



EAST AFRICAN COMMUNITY

EAST AFRICAN LEGISLATIVE ASSEMBLY (EALA)

Official Report of the Proceedings of the East African Legislative Assembly

26TH SITTING – SECOND ASSEMBLY: SIXTH MEETING - FIRST SESSION

Tuesday, 20 May 2008

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

PRAYER

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

The Assembly was called to order.

ADMINISTRATION OF OATH

The Speaker: Honourable Members, I rise to notify you that Ministers responsible for East African Community (EAC) affairs from the Republics of Burundi, Kenya and Rwanda are present and would like to take their seats in this House. However, in accordance with Rule 6 and in view of the Rules of procedure of this Assembly, they cannot sit or participate in the proceedings of this House until they take oath or affirmation of allegiance to the Treaty as Members of this Assembly.

Rule 6(3) specifically states that when a Member first attends to take his or her seat, other than the first sitting of a new House, he or she shall be brought to the Table by two Members and presented by them to the Speaker, who shall then administer the oath or affirmation of allegiance to him or her. I, therefore, request any two Members of the House who know the new Members to present them to the Speaker, in the order to be read out by the Clerk. The Oath of allegiance was administered to the following Members:

Jaffah Amason Kingi

Monique Mukaruliza)

(Applause)

BILLS First Readings

The East African Community Emblems (Amendment) Bill, 2008

The Inter-University Council for East Africa Bill, 2008

The East African Civil Aviation Safety and Security Oversight Agency Bill, 2008

(Bills Read the First Time- Ordered to be referred to the relevant Standing Committees)

MOTION

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

(Resumption of Debate interrupted on 15 May 2008)

Chairperson, Committee on General Purpose (Ms. Lydia Wanyoto-Mutende (Uganda)): Thank you, hon. Speaker. Honourable Members, I would like to request you to refer to the document I am going to make references to this afternoon and it is entitled: “The Report on the Committee of General Purpose and the East African Community Budget and Estimates of Expenditure for the Financial Year, 2008/2009”.

There is a document entitled: “The Report of the General Purpose Committee and the EAC Budget and Estimates of the Expenditure for the Financial Year, 2008/2009.

Hon. Speaker, along with that document, close reference will be made to the following documents that you should have in your possession:

1. The Budget Performance as of March, 2008, including donor funds
2. The organizational structure of the EAC Secretariat; the East African Legislative Assembly; and, the East African Court of Justice.

So, you should have those three papers, but those are the structures upon which the Budget process is based. The third document, which is an annexure to our Report, is the Analytical Annexes of the Budget Allocations and other Budgetary Summaries. Those are figures and tables, but they should be able to guide you in the course of vetting this Report. Last but not least, there is a document that we circulated. It is entitled “Funding Shortfalls for the Year 2008/2009.” Alongside that document, you will see some briefing notes from the Committee as part of the Report.

The other important document that our Committee has discussed in relation to the Budget Estimates and the other documents is The Budget Speech by the Right Hon. Eriya Kategaya, Member of Parliament, Chairman of Council of Ministers of the East African

Community and First Deputy Prime Minister, Ministry of East African Affairs, Republic of Uganda. So, our Report encompasses, among others, those documents.

Mr. Speaker, Sir, before I proceed to present the Committee Report on this Motion, I would like to congratulate Mr. Kingi Jaffah Amason, who is the Minister for East African Community Affairs from Kenya. I congratulate him upon joining this august House of the East African Legislative Assembly. I would also like to congratulate the hon. Makaruliza Monique, the Minister for East African Community Affairs from Rwanda. She joined us at a time when we are not only celebrating the enlargement of the House, but also the presence of women in the Council of Ministers. To us, as women, it is very important. We would like to welcome you to build the East African Community as it were. We, as women, have a forum. I hope the Chairperson, who is also present in this House, will find space for the Member of the Council of Ministers, who is one of us, to see how we can work with her to advance the interests of women in the East African Community. I would also like to congratulate the Government of Rwanda. Now that the Minister is here, he can take the message direct that we were celebrating the election of five women to the Assembly.

This number has broken the record in the history of the EALA. As my colleagues said last week, the signals are clear that representation of women in building the East African Community cannot be over-emphasised. We hope that we now have a clear and bold voice in the Council's decision-making process. We hope that sooner than later, we shall have representation in the Summit of the East African Community - (*Laughter*).

Mr. Speaker, Sir, you can hear the prejudices in the background. Hon. Members will be shocked. That will happen sooner than later. Bold visions take bold actions. We will do it.

I am now going to present to the House the Report of the Committee on General Purpose, which I was privileged to chair.

The Report of the General Purpose Committee

Mr. Speaker, Sir, the General Purpose Committee, pursuant to Article 132 of the Treaty for the Establishment of the East African Community, and in accordance with Part 3, Annex 5 of the Rules of Procedure of the Assembly, considered the East African Community Budget Proposals for the 2008/2009 Financial Year. The discussion of the Budget was also guided by other provisions of the Treaty with direct reference to the EAC activities and their budget, specifically Articles 5, 8, 1(a), 12, 14, 49 and 71(1)(j). The Budget was also considered within the framework of the EAC Development Plan, 2006-2010, the EAC Annual Report, 2007, the Assembly Resolutions, Council Decisions and Summit directives.

The Committee considered the Budget Proposals of the East African Court of Justice, as an organ of the Community; the East African Legislative Assembly, as another organ of the Community; the Lake Victoria Basin Commission, which is one of our institutions; and the Secretariat, which is an organ of the Community covering the Office of the

Secretary General, the Deputy Secretaries General, the Defence Liaison Office and the Directorate of Customs and Trade. This Report is, therefore, the outcome of a series of meetings with Members of the Council of Ministers, the EAC Secretary-General and his technical team.

The Committee invited and held discussions with Members of the Council, the Secretary-General; the Deputy Secretary General, Finance and Administration; the Deputy Executive Secretary of the Lake Victoria Basin Commission; the Clerk of the EALA, and the Registrar of the East African Court of Justice.

Mr. Speaker, Sir, our Committee has been able to list the documents we reviewed, apart from the meetings we held, as follows: The Budgetary Notes for the Financial Year 2008/2009; the Proposed EAC Budget for 2008/2009 and the Budget Performance for 2007/2008 Financial Year; the Medium-Term Expenditure Framework (MTEF) for the Financial Years 2008/2009-2010/2011; the East African Development Strategy, for the years 2001-2005, which is the first strategy, and the current one covering the years 2006-2010. In document number five; we reviewed the Management Accounts as at March, 2008. This is one of the annexure of the document that hon. Members have.

The sixth document is the Summit and Council directives and decisions, the reports of the Finance and Administration Committee of February and March, 2008; the East African Community Secretariat, the East African Court of Justice and the East African Legislative Assembly Organizational Structures; the Treaty for the Establishment of the East African Community and the Rules of Procedure of the Assembly's last year's Budget and Recommendations of the House - we had to draw this from the HANSARD records; the Fast-tracking Report; the Resolutions of the Assembly adopted in February, 2008; and the Budget Speech of the Chairperson of the Council of Ministers, which was read to us last week.

Mr. Speaker, Sir, the Committee appreciates the role of the Council of Ministers and the EAC Secretariat in discussing the EAC Budget for the Financial Year 2008/2009. Special thanks go to the Deputy Secretary-General, Finance and Administration, Dr. Rotich, who has been very forthcoming, supporting and readily available to the Committee. Whenever he was not able to give us certain information, he had ready explanations. So, we appreciate the environment he operates in and the circumstances under which he has been doing this assignment.

We also want to appreciate the Deputy Executive Secretary of the Lake Victoria Basin Commission, the Clerk of the EALA, the Registrar of the East African Court of Justice, the Director of Human Resource Management and Administration of the Secretariat; the Director of Finance in the Secretariat, the Director of Projects and Programmes, who was often represented by Miss Mary Makofu; the Director of Physical Infrastructure, who was often represented by Eng. Nyangweso; the Senior Budget Officer, the Budget Officer, the Accountant of the Lake Victoria Basin Commission, and the staff of the Assembly. I want to mention the Clerk of the Committee, Mr. Alex Obatre for the ...record.

The Committee's interactions provided an important interface on the insight of the Budget.

I want to give special thanks to the Right Hon. Speaker, Mr. Abdi, for availing the Committee time and space to discuss the EAC Budget. You realize that in the document, we have not mentioned the Committee, but there is a saying in a book by one of the African writers, which says: "The bird on the *iroko* tree once said that if nobody praises me, I will praise myself." I want to take a similar opportunity to appreciate the Members of the Committee on General Purpose. They have worked within difficult circumstances and means to enable us present this Report, which we hope you will appreciate, or give you some supporting information to appreciate the background to the Budget Estimates. So, I would like to appreciate the contributions of all the Members of the Committee on General Purpose, whose names and signature are all appended at the end of this Report.

Performance of the Previous Budget – Development Partners

By March 2008, out of the total annual budget of US\$4,072,440, the total actual expenditure stood at US\$1,995,131, representing a 49 per cent utilization rate. The Committee was sceptical about the possibility of the Secretariat being able to absorb the remaining US\$2,077,309, which is 51 per cent, when in the nine months, it could only utilise 49 per cent. You realise in the course of the document we have been able to share with you, where this money is located.

The Partnership Fund Project

By March 2008, out of the total annual budget of US\$3,665,000, the actual expenditure stood at US\$1,203,956.83, representing 32.85 per cent utilization rate. The funds are specifically directed towards the Common Market Negotiations; US\$1,000,000, Fast Tracking of Rwanda and Burundi into EAC, US\$600,000; Capacity building of the EAC Secretariat, US\$700,000; Consultancies and Studies, US\$980,000; support to the Programme Commission Unit, US\$235,000; and then contingencies had an allocation of US\$150,000.

The Committee was, however, concerned about the overspending within some allocations of the partnership funds, especially those that target the Programme Implementation Unit, travel and subsistence while in some areas, we felt were grossly under-spent. The big examples are found in capacity building, the integration of Rwanda and Burundi, and yet, these have been programmatic areas which could have had tangible outputs for the Community.

As such, there is necessity for scrutiny of the Partnership Fund Project by the Assembly. The Council of Ministers is urged to lay before this House, the agreement governing this Fund.

The Committee was also concerned about the slow progress of the Common Market Negotiations, which ought to have been concluded by the end of the year as directed by

the Summit and further affirmed by the Council of Ministers. The members expressed concerns that no tangible outputs have yet been realised, although there is an expenditure of close to USD626,181 within eight months of the Financial Year 2007/2008.

Hon. Members, we realize this is a contradiction from the Minister's speech. I did not want to refer to it, because it says that the progress of the Common Market is in very high gear. Those of us who are on the ground, felt that there is high gear in expenditure, but the tangible feel of the Common Market, we, as members, do not feel it. The Community, therefore, urges the Secretary-General and the Council of Ministers to regularly brief the Assembly to enable informed decisions on allocation of funds in this sector. I think this goes without saying that we need to know what is happening, so that we all share the allocation from an informed point of view.

Other Projects – Utilization as of 31st March, 2008

Other projects in the last financial year included support from the International Labour Organisation (ILO) of US\$60,449 of which US\$42,436 had been spent, representing 68 per cent utilisation rate. The Government of France did support Customs Union at US\$87,853, out of which US\$10,203, had been utilised, representing utilisation rate of 12 per cent. There is another fund from IDRC of an amount of US\$176,741 of which US\$55,868 had been spent, representing 32 per cent utilisation rate. There is a fund from the Swiss Tropical Institute of US\$19,750, of which US\$3,767 had been utilised, representing utilisation rate of 27 per cent.

Analysis of the expenditure reveals 9 months down the financial year, the EAC Secretariat, has not adequately utilised the donor funds, if the utilisation rates are anything to go by. This again puts the question of the absorption capacity of the Community, notwithstanding the expertise of the professional staff presently at the Secretariat.

The Committee urges the Council of Ministers to disclose and adequately explain all donor funds, their beneficiaries and the time frames to appreciate implementation modalities.

