wish to cling on what seems to be the only power bases of the Secretariat vis-à-vis the two organs. The two organs are now mature enough and this unnecessary encroachment and continuous peeping in their day to day administrative life by the Secretariat should come to an end forthwith. The Committee, therefore, in light of the provisions of Article 134 (3) of the Treaty, proposes a set of recommendations on page 8 of the report, and we invite the Assembly to adopt them as stated.

Audit Findings for the Year ended 30th June, 2005:

Mr. Speaker, sir, there were six issues that the Audit Commission had raised in their report. These are covered in detail on pages 9-14 of the report of the Committee. I wish to highlight on only three, namely: interest from gratuity, provision of assets in transit and the contingent liability to the Community

Interest from Gratuity (Para. 4.1, pg. 9)

The Audit Commission reported that interest amounting to \$14,591 which was earned on employees' gratuity had been treated as income to the East African Community Secretariat accounts. The Audit Commission reasoned that gratuity is a deferred income to the Community employees, and any interest therefore earned on that account belongs to the employees.

This matter had been raised by the Committee and adopted by the Assembly in its previous report with the same argument that interest on gratuity ought to be paid to the respective employees. The Secretary General then reported that the matter required a decision of the Council of Ministers, and that until the status quo was reversed, the interest on gratuity would continue to be treated as income to the East African Community Secretariat.

The Secretary General reported that the matter was considered by Council, whose decision was that since the funds for gratuity for employees are one hundred per cent Community funds, the employer (the Community) had the liberty to invest those funds with any interests accruing on such investment belonging to the employer for as long as the contractual obligation to meet the required payment of gratuity is met. He further pointed out that it was only in a contributory scheme that employees would claim a portion of the interest earned.

The Secretary General, basing on his legal background, then advised the Committee that from a legal point of view, it was not tenable to insist that interest should be paid to employees when they have not made any contributions to the scheme. The Committee did not receive any other legal position contrary to the one provided by the Secretary General, therefore, the Committee took note of his statement.

Provision for Assets in Transit (Para 4.3, Pg. 11)

Mr. Speaker, sir, the Audit Commission reported that included among the fixed assets of the East African Community was a provision for “assets in transit” worth US\$151,570, out of which US\$98,012 was brought forward from the previous year. The implication of this was that what was reflected as “assets in transit” was actually cash unspent that was initially meant for purchase of such assets.

The Secretary General reported that the delay in procurement mainly arises out of delays in receipt of funds from the Partner States. As a result, the Community first prioritises on obligatory payments like staff salaries and then assets are bought later in the year when all the funds have been received. However, because of the lengthy procedures in procurement of certain assets, the process is caught up by the close of the financial year. Although the assets may not yet be received in the stores of the East African Community by the close of the financial year, actual commitment for their purchase will have been given. The Secretary General nevertheless concurred with the Audit Commission that the necessary book adjustments needed to be effected to correct the anomaly.

The Committee found no fault in committing funds towards the end of a financial year to purchase assets whose final transactions may fall due after the close of the financial year. Indeed, the Committee noted that all the previous Appropriation Acts of the East African Community allowed such committed expenditure to be effected up to six

months from the close of the financial year but recommended that to include un-purchased and un-received assets in the books of accounts as assets of the Community was an accounting anomaly which should not occur again.

The Committee discovered that all this had been happening because the Secretariat does not have laid down procurement plans and commitment control systems that guide it on when and how to procure assets in the course of each financial year. We propose in the report that it is necessary to have elaborate procurement systems in place to avoid this seemingly uncoordinated method of procurement.

Contingent Liability of US\$34,338.33 to EAC (Para 4.4 Pg 12-13)

Mr Speaker, sir, the Audit Commission reported that the Community, between January 2003 and January 2004, undertook to make monthly deductions worth US\$2051 to be remitted to two different banks to service loans of one honourable Member of the Assembly totalling to US\$43,000. This was despite the fact that the honourable Member had acquired an earlier loan from another bank worth US\$67,362 where the Community had further undertaken to make monthly deductions of US\$1935.85 to be remitted to the lending bank. The total deductions undertaken to be made was therefore US\$3,986.85 despite the fact that the honourable Member's monthly income was only US\$2000, leaving a shortfall of US\$1,986.85.

As a result, the Community was unable to honour its obligations to one of the banks, which naturally had threatened to

take legal action against the Community. Moreover, the honourable Member had ceased to be a Member of the Assembly, leaving behind a loan balance of US\$34,338.33, which amounted to a contingent liability to the East African Community as the guarantor in the event that the honourable Member failed to repay the loans.

The Secretary General reported that although the incident was regrettable, the Community was no longer at risk as the Member had since repaid the loans, and that new measures and regulations were now in place to avoid re-occurrence of such incidents in future

The Committee was amazed that such an anomaly could have occurred unnoticed, especially when all loan application forms at the East African Community must be authorised by a particular office, and in most cases a particular officer.

The Committee, in light of the fact that the loan has been paid back and no liability stands against the East African Community recommends that the Assembly should allow the matter to be laid to rest. However, should such negligence of duty occur in the future, the concerned officers must face disciplinary action.

Conclusion

The Committee extends its appreciation to the following persons and institutions that enabled the Committee to successfully execute its mandate.

1. The Audit Commission for fulfilling their obligations pursuant to the provisions of Article 134 of the Treaty by

- producing and submitting the report under review and for accepting to travel to Kampala to assist the Committee in the consideration of the report.
2. The Secretary General and his team for availing themselves to clarify on the issues raised in the report. The Committee noted a new and positive trend in the relations between the East African Legislative Assembly and the Secretariat. A cordial, complimentary and cooperative atmosphere seems to have replaced the acrimonious manner in which such meetings took place in the past. The new spirit should be commended and upheld for the sake of the development of the Community.
 3. The Parliament of Uganda for availing the Committee adequate meeting facilities for a whole week at no cost.
 4. The office of the Clerk for the excellent administrative arrangements that enabled the Committee to conclude this exercise successfully.

Finally, on the basis of the opinion of the Audit Commission, the Committee compliments the Secretary General for once again ensuring that proper books of accounts were kept and that the financial statements give a true picture of the state of affairs of the Community as at 30th June, 2005, and is in compliance with the relevant provisions of the Treaty.

Related to that, the Committee has, on its own analysis over the past years,

noted with satisfaction a progressive improvement in the management of the East African Community accounts, a trend which must also be commended.

Mr Speaker, sir, I beg to move.

Mr Calist Mwatela (Kenya): Seconded

(Question Proposed)

Mr. Calist Mwatela: Thank you, Mr. Speaker, sir. The report before this House has made a number of recommendations, some of them being issues that previously had been addressed by this Committee and this House. I think it is important for the House to note that once a report of a Committee has been adopted by the House, it is a report of the House and the recommendations made by the House in the presence of including Members of the Council of Ministers are recommendations that cannot be varied by any other authority apart from this House.

