



## **EAST AFRICAN COMMUNITY**

### **EAST AFRICAN LEGISLATIVE ASSEMBLY**

#### **Official Report of the Proceedings of the East African Legislative Assembly**

#### **37<sup>th</sup> SITTING - FIRST ASSEMBLY: SECOND MEETING - THIRD SESSION**

**Thursday, 20 May 2004**

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

#### **PRAYERS**

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

*The Assembly was called to Order.*

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#### **PROCEDURAL MOTION**

**The Speaker:** Hon. Members, I would like to make the following communication regarding our sitting today Thursday, 20 May 2004:

WHEREAS Clause (1) of Article 55 of the Treaty provides that the meetings of the Assembly shall be held at such times and places as the Assembly may appoint;

AND WHEREAS Sub-rule (1) of Rule 12 states that:

“Sittings shall, unless the Speaker otherwise directs, ordinarily commence at 9:00 o'clock in the morning up to 1:00 o'clock in the afternoon, and resume at 4:00 o'clock in the evening and conclude at 6:00

o'clock in the evening on Tuesdays, Wednesdays and Thursdays;

NOW THEREFORE, the Speaker, having taken cognisance of the foregoing, and yet having regard to the nature of the business to be transacted by the Assembly has, in the exercise of the mandate vested in the Speaker pursuant to the provisions of sub-rule (8) of Rule 11 directed as follows:

That the Assembly shall hold a sitting today Thursday, 20 May 2004 and on the subsequent days I have appointed, commencing at 2:30 p.m. in the afternoon and concluding when all the business laid down on the Order Paper has been disposed of.

**ADMINISTRATION OF OATH**

**The Speaker:** Honourable Members, as you may recall, Hon. James Wapakhabulo, the then Minister of Foreign Affairs and Regional Cooperation of the Republic of Uganda, and ex-officio member of this Assembly sadly passed away and was buried on 2<sup>nd</sup> of April this year.

I have been notified that the Government of the Republic of Uganda has for now appointed Hon Tom Butime as Minister responsible for Foreign Affairs and Regional Cooperation. But before the Hon. Butime may be able to sit in this Chamber, as provided for under clause 1(b)(i) of Article 48 of the Treaty, he has to fulfil one more condition.

In accordance with the provisions of Rule 6 of the Rules of Procedure of the House, no Member may sit or vote in the Assembly before taking the Oath or Affirmation of Allegiance to the Treaty. May I then request any two members who happen to know Hon. Butime to present him to the Speaker to take the Oath? I thank you.

The Oath was administered to the following Member: -

Maj. Tom Butime

**COMMUNICATION FROM THE CHAIR****(i). Tribute to Late Hon. James Wapakhabulo**

Honourable Members, I welcome you all to the Second Meeting of the Third Session of the Assembly. I hope you had enough time to consult your constituents sufficiently, and are now ready to discharge your mandate with renewed vigour and confidence.

As I welcome you to this sitting, I am saddened to officially inform you of the loss of one of our own distinguished Members of the Assembly, the Late. Hon. James Wapakhabulo, Second Deputy Prime Minister and Minister of Foreign Affairs and Regional Cooperation of the Republic of Uganda, who passed away on 28 March 2004.

The Late Wapa, more than any one else, was the leading light in the integration process, and an ardent supporter of the significance of Parliament in uniting the peoples of East Africa. This Assembly, and indeed the East African Community, to which he was the serving chairperson of the Council of Ministers, shall surely and sadly miss him.

On behalf of you all, I once again extend our condolences to his family, the Government of the Republic of Uganda and the people of Mbale whom he represented in the Ugandan Parliament.

I would like to most sincerely thank all those Members, especially from Kenya and Tanzania, who managed to travel to Mbale for the burial, and for their generous contributions to the bereaved family. May we now rise up and observe a one-minute silence in honour of the Late Wapa.