Mr. Speaker, Sir, the reason we are raising this as a Committee and hon. Members, is because donor funds that do fluctuates and we do not know when they are actually within the coffers of the Community. So, we would appreciate the timing and when the final agreements are done and when the money is with us, so that we are able to know we appreciate the time lines of the implementation modalities.

Mr. Speaker, Sir, again on page 5, as you can see, are remittances by partner states. We were able to access the documents, but go back a picture of the contributions from partner states and that is by 15th February 2008. The Committee has been able to share with the table as you see it. The Committee commends the partner states that honoured their commitments in time and urges those that have not, to fulfil their obligations and

commitments in time to enable implementation of the planned activity and for the EAC to progressively realize its mission and vision.

Mr. Speaker, Sir, I am now turning to page 6, on the EAC Budget for the Financial Year 2008/2009. The proposed total of the EAC Budget for the Financial Year 2008/2009 is US\$30,551,222. The table, especially for income is provided there. The chairperson of the council reported that the outlook of the financial year 2008/2009 budget represented an overall budget increment of nine per cent, growing from US\$21.5 million in 2007 to US\$23.4 million. However, this increment according to the documents we have received is not uniform across the various institutions and sectors. The growth was not, however, in tandem with the Medium Term Expenditure Framework (MTEF) and estimates prepared and submitted to the partner states which were estimated at a growth of 79 per cent. The position has been taken into consideration in Council decisions and the directives of the Summit who according to the Treaty are mandated to give impetus and direction to the EAC. The considerations had also taken into account the deadline for the common market negotiations, the expanded mandate of the EACJ with the need for the appointment of more judges and operationalisation of the appellate division of the court, the expanded mandate of the EALA enacting more legislation to expedite the integration process and enhancing the role of the committees of the Assembly to perform their oversight role in the EAC and the urgent need to strengthen the office of the speaker to fully expedite the mandate of the Assembly as an organ of the Community with sufficient time to space and facilities.

The Committee wishes to lay on the Table the compendium of the unfounded activities in order to appreciate the funding gap. There is a document with you of the funding gaps that we call the shortfalls with some explanatory notes.

(Ms. Wanyoto laid the document on the Table)

It is critical for output-oriented activities of the Common Market, the Monetary Union and the Economic Partnership Agreements (EPAs) negotiations and the EAC industrial policy and investments. For those of you who were here when we were debating the speech of the Chairperson of the Summit, and if you look through the speech of the Chairperson of the Council of Ministers, they have been able to outline policy guidelines on these four critical sectors. When you look at the budget allocations, there is a “disconnect”. That is what the Committee is saying. I would now like to go to the critical sectors that we need to review.

The East African Railways Master Plan

The Committee found out that the master plan is still under development. It contains an option for rehabilitating the existing railway lines and another for overhauling the existing lines and replacing the entire East African network with the 1.4 metres gauge. The Committee was, however, concerned about the absence of a dedicated project implementation unit and the lack of operational funds within the budget for this critical activity. It, therefore, urges the Council to reconsider its position on this matter. The

Speaker of the Kenya National Assembly told us very ably, the story of the railway lines. I hope we will rise to the occasion and not let him down and other East Africans.

The East Africa Power Master Plan

The Committee established that the plan, which covers the period of 2006-2014, has been completed and it will be discussed during the East African Community Petroleum Conference scheduled for 2009. The Committee observed and it was concerned of the delays in launching this plan, which would have been before 2007. It was further concerned that the partner states have failed to fund the Energy Department to the tune of US\$201,218. The funding gap includes US\$10,000 for consultancy services to update and review the power master plan to cover Rwanda and Burundi, and US\$20,000 for renewable energy master plan. The Committee urges the Council of Ministers to reconsider its position about the power master plan and the renewable energy master plan for the EAC. When you look at the figures that are not provided for, for the two countries to be part and parcel of this plan, this is an issue that hon. Members need to put a keen eye on.

Industrial Development

According to the East African Community Development Strategy, industrial development is instrumental to the generation and diffusion of technology, which is an important source of dynamism and competitiveness in an economy. The neglect of the role of the industry amounts to the omission of the primary change agent for economic transformation. In this regard, the implementation of the East Africa Industrialization Strategy should be given priority by the EAC. However, the EAC budget for the financial year 2008/2009 makes only provision of US\$205,220 for consultancy services without making provisions for any other activity intended to promote investment in this sector. The Committee, therefore, urges the Council to take a bold decision to facilitate the development of the sector in accordance with the state of the EA address by the Chairman of the EAC Summit as a priority area.

Agriculture and Food Security Sector

According to the Committee, and we hope that everybody believes this, this is probably the most critical of the EAC sectors. As such, the EAC Development Strategy calls for enhancing supply capacity in agriculture through identification of strategies of high value activities like research, seed multiplication and distribution, livestock multiplication and distribution, plant and animal disease control, irrigation and early warning systems. The Committee was concerned that the partner states were unable to find funds to facilitate this vital sector to the tune of US\$369,654. The available funds will, therefore, not cover cost for the control and eradication of human and animal trans-border diseases for the EAC and the development of the railway band protocol.

Needless to say that the budget merely covers travels and subsistence of workshops to the tune of US\$21,000 and US\$733,000 from Flora and Williams USA for the development

budget but no details have been disclosed in the documents we were able to analyse. The Committee expresses worry that this may not be used for tangible output. It was further concerned that the partner states have not put any money to support the development budget.

The Tourism and Wildlife Management Department

The role of the sector is to market and promote EA through a single tourist destination. This sounds like a song these days! The responsibility is for the partner states to undertake and to develop the regional strategy for tourism promotion. Despite the important role of the publicity and promotion in the region on tourism development, funding of US\$32,800 was not provided for by the partner states for this activity. In total, the sectors and funded priorities stood at US\$83,350. The available budget line for US\$18,000 is allocated to meetings and workshops in this sector. The Committee recommends that the Council of Ministers reviews funding for this sector.

Transport on the Lake - The Lake Victoria Basin Commission

The Committee formed under the Lake Victoria Transport Bill has so far received four Presidential assents and arrangements are underway to convene the preparatory meetings aimed at drafting the regulations as soon as the Act takes effect. The Committee was, however, concerned that US\$200,020 had been made available in the budget and specifically under the Lake Victoria Partnership Fund. The funds are earmarked for the process of developing the regulations to the Lake Victoria Transport Act once it is in place. The Committee was informed that the procurement of navigation aids and survey of the routes would not be done within this financial year since there was no budget line for it. I do not want to tell you the stories of how many people have died on the lake because of the lack of navigation tools. The Committee was, however, informed that the access ports of Mwanza, Kisumu and Port Bell had already been done with funding from the Lake Victoria Environmental Management Program (LVEMP). The same funds had been used with the supplement from the Directorate of Customs and Trade to finance the Lake Victoria Trade Database. The Committee was concerned in this sector that the HIV/AIDS initiative and interventions by the Lake Victoria Basin Commission were not adequately addressed. To make matters worse, the partner states did not avail a budget to cater for the counterpart funding. In the documents on the needs of the Lake Victoria Community, we have 30 million East Africans who live around the lake. One of their biggest challenges facing the fishing community is HIV/AIDS. Therefore, when you get funding from donors and there is nothing from your own government, as a Parliament, we must ask questions. A scrutiny of the funding for the sector revealed that the bulk of the funds for the activities stipulated by the proposed Lake Victoria Transport Act would come from the Lake Victoria Partnership Fund. There were, however, concerns about the

lack of details for the budgeted funds, which if not well mentioned, could be open to abuse.

Hon. Speaker and hon. Members, on page 11, we, therefore, urge the Council of Ministers to be vigilant over the use of these funds and direct the disclosure of all the details of the broad activities listed therein.

The East Africa Legislative Assembly as an Organ of the Community

The Committee noted that the basis for the budget of the EALA is distorted due to the failure by the Secretary-General to operationalise the decision of the Council of Ministers of 25th August, 2006, Ref. EAC/CM12/2006 which approved the EAC organogram as the basis for budgeting and improving service delivery.

Mr. Speaker, Sir, regrettably, everything in this organ is muddled up in two cost centres, namely the Office of the Speaker and the Legislature which, therefore, presents a misleading picture. You cannot put a finger at what they are doing when you look at the Budget allocations and the cost centres of the organs; it is not possible. I do not know how they were operating. Since the Assembly is not undertaking activities at full capacity as any other properly functioning Parliament or Assembly, and this explains it--- There is a Council directive that approved it. I know that it can operate and work. The Council has been informed that apart from those EALA adopted Motions and Regulations, from time to time, hon. Members ask Questions on a number of issues that are relevant to the integration process. Motions are sponsored during the integration of the annual legislative calendar.

Mr. Speaker, Sir, other issues that the Assembly deals with includes oversight, representation and outreach programmes, but all these have not received any funding. There is not space or even mention of these functions of the Assembly in the Budget Estimates or allocations.

The Committee observes that Partner States have also failed to fund the Committees of the Assembly to carry out its oversight role of the EAC programmes and projects. The oversight role is critical in offering checks and balances for proper institutional development of the EAC and to ensure accountability by responsible officers towards the realization of the integration process. The Committee, therefore, recommends a complete review of the EALA Budget to try and reflect its mandate and its activities, and cost centres with detailed approved structure and a proper coding system like the other organs and institutions of the EAC.

Mr. Speaker, Sir, I would now like to turn to the other organ of the Community; the East African Court of Justice. We did draw a lot of reference from the strategic plan, just as an example. The EAC plan for 2006-2010, on page eight provides that the primary objectives of the Strategy will be to consolidate and complete the EAC Customs Union, establish the East African Common Market and lay all foundations for East African

Monetary Union and the East African Political Federation. This makes the next five years, 2006-2010, a most important and complex period for the East African integration process.

Mr. Speaker, Sir, on page 90 of the Strategy, there is the development of the East African Court of Justice and establishing an effectively operational East African Court of Justice in the East African Common Market. It then states the five years for completion of certain activities. The Strategic Plan also provides that the following activities shall be achieved within this financial year, that we are debating today:-

- (i) To restructure the East African Court Justice
- (ii) To provide for Appellate Jurisdiction of the Community
- (iii) To provide for human rights jurisdiction
- (iv) To provide for the Common Market tribunal.

The Committee, unlike the allocations of the Budget and none of the above appear anywhere in the Budget Estimates of 2008/2009, recommends that the Budget be redone within the available allocation to the EAC to reflect what is set out in the Strategic Plan and the structure of the East African Court of Justice as approved by the Council of Ministers.

Mr. Speaker, Sir, regarding the Committee observations and other factors, the Committee observed as follows:

(a) There is failure by some sectors to utilize funds at their disposal. If you look at the expenditure documents as of March 8, 2008, you will see what we are talking about and yet, there are sectors without funds but with unbudgeted activities. This is the story of those who have teeth but do not have meat and those who have meat but do not have teeth to eat the meat!

(b) We have observed that there is lack of transparency surrounding the allocations of funds from the development partners under partnership funds. It is not clear who determines which sectors should access which funds. My colleagues will be able to share that with you. We were not able to access documents that we requested for. Those documents have clear regulations and a framework on this particular angle.

Mr. Speaker, Sir, the Committee is aware that, as an Assembly, we should not just be asking for these things without playing our role. I just want to give you a quick example before I move to part (c).

The first Parliament had a Committee of mobilizing resources and building the Community, which was shared by the then Speaker. Even the current Mr. Speaker was a Member of that Committee. They mobilised five executive vehicles, brought them to Arusha and shared them among all the organs of the Community. The Assembly was able to mobilize five executive vehicles! They gave two vehicles to the Secretariat and two others to EALA. Actually, the Speaker is using one of them. We did not have a vehicle for the Speaker. What he is using is a donated vehicle. One of them was given to the

President of East African Court of Justice. The vehicle that the President of the court drives was a donation!

We are saying this because we do not sit back; we also raise resources but, as an Assembly, we have lived by example. We have been able to share what we get and we have done it in a transparent manner. So, if you went to the Assembly, it has two vehicles for EALA, the Secretariat and one vehicle for the Judge. I do not know what the Judge would be using if the Assembly did not get the vehicles. Maybe, he could be using a *matatu*. These are organs of the Community. So, when we raise part (b), it is not out of being nosy. It is our oversight role that this Assembly has led by example, beginning with the first Speaker of this Assembly.