The issue that appears on page 9, the question of the interests levied on gratuity being banked elsewhere or being removed from that account is an issue that was addressed by this House and a recommendation adopted on. Once that recommendation was adopted, and the Members of the Council, being Members of this House at that time did not raise any objection, cannot go and sit elsewhere and vary the decision of the House.

That decision of the House...I do not have the record as to when it was bent, but as per the rules of the House, it must stand. So, the interest from gratuity should be banked in the gratuity account,

or it should be apportioned proportionately amongst the beneficiaries of that account. In the existing situation, we Members of this House who are coming to the end of our term, expect our gratuity to include that interest! I hope the cheques are ready anyway.

Mr. Speaker, sir, the other thing I would like to comment on is the provision of assets in transit which was shown in the books of accounts is just a reflection of the failure of systems within the Secretariat, where monies are budgeted for assets over the year and those assets are not purchased perhaps because the planning was not correct. In other words, either the things were not needed or there was a total failure in the procurement systems within the EAC! Therefore, it is very important that this recommendation made by the House is taken seriously by the relevant authorities so that in future we do not have money that is just lying there not being used. When we budget, budgets should only be on necessities but not on things that are just imagined.

Mr. Speaker, sir, the Members of this Assembly for a long time have been asking for consideration of their remuneration, and this has never happened because we are told there is not enough money, and yet there is a lot of money that is left lying in bank accounts! I am sure that money could be more useful in the pockets of the Members – *(Laughter)*.

Mr. Speaker, sir, the last item I would like to comment on is on page 12; the contingency liability of \$34,338.33 to the East African Community.

First, let me say that the whole event was a very unfortunate and very embarrassing event. As honourable Members, I think it is very wrong for us to take loans beyond what we are able to pay for.

Having said that, everything that we looked at as a Committee showed that there was a degree of connivance involved because when all of us have gone to seek authority of the East African Community, we go there and there are proper checks done. How a Member could be given three different loans beyond the ability of that Member to pay is totally un-understandable. That should be read with the fact that over a period of time, we have been asking for the independence of this organ as well as the East African Court of Justice in matters of accounts so that our officers can handle things more closely with greater scrutiny.

This was a very shameful thing and it was the opinion of the Committee that the relevant officers be disciplined, only to be told that luckily enough the money had been fully paid, and upon request by...it is really a shameful thing and I hope that in future, all relevant officers will exercise maximum care so that such a thing is not repeated.

With those remarks, I beg to second the Motion.

Ms. Sheila Kawamara Mishambi (Uganda): Thank you very much, Mr. Speaker, sir. First of all I would like to congratulate the most recent Member in this Assembly, hon. Eriya Kategaya – *(Applause)*. We congratulate you that you are joining us a few weeks before – *(Laughter)* - and possibly in our last

sitting. But nonetheless, we congratulate you for having joined this august and very vibrant Assembly.

Mr Speaker, sir, I would also like to congratulate the Accounts Committee for giving us a very good report, and the Chairperson, hon. Bakari Jecha, in particular, for being brief and right to the point – *(Applause)*.

Mr. Speaker, sir, I have a problem on page 2, about the allocation of Community vehicles. As I was reading through the section on the allocation of Community vehicles, there was a query raised about the vehicles to the Speaker of the Assembly and to the Judge President of the Court.

When the query was raised, the Speaker and the Judge President were told they could only use those vehicles while on official duty. To me, I think this lowers the status of this Assembly, because the Speakers of the national assemblies of the Partner States are chauffeur driven and some of them with full Police escort all the time. At least I have seen the one in Uganda who is really escorted with pomp and ceremony wherever he goes – *(Interjection – and I am wondering why the Speaker of the East African Legislative Assembly should be told to walk! Because, if this Assembly is not in session, then our Speaker will have to park his vehicle in Arusha - (Interjection) -*

Mr. Mohammed Zubedi (Kenya): On a point of information, Mr. Speaker, I would like to inform the Member on the Floor that on the same page 2, paragraph 3.1.3 says:

“The Secretary General reported that the matter was referred back to the Council which reversed its decision in light of the above mentioned provisions of the Treaty and for the reason that the activities of the two offices have increased over time. The Council will be submitting the matter to the Summit for a decision at its next meeting due in November 2006.”

And this means, Mr Speaker that in the meantime, I think the Speaker and the Judge President are – *(Interruptions)* – please protect me Sir Speaker, sir. Mr Speaker, I do not think the Speaker and the Judge President are walking, as mentioned in this House.

Ms. Kawamara Mishambi: The information is noted, Mr Speaker, but – *(Interjection) -*

Maj. Gen. Mugisha Muntu: On a point of information, Mr. Speaker, sir, the hon. Member holding the Floor used an example of one of the Partner States Speaker of the national assembly having escort vehicles that are supposed to sweep traffic off the roads. My information is that if you follow that example, it may not be good for the region – *(Laughter) -* because the Partner State being referred to has got nine senior officials who all have sweeping escort vehicles that go sweeping traffic off the roads. In fact, they are a menace to other road users. I hope the other countries are not going to follow the example and have senior officials all having escort vehicles sweeping other road users off the roads. I hope they will not follow the example. Thank you.

The Speaker: If I had known that is the information you were going to give, I

would not have given you the opportunity – *(Laughter)*. Hon. Muntu is denying me the privilege of getting escort vehicles! *(Laughter)* Hon. Kawamara, you may continue.

Ms. Kawamara Mishambi: Thank you very much, Mr. Speaker, sir. The information is actually noted, but as hon. Zubedi was saying...the last sentence he read was, “...*the Council will be submitting the matter to the Summit for a decision at its next meeting.*” It is yet to be decided upon. So we may continue seeing a Speaker who parks his car in Arusha and has to begin walking around the region because he is not on official duty. To me that is extremely embarrassing to this august House.

Mr. Speaker, on the funding of the Community, I think this has been a real pain to this Assembly. For the past five years we have complained about how the funding of the Community is done. And here I am getting concerned when I see the Secretary General beginning to defend the Partner States and saying he is sceptical about the right decision to make owing to the fact that although Partner States make late remittances, they ultimately fully honour their obligations to the East African Community for each financial year!

So, in other words, the Secretary General here is kind of saying - from my interpretation; maybe the lawyers may help here, but if I interpret this statement, he is kind of saying that it is okay for the Partner States to abscond payment; that they can pay any time they want as long it is within the financial year, and in that case, meanwhile the activities of the Community are delayed.