*(Members stood and observed a moment of silence)*

**(ii). Introduction of Distinguished Guests**

Honourable Members, I have the pleasure to introduce to you our distinguished guests from the Parliament of Burundi seated in the Speaker's Gallery. They are led by

their Speaker, the Rt. Hon. Dr Jean Minani. *(Applause)*

Also in the Speakers Gallery is another important visitor to the Assembly, Ms. Akwi-Ogojo, Director, Action Aid Africa Region. We will have a meeting with her this afternoon on how we can establish a long-term working relationship with Action Aid.

#### LAYING OF PAPERS

The following Paper was laid on the Table: *(By the Chairman, Council of Ministers,)*

The Audited Financial Statements of the East African Community for the Financial Year ended 30 June 2003.

#### MOTION

#### FOR THE PRESENTATION OF THE BUDGET ESTIMATES FOR THE EAC FOR THE FISCAL Year 2004/2005

**The Chairperson, Council of Ministers (Maj. Tom Butime) (Ex-Officio) (Uganda):** Mr. Speaker, Sir, pursuant to the provisions of Article 49(2) (b) and 132(2) and (5) of the Treaty and Rules 74(1) and 75(1) of the Rules of Procedure of the Assembly, I beg to move\_

That this Assembly do dissolve itself into: -

- a) Committee of Ways and Means to consider and approve the Financial Statement; and
- b) A Committee of Supply to consider and approve the Estimates of Expenditure both of which constitute the budgetary proposals for the EAC for the financial year 2004/2005.

Mr Speaker I will commence my budget presentation by first laying before this Assembly the following:

- The Financial Statement of the East African Community for the Financial Year 2004/2005
- Estimates of expenditure for the East African Community for the year 2004/2005

Mr Speaker, Sir, I beg to move.

Mr Speaker, Sir, the Budget estimates for the financial year 2004/2005 are being presented at a crucial point in our regional integration following the signing of the Protocol for the Establishment of the East African Community Customs Union on 2 March 2004, and the signing of the Protocol on Sustainable Development of Lake Victoria Basin on 29 November 2003. The signing of the two protocols were major achievements in the East African Community integration process.

#### Progress of the Community

Hon Speaker, the Treaty for the Establishment of the East African Community stipulates that the Customs Union shall be the entry point of the regional integration process. The Community will subsequently advance through the stages of a Common Market, Monetary Union and ultimately the Political Federation of the East African States.

Hon Speaker, although the Treaty does not set the time frames for the attainment of these stages of regional integration, there is prevailing desire in the region for rapid realisation of the regional integration and development objectives. This is reinforced by our long history of regional integration

whereby way back in the 1970s we had a working customs union, common market and, indeed, a single currency. With this experience, we should be able to move faster, not only with the launching of the operations of the new Customs Union but also into the next stage of the establishment of the Common Market.

It is, therefore, gratifying to note that the Partner States have agreed an indicative programme for the implementation of the Protocol on the East African Community Customs Union whose significant milestones include:

- Ratification of the Protocol by the Partner States by 30 June 2004;
- Enactment of the Customs Law of the Community by the East African Legislative Assembly by 30 June 2004;
- Establishment of the EAC Trade and Customs Directorate by 30 June 2004; and,
- Commencement of implementation of the Protocol provisions, i.e. start date for the programme of elimination of internal tariffs and other charges of equivalent effect and application of the Common External Tariff by 1 September 2004 e.t.c.

Mr Speaker, Sir, it is needless to say that the Partner States are committed to the timely implementation of the Indicative Programme.

Mr Speaker, Sir, the Community has also made good progress in other areas of regional integration during the Financial Year 2003/2004, and I would like to highlight some of them.

## **Finance, Trade, Industry and Investment**

Harmonisation of fiscal and monetary policies has proved an important tool for the creation of an enabling environment for increased productivity and trade development in the region. Cross-border interactions and exchange have demonstrably increased in the past few years. Cross-border business is growing and there is heavy movement of persons and goods, taking advantage of measures already in place to ease border crossing within the region. The implementation of the EAC Industrial Development Strategy, which was adopted during the year, will lead to further gains in the period ahead.