(c) We would like to raise an observation that travel, conferences and workshops have taken the biggest toll of the percentage of this Budget. It is just that we want to use the taxpayers' money at the EAC for--- The documents are with you, hon. Colleagues.

(d) There is no clear relationship between the budgeted activities or allocations and the EAC Strategic Plan, the Assembly resolutions, the Summit directives, the Council decisions and last but not least, the speech of the Chairperson of the Council of Ministers.

Mr. Speaker, Sir, if you read the Minister's speech and then read the Budget allocations and the Strategic Plan, you will see what we are talking about.

The Committee also observed the following, which are administrative but are crucial to the build-up of the Budget that we want to see and the changes that we would like to see as an Assembly:

(i) The composition and representation of meetings of the finance, administration and coordination committees from the Partner States had gross misrepresentation. The documents are able to review and I have given an example. For instance, the meeting that was held in March this year had about 74 participants. I do not know if a meeting with 74 participants can reach critical resolutions on figures and directions. That is what we saw. It is okay to make decisions on behalf of the Partner States basing on their technical competencies. These are the technical arms from the Partner States and the decisions have direct implications to the future outlook of the EAC and, therefore, its Budget, since the Council normally adopts its report as it is.

As a Committee, we had an opportunity to read a report of the Council of Ministers and realised that not even a comma was changed. So, the technical competence of the Partner States is so critical. I want to give an example of the representation of the last meeting: The Republic of Kenya has six technical staff, Uganda had six but we had 22 from the United Republic of Tanzania. Then we had two technical staff from Burundi and one from Rwanda. The EAC Secretariat and the rest of the organs like the EALA, the court and other institutions had, 35 members of staff attending that meeting. Then the Lake Victoria Basin Commission had two members of staff.

Mr. Speaker, Sir, we want to request the Council of Ministers to review the technical arm of the Council so that it is more focused and that it delivers on the aspirations of the people. We have also seen that 74 representatives are a jamboree! It is a rally. I do not think that it can think and use their brains right to give us the right direction since we depend on their technical competencies.

When you look at the list of the technical officers, you will see they were people that we do not want to speak on the microphone about but they did not deserve to be part of this meeting. General staff and junior staff are part of this meeting. Therefore, as a Committee, we think that the Council should be urged to review the technical and co-ordination committees, first in terms of Budget. I do not know how the 22 people left Dar-es-Salaam. If it was by air, you can cost the air tickets. If it was by road, you can cost the fuel and Government fuel. They were coming from Tanzania to discuss a Budget of US\$4 million. So, is this the story of nine strong huge men with nine small African dogs going to hunt? When they are in the bush, they hunt an edible rat. So, they come back to begin fighting as to who eats the legs; who eats the offal of an edible rat.

The Budget of the EAC is so small to touch the brains of 74 technical competencies. There is too much waste, in my own opinion and the opinion of the Committee. So, our Budget is small and we should be frugal with it. We should not waste a lot of taxpayers' money flying technocrats left and right to discuss who takes the stationery, who takes which struggle, who takes which fuel and allocations. I think we should be able to have the competence to do it ourselves.

The second issue that the Committee observes is the critical role of the Office of the Secretary-General as envisaged in Article 71 of the Treaty which is to enhance inter and intra organ as well as institutional co-ordination. This is glaringly missing in all aspects of the EAC Budget allocations and activities. There is no way we are going to hold the Secretary-General accountable, if there is no cost centre on how he is going to meet the East African Court of Justice and draw their policy direction, which he is supposed to take to the Council of Ministers as a link and also to the Summit. There is no way we are going to hold the Secretary-General accountable to EALA and other organisations, if there is no clear cost centre and timeframe for him to be able to draw meetings or retreats. This is glaring because there is a clear Budget and time for the Secretary-General to co-ordinate, Permanent Secretaries' retreats, Council meetings and Summit. You have all heard about the Summit that is going to take place in Kigali in June. I hope you have heard about it. I have heard about it. That is already a Budget. So, it is clear that it is in the Budget. But when it comes to the growth of the resident organs that are in Arusha, it is not anywhere in the Budget. It is somewhere in the cover note as an advisory role.

The Secretary-General does not only play an advisory role to this organ; he is supposed to grow them. He is the Chief Executive Officer of the Community. To us, as a Committee, this explains his frequent absence in the Assembly's sitting because it is not in his schedule of core duties. I think we have a disconnect in the linkage to the Summit and the Council of Ministers because as an Assembly, we have not provided for Secretary-

General a cost centre to work for the organs to grow. They are new and much younger than the Secretariat where he sits.

Similarly, the Council of Ministers is yet to lay before this distinguished Assembly, as promised in February, a formula for practical working relationships between the organs of the Community, as indicated in the previous questions to the Council and even the resolutions of this House. That is what we think should be done so that we move forward.

In the circumstances, hon. Speaker, Sir, and hon. Members of this House, the Committee recommends as follows that the Assembly do urge the Council of Ministers to harmonise any other directive or decisions with the strategic plans which they passed themselves. Where a directive or decision directly appears to negate the 2006/2007 Strategy, it should be reviewed in conformity with the strategic plan.

The Committee recommends that the Council should effect re-allocations within the available Budget. We made an effort, as a Committee. We are recommending--- Hon. Members, I think have leeway to do the same. You can recommend to the Council and also the Council can recommend to the Summit. It is open. We only get examples from the annexes you see. But I think with your keen eyes, you can make extra proposals so that we move forward.

Number three, the Committee recommends the Council to revisit the entire Budget outlook to reflect the provisions of the Treaty, the Summit directives, the strategic plan and I want to add, the Assembly's resolutions.

Number four, we would also recommend to the Council to avail more funds to the Information and Library Services Departments within the EAC Secretariat. In reviewing our documents, we found that this is the most under-funded and forgotten department. Yet, it is so crucial to the historical growth of the Community.

Number five; the Council should avail more funds to the East African Court of Justice to fully operationalise the activities of the First Court and the Appellate Division of the Court.

Number six, the Council should avail more funds to the Assembly to increase the number of plenary sitting days of Members which have not happened since 2001; committee works, oversight and representative activities. Also, there should be facilitation of the Office of the Speaker and the position of the Speaker. These are two different things. You have heard that the Speaker was in office since 2001 and he is not facilitated in any different way to run the organ of the Community.

The first Speaker we had was a resident of Arch. He quietly lived in his House until he finished his term. This time around, we have a Speaker who comes from North Eastern Kenya. I do not know how he is managing running the issues in Arusha. But this is for the Assembly and the Council to address. We are bringing it on the table for negotiations and the way forward. So, the office of the Speaker and the position of the Speaker should

be facilitated to enable the Speaker of the Assembly to perform the duties of an organ of the EAC.

Number seven, the Council should take up bold steps to reduce the cost of travel and endless meetings that are not directly linked to clear output of the integration process to enable more funds to be directed towards tangible outputs aimed at making the EAC integration process a reality.

Number eight; we should fast-track the legal framework to get the Secretary-General, the Council, the Assembly and the partner states into the Budget process of the EAC. In other words, I am saying that we should spare no efforts as an Assembly to support and have a Budget cycle legally frame worked so that everybody is bound with that responsibility.

Hon. Colleagues, the reference that I made earlier is the Budget performance of March 2008, which you have, the organization structure of the EAC, analytical annexure that we made from the documents and the funding shortfalls that we have shared with you as a Committee.

Hon. Speaker and hon. Members, I now on behalf of the Committee, would like to conclude: Thus the Assembly is vested according to the Treaty with power to debate and approve the Budget of the Community. Failure to make financial provisions to achieve the objectives of the Community is not a failure of the partner states but rather, the failure of the Secretary-General, the Council of Ministers and this august Assembly. There are only three offices in the Treaty that deal with the Community Budget; Secretary-General, the Council of Ministers and the Assembly. There is nothing about partner states. It is the failure of the Secretary-General when he does not budget for those activities he ought to for the Community. It is the failure of the Council of Ministers when it determines the Budget of the Community without comparing it to the strategic plan, which they passed themselves. It is the failure of this Assembly to simply rubberstamp an inadequate Budget. The ultimate responsibility to correct the errors of the Secretary-General and the Council of Ministers lies squarely with the Assembly.

Hon. Speaker and hon. Members, we have reviewed all documents and we found out that there is no other body of the EAC beyond the Assembly that would correct the issues we have raised. It is a grave responsibility, which must be exercised, in the best interest of the East Africans that we all here present, represent. It is, therefore, logical and prudent without any fear of contradiction from all the documents that we have reviewed, including the speech of the Minister that the Committee does not support the Motion as it stands until the issues we have raised are adequately reviewed by the Council of Ministers.

Mr. Speaker and hon. Colleagues, I beg to move.

Dr. Aman Kabourou (Tanzania): Mr. Speaker, Sir, I was simply supporting the Motion as moved by the Minister and will now move to the Committee. I beg to support the Report of the Committee.

Dr. Didas Masaburi (Tanzania): Thank you, Mr. Speaker, Sir. I would like to congratulate those who have been sworn in today. First of all, I want to make it clear that I support the Chairperson of the Committee on General Purpose. I want to add a few things, especially a few examples, which support what the Chairperson of the Committee has read.

The fundamental problems, which exist in the Budget for this financial year, can be grouped into four areas. The first one is the deviation from the Strategic Plan 2006/2010. The second one is the non-alignment of the financial budgetary allocations to the Budget Speech by the Council Chairperson. The third is the heavy dependence on travelling and workshop allowances as the methodology for implementing the activities which are planned to be implemented this Financial Year. The last one is the irregularities and the shortcomings of the MTF itself, which is the basis of the budgetary allocation.

Mr. Speaker, Sir, I want to point out a few examples, indicating and supporting what I have just said. Article 5(20) of the Treaty spells out the sequence which the process for integration must follow and all of us, I think know them. We start with the Customs Union, the Common Market, Monetary and the ultimately Political Federation. So, all activities, which we will implement, must be geared towards the achievement of those goals and key elements of the integration process.

There are some few examples, which indicate clearly that this Budget has deviated grossly from what we are supposed to implement. If we go through the Development Strategy and try to see the interventions, which we are supposed to implement this financial year, you will see that the key objective is to establish a foundation of development and regional structures. There are about six interventions. If you come to the Budget of this financial year, you will see that we had planned to implement the following activities:

- (a) The first one is to attend meetings of policy organs of the AU and the UN, which is being allocated USD46, 120 for travel and subsistence allowances for the professional staff and executives. You can refer to page 100 of the MTF.

- (b) The second thing is that some USD14,000 had been allocated for meetings, police, the CID, tea and bites. That is under the political federation department.
- (c) They had round table discussions and seminars, which cost about USD118, 500, page 101.
- (d) They had planned to develop a plan on the Promotion of Human Rights but this will be done through air travel and subsistence allowances, tea and bites. This is to develop a plan on the promotion of human rights, which will cost USD41,000.
- (e) They also wanted to develop election monitoring tools through air travel, subsistence allowance, tea and bites which would cost USD41,000.
- (f) They are also planning to monitor the MOU between the EAC and the AU, again through travel and par Diem at a cost of USD5, 240.
- (g) They want to conduct meetings on illicit drug trafficking through air travel, allowances, tea and bites, at USD20,000. The total of that is USD358,750.

There are other meetings, which are not explained clearly. Others are explained on pages 105 to 106 with a total budget of USD113, 650. The same department under the Development Budget amounting to USD409,614. This is evident on page 107. However, the Budget detail is not very clear. You can check that on the MTF budget on page 107. It is not very clear as to what they will do. I am asking myself a question: How are these interventions in line with those in the Strategic Plan? Will they achieve the set objectives if we can approve the funds allocated for those activities under that department?

Mr. Speaker, Sir, under the Customs Union, the development strategy has a set of objectives and the key objective is to fully implement the EAC Customs Union through the interventions, which are listed in the Strategic Plan. I will read through the Strategic Plan.