So, if the Secretary General is going to take that stand and say, well as long as Partner States can bring in money, it does not matter whether they bring it in May, what matters is that they brought it in, why then should we query it?

For me, I would think that this august House really has an obligation to the citizens of East Africa to ensure that our Partner States pay up because the Community belongs to us, and we should see that it is fully funded.

Mr. Speaker, sir, the Audit Commission was querying whether the Secretariat was actually carrying out its core-function of initiating projects and programmes and evaluating the impacts and outcomes of those projects and programmes.

Recently we went through a vigorous exercise; the campaigns to come back to this august House. Fortunately or unfortunately, some of us were thrown out while others were retained. But, Mr Speaker, to me the whole thing goes back to what the relevance of the East African Community Secretariat is if the people who elect Members to this august House do not understand what the Community stands for?

I think that if we do not have a monitoring and evaluation mechanism for the projects the Community is undertaking, then we are going to have a real battle to justify the relevance of the East African Community, because the Members of Parliament themselves who are supposed to be the most knowledgeable about the Community, to me I found them to be the most ignorant – *(Interruptions)* - and most illiterate about what is happening in Arusha! That

is my opinion, and I felt that the Community has to do a lot to educate East Africans at whatever level on what the Community is to us. Because, who knows, now that I am not coming back to Arusha, I may never know what takes place in Arusha! So, the Community has to put in place those mechanisms. Whatever it takes, I think any organisation should have mechanisms for monitoring and evaluation.

Mr. Speaker, the construction of the East African Community headquarters has been a real pain. It keeps on coming, but one day I think as East Africans maybe we shall be glad when the Community headquarters is finally put up.

Mr. Speaker, as the Committee finalised its report pointed out that they had a cordial, complementary and co-operative atmosphere which contrasted with the acrimonious manner in which such meetings took place in the past. But at the same time we gave compliments to the Secretary General for once again ensuring that proper books of accounts were kept.

I am sure it is the same Secretary General who did lead us in an acrimonious manner who managed to keep proper books of accounts – *(Interjection)*. So, in my opinion, Mr Speaker, I feel that the in-coming Secretary General should also take on this Assembly in the same manner – *(Laughter)* - so as to have proper books of accounts. I thank you, Mr Speaker.

Minister for East African Affairs (Mr. Eriya Kategaya) (Ex-officio, Uganda): Thank you very much Mr. Speaker, sir. First of all, since this is my maiden speech in this House, I crave your

indulgence to digress a bit from the very topic before the Assembly.

Mr. Speaker, sir, I am sorry I am joining you when some of you are going to retire from this Assembly – *(Laughter)* - because I am told that this is the last session of this Assembly. But all the same, I am glad to join the wise men and women who have been guiding this Assembly.

I would like to thank you, Mr. Speaker, in particular, for having managed to mould a harmonious and united Assembly from three different countries – *(Applause)*. From what I have been reading and what I am seeing now, you have been and are acting as East Africans, which I think is the purpose of this Assembly. And you have done so without a Whip, I imagine, and a party political machine for discipline, which is very commendable of you.

I would also like to commend the Members who in a sense have made history in this region in the integration process – *(Applause)* - because you are the first Assembly since the making of the Treaty, and all your reports speak well of you. I am sure that the new ones who come in will learn from your example. Those who will survive and come back, we will definitely need your experience here.

Mr Speaker, I believe that those who will come from Kenya and Tanzania will give us an opportunity to expand and give us experience. In Uganda we have already done the elections, and I think a third of the Members were returned. But, we need to have continuity in this Assembly. We have had experience in this House, and I am sure that this

experience should go ahead to help us in integrating this region.

Mr. Speaker, I am happy in a sense that I participated in the drafting of the Treaty. By then I was the Minister for Foreign Affairs of Uganda and I was the Chairperson of the Council of Ministers at that time. So, I am in a sense enjoying the privilege which was created under the Treaty, by coming again to serve East Africa – *(Applause)*.

My dedication to the East African integration is never under question. I think we need East Africa. This agenda for a project for East African integration has been on our books for too long. We have had Assemblies before, we have had a Council of Ministers before but when it comes to actual realisation of integration, I think there is something not ticking yet. We need to do more, because the world is not sitting down waiting for us.

Mr Speaker, there are times when I look at Africa and I think that at this rate the gap between us and other communities and other countries is a bit worrying. In fact this region - Eastern Africa, Southern Africa and Congo - has very good land for agriculture. I do not think we shall sit on this land doing nothing and hope that these countries which have billions of people are going to sit down and let us just waste resources here. Do not be surprised if one day they match in here and do what they want to do with us. We used to have a voice in the international Community and the only way we can have a voice in the international Community is when we are united.

So, Mr Speaker, sir, let me once again thank you very much for your example. I hope that you will stand again for elections and come back to guide us, but if you do not, and your are tired, wherever you will be, I think the Members of the House here will call on your experience to guide the integration process in this region.

I hope we shall have a scroll or a book to record everybody who has been in this First Assembly, so that when history is written about the integration of East Africa, your names are there – *(Applause)*. We are not very good at keeping records as you know. When somebody has left the political scene that is the end of the person, which I think we should change. If you go to other countries, they will tell you who did what in what year, and I am sure that we should start here by recording everybody who has been in this House, which has been very instrumental in keeping the light burning for the federation. I think you have done more, if I may say so, more than other bodies I know of in this structure – *(Applause)*.

Lastly, to come to the topic on the Floor, for me I will deal with it in a very general manner because I have not yet read the report.

On the question of funding, I think the Members states should be made to understand that they cannot have the integration without funding – *(Applause)*; it is not possible. And for me, this should be our project. Donors can come in but they should not be the main driving force. My experience in government is that once it is donor funded, you will never move, or you will move at a slow pace that you would

achieve nothing. If we are interested in the integration of this region, then I think we should point it to our bosses that they have to fund the activities of the East African Community. In fact in my view this US\$3 million that each country is contributing now is not enough – (*Applause*) - because the Secretariat definitely is not enough in terms of personnel, in terms of capacity and even capabilities.

Now that we have a Council of Ministers which is supposed to be fulltime, definitely they will need to have facilities to move. And as I said in Dar es Salaam, I do not think I will leave what I am doing in Uganda to come and sit here and meet twice a year. It is not possible! Otherwise I will ask the appointing authority that I have no work and I can go and do something else – (*Applause*). So, I think we should urge the Partner States to increase the funding to the Community.

However, Mr Speaker, as I said in Dar es Salaam, when we made this Treaty, we were timid, because people were not sure whether we could move forward. But now I am confident that we can move forward, with the experience we have had in this House, with the political commitment at the Heads of State level, and therefore it is my view that we want to reach the highest level of political federation, but even if we do not, let us lay the down the foundation so that the process is never reversed. I think this is most important to me. That is the minimum; that we should move forward as much as we can so that the process is never reversed as it happened in 1977.