There are about eight interventions. The first one is to build the capacity of relevant institutions and individuals managing the implementation and monitoring of the CEU. That is supposed to be achieved by the year 2009. Centralised Customs Collections at fixed points of entry should be achieved by July 2012. We should operationalise multiple memberships in regional organisations and negotiations as a block. That should be achieved by December 2008. We should implement regional customs procedures by June 2008. We should amend EAC Customs Union Protocol where necessary by January 2009. Lastly is to establish a unified East African Customs Authority (EACA).

Now, to implement those, the EAC is planning to do it this financial year and the budget does not have a development fund set aside for that. But apart from the emoluments, the Recurrent Expenditure is US\$747,017. That is found on page 108 of the MTF. Out of that, US\$370,000 is the travelling and subsistence allowance. Therefore, I can conclude that the objectives under the Customs Union cannot be achieved at all by the available Budget for this year.

Mr. Speaker, Sir, the common market, again, has several objectives as you can see through the Strategic Plan. But the budget which is allocated there is US\$164,000 only; all that is for meetings and workshops. For the Monetary Union, they have allocated

US\$299,862. Those have two items. The first one is a lump sum of US\$245,000 for meetings and workshops. The second one is US\$54,000 for consultancy to review the Development Strategy. I wonder whether those funds, if approved by this Parliament, can achieve the objectives which are set out in the Development Strategy.

Mr. Speaker, Sir, the theme of this year's Budget is: "Towards a Common Market and Monetary Union". We have set aside a total of US\$463,862 as the budget allocated for the subject of the theme; that is for the Common Market and Monetary Union. If compared to the budget prepared for the Political Federation Department, which is US\$882,014, it indicates that between the two departments, the core one which we want to implement by 2010 has about 50 per cent of the other one. But both of them are budgeted for, for workshops and meetings.

Those are the budget allocations for the four key areas and I have not gone through the other areas such as industries, projects and programs. These were covered very well on the report that Hon. Wanyoto took us through. However, I want to stress that under the agricultural and food security, we have set aside US\$21,000.

Mr. Speaker, Sir, I now come to the non-alignment of the Budget Speech. As hon. Wanyoto said, the Budget Speech reflects what is in the Development Strategy. I want to talk on the two paragraphs. The speech has about 60 paragraphs. There are about four pages, from page 20 to page 24, which talk about the future outlook. I would like to talk only on paragraphs 48 and 54.

The Chairperson claims that the main theme for the strategy is to deepen and accelerate integration and has highlighted specific objectives of the Development Strategy as I have already said. They can be found on page 21. Now, the words and the sentences look very good. They are attractive and nice because they capture 100 per cent of the Strategy. Unfortunately, the allocation of the funds cannot achieve what the Minister tells us in his Budget. One question we must ask ourselves is whether we are going to approve the Budget Speech or the financial--- If we are required to approve the Budget Speech, I would appreciate and I am ready to support. But if that

Budget Speech depends on what has been allocated through the MTF and funds among the departments, then it will be wrong to approve it. This is because they will conflict. What the Minister is promising cannot be achieved.

Mr. Speaker, Sir, I now come to the irregularity which renders the Budget ineligible and illegal. On pages 22 to 24 of the MTF, the Parliament is requested to approve Personnel Emoluments, which include motor vehicle expenses, stationary, printing, office telephone, training for DLOs on computer, other staff training, scratch cards, insurance of vehicles, per diems and travelling expenses. The total amount exceeds US\$100,000. I wonder whether those items are the emoluments. Can we approve the US\$100,000, which covers the emoluments which include the budget line items?

On page 68, we are required to approve the IT training amounting to US\$177,000. I do not know, but it is written, "IT officer training". There are several training on website,

software and its application with short courses ranging between one to two weeks. Again, there is an exhibition of year 2006, the EU IT exhibition in Europe in 2006, which this person wants to attend - (*Laughter*).

There is another workshop for the year 2006. It is called African IT Development which this person wants to attend also. You can check them on page 58, hon. Members. If we approve the budget, that implies we are going to approve US\$177,000 meant for a course which was planned for 2006. The total numbers of weeks to be used by that particular member of staff on training are 26 weeks. One year has 52 weeks. So, one person will be going for training and short courses for 26 weeks, we are paying for his or her salary and on top of that, we will use US\$177,000. This House is requested to approve that money.

Mr. Speaker, Sir, we are also requested to approve US\$1,434,485 for budget items with no details. They are just for DSG office, administration, customs and Lake Victoria. I have not gone through all of them. But the total amount is US\$1,434,485. The details indicate irregular unit of measure. It seems that the EAC has its own measurement policies. They do not use the metric measurement. I will give you examples from the MTF on pages 23 and 114. On page 23, we have motor vehicle expenses. The unit/parts is US\$109,000. Whether it is the piece or kilometres, I do not know. But that is the unit. The rate per unit is US\$0.1. Frequency; I do not know whether this is electricity or the frequency in terms of how many times the motor vehicle will undergo the expense but it amounts to US\$10,900. We have insurance of vehicles, the unit of measure is US\$109,000 and the rate is US\$0.0, and frequency is one. However, if you multiply this, you get US\$2,180. The unit of measure here has a problem. We do not know the unit itself. If you multiply 109,000 by 0.0 by one, you get 2,180!

Under “IV”, we have motor vehicle expenses again. Here under this one, we have fuel. Under the Unit, you add the duration. So, under fuel, we have duration, 60; unit, 3; rate, 2; frequency, 12, and then you get 3,780. Under maintenance of vehicles, the duration is 25,000. I do not know whether that is the age of the vehicle. What does the duration mean? The unit is 1 and the rate is 0. You get US\$10,500.

The other one is maintenance of new vehicles. The duration is 50,000. The unit is 2, unit rate is 0 and the frequency is 2. We get US\$20,000. That gives a total amount of about US\$44,000. Under maintenance and repair, we have maintenance of computers. The unit is 3, rate 250 and the frequency is 7. There are several others.

So, if we approve the Budget, we are approving those units of measurement of which we do not know how they will take the Budget. How did they arrive at the costs themselves? Therefore, I do not think those will help us achieve what we want to achieve.

Mr. Speaker, Sir, on the heavy independence of travelling and per Diems, hon. Lydia took us through very thoroughly. But I would just like to add my contribution and views. I should not dispute the use of the meetings and workshops as the methodology for implementing the East African Community (EAC) activities at all. What is important is to ensure that the analysis done for the options available for the implementation of that

strategy are clear and sound. Actually, they are the only options, which can make us achieve the objectives through a designed process.

My understanding is that the MTEF budgeting system uses the approach of activity-based costing. With those, we need to face the overall goal which is in the Treaty, through Vision and Mission Statements, then we agree on the objectives to be achieved. We agree on the objectives to be achieved and then we also agree on the interventions and activities, which can achieve the objectives. After that, we have to identify the input on which the cost will be based. We will cost the input, which will assist us in implementing the activities. Those inputs must have a clear unit of measure before we put the cost estimates on them. So, I doubt and do not know whether we have the technical people in the Finance Department who carry out this task as required.

From that, we can now develop the action plan and performance indicators. Now, the problem, which is my concern, is whether we can use the workshops to internationalize, for example, the East African passport. We want to internationalize the East African passport and we say that the only option available for us is to carry out workshops and meetings. Can we establish a unified East African Customs Authority through workshops and seminars? Can we use workshops and per diem to over-transition monetary authority in place by December, 2009? Can we put in place East African Monetary Institute by December 2009 or transform the EALA into a regional Parliament by June 2009 through travelling to the European Union and meeting the ambassadors? I think we need to prioritize on the objectives that we need to achieve, which are in line with the development strategy.

Therefore, we need to check the funds which are available, which are given by the partner States and try to prioritize. If possible, we should have only one intervention if we do not have funds. But we should put activities which can be achieved and analyse the options available to implement the activities and come out with a complete Budget.

With those many remarks, I do not support the Motion. I do urge the Members to disapprove the Budget and the Mover of the Motion be requested to rectify the anomalies and reallocate funds according to the priorities of the EAC.

Maj-Gen. Mugisha Muntu (Uganda): Thank you, Mr. Speaker, Sir, for giving me this opportunity to make a contribution on this Budget debate. Let me, first of all, take this opportunity to thank the Minister for the presentation of the Budget as we had done last week. Let me also take this opportunity to thank the Chairperson of the Committee on General Purpose. I also salute the Members of that Committee for the brilliant work done. I take off my hat for them, as a Committee - *(Applause)*.

Let me first give a background to the discussion I am going to engage in on this Budget Speech. I may have to draw your attention for those who were with us then in a workshop in Dar es Salaam in a hotel called Kempinski Hotel. It is a beautiful hotel with a very nice setting. I think that is the first time some of us interacted with the new Secretary-General to the Community. It was the first good meeting.

I do not know whether anybody has ever told the Secretary General about that seminar, but the Speech that you gave in that seminar really built lots of hope in us, or let me say, specifically, in myself. Those of us who are in this Assembly presented our speech, not for just being there as a job, but because behind our presence in the Assembly also lies a certain hope and commitment to see how we can advance the building of institutions so that we can have a firm foundation for what is unfolding; the integration process.

We vest a lot of hope; we try the best we can, what is humanly possible. We put in a lot of effort to give support to whoever we believe is going to advance that effort in building those institutions. At that point, those of us who think that way believe that we are getting a partner in doing exactly that. We still have the hopes. The Bible says: *“Do unto others as you would want done unto you”* (Applause)

As much as our hope has been shaken, we still retain that hope. I do myself! Because we are all human beings, we all face certain situations in our lives when we confront challenges and, at times, those challenges may, possibly, shake us or overwhelm us. Whenever I find myself in such a situation, I would rather have those who would be working with me maintain their hopes in me.

Similarly, as much as I think that our hopes have been shaken, I still choose to have hopes in you, as the Secretary-General, but there are a number of things that we are looking up to you to do, and we will give you the necessary support to do them, because there is nothing personal in what we are doing in this Community - (Applause).

In fact, I do not know the actions that are going to be taken from this point onwards from the Council of Ministers and from the Secretary-General. Some of us have been going through agonizing thoughts as to what direction to move, because some of us have been through this many times before. It is not the first time. For some of us, this is the seventh year! But advancing the building of institutions is a gradual process. So, however, much we get shaken, we still maintain the resolve to continue doing the best we can do as human beings. We had hoped that--- Any way, I think I will get to that point later. We would not be caught up in this situation if, really, we all did what was supposed to be done - (Applause).

Honestly, the Budget of the Partner States is going to be read two weeks from now. The Budget of the Community is running out on 30th June, 2007 – (Interruption) -

A hon. Member: 2008!

Maj-Gen. Muntu (Uganda): I am sorry, the Budget of the Community is running out on 30th June, 2008, and yet we are put in this situation. The debate on the minds of most of the honourable Members is, you know, we are running against time! And at times, you ask yourself whether this is deliberate or not. I am sorry to say this, and I do not want to seem as if I am making judgement, but this is something that has been running for the last seven years!

The last time we debated the Budget, it was hardly a week to the time when the Partner States were supposed to read their Budgets, and we ask ourselves: Is this deliberate? We have had a full year! Our Committee, which is vested with the responsibility to debate or to discuss, scrutinize the Budget and engage other institutions to discuss it, has been in place and it has tried its best!

It had meetings in October last year and presented its proposals. From October, the next time they met was in February, 2008, and they made other proposals. The next time they met was just last week. They did not get all the requirements they were supposed to use to make the conclusions that were necessary. The only other time they met was yesterday. I am not a Member of that Committee, but I just took off some time to go there. I did not engage in any discussions, but I just wanted to go there and listen. You know, I was just interested in studying the mood, seeing the body language and things like that. Sometimes, it helps you when you are going to make certain decisions.

Yesterday, for the seventh time, we find ourselves being pushed into a situation where there is no time and where demands are put to us to make certain decisions! Why is that done to us over and over as an institution? Why? (*Applause*)

People may have no respect for us as individuals; that is okay. We do not demand respect from anybody. But what we demand and what we must have is the respect for institutions! (*Applause*)

Lack of respect for institutions is really laying ground for the future generations to meet the same challenges that we have been forced to go through, because those who came before us never did what was necessary to be done so that we do not have to go through what we are going through as a people!

So, when we find ourselves in whichever positions we find ourselves in, we must exercise responsibilities that go with those positions! There is crisis all over-- Well, it is not only unique in our situation. It is a situation that we almost see all over the continent. Once again, we are human beings; we are bound to make mistakes. And to make mistakes is just natural. There is nobody who does not make mistakes. But do we learn from the mistakes? That is the most critical thing!

Actually, I heard the former President of Tanzania at one time saying in Swahili: "*Kufanya Kosa sio kosa; kurudia kosa ni uhaini!*" (*Applause*) That is why we keep getting into problems over and over on this continent! Seven years, it is the same thing! Over and over! What do you expect of us?

Yesterday, when the Committee was meeting, I could see that they were almost facing a crisis in making a decision themselves. I saw the Chairman of the Council of Ministers and I would really like to appreciate the well-considered decision that he took yesterday because I could see that the Ministers appreciated the presentation of the Committee. I saw them being caught up in the problem of time as to when they could have an emergency meeting of the Council of Ministers. However, that is their decision. You

have to make your own decision. I thought in my mind and then I said, “Well, we may be lagging behind in so many other things, but there is technology, which is preferred all over the world.” Even in my village, now you can sit there with a laptop and communicate with someone in China, Europe and all over the World.

We do not have video conferencing facilities to link up the five countries! We could have an emergency Council of Ministers meeting where Ministers could sit in Kampala, others in Kigali, Bujumbura, Dar-es-Salaam and others here in Nairobi. That way, within half a day, they would make decisions. How much does it cost to build video conferencing facilities in the five States? How much does it cost? You cannot even see that one budgeted for. It has been talked about for the last four years since we were in Arusha, and if anybody were looking at cost management and efficiency, that is where they would have to go first - *(Applause)*.

Mr. Speaker, Sir, that was a by the way. Now, I will not go into details because the Committee has done a beautiful job. But, what runs through this are the inconsistencies between the stated intentions of the Summit and Council to the Strategic Plan itself. The Summit Statement as can be realized in the Chairman’s Speech and then the contradictions in the actions, which are being taken like part of the Budget. This is something that happens all the time, over and over.

Mr. Speaker, Sir, forgive me for saying this but at times, when you withdraw and you are all alone somewhere in private, there are questions that – I believe we are all the same – come to our mind. You keep asking yourself questions about the failure to meet challenges; the challenges of our times. What could it be? Is it rooted in our history? Is it a weakness in our genetic make-up as a people? Is it a generation problem?

Look at what is going on in Zimbabwe! Look at what is going on in--- Maybe, I do not have to go through these. What, maybe, keeps us moving on is that we could have gravitated towards the thinking that possibly or most likely, it is a generation problem. We do not have to wait for generations because we also know that as human beings, we can change our mindsets. We need to seek to do that. We need to help each other to do that because there are a lot of challenges that face us. So, our immediate task as far as some of us can see, is to strengthen institutions. We need to build them where they are not. We need to strengthen them where they are weak. This is what we are going to seek from the Council of Ministers.

Mr. Speaker, Sir, one thing that you have is an Assembly that is willing and committed. It is an Assembly that has all along been ready to bend backwards and give support to all the other institutions in advancing this Community. I am being honest with you - *(Applause)*.

This is nothing personal; it is about building institutions. That is the bottom line. Whatever decisions we make, they are only going to be guided by that. Where we see institutions lacking or where they are weak or there is no respect for laws and processes, the dangers that come out of such situations hardly---

Three months ago, in this country where we are now, 1,000 people died. Maybe, some people are now looking at them as a statistic. Those were human beings! When there is a weakening of institutions--- Good enough and we must commend the people of Kenya, especially the two sides that came out fast enough to address the challenges that they faced. Kenyans are luckier than some of the countries because within three months, they were able to stabilize the country. Kenyans are lucky and they should thank God for that. In some countries, conflicts have taken much longer than the three months Kenya turned the situation around. However, we must learn lessons from all these. It is not only Kenya. We have had conflicts in Uganda for the last 20 years. It is now that they are negotiating in Juba after 20 years. Rwanda and Burundi have gone through the same. It is only Tanzania that has been lucky because it has not gone through this.

So, the building of institutions and the observation of the rule of law are very critical. So, when we are discussing these issues, honestly, we need to address them from the background of the lessons we learn from ourselves.

Yesterday, in the Committee, as I had earlier indicated, the Minister agreed, in consultation with his colleague Ministers and took a well-considered position and requested the Committee that they need time to make further consultations so that the observations of the Committee could be addressed. I did not clap my hands, but there was clapping in my heart because I said we had seen a breakthrough ultimately. I really hope that between yesterday and today, who knows, we may have used the technology I was talking about and the consultations were made. I really hope that in the consultations that were made, we are going to hear the Chairman of the Council of Ministers say: "Yes, your concerns were addressed and these are the considerations that we have now made." I really hope so.

Mr. Speaker, Sir, I would really have loved the secretary-general to advise the Council of Ministers to do exactly that. If there is any other thing, I would also advise that you seek for an adjournment and do that. There would be nothing that would be more beautiful that would cause a way forward between all the institutions than that - (*Applause*)

I do not know yet because we have not heard a response from the Council of Ministers. But, should there be any other action, I do not know the outcome of that, since you are an independent organ to make any other options. I do not know whether there will be anything new from what we have seen in the past. If it is like, "please, we know the situation, but we are caught by time. Pass this Budget and then we will consider." We have gone through that in the past, in this very Chamber. In actual fact, we have had four Ministers. If you are going to do that, then you are going to be the fifth. I do not want to mention names, but all of them were chairpersons of the Council of Ministers. All of them, at that time, happened to be full Ministers of Foreign Affairs of the partner States. In all those four instances, not even one promise was ever fulfilled.

Mr. Speaker, Sir, at the end of the day, you ask yourself: "Is it because there is lack of respect for the Members? Is it because there is lack of respect for the institution? What

can it be?" For lack of respect of individuals, there is no problem. There would be no problem at all! But if it is for lack of respect for institutions, we should demand that respect. It is only through the building of these institutions that we will be doing service to the future generations. We went through a lot of hard times when there was the case about the election of Members of the Assembly from Kenya. The Assembly was shut down for six months. Even for those Members who had been elected from Uganda and Tanzania, the Assembly could not function. However, the action taken by the East African Community Court of Justice, in my own estimation, has advanced the Community in a manner most people do not understand - (*Applause*).

Our very existence in this region must be based on the respect of the rule of law rather than the rule of men. Our survival, future stability and prosperity, as a region, depend on that respect. I would like to commend the Council of Ministers then for standing with the court. For purposes of record, we need to appreciate what the Council of Ministers did then. However much we suffered, at the end of the day, we knew that we were advancing to a future in which the partner States would respect the rule of the law.

Mr. Speaker, Sir, on the question of timing, we are faced with three options. It all depends on what the Council is ready to do. If the Council did not make the necessary consultations, there is still time. The Budget of the Community will run out on 30th June, 2008. In short, there are still 40 days within which the Council of Ministers can meet. That is one option, which the Council can choose. The second option is that the Council can try to run through the Budget, as it successfully did in the past. Within this option, there are two scenarios: It could be met with success or failure. I do not know which scenario will apply.

If the Council succeeds, it will be business as usual. There will be nothing new for some of us. If it fails, the Council of Ministers will be called anyway, because it will have to reconsider the matter. So, if the Council is met with failure, and then it meets and resolves the issues, one will be asking oneself: "Why would we have to run through the Budget in the first place?" There are two sides in this House, which have to make choices: The Council of Ministers trying to run through the Budget or to ask for an adjournment for the Assembly to go ahead and do what is contrary to the recommendations of our very Committee. That way, we will not only be undermining the Committee, but we will also be undermining ourselves as an Assembly.

Mr. Speaker, Sir, those are the choices facing us. What choices we make as individuals is entirely up to each individual. While we are a composition in this Assembly, at the end of the day, each individual is responsible for his or her own actions. We can build this Assembly as an institution or do anything else with it, as we want.

Time is against us. When a deadline was drawn for the Customs Union Protocol to be signed, everybody from the three partner States was running all over the place to beat that deadline. The Presidents signed the protocol towards mid-night of that same day, because everybody was committed to doing so. The scenario will not be different if there is commitment for the Council of Ministers to be invited, so that it can re-address these considerations.

Mr. Speaker, Sir, we need to respect each other as institutions. I do not think we are any better as an Assembly. We have got our own weaknesses. We have got our own shortcomings. We have got our own failures. However, at the same time, we are ready to support the Secretary-General and the Council of Ministers. Jointly, we can develop this Community. So, we need to respect each other as institutions.

I do not think I can make any better conclusion than the Committee. If I attempt to do so, I will just be watering down the Committee's conclusion. I will speak personally, with the recommendations of the Committee, all the way. If there has been no re-consideration of the Budget by the Council of Ministers, and the Council's expectation is for us to pass the Budget, the Chairperson of the Council should not count on my vote. I will not give it to him.

Thank you, Mr. Speaker, Sir.

Ms. Safina Kwekwe Tsungu (Kenya): Thank you, Mr. Speaker, Sir, for giving me the opportunity to contribute to this Motion. I have about five issues to raise, but before I do so, please, allow me to congratulate our new colleagues who joined the House today. I would, first of all, like to congratulate the first ever woman Member of the Council of Ministers, hon. Makaruliza Monique. I would also like to congratulate hon. Kingi. If I am not mistaken, he must be the most youthful Member of the Council of Ministers. Hon. Kingi, *karibu!*

Mr. Speaker, Sir, I want to talk about the Partnership Fund, which has been a very faithful source of funds to the EAC. From the MTF and from--- From the MEATF and from managed accounts as from March of this year, we have seen that a lot of money has been used from this partnership. It is a good thing to have it. However, my concern is the means as to how decisions to use this fund are arrived at and how value for money for the use of this fund is done. You will see that the programme implementation unit had an expenditure of over 139 per cent during the first nine months of the budget that we are in now. At the same time, another first line, which is integration of Burundi into the EAC, there was an expenditure of 1.65 per cent.

Mr. Speaker, Sir, if you did the analysis of these expenditures, you will realise that 139 per cent expenditure by the PIU unit went to salaries, per diem and travel subsistence and, probably, even those tea and bites. However, we could not have even two per cent to integrate Rwanda and Burundi.

Hon. Members: Shame! Shame!

Ms. Kwekwe: Mr. Speaker, Sir, I am a member of the General Purpose Committee and I concur with the report of this Committee that where there should be clear programmatic outputs, there has been gross under-expenditure, but where there is empowerment of the pocket, there has always been very good expenditures.

Mr. Speaker, Sir, allow me to go to my second point. The chairperson of the Committee of General Purpose when she was presenting the report said that the AFA is a jamboree. I could not agree better. However, she was shy to say the composition of Finance and Administration (FA), a team that makes crucial decisions that shape the policy directions and, in this case, the budget of the Community--- I mean not to insult nobody, but when you have an office attendant or a security to decide whether to operationalise the Appellate Court of the East African Court of Justice or whether to reconsider the position of the Registrar of the Court, the position of the CTC, the position of the Clerk from where they are, to what the Assembly resolved in February. We are asking these two individuals, an office attendant and a security officer to make that decision through a vote. I am not insulting any person, but I think this is an insult to the institution of East Africa. That will implore competencies in the wrong places. That will turn crucial forums into jamborees. This is an insult to the East African Community.

Mr. Speaker, Sir, allow me to raise my third issue. Partner states were generous enough within their own capabilities for each pledged US\$4.6 million towards the Community. Our friends who are development partners were also generous enough to pledge US\$6.32 million towards the budget of the Community for 2008/2009, but this was an income for the Community and how they have been allocated in the budget document reminds me of a man in my village who during good times and his belly was full, he had enough zeal, energy to sire eight children. When the times were bad and the belly was not very full, he managed to get one-kilogramme packet of maize meal. We call it the mobile in my village. He looked at himself and his belly and the bellies of his eight products and the belly of his partner and said: "Surely, if I am to go with this home, it will only add me misery. So, he went to the bush and made himself some meal, ate, licked his lips dry until they cracked and then he went back home and lamented about how bad the times are.