I agree with the Members who have said there is no public awareness of what the

Community is doing, but I am not so sure that it is as blank as it is said. All we have to do is to implement the few decisions that have been taken. For example, I would have loved to hear the report of the people who visited the Customs points. Because if our people started moving freely, I am sure they would appreciate this Community in this region – (*Applause*).

Mr. Speaker, sir, with the Chairperson of the Council, we visited Europe. We went to Brussels, and one of the points I noted was the commitment of the Europeans in their Community. Of course there are problems, but one cannot fail to move because there are problems. In fact we should move because there are problems. There are people who feel we should solve problems before we move. I do not think that is the correct approach.

In the European Union they said we are going to move and solve the problems as we go along, and they are very flexible. I think the Chairman was using the word pragmatic. For instance, they were telling us that, for example, 90 per cent of Austrians speak German, but there is the Germany German.

Now, there was one word which was different in both the Austrian German and the Germany German. I think it was the word 'tomato'. So, eventually they said okay, since 'tomato' in the Austrian German is different from 'tomato' in the Germany German, we are going to have two languages, the Austrian German and the Germany German and they moved forward. So, here I think we are even better off.

The other thing I observed is that we are not thinking East African yet,

particularly at the national level. The bureaucrats have not opened up to the fact that there is something called East Africa; and they have power. And some of them of course are scared: if the integration goes on, what will happen to them? But, Mr Speaker, I hope that we shall discuss all these matters and move forward. Thank you very much – *(Applause)*.

Ms. Irene Ovonji-Odia (Uganda): Thank you very much, Mr. Speaker, sir, for allowing me to speak, especially to speak after the Member of the Council who has just been on the Floor. I would like to take this opportunity to congratulate him as well, the hon. Eriya...I did not get the middle name properly, it is the first time I am hearing it – *(Laughter)* - but hon. Eriya Kategaya, I would like to congratulate you and welcome you to join us in this Assembly. I think it means a lot to us because on the many times that we have spoken to you or heard you speaking in public fora, you have indicated your commitment. I think you are one of those people who think East African, and I think it is quite a valuable addition.

Hon. Speaker, I would also to congratulate the Committee on Accounts for this report, and also commend the Chairperson, hon. Bakari Jecha – *(Applause)* - for leading us through this report very succinctly and highlighting the important recommendations in it.

I would like to reiterate my support for most of the recommendations in the report – actually all the recommendations, but I have some concern on the issue which begins on page 12 under section 4.4 “Contingent

liability to EAC”, specifically the recommendation.

I would like to congratulate the Committee, in the first place, for taking this matter seriously, considering the subject matter and considering that this affects us as Members of the Assembly, they could easily have brushed the matter aside, but they chose not to take that route but to do the right thing. And by doing that, I think they laid a precedent for future Assemblies that in our oversight function, which we take seriously, we do not only hold other organs of the Community accountable but we also hold ourselves accountable and that we seek to earn the title “honourable” – *(Applause)*.

The only concern that I have, hon. Speaker, is that the recommendation does not touch on that fully. It looks at the issue of the accounting officer. I believe that we do have a provision to deal with Members of the Assembly as well when we do not stand up to our title or we do not meet the obligations on us as Members. I would have like to see in the recommendations some reference to that. We do have provisions for disciplinary procedures, for example, and it may be necessary to consider that those disciplinary measures need to be applied when we as Members breach what is expected of us.

So this is the concern that I have, and I would have liked to see a recommendation relating to ourselves as Members when we fall below the standard on such an issue, particularly given that we are the organ of the Community. I thank you – *(Applause)*.

Mr. Yonasani Kanyomozi (Uganda):

Mr. Speaker, let me first take this opportunity to congratulate hon. Tukahirwa Kategaya for joining us in this Assembly, and for bringing the vast experience that he has on Community and integration matters.

I am sure that you will help us as a region to realise most of the things that we desire to do, especially at this time when global economy is shifting in blocs, and people are being adversely affected especially in Africa, and that the future of the African continent is going to depend mostly on us working together as regional blocs and as an African continent as a whole, if we have to even retain the two per cent contribution to the world trade. And we would like to see it going to something bigger than what we really have. So, hon. Tukahirwa Kategaya we welcome you at this particular interesting and challenging time.

Mr. Speaker, going to the issues in the report, and as a Member of this Committee, we have looked at the issues that affect the Community and our funds and the way they are applied.

First, I would like to take Members to section 3.4, especially to the aspect of funding the Community. The delays by the Partner States in remitting the money creates problems for us of planning and makes the work of the Secretariat and the institutions related to the Secretariat suffer.

We have in several fora provided alternative formulae for easing this issue. One was to raise money from the revenue collected by the Partner States; the other one was to use the income

realised from customs or world trade; and the other one was to take the GDP contribution of each Partner State. All these formulae are there and they should have been worked on so as to enable the Community plan its programmes independent of what happens in our different treasuries.

I am saying, Mr Speaker, that since I am not likely to be here – (*Interjection*) – those who are going to take up this mantle to replace some of us here should really gear themselves to push this programme, and especially now that we have a Council of full time Ministers for Community Affairs.

The Second aspect I would like to touch on is in 3.5; “monitoring and evaluation”. Definitely we need to follow what happens in the Community projects and in the associated organs of the Community: the East African Development Bank, the Lake Victoria Basin Commission, the Fisheries Organization at Jinja, the Inter-University Council and many others; we need to know what is going on. And the best way we can do this is that, even if they have independent self-accounting status, their reports should be submitted to this Assembly for scrutiny or for noting. Once that one is done, at least we would avoid the problems that at times come as a by the way, as happened with the East African Development Bank recently – or is still happening.

So, we need to have that put in so that the projects and programmes of the Community, and the actions taken by officials and institutions of the Community are known. This must be done. And then we as the Assembly should be enabled to visit these

institutions, research on them and to know what is happening so that we can move as an organisation.

Item 3, which I would like to touch on, is the self accounting autonomy of the Court and the Assembly. I am really still surprised because even at that meeting, we saw the reluctance of the much praised, much appreciated Secretary General. This power, Mr Speaker, is very interesting – (*Laughter*). The power of the past is even more crucial, because, despite our good and cordial relations, the atmosphere, when we came to this, tended to change.

We would request that since the Deputy Secretary General who was in that meeting, Amb. Julius Onen is here he will take our feelings to his immediate supervisor or colleague and the Council that the feeling of the Assembly is not only to have good relationships but that the ability to be independent as an oversight organisation is necessary. And, despite the numbers, we have competent officers who can handle this issue very effectively.