Mr. Speaker, Sir, the partner states, the development partners and the EAC, through its own means, has managed to raise US\$30 million for the financial year 2008/2009. But as the man in the village, we say this is too little and what are we going to do? Take 62 per cent to fund the Secretariat and take two per cent to fund the Lake Victoria Basin Commission and take 22 per cent to fund the EALA and *et cetera*. What I am trying to say is: With our meagre funds, there is still a lot we can do if these funds are put in the right places - (*Applause*).

We would not be standing here today agonizing and speaking with emotion like hon. Maj-Gen. Muntu has just done, trying to explain things which cannot be explained.

Mr. Speaker, Sir, if you go to the MTEF document, there is a cost centre called Safety of Navigation Projects. This is the Lake Victoria Basin Formation. This cost centre has been generously funded by the French Government, a very faithful partner to the EAC. Line 2 of that cost centre says: "Update the sailing directions on Lake Victoria and we have US\$4,000 towards that." Line 4 of that cost centre says: "Addition of new sailing directions----

Mr. Speaker, Sir, regarding the addition of new sailing directions, we have an allocation of US\$5,000 towards that.

Mr. Speaker, Sir, where I came from, we learnt English as a foreign language. When you update and edit, is there a difference? As you update, do you not edit? How do you make two allocations towards updating and editing sailing directions and you give each US\$5,000? These are the glaring areas that we say that if this Budget was thought through, such an entry would not have been made in the final document.

Mr. Speaker, Sir, when the Chairman of the Committee on General Purpose rose and spoke on the Floor of this House, she lamented that in some areas, there has been lump sum allocation and in others, there has been elaborate breakdown of figures. Hon. Masaburi was kind enough to show us that there are some areas where you have elaborate *per diems*, tea and bites, which have elaborately been documented. However, when you look at the Lake Victoria Partnership, that is the last stage of the document on page 177, there is an allocation of US\$7,350, which has been lumped into six statements such as Environment and Natural Resource Programme for US\$80,000; Support Programme, US\$55,000; Production and Social Development, US\$60,000. What are these? If we could desegregate tea and bites, how could we not do that to Support Programme and tell this Assembly that for Support Programme, we asking you to approve US\$55,000 because we are going to do one, two, three and four? What is so difficult in doing that? But, it is very easy to ask the Assembly to approve US\$7,350 for six line items and then you leave it to the discretion of whoever will be responsible to implement such a line item.

Mr. Speaker, Sir, hon. Members, I find it very difficult to know what Support Programme entails that I will be persuaded to say that it is okay to allocate US\$55,000. Those are the areas that are prone to abuse where you give lump sum monies and thereby giving discretion to men and women to find means and ways of using those funds.

I want to conclude by saying that this Assembly is left with two options: Doing things right and pass the Budget so that it does not paralyze the Community or do the right thing by not passing this Budget because by doing so, we shall be insulting the founding fathers-they were only fathers. There were no mothers then, because it was *Mzee* Moi, Mzee Museveni and Mzee Mkapa. So, they were all fathers! They dreamt of a Community that would go through four integral phases starting from the Customs Union, the Common Market, the Monetary Union and Political Federation; that was an elaborate dream and the development strategic of EAC, 2006---

Dr. Kabourou: On a point of order, Mr. Speaker, Sir. I just wanted to correct Hon. Tsungu for the record, that the founding fathers were Mr. Mwinyi, Mr. Moi and Mr. Museveni.

Ms. Kwekwe: I thank Dr. Kabuorou for that *rukasa*. Mr. Speaker and hon. Members, I was concluding by saying that Article 132 (ii) of the Treaty says: "Subject to this Treaty, a Budget for the Community for each financial year, shall be prepared by the Secretary-

General for consideration by the Council and approval by the Assembly.” Article 132(v) says: “The resources of the Community shall be utilized to finance activities of the Community as shall be determined by the Assembly on the recommendation of the Council.”

Article 133 talks about other resources. It reads: “Grants, donations, funds for projects and programmes, and technical assistance and income earned from activities are taken by the Community. All these shall be debated and approved by the Assembly.”

Therefore, this Assembly has a responsibility to either do things right or do the right thing. I choose to do the right thing by saying that I do not support the Motion as it is, unless all the issues that have been raised by the General Purpose Committee since October last year to date, have been taken into account.

Ms. Janet Mmari (Tanzania): Mr. Speaker, Sir, thank you for letting me speak and contribute to this Budget. Before I contribute, let me also join my colleagues in congratulating the new Members to the House and welcome them, and tell them that there is a lot of work to be done so that we could liberate the people of East Africa from poverty and ensure that everybody enjoys living in this beautiful land of East Africa.

I wish to take this opportunity to commend the Chair of the General Purpose Committee and her team for four things: First, for the dedicated hours that they spent in analyzing this Budget. They have simplified the work and they have given us the pointers, which show us where the problems are, which under normal circumstances, we would not have been able to do so very quickly.

Secondly, I wish to commend them for the process that they used. I have heard from a number of people that at least all the parties that are involved in this Budget process have been consulted, in some cases for more than seven months. This means that if people had ears to hear, then this would have been a very participatory Budget.

Thirdly, I wish to commend them for the solutions that they have given us because in all the areas where they have said that there are problems, they have proposed solutions. That means that these people are decision-makers. They are not only people who are complaining. They are people who want to improve things.

Fourthly, looking at the recommendations that they have given, it goes to prove one very important factor that when we sit in the Plenary, nothing can be done unless the Committees are given enough time and space to read, do their work and research so that whatever contributions that we are making here, are meaningful.

Mr. Speaker, Sir, let me now speak about the Budget the way I understand it. By definition, to me the Budget is a plan of action for a given period of time. I want to underline the words, “plan of action and the period of time.” It is like when you are building your house, you really have to know what house you want to build, for how many people, the size, the foundation, the area where it is going to be built, whether double storey or just a single storey and the period within which you will take to build it. Of course, this point takes me to the Strategic Plan for the EAC. The Strategic Plan gives us the long view and the annual budget which I underlined time; the one year budget is drawn from the Strategic Plan, which is a sub-set of the Strategic Plan. What does that mean? It means for this long period, which is the Strategic Plan, 2006-2010, you have certain things that you have to achieve. In this case, we know for sure that this strategic plan means that we have to consolidate all the issues that are outstanding in the Customs Union, all the issues related to the Common Market must take place, the negotiations on common currency and a number of other issues on the political federation have to be considered at the beginning. So, we have this big plan and we have broken it down into years. We did the same last year, which, of course, we rubber-stamped because of the circumstances that existed then. We have had a year, we have looked at it and our colleagues have taken seven months from September, from what I have heard, trying to consult and bringing all the pertinent issues to the people who are responsible. So, when I

look at the budget, the plan of action for a given period of time, I was asking myself: “Is this plan of action that is being presented, the budget for 2008/2009, falling into place as provided for by the Strategic Plan?” Fortunately, this group assisted us by telling us that we should have the Strategic Plan. When you look at the Strategic Plan from pages 63 to 101, you have work programmes, activities that must be undertaken and the time frame within which these activities must be undertaken. So, as we look at the Budget as presented and from what we have been told, we know for sure that this year’s Budget, 2008/2009, has not taken into consideration what was to be done as advised or as provided for by the Strategic Plan. To me, that is a major flaw! It is a brick that does not fit in the corner in which it was supposed to fall.

Then that takes me to another corner. It reminds me of the seminar that I attended on Saturday, where we were told three stories; the beautiful East Africa shows pride of her beauty, that is, what she was selling. She had no plans and she was raped. Of course, we could be part of that. There are plans that we are not following. There were a number of people who were warning her and I do not want to fall there. There was also a person who wanted a visa, the important thing and I am just reminding you; it started at the drawing board. There was a plan and this is the budget and the Strategic Plan. They had flaws because after some time, they realized that although the plans are put in place, there are things that have been omitted. They forgot the monitoring and evaluation and also forgot the people for whom the plans are supposed to serve. Of course, this is the question that is being presented to us. We wanted the visa; we are beginning at the drawing board. Is it correct or incorrect? That is up to you, to ask yourself but the General Purpose Committee has assisted you. So, when it comes to making the right decision, please, do not forget.

There was the third person, “*usiniharakishe*”. It would appear like we have the plan, East Africa is beautiful, the partner states are bringing in funds, development partners are giving us some money and there are small other places where we can get some money. However, must we follow the plans? *Usiniharikishe jamani*, I will think about them. Probably that is what somebody who made this budget was saying: *Hawana haja ya kuharakishwa*. We will still be there at some stage. I wish to say that I belong to the old school that believes in systems and strategic plans. I also believe that when you put down plans, you have to follow them. If they are not followed, it is just as good as having nothing. I do not think I am going to accept that. I believe that there are a number of people who want to speak. I do not want to go into figures because the Chairman of the Committee was, well as hon. Masaburi, did very good justice to this document. I do not want to adulterate it.

I definitely want to give an opportunity for other people to comment. For that matter, the question still remains: What am I saying to this Budget? What I am saying is that given the job that was done by this particular Committee, I have no option but to support their recommendations all the way 100 per cent, plus making sure that, when it comes to the Accounts Committee, then this Committee is urged to do its work so that it can compliment what has been done by the General Purpose Committee.

With those few remarks, I beg to support.

Dr. James Ndahiro (Rwanda): Mr. Speaker, Sir, I would like to detract from my statements earlier. Yesterday I was of the opinion that if this Budget is not passed, then we are going to polarise our own institutions. But since then, after hearing and learning new theories – it is my first time I have heard that when you multiply something by zero, you get a number other than zero - (*Applause*).

I have since then reconsidered my position and I am not even willing to give any opportunity. Instead, hon. Members should work around the clock to redress the issues and then we can come back any time and discuss with them - (*Applause*).

Mr. Speaker, Sir, a definition of the budget was given, but I want to give my own definition. I think it is a systematic allocation of meagre resources to planned activities. Now what we have is not allocation to planned activities. Nothing! It is allocation to some considered activities. Who considers those activities, and what powers does he have? Really, the Council of Ministers could spare a bit of their time to look at the Strategic Plan, their decisions and the decisions of the Summit to see whether they are reflected in the Budget, and then sign it. Yesterday, they were congratulated, I do not know for what? (*Laughter*)

Really, I think this the challenge to the House, Council of Ministers and also to the Summit. It is a challenge to all the organs of the Community. We can only do a service to our organs if we do the right thing. I want to concur with my colleagues and say no! no! We are not going to support this Budget. Thank you very much!

Ms. Catherine Ngima Kimura (Kenya): Thank you, hon. Speaker. May I start by congratulating our two new Members, and also being a person of gender sensitivity, I wish to commend the Republic of Rwanda not only bringing us five Members but also for giving us the First Lady Council of Ministers as a Member. They should be commended and I hope the others, and particularly Kenya, will take note - (*Laughter*).

Hon. Speaker, Sir, let me also take this opportunity to commend the General Purpose Committee for a job well done and for their analytical capability in analyzing this Budget. They have made our job that much easier. I concur with Dr. Ndahiro that, certainly, it appears that there is allocation of meagre resources for selected activities rather than planned activities. My background is budgeting for many years. Therefore, I am familiar with that process of budgeting. You start from a strategic plan, then you go towards your activities for the year and finally, you ask yourself: What resources do I need? What do I need? What do I have in basket and how can I allocate it in a prioritized manner to deliver the objectives that are in the strategic plan? Therefore, I am encouraged that the General Purpose Committee took that document and looked at the proposed Budget and the activities. What we have are documents that are not talking to each other.

Hon. Speaker, Sir, all those documents that were listed by the Committee in their report are documents that should be very systematic, talking to one another and drawing strength from one to the other until we come to the Budget. Let me say about my

disappointment. Really, we can be brought a Budget that does not add up. That is a basic rule. There must checks.