And those of us who are going to continue, including you, Mr Speaker, if you are going to continue if luck goes with us, or somebody else goes in your Chair, I am sure the totality of the Assembly and the totality of the Court, the officers who are there can handle the simple accounting and simple sections relating to autonomy in accounting and financing of East African Legislative Assembly and the East African Court of Justice.

Mr. Speaker, I would also like to touch on the issue related to the headquarters

of the East African Community, which is mentioned on page 8.

Since we started and since I have been talking, the issue of the construction of the headquarters...when we came in, we were mostly enthusiastic of having a large chunk of land and a headquarters of the Community which will expand. And I am sure - if one looked in the *Hansard* - I even proposed that we should have the foresight of the Americans and have a 20 square-mile radius of land on which we can definitely have the headquarters of the Community.

But things do change, and we have been reducing it, and reducing it to 11 acres, and maybe we will further reduce it even to five acres – (*Interjection*) - and it is a worrying thing.

But then, Mr Speaker, I am always being reminded that the trend of things in all these international organizations is also to spread out; that nobody takes a whole chunk and have the headquarters; that that is really archaic.

For example, the European Community, as you know, has his financial headquarters in Frankfurt. That is where the Central Bank of Europe is. The Court is elsewhere. The things are definitely spread out, and that is the general trend of things, so I hear. And, therefore, we could take a review, and my 20 square radius headquarters could now be reduced since there is a likelihood that other institutions may go out: Maybe the bank will go to Kampala, maybe the court will go to Kenya and maybe something else will go elsewhere, and therefore, maybe then the area we need can be reduced.

Mr Speaker, I am also looking for historical and sentimental reasons to this structure that we have, which was luckily to be the former headquarters of the Community. Maybe we should examine the possibility of leasing this place for the development of our own Community here and for the headquarters activities, especially since the ICTR (International Tribunal for Rwanda) is likely to end its operations in the year 2008!

There will be more room, and we could accommodate ourselves once again in these three wings: Ngorongoro, Serengeti and Kilimanjaro! We can put most of the things here. And if the three Ministers want to take wings, one wing would be for the Minister from Uganda looking after infrastructure, another one for the Minister from Kenya looking after finance, and another one for the Minister from Tanzania looking after foreign affairs and other things, because the Tanzanians, I gather, are very good at these things of foreign affairs.

We would also look and examine whether we can lease this building and reduce the costs and deploy the funds for the headquarters building more appropriately and more usefully because of the scarce resources that are available to us.

Mr. Speaker, interest on gratuity, especially at the time when most of us are going to be leaving: Yes, there is a problem and the problem is that we took a decision in this House and directed the Council to do certain things, but they have not come back to us to reverse that decision. And my friend, the hon. Counsel to the Community is aware of the way things go. Until that one is done,

our decision does stand – (*Applause*). If we are going to get a reversal, we need a Motion or a resolution or a proposal that these things are not going to stand the way we did them. Otherwise, it is not the issue of getting that money, but it is the issue of the method of work. So let us get the work properly done, let us not get kitchen cabinets taking decisions for a whole region without reference to the parent body where these things started. And if they do not do it quickly, then, Mr Speaker, I am requesting you as our leader that what we decided still stands and the issues can be done in the manner that is appropriate and in the interest of good methods of work – (*Interruptions*).

Mr. Speaker, I have had an issue regarding item 4.4. Let me assure the honourable Members, though I am not answering for the Chairman, that the Committee considered this matter very, very carefully. In fact, at the meeting we wanted action taken because it was incredible and unbelievable that the institution, the people who approve our loans or who do recommendations; those who commit guarantees did not know that our salaries were a mere US\$2000 a month! They knew!

The officer who ultimately signed and committed one loan, a second loan and a third loan, I gather he also may no longer be here; I hear from rumours, though we should not merely go by rumours, but it became impossible for the Committee to see what needs to be done. And the implications of it, just to quell hon. Irene Ovonji's concern, it was not that we did not want to mete out punishment; we actually wanted to, but the implications of it were going to far reaching and we would be opening a can of worms, so to say. So we took a

measure which we thought would give a warning to those who are going to be in authority or those to whom powers are delegated to avoid such situations.

We hope from this report and the things that will come out that those who were involved will also know that we were firm on our options but we did not want to be rigid, because when you become rigid, you know that things will break. We did not want anything to break in this situation.

So, Mr Speaker, I can assure hon. Ovonji that the Committee took your view and actually wanted to do what you are suggesting, but the only thing we can now add, and which will be reflected in the *Hansard* is that such an act, if it ever happens again, drastic measures will be taken – (*Laughter*) - including exposing the people who are involved and taking action to ensure that a corrective measure is done for the name of the Assembly, the Community and the people of this region.

Mr. Speaker, in conclusion I would like to say that we looked at the report submitted by the Auditors General, we encouraged them to go on but as the Community expands and institutions also come in, we may have to ask the Auditors General to be nominating the other people to audit some of these institutions in a manner that they will be delegated that responsibility by the Auditors General because our Auditors General are also overstretched and they do not have enough time to handle the Community plus the Treasuries at home.

We hope that the good accounting practice now being developed by the Secretariat and the autonomy which we

hope will come to the Assembly and the Court will allow a healthy growth of this institution. Mr Speaker, I thank you.

Mr. Daniel Wandera Ogalo (Uganda):

Thank you Mr. Speaker, sir, for giving me the opportunity to contribute to this Motion. Before I do so, I also wish to congratulate hon. Eriya T. Kategaya – (*Laughter*) - it took me some time to get that “T”, and to thank him for coming in the very first session after his appointment – (*Applause*). Your predecessor took almost a year to step in here to take the oath, and after he took the oath, we never saw him again – (*Laughter*). So, really we thank you for coming the very first time and hope that you will be with us in pushing the integration process forward.

Mr. Speaker, sir, I have just a few concerns. The first one is on page 2, about vehicles. It was said that you are walking around in the region, but my concern, sir, is not about your walking; it is about the fact that the report which was being considered then was for the period June 2002 to 2003 and now we are in the year 2006, which is a period of four years, and the matter is not yet resolved. The fact that we can take four years to resolve a matter of driving a vehicle says a lot about our systems.

The second point is why the Summit would have to be bogged down with the idea of a driver. Surely we only expected that the Summit would be involved in giving impetus and direction to the Community, not in deciding whether you have a driver or not.

So, Mr Speaker, sir, I would think that it is time that the whole operation, the

mechanisms on who does what –
(*Interjection*) -

Maj. Richard Ddudu: On a point of information, Mr. Speaker, I would like to inform the hon. Member holding the Floor that because these matters have taken so long...four years, our hon. colleague, hon. Maj. Gen. Mugisha Muntu has also forgotten that when he was the Army Commander in Uganda he had about 12 vehicles escorting him and then he has now remembered that it is a bad precedence for other countries –
(*Interruptions*).