A Budget goes through various processes, and as you go along, you check work from one stage to the other. So, this issue of having what hon. Masaburi pointed out is just one among many. What he pointed out, I had not seen. But I had other that I had picked in that document that does not add up. You do not even clearly understand what the figure at the end is supposed to mean. They may appear as a small matter, but to me, it means that due care has not been taken to make sure that a document which is brought to this House does not have basic mistakes.

We are not even talking about principles and issues. We are talking about basic mistakes before we even go to issues. I, therefore, would find it extremely difficult to say: Go and correct those figures when they have had all the time in the last couple of days. We have seen our Committee Members work around the clock not to correct such basic mistakes.

Hon. Speaker, Sir, let me come to the substance and I start with the Speech of the hon. Chairman of Council and to an area that is dear to my heart; that is, the work of the Committees. In his Speech on page 18, he says that the works of the six Committees have been stepped up and the Committees have been able to visit all the projects and programs of the EAC. I am a Member of the Communications, Trade and Investments Committee. I am not aware that we have visited one single project or program in spite of the fact that we did make a plan at the beginning of the year as to what we wanted to do. We were not funded...Basic areas of our work!

As a Committee, we would like to see barriers to trade removed. How are our borders operating? Are there barriers? We have not been able to do that! We hear about congestion at the Port of Mombasa and Port of Dar-as-Salaam. As a Committee dealing with trade matters and facilitation, we have not been able to see these things. We hear of problems of infrastructure. We are supposed to be dealing with transport. We have not been able to do that. We hear of inventories of roads, which are being done. We only hear names; we do not know where they are. We are supposed to pass Budgets on those projects. So, when the Council says that the Committee has carried out visits to EAC projects and programs, I am wondering when I was left out and my Committee Members went”.

The Accounts Committee, which I belong to, when we looked at the financial statements of the Community for the year 2006/2007; we came across major inconsistencies. We were concerned at the very low rate of utilization of funds. We wanted to see some of these projects that are there with money voted in year in, year out and they are not taking off the ground. I am not aware that we have visited any of these projects and yet, our Accounts Committee did make recommendations that the Committee needed to visit some of these projects in order to discuss matters from an informed position. So, I am at a loss to know when this work of the Committees was stepped up and visits were made.

Hon. Speaker, Sir, on that issue, the Committee's work has been facilitated by donor funds. We were preparing a very crucial Bill; the Joint Trade Negotiations Bill. You know that the EAC could not fund us. We were funded by a donor to go and sit in Dar-es-Salaam to discuss this matter. Many other Bills may be pending because the Committees have no funds to sit down and look at them. How long shall we continue to do Committee work through donor funding? So, if there is no donor funding, the Committees and the Assembly cannot work. I appeal to the Council of Ministers to make funds available---

Mr. Speaker, Sir, I am appealing to the Council of Ministers to make funds available and to ensure that the Assembly and the Committees are funded in order to discharge their mandate. We should not be dependent on donors for the core activities of this Assembly. Donor funds come second to our own funds. They should not be the ones that will enable us to discharge our mandate so that if donors decide that there is no money we cannot work. That way, I am not sure where this Community is going.

I appeal through you to the Council and to the Summit to ensure that funding for the legislative agenda of this assembly is funded through partner States' money that comes to the Community and not through donor funding. I have not seen, in this Budget, any line that is supposed to facilitate that kind of thing. I have not seen any line that is supposed to enable the Assembly Members to meet with the stakeholders and hear from them what legislative agenda they should put in place in order to fulfil their aspirations towards a common market, a customs union and a monetary union. I have not seen! Therefore, I do not know how we will be legislating from a vacuum. We need to legislate from a position of knowledge; knowing that the East African citizens and residents have input in our Legislative Agenda. If they do not have, then I do not know whom we are legislating for. That can only happen if the Assembly is well funded for its activities.

Mr. Speaker, Sir, tourism is a major industry in our countries. All the five countries have unique tourism attractions to complement one another. We are not in competition but we complement one another. I am sure each partner State is allocating money for publicity and promotion of its natural resources. However, tourism is recognized in the Treaty as one of the areas that require a joint effort within the Community; marketing East Africa as one destination. There is a paltry US\$18,000 that is allocated for meetings and workshops. Where is the money for the publicity material? Where is the money to produce things that showcase this region? We must stop sitting down in meetings and workshops talking to the point where we are acting.

The Minister in his Speech said that they produced 5,000 brochures and DVDs for two fairs in Europe. Five thousand copies! How far can one get? In my earlier life, I used to promote tourism. At one time, I was responsible for promoting tourism in the US. Those are many years ago. However, I remember that the least I could print of one item, for instance, the Kenyan map was 100,000 copies in order to reach the travel agents and possible tourists who could come to this country. So, if you say 5,000 copies are printed to publicize the whole of East Africa, it is a big joke.

Therefore, we should translate the Strategic Plan and our speeches into action. That can only be seen in the Budget allocation. One would have wanted to see what is allocated in East African tourism being marketed as one destination. Hon. Members, there is nothing in that Budget. When we are talking about transforming our economies from dependency in agriculture to other industries, I believe that tourism is one of the major areas where our economies will be based on. I, therefore, believe that we need to put money where we know that we will get the best returns. Tourism is one such industry. There is a lot of investment to be done but there are huge returns.

Mr. Speaker, Sir, we debated last week the Speech of the Chairman of the Council of the State of East Africa. One of the issues that came out very clearly, challenging this Assembly is that we must be part and parcel of transforming our economies from depending on agriculture and moving on to industrialisation. In the Treaty, there should be an industrial policy and an industrialization strategy and policy. We should have a roadmap on how we expect to get there and how we want to achieve it. Otherwise, we will keep on talking about industrialisation of our countries and we will never move our people from poverty. It is through industrialisation that we will be able to create more jobs.

Today, as I said the other day, manufacturing 30 million bicycles for 10 million Kenyans is not the same as producing bicycles for 50 million East Africans. The market is there and we can no longer continue saying that our markets are small for industrial goods. We have a large market now. Therefore, we want to see how we will move from being dependent on agriculture towards industrialisation. That is in our Treaty and it is one of those things that were emphasised by the Chairman of the Summit. We want them translated into action through the Budget. It is not there and we want to see such things. Only then, after seeing a budget line, with a clear output, we will know that we have started the journey. As of now, it does not appear as if we have started the journey.

Mr. Speaker, Sir, as I conclude, let me come to the Lake Victoria Transport Bill that was passed by this Assembly and commend the Secretariat and those who are responsible, that indeed, we appreciate the work that is going on. Money has been voted in order to prepare the draft regulations which will see the operationalisation of that Act. However, it is very disappointing to see, indeed, that there is no money in the area of navigation aids. We are told that it may not occur this year, but maybe, next year. We are playing around with people's lives.

The whole point of passing that Bill was to regulate standards and safety on the lake. Everyday, people are dying because navigation aids and maps date back, we were told, to 1905 or 1920s. To me, that is something that does not require any regulations. We can deal with navigation aids. This is an area that should be addressed very fast because it is their lives that we are talking about.

Mr. Speaker, Sir, hon. Masaburi and the Chairman of the General Purposes Committee have gone in great detail to look at the budget lines and the Strategic Plan trying to fit the activities in the budget lines and they have poked holes. Some of us have, indeed, poked holes already. So, we are just victims of what we have read when we got the document.

The other day, the Budget was distributed – I need not pinpoint some of the pages where there are glaring irregularities even in terms of, as I said, simple additions.

Suffice it to say that if you do not know where you are going, then any road will lead you there and you can get into any bus. Certainly, I do not want to get into a bus that will not take me where I want to go.

Therefore, I beg to support the work of the Committee and refrain from supporting the Motion on this Budget.

Thank you.

Mr. Abdul Karim Harelimana (Rwanda): Thank you Mr. Speaker, Sir. As others did, I would like to congratulate new Members of the House. I would also like to invite them to do the hard work we are going through in making some corrections and other procedures.

Mr. Speaker, Sir, after hearing from the Chairperson of the General Purpose Committee and before that, I had an opportunity to be briefed about how they work, it reminded me about my country shortly after 1994. It is a country, which went through genocide. More than one million people were killed and everything on earth was destroyed. There is a group of people who took a decision to stop that genocide. A group, which was then, called a group of rebels, most of them young people who had just come from universities and had no experience about many things. They were able to stage genocide and take power. So, they tried to organise themselves. It took them four years. That is from 1994 to 1998. They were just trying to do whatever was possible so that the country could become noble again. I fear this is the situation we are in today, in the EAC. But I do not see the reason for that.

That is why, while following the presentation of the Chairperson of the Committee, I was almost collapsing. Is it possible for these countries, which got independence more than 40 years ago--- Some of them did not experience what Rwanda experienced and today, we are bringing before an august House like this, a Draft Budget, which is not well studied. I think this is very difficult to accept.

I take this opportunity to remind hon. Members that we take oath and we pray whenever we enter this House and before making any move. In the oath and prayers, we say that we want to work for the people of this Community. However, looking at this proposed Budget, the hardcore programs for the people we have are not even looked at. If we look at them, and you had thought of some shoe man for this program, the bigger share comes to us in drinks and some small eatables.

So, I think we have to re-look at the Strategic Plan. I think whoever presented here talked about the Strategic Plan. This is the only thing, which will guide us towards the right Budget.

Mr. Speaker, Sir, my brother Maj-Gen. Muntu, talked about ICT and how people can meet wherever they are and make conclusions. This is very possible. To encourage him and not let him go down, in the proposed budget, you see that this ICT man will have 26 weeks for training and travels may be when he comes back after we spend US\$159,000 on him, he will do that job. So, my brother, do not worry - *(Laughter)*.

Mr. Speaker, Sir, I commend the work by the Committee. Not only did they go deep into the analysis of the issue but they also came up with good suggestions to the Council of Ministers, which I think can correct this issue in just three weeks from today. It is very possible if they so wish.

To conclude, I support the Report presented by the Committee.

Ms. Dora Kanabahita Byamukama (Uganda): Thank you Mr. Speaker, Sir. I would like to add my voice to those who have congratulated the hon. ministers who have joined us. I would also like to say how proud I am that the Committee chaired by my sister has done such tremendous work. That is excellent work! *(Applause)*

You have made me proud of being part of the Second Assembly. That said, I have some three main issues that I would like to raise. First and foremost, I belong to the Committee on Legal Rules and Privileges. This Committee is charged with the function of ensuring that we adhere to the Treaty in its totality as well as to the Rules of Procedure.

Mr. Speaker, Sir, permit me to quote Article 49(2)(g) of the Treaty. It states that: “The Assembly shall make its rules of procedure and those of its Committees”. Indeed, we have our Rules of Procedure and when you look, in particular, at Rule 11(ix) which provides for venue, sittings and meetings of the House and Committees, it states that: “*The House shall sit for not less than 80 days for Plenary and not less than 40 days for Committee meetings*”. My question is: How did the secretary-general budget without taking into account the Treaty provision as well as the rules to which he adheres to? *(Applause)*

Do we selectively choose and pick rules, which we should adhere to? I believe that the First Assembly, in its wisdom, came to this number of days after due consideration. Because they have not been amended and bearing in mind that this Second Assembly is charged with even more duties of fast-tracking the economic integration - because we are all agreeable - this demands that an amendment to this particular rule should in effect increase but not decrease the number of days that the House should sit in Plenary and Committee meetings. I am really constrained when it comes to this particular issue because as a professional lawyer, I find it very ridiculous that we should just ignore what is in our Rules.

Mr. Speaker, Sir, secondly, I would like to refer to Article 143 of the Treaty. This Article is very clear on the issue of functions. I would like to say that it is very good that today, we have a fully constituted House, where we have Ministers. When we are looking at the Budget, we should not only look at the expenditure aspect, but we should also look at the

revenue aspect. I am looking at the revenue aspect. We do have constraints when it comes to Member States remitting what they are supposed to remit. Because we do not exercise Article 43, which provides that a Partner State which defaults in meeting financial and other obligations under this Treaty, shall be subject to such action as the Summit may, on the recommendation of the Council, determine. I would like to hear from the Council; do we have a timeframe within which we should remit what we have promised to remit? If we do not have a timeframe, even when the Committee was making its comments, how should we ensure that we have this revenue aspect addressed, because we cannot continue depending on donors? This dependency on donor syndrome that comes from our Partner States is now creeping into the Community. This is a very bad trait, which we should not sustain at the Community level.