The Speaker: Hon. Member, that information is not relevant, and it is misplaced. I would request hon. Ogalo not to consider it but just to continue –
(*Laughter*).

Mr. Ogalo: As I was saying, there is need to review who does what, and to put in place regulations so that some small matters can be dealt with by bodies which can quickly dispose of them, instead of having to bother a whole Summit to deal with such simple matters.

The second point which I want to comment on is found on page 3, headed the “East African Community Transport Policy”.

Mr Speaker, sir, when the Committee was doing this very good work -I forgot to thank the Committee for this very good work and for this very good report. I congratulate you for having done a thorough job about this matter. The Secretary General is reported to have answered the Committee, when they raised the issue, and they were told that this matter was embedded in the terms

and conditions of service of such officials, and therefore it was a matter of the prerogative of the Council and the Summit. With due respect, it is my view that the view of the Secretary General is erroneous. If it is a matter within the prerogative of the Council and the Summit, what is it doing here? Why was it ever included by the same Council in a report to the Assembly?

Mr. Speaker, sir, the Assembly under the Treaty has the authority to deal with any matter pertaining to the Community and it would be wrong to say that there are certain matters which are a prerogative of – (*Interruption*) -

Ms. Lydia Wanyoto: On a point of information concerning the issue of the terms and conditions of service which has been mentioned in this report, Mr. Speaker, this Assembly has been waiting, also for the last five years, for the report of the numerous studies and consultancies that have been looking at the conditions and terms of service of the officials of the organs of the Community, including the Members of this Assembly.

Mr Speaker, we do not know now what they are referring to here because all along we have been waiting for this report, and as Members wind up their first term of office, they do not have any formal conditions of service officially from the Council of Ministers as assigned to them in the Treaty.

The Speaker: It looks like hon. Members are smartly putting their own agenda into the issues. Knowing hon. Ogalo’s capacity, he now cannot take any more information from now –
(*Laughter*).

Mr. Ogalo: Mr. Speaker, sir, I am of the view that once the Council of Ministers makes any report to this House, they should expect that there will be recommendations from this House on those matters, and that it is erroneous to say that “although we have introduced this matter for you to consider and debate, on this one, it is our prerogative, please do not say anything about it”!

I would invite the House to go ahead and make recommendations on these matters and for the Council of Ministers to look at these matters. Look at the recommendation, if it takes sense, take it. If does not, report back and say your recommendations do not make sense and we are not taking it. That is how we would be able to dialogue and push the Community forward.

The third point is on the late remittances by the Partner States. Although it is true that at the end of the day the money is paid and obligations are made, but at what cost? What happens when now there is no money in the Secretariat because the money has not been remitted? Does the Secretariat go and borrow money? When it borrows, does it pay interest? If it pays interest? Who eventually suffers that? Is it not the taxpayer in East Africa?

So, rather than say that we should not take on the Partner States because at the end of the day in any case they honour their obligation, rather than do that, I think we should insist and say, when remittances are due they must be met.

Mr. Speaker, sir, the fourth point I want to comment on is on page 5 about monitoring and evaluation of projects.

Mr Speaker, sir, the Council of Ministers submits an Annual Report to this House. In that Annual Report they also talk about the projects which they have undertaken and what the progress is on those projects. This House is on record as saying that in the exercise of its oversight functions, it is necessary for the relevant Committee to go and look at these projects to see whether the money being put in these projects is actually being put there, and secondly whether we are getting value for the money being put there.

I do recall that the Committee on General Purpose did raise that point when we were considering at one time an annual report which claimed that there were some trees which had been planted alongside Lake Victoria. But sir, we had only two days within which we were told to make up our mind and make a report on this matter. This House is on record as saying, how can the Committee advise the House properly when they do not even know whether those trees are there.

That brings me to the question of funding the Assembly in order for it to do its work. If you do not fund the Assembly sufficiently to monitor and evaluate these projects, we will be here, we shall consider the annual reports of the Council of Ministers and we shall assume everything is okay when nothing is okay. I hope the Council of Ministers will consider this if we have to push the integration process forward.

The next point is on page 6 – “sub-accounting powers to other organs”. This House, again, did pass a resolution in 2003 to establish a forum for a working relationship between the organs, and one

of the issues was allowing the other organs some limited powers of accounting. That resolution was torn and thrown in a dustbin somewhere.

Now, if this House passes resolutions which are intended to solve problems - as hon. Kategaya said, that if you face problems, you should meet and solve them. So if the House thinks that it is making recommendations on how to solve a problem and its resolutions are not taken seriously...three years down the road we have never heard about that. The Council of Ministers has never come here to either say that we agree with you on how we can allow limited accounting in the other organs or not; we have never heard about it. So how shall we work?

We shall continue having committees making these kinds of reports; we shall continue debating them...Hmm, aah!

Mr. Speaker, sir, the next one is on page 7, and to me this is very crucial. Page 7 the paragraph beginning "*The current Secretary General did not give any firm commitment...*" I want to read the sentence from: "*Autonomy of the East African Legislative Assembly and the East African Court of Justice as nascent organs must be clearly evaluated alongside the fact the East African Community is an inter-governmental organization, not wholly equated and constituted along the principle of separation of powers embedded in the respective national constitutions of Partner States.*"

Mr. Speaker, sir, the East African Community is not a locust control programme for the three countries - (*Applause and Laughter*). It cannot be

equated to an inter-governmental locust control programme. It is not an IGAD!

The people of East Africa went forward in the Treaty to give stages ending with a political federation. Now if you are looking at the political federation as where you want to go eventually, you cannot ignore the principle of separation of powers at this stage - (*Applause*). You must start building those institutions which will eventually be federal institutions and those will be the judiciary, the legislature and the federal government.

So, for me, I would rather that the Council of Ministers does not look at the East African Community as a locust organisation. It should look at it as - (*Interjections*). Since we say we are going for a political federation, we must build institutions and those institutions will be based on the concept of separation of powers. If we do not do that now, even if you have a federation you will have institutions which will not be viable to hold the federation, because you will not have built a proper foundation for it. So, with due respect, I think that the comments in paragraph 7 need to be revisited by the Council.

Mr. Speaker, sir, lastly, I wish to comment on the point which was made by hon. Eriya T. Kategaya when he said that at the time of making the Treaty there were fears, and therefore when the Treaty was written, it was written with those fears therefore it did not reflect what people really thought or what people wanted to put there. So we ended up with an Audit Commission from the three countries to help the Community to audit its activities. This Audit Commission is in the Treaty.