Therefore, I would like to ask the Council of Ministers to let us know whether we are very serious about the East African Community (EAC), because we cannot operate without resources. I would like to say that now with the inclusion of a woman in the Council of Ministers, maybe, we shall get some action. Why am I saying this? It is because I can see it happening with the Chairperson of the Budget Committee. We are coming up with a Budget Act. Indeed, this will help us streamline and ensure that we do not have drivers and office messengers attending a Finance and Administration Sectoral meeting, which should really be a very serious meeting.

Mr. Speaker, Sir, let me conclude by stating very clearly that when you consider Article 49(2)(b) of the Treaty on Functions of the Assembly, it says that the Assembly shall debate and approve the Budget of the Community. This does not give us liberty to partially approve the Budget of the Community. Therefore, we have a duty to debate and approve the Budget of the Community. My training as a lawyer instructs that when you have the powers to approve, it also gives you the powers to disapprove. Therefore, we are vested with the powers to say "No." I do not believe in lamenting. I believe that we are an action-oriented House. I would like to categorically state that if the Budget does not take into account all the issues raised by the Committee, I am constrained from giving my approval.

I fully support the Report of the Committee. I will stand and be counted. Thank you very much.

Ms. Margaret Nantongo Zziwa (Uganda): Thank you very much, Mr. Speaker, Sir. First and foremost, I would like to take this opportunity to say that I am Margaret Zziwa, an East African from Uganda.

I want to take this opportunity to congratulate the hon. Ministers from Kenya upon that appointment to this House and hon. Mukaruliza upon joining the Council of Ministers. In the same breath, allow me to congratulate the hon. Members from the Republic of Rwanda and Republic of Burundi, who joined this august House and took oath last week. I am sorry I was not with you. I was not here and so, I did not have the opportunity to extend my congratulations. So, I wish to join you in this very important task of driving East Africa further and forward. Allow me to thank the General Purposes Committee for

a very detailed Report. It has given us the opportunity to have an insight of the depths of this Budget.

Secondly, we have had almost one year now in the Second Assembly. We have had several concerns. We have had the opportunity to raise these concerns both on the Floor of the House, in the Committees and at various fora. I think not having an appropriate time in the first Budget, when the second Assembly assumed office, because of the incidents, which happened, but we made very substantial recommendations. I would have hoped that this one should have been a better Budget. But, alas, I think we are still in the same situation. The concerns have been raised. I will laud them again, because they are really deep concerns.

I am a Member of the Public Accounts Committee. In that Committee, we have been grossly concerned about the under performance. All the funds which have been allocated, the highest we have seen in some of the sectors is 39 per cent. In one instance we saw one with 42 per cent. Our donor partners will question our capacity. It will not be only the East African Community Secretariat, but it will be the East African Legislative Assembly and all the respective organs of the Community. You start asking: What exactly is the problem? We asked this question candidly when we had the Secretary-General and Deputy Secretary-General in the Public Accounts Committee. We asked: "Is it the lack of capacity? If it is the lack of capacity, are we not in a position to address those capacity limitations?"

We have always been assured that this will be addressed. Specific areas have been drawn where we have really requested that this be addressed in the short-term. We have been assured--- In various instances, we have even moved into towing down our reports, because of this kind of assurance we have always received from the Secretary-General and his team. Again, I want to ask: If it is the structure--- For any organization, its effectiveness highly relies on the organization structure.

If our organizational structure is not proper, when are we about to address that? Maybe, that will go to the Council of Ministers. Time and again, we know that the Summit has been concerned. That is why even the aspect of fast-tracking was brought forth, so that East Africans should be seen integrate faster than even what was imagined. But with this kind of inadequacy in implementation, shall we be able to deliver a fast-tracked East African Community? I think we have very serious challenges on our hands!

Mr. Speaker, Sir, related to the issue of under performance is the issue of transparency. This commitment is so vital in the values of any organization and I believe that we are complementary. The institutions of the Community are complementary and I was actually saddened when it was more lauded by hon. Tsungu when he said that the Partnership Governance Fund, which is critically where we draw most of our funding, is really an area privy to the Secretariat. That brings in the fact that many of the wishes of the other organs of the Community not to be given attendance. That is why we are asking, with due respect, this very technical Committee of the F and A, as technical as it is, if it becomes or if we have these glaring omissions and commissions on our Budget, we are bound to

ask whether they are very relevant. Are they really relevant? If they are relevant, are they competent? If they are competent, are they rational? (*Laughter*)

We really need to find out because anybody who is rational would know am faced with all these children of mine and I should cater for all of them! Why should you cater for one organ and leave others? You can hear the tones in the House that tell you the gravity of the concern. If the F and A Committee knows that it is for the good of the East African Legislative Assembly (EALA), the East African Court of Justice (EACJ) and all the other organs, why would we not have equity? Certainly, that aspect will, once again, go down to the questions that have been raised about the composition. Maybe, it is too big; maybe it is too varied-- I do not want to use other words, but I think it is an aspect to be deeply looked at.

Mr. Speaker, Sir, my other concern also comes from the perspective of the “disconnect” between the Strategic Plan and the Budget. Many Members have expressed this. I just want to add that you, hon. Speaker honoured me, along with my colleagues and we attended the PS's meeting, which took place in Mwanza. I was impressed by the way the PS's looked at the projects and programmes, which, really, East Africans are bound to look at and regard as East African projects to drive the Community or the integration process forward. I was actually impressed when the respective sectors presented their reports, mainly the Railway Sector. There was a lot of pleading at that time to the Partner States that, if at all, on an annual budget arrangement, each Partner State could commit some money to the Railway Sector, we would be a long way off. But this time, it is about 10, 12 or 15 years down the road and no money has been committed by any Partner State in the Railway Sector! Actually, there was a loud call; that some of these strategic sectors can be taken on by the East African Community. I guess, at that juncture, it was not coming out of the abstract because within the Strategic Development Plan, this aspect is there.

Now, within that Strategic Development Plan, nothing much has been reflected; it really frustrates! So much manpower and womanpower in Mwanza-- I remember in the Council of Ministers in Kampala, which I had the opportunity to attend, and the same issue was still raised. The actualization of the implementation, which should come in the form of the Budget, is never seen. So, we are wasting womanpower and manpower hours! (*Laughter*)

Mr. Speaker, Sir, I just want to say that the aspect of agriculture and food security has been raised and it is there in the Strategic Development Plan. This would have been even a louder drive for the East African Community to get attention, because we have already known from the global trends that food prices are going up. We know very well that the price of cereals is becoming unaffordable. Many of our people, particularly in countries like Uganda, Kenya, Tanzania, Rwanda and Burundi, where there is plenty of rain, but people are not organised fully to be able to produce sufficiently, there is no budget organised. We have rice coming from Philippines and Vietnam and I do not know whether we are going to compete effectively when even America and other countries do not have rice. Subsequently, what is going to happen is that our people are not going to

have food! Can you imagine what you may mention to God, if an opportunity comes? We, men and women, who are responsible in one way or another, to give governance and direction to these countries and to these people—these people are dying of famine! It is bound to happen if we do not go strategically into this area. From the Budget, there is hardly anything! Mr. Speaker, Sir – (*Interjection*) -

Mr. Mulengani: Point of information, Mr. Speaker, Sir.

Ms. Zziwa: I will take it.

Mr. Mulengani: Thank you, Mr. Speaker, Sir, for giving me the Floor. The information I want to give hon. Zziwa is that, if you read carefully the Report by the Minister, it refers to allocation of US\$200,000 from the Partnership Fund to support early warning programmes. But I am hearing you are submitting that there is a problem of food production in the region, but there are funds for early warning against famine. Where are our priorities, hon. Zziwa? This is the information I want to give you. There is money for early warning systems but there is no money to improve productivity in agriculture!

Ms. Zziwa: Thank you very much, hon. Mulengani. I think you are reinforcing my point. I would have expected and loved to see how many more seedlings and seeds which have been improved or are about to be improved being given to the farmers. I would be more grateful to see a program of tractors, say at sub-county level, to open the fields so that my mother ceases to use a hoe; she no longer has a back! I am telling you; most of these women no longer have backs to continue tilling the land! Why can we not have the governments helping them to open the lands? I do not want to talk about the men; the issue will come, one day. (*Laughter*)

Mr. Speaker, Sir, my call is just one: Can you redirect the meagre resources into strategic areas and urgently? All of us are here, the Summit knows the plight, the big Governments – the G8 is already positioning their thinking into this problem: There is a crisis of the high prices of food, not to mention the fuel and the rest, but the high prices of food! What are we doing as East Africans? Are we ready to see our people die of famine? It is very humiliating and dehumanizing to see those pictures on *CNN* everyday of Africans and East Africans dying of famine. Actually, one time, one person I was chatting with sort of insulted me and said: “You leaders of Africa and East Africa do not represent the kind of people you are governing because most of them are malnourished and all of you are fat-bellied.” That is just beside the point. I want to drive the point home: How strong or serious is it if we do not sit here to focus on it?

Mr. Speaker, Sir, I want to observe one other aspect. I think hon. Maj. Gen- Muntu brought it out in the aspect of respect of institutions. Some time ago in Mombasa when the EALA had a workshop there, we had a strategy of coming back to Arusha to have an opportunity to speak to each other candidly. When I say each other, I mean institutions, for example, the institution of EALA and the EAC Secretariat. Fortunately or unfortunately, the Holy Spirit came down and then there was, presumably, an opportunity to see where mistakes were. We made a commitment that we shall address these issues. This is the opportunity when we should have seen that address.

Hon. Byamukama put it very clearly that when the EALA continues to have 60 days of sitting; when the honourable Council of Ministers continue to have those small, un-facilitated offices in Ngorongoro Wing; and, when the Judges continue to have 8 per cent of the Budget, I think the spirit which we came with from Mombasa and concretized when we came back to the Chamber has been lost. I wish to see political supervision in Arusha. We wish to see these hon. Ministers in their dignified capacities being accorded their dignity.

The Prime Minister of Uganda, hon. Eriya Kategaya is number three in Uganda. If you give him that small room without facilitation, how will he fit there? If he gets in there today and then gets out tomorrow, how do you blame him? I am sorry for personalising the issue. However, this also applies to the Minister from Kenya and everybody else. This is what we talk about when we talk about respect of institutions. If we are able to hold our Ministers in Arusha, we shall achieve a lot. The burden of the Secretary-General will be relieved. He will have these distinguished men and women doing their job. But, right now, the Secretary-General may take a year without going to Lake Victoria or Kisumu. When we have trees eaten in Soroti or Sironko – slashed by prison officers – and we ask the Secretary-General to tell us what happened, he is bound to deny because he will say that, that is not his role. However, if you have the Council of Ministers with you, supervision becomes easy.

I want to call upon this Budget to reflect the aspirations of this august House and to reflect the objectives of the Summit and of the whole East Africa. I have a lot more to say, but since it is like an agreed position in this House, I would say, quoting from the conclusion of the Report, that it would be good for the Chairperson of the Council of Ministers to tell us when these issues raised will be adequately reviewed by the Council of Ministers. The last statement in the Report says: *“It is very logical and prudent that the Committee does not support the Motion as it stands until the issues raised are adequately reviewed by the Council of Ministers”*.

So, my humble question is: When are these very important issues raised by the Committee and on the Floor of this House going to be adequately reviewed and addressed so that we come back willingly to approve the Budget? I can assure you that we shall come to approve it, but in the present status it is, I withhold my approval.

The Speaker: Honourable Members, before I adjourn the House, I would like to remind you about tonight’s function by the hon. Minister for East African Community. I think it will start at 7.00 p.m. So, please be punctual.

ADJOURNMENT

The Speaker: Honourable Members, that concludes our business today. The House is, therefore, adjourned until tomorrow at 2.30 p.m.

(The House rose at 6.00 p.m. and adjourned until Wednesday, 21 May 2008)