These are the areas which need revisiting. Time has come, if, sir, you wrote this Treaty with fears, for us now to put those fears behind. We should now be able to look at the Treaty, look at the short-comings and amend it so that we can move the integration process forward.

With those remarks, I beg to support the Motion – *(Applause)*.

The Speaker: The last speaker will be hon. Med Kagawa.

Mr. Med Kagawa (Uganda): Mr. Speaker, just like my colleagues before me, I also want to congratulate hon. Eriya Kategaya on joining this august House. I would also want to congratulate the Committee for having presented to us this report. I have four issues which I want to raise, and I will be very brief.

The first one arises on page 3, and it has been alluded to, that is the funding of the Community and the late payments.

Mr Speaker, I am happy that the Committee considered what I would call some of form of penalty for late remittances, but I am disappointed that it did not go to conclude that these penalties should be considered.

I say this because, if the Community is to go the way we want it to go, I think, to use the words my friend Ogallo normally uses, we need to be more serious. I think it defeats anybody's intelligence to say that you love the baby very much and yet you starve the same baby. I do not know who will believe you.

To say that you want to fast track the political federation of the Community and even the USD3 million, which is already very meagre you cannot pay in time, I think it leaves one wondering whether one is genuine in wanting to fast track.

Mr Speaker, I would like to ask the Committee to be bold enough and goes to recommend that those who remit the funds late should have some form of penalty, because if you do not do that, you create a problem for the implementers.

Time and again we look at the Development Strategy here, and every time we look at it, we see that what was supposed to have been done in June 2006 was not done. Maybe this is due to the late remittances and therefore we put the blame in the wrong place, when actually at the end of the day it was lack of funds that perhaps made it impossible for the implementers to do the implementation.

Mr. Speaker, the other point I want to comment on arises at page 4, and this is about the float account.

Much as I appreciate what was told to the Committee by the Secretary General about those beautiful guidelines, one question still remains in my mind; what has happened to the funds that have been put on the float account in the previous financial years? I would want to say that I think this House is entitled to at least get a report on the expenditures on that float account because maybe the account keeps floating and changing and doing what ever, and at the end of the day we will never know what may have happened to these monies, and I think

we would have failed in our oversight function. I think it is not too late for the accounts Committee to call for this.

Mr. Speaker, the other issue I had wanted the Committee to consider is in regard to the institutions of the Community.

Time and again we have been told that these are autonomous; that they have their own boards, but I also want to believe that they draw funds from the consolidated funds of the respective Partner States, and therefore, in a way, I do not think it would be wrong if we asked to look at their accounts.

I am strengthened in this assertion that if this had been case, the situation now pertaining with the East African Development Bank possibly would not have arisen. But because the operators of those institutions know that they are only answerable to their boards and no other person to look at their accounts, they often get away with what they have told them.

So, Mr Speaker, for me I still want to request that, if anything, maybe they should at least forward the accounts of the institutions that form part of the Community to the Accounts Committee of this Assembly.

Lastly, Mr. Speaker, I want to comment on the interest on gratuity. My colleagues have already alluded to it, but for me I just want to say that the reason given for saying that the interest accruing to the gratuity should go to the Community rather than the owners because we do not contribute to it, is, I think, a very lame reason. The mere fact that they have agreed to give gratuity,

not to a group of people but to individual employees, I think it should be in the same token that even the interest accruing on their respective sums should go to them – *(Applause)*.

It is therefore my request, Mr Speaker, that this is a matter that should be obvious. And I note that normally they would say the auditors will query this, but the experts have said give them!

So, it is my humble request to the Council that since the auditors who normally give the headache have also seen it - and they are experts in these areas - please go ahead and authorise that the interest should be paid to the employees. I thank you – *(Applause)*.

The Speaker: I think it is in order that I give the Floor to the hon. Minister to respond to some of the issues raised. Hon. Chairman of the Council of Ministers, you have the Floor.

The Chairperson of the Council of Ministers (Mr. John Koech): Mr. Speaker, first I would like to congratulate my colleague, hon. Kategaya for being sworn in today as the Minister for East African Community – *(Applause)* - and that of course makes complete the Council of ministers who are wholly in charge of the East African Community. We believe that there is going to be a new spirit, so that even some of the issues you have talked about today, the ministers will have more time to concentrate on and also look into quite a number of the recommendations which were made – *(Applause)*.

Secondly, I would like to thank the Chairman of the Committee, hon. Bakari Jecha, and the Members of the

Committee for doing a good job – *(Applause)*.

I believe the oversight function of the Legislative Assembly is extremely important. In African countries, we have been accused of corruption and mismanagement of funds, and of course, parliaments should ensure that there is no misuse of funds. So I thank you for the good job that you have done.

I know this, honourable members, that despite the fact that you are leaving, some of you are not leaving having done nothing in Arusha. You are leaving having done a lot of things for this region – *(Applause)* - because when I look at the issues pertaining to the East African Community and the people who are more East African than the rest are the Members of this august House – *(Applause)*.

I believe that even those of you who are leaving, you are going to continue with the fire for the East African Community wherever you will be. And for those of you who will be coming back, we should give ourselves a challenge that we must move ahead and make sure that the integration process becomes a success.

Now, Mr. Speaker, so much has been said about many issues which seem to have stalled and many decisions which have not been implemented. I think it is high time that we the leaders of East Africa made a very strong political stand that we are actually interested in the integration process.

We should be speaking with one voice: If we have come to the question of the Customs Union, let us stick to what it says; when it comes to the process of the

Protocol on the Common Market, let us speak in one language. Let us not send wrong signals to the rest of the region that some parts of this region are not ready to continue with the process of integration. Let us be serious.

We know we have got problems...hon. Kategaya talked about our visit to Germany and Belgium. We found out that they have moved very far, and it does not mean that they did not have problems; they had problems but because they desired to move, they moved. And some of the problems which seem to have no solutions, you move and leave them behind, and the successes as move will drive those problems towards you and they get solved. I loved their approach.

Hon. Kategaya also mentioned pragmatism; we need to be pragmatic the way we move. We do not have to have fears. The integration process is good for this region and we should all make sure that we move without any hesitations.

I am happy with the Members of this House august House because I know all of you are committed to the integration process. So wherever you will be, even if you are not going to come here, you will continue.

Mr. Speaker, I have been listening to the contribution of the Chairman of the Committee and I have seen this report, and as I said earlier, I commend the Chairman for a good report. I want to make a few comments regarding some of the issues which have been raised here.

We have talked about the Speaker and the Judge President having no vehicles – or having no chauffers, and the

honourable Members have talked of the Speaker walking from the streets of Arusha to Parliament. Maybe it is very healthy for the Speaker to do the walking and not the driving – (*Laughter*) - but I think in future he will be spared the trouble of sweating when he comes to the Assembly.

Honestly, our institutions are new, and we have not been able to sort out a lot of problems pertaining to transport. Here it is recommended that we should have a very clear cut transport policy, which would be able to sort out the problems of, not only the Speaker, but also the senior members of the Secretariat who use the vehicles in certain ways that the Committee were not happy about.

So, I believe that with your recommendations, we shall be able to come up with ways and means of sorting out these problems of the Speaker, the Judge President and also the members of the Secretariat who will be using the vehicles in various ways which have raised concern to this August House. So, we have noted those issues, and I think in future we should be able to find a practical approach to solving these particular problems.

We have talked about financing the Community, and I do agree with hon. Med Kaggwa that if you love a child, you must feed the child. And actually if we love this child, the East African Community, we need to give it sufficient food and also a balanced diet so that it can walk properly.

We know the US\$3 million is not sufficient. The Council has been trying to find ways and means of ensuring that there is a dependable source of funds for

the Community. I do hope that with the three Ministers being here, we shall be able to discuss how best we can finance the Community.

You know, this question of funds needs a lot of negotiation. We are a young region and a young economic group. If certain funds have to be raised, it causes a lot of problems. But I believe now that the Ministers are going to be here, some of the proposals which have been given, we shall be able to look into them and find ways of agreeing so that the Community can have a dependable source of income.

So much has been talked about the remittance of the meagre resources that come from the Partner States. I want to assure you that my observation for the last one year shows that we must give a lot appreciation to the Partner States. They have really been ensuring that they pay on time. And I think that as we move, and now that the Ministers are also here, we shall be pressurising our governments to ensure that the money is paid.

I know that my Ministry has already remitted most of the funds which are required up to date – (*Applause*) - and I know that the other states will also be able to remit. This is why I think giving some surcharges may not be necessary because we are becoming very good – (*Laughter*). So there will be no need for surcharges.

On the policy guidelines on the float fund, it has been decided by the Council that the float money should be deposited in an account and it should not be used without the approval of the Council. I think this is one way of ensuring that the

float money is not going to be used by one individual, such that the chances of the misuse of those monies will be minimal. So, those ones will be in good hands, but I find that in future there will be no need to talk about the float funds since the Partner States will be contributing the funds in good time.

We have also talked about the strengthening of the institutions of the Community, especially separation of powers for the Legislative Assembly and the East African Court of Justice.

I think this is a fair recommendation, because honestly, if you want to build institutions, we must give them sufficient powers so that they can be able to work on their own. More staff will now join the Secretariat and there are more functions which are being done by the Secretariat. So, making the Secretariat have a lot of functions on finances is going to make things extremely difficult.

In our recent retreat in Zanzibar for the staff of the Secretariat and the Council, one of the recommendations was that the East African Court of Justice should have a separate accounting system. I believe that would also go for the Assembly so that they can have their own separate accounting.

Honourable Members, the problem that we have been having and which we still have at the moment is of course the lack of staff. We do not have sufficient staff, especially the accounts personnel who could manage the affairs of the Assembly and the Court. However, following the recent job evaluation, the Council is going to employ more staff, and I think with that, we shall be able to

have the accountants who will be able to handle the affairs of the Court and also of the Assembly.

Mr. Speaker, on the question of gratuity, I am quite sure the honourable Members will get their gratuity before they leave – (*Interruptions*).

The Speaker: Order, honourable Members; do not spoil the good news – (*Laughter*).

Chairperson of Council (Mr Koech): So, you do not need to talk so much about gratuity since I think you are taken care of. I believe by the end of your term - and the Secretariat is listening - they will make sure that you get the cheque – (*Interruptions*). I hope you are not keen to run away from Arusha; you will always be coming to Arusha? (*Laughter*) You are not going to say total goodbye. I believe you have made friends in Arusha and so you will be coming back. So, even if there was a bit of a delay, there would be no problem. But I do not think there will be any delay.

Mr. Speaker, on the interest which is not paid to the employees of the Secretariat, it is obvious that the scheme is not contributory hence the employee cannot claim to be paid the interest. It is very clear that the gratuity the employees are going to get is very clear. So I do not see why we are talking about them getting interest from their gratuity funds since their interest is already taken care of. So that is why we insist that there will be no need actually for the employees to share in the interest which accrues from the gratuity funds since they did not contribute to it. It is the contribution by the Partner State funds and not from the

employees themselves – (*Shame, shame*).

Now, Mr. Speaker, on these other issues which we have raised about assets in transit, I think that is well taken care of. The accounting system is going to be improved so that we do not have an erroneous provision for assets which do not exist.

Mr. Speaker, we have talked about the headquarters, and this appears in the report. But I think it is very clear that now that the funds are going to be forthcoming, a roadmap has already been cleared on when the Community headquarters will be constructed. So, I do not think there will be any more problem on that one.

Members have raised the question of why it was built on a small plot and hon. Kanyomozi has talked about many other offices being built elsewhere. I think that is common everywhere in the world. If the plot is too small and we are going to expand, there can always be decentralisation of functions. So, it is not going to be a problem that we are going to build the headquarters where it is.

Mr. Speaker, since this is a very clear report, I want to assure the Members that we have noted your comments. We shall take your comments seriously and take the necessary actions wherever it is feasible.

With this few remarks, I wish you the best of luck during the rest of the proceedings in this Assembly. We are meeting tomorrow for some other issues so that we can say a little bit more.

With those few remarks, Mr Speaker, I beg to move – (*Applause*).

Chairperson, Accounts Committee (Mr. Bakari Jecha): Hon. Speaker, sir, I would like to start by calling the names of the honourable Members who have participated in the debate: hon. Calist Mwatela, hon. Sheila Kawamara; hon. Eriya Tukahirwa Kategaya; hon. Irene Ovonji-Odida; hon. Yonasani Bankobeza Kanyomozi; hon. Dan Ogalo; hon. Med Kaggwa and hon. John Koech. There were more to come but the time seems to be limited.

They have all made valuable contributions. I take them as enriching our report and I have nothing more to add, except to accept them.

Mr Speaker, sir, with these few remarks, I beg to move – (*Applause*).

The Speaker: I hope the hon. Chairpersons of Committees will draw experience from hon. Jecha - (*Applause*). Do you want me to mention a few names of chairpersons who take a lot of time? (*Interjections*) Does it mean that you know them? (*Interjections*) Without further ado let me now put the question, honourable members.

(Question put and agreed to)

Report adopted.

ADJOURNMENT

The Speaker: I now adjourn the House until tomorrow at 2.30 p.m.

The House rose at 4.25 p.m. and adjourned until Wednesday, 20 September at 2.30 p.m.