The implementation of the Capital Markets Integration programme is proceeding well with regard to harmonisation of the policies and trading practices in the three Stock Exchanges. Cross listing of stocks has been achieved between the Nairobi and Kampala Stock Exchanges. Tanzania partially liberalised the capital account in May 2003, and this is expected to result in the cross listing of stocks between the Dar es Salaam, Kampala and Nairobi Stock Exchanges. Preparations are ongoing for the establishment of the East African Monetary Union. The terms of reference for the study on the EAC Single Currency Vision has been agreed, and the study itself is due to be commissioned soon.

## **Transport and Communications**

Mr Speaker, Sir, as honourable Members are aware, the EAC infrastructure development projects and programmes in roads, railways, civil aviation and postal automation are in various stages of progress. During

the EAC Roads' Development Partners Consultative Meeting held in April 2003, the EAC Partner States and their development partners agreed to speed up the pace of delivery of infrastructure projects identified, particularly in the East African Road Network Project. The Meeting resolved to continue support for the implementation of the ongoing phase of the project and the proposed additional links measuring 5,102 km. World Bank confirmed availability of USD 400-500 million for the three Partner States' national road sector programmes for the next three years, and the European Union pledged Euros 375 million over the 5-year period. African Development Bank expressed support for the regional integration projects.

Mr Speaker, Sir, the implementation of the Lake Victoria Safety of Navigation Project received a boost during the year with a grant of Euro 290,000 from the government of France for consultancy missions to inspect and regulate shipping operations on Lake Victoria, search and rescue, prevention of oil pollution, navigational aids and hydrographs and capacity building for the successful implementation of the project.

This assistance is timely in view of the Lake Victoria Transport Bill 2003, which is about to come to the Assembly for debate in due course. The comprehensive Bill provides for the creation of an organ within the Lake Victoria Basin Commission that will regulate maritime safety, make provision for the construction, survey, registration and licensing of all vessels operating on Lake Victoria, including ensuring the safety of passengers and cargo, and the competencies of the captains of vessels.

Work on the development of a harmonised EAC Communications Regulatory Strategy has been undertaken together with the EAC Telecommunications Trunking Project. The East African Postal Automation Project is under implementation and substantial improvement in postal service delivery is expected.

In the civil aviation sub sector, two studies are ongoing namely: the EAC Civil Aviation Safety Project and the Global Navigation Satellite System Pilot Study with the studies due for completion by the end of this year.

The Study on the Five-Year Meteorological Development Plan and Investment Strategy is underway, aimed at developing an Investment Strategy and Plan for this vital sector for implementation within the next five years.

Partner States have continued to harmonise the process of concessioning of the East African Railways. Kenya and Uganda Railways are being jointly concessioned with a target date of July 2005, while Tanzania Railways is being concessioned separately and targeted to be completed at the end of 2004.

### **Agriculture**

In the agricultural sector, a major breakthrough has been made with the adoption of the Common Agriculture and Rural Development Policy and the harmonised phytosanitary and sanitary standards that are expected to facilitate trade under the Customs Union. Also, a joint project for control of trans-boundary animal diseases is under preparation. The implementation of the project is expected to boost trade in

livestock and livestock products within and outside the region.

### **Energy**

In the energy sector, the implementation of the EAC Power Master Plan Study is progressing well and is due for completion by the end of 2004. The output of the study is expected to guide the power pooling and trade in the region.

A conference on petroleum exploration and investment opportunities was held in March 2003 in Nairobi, Kenya. The conference revealed the vast hydrocarbon potential in East Africa, and stimulated further oil explorations in the region by the private sector. Uganda has offered to host the next East African Petroleum Conference in 2005, in Kampala.

### **Environment and Natural Resources**

During the year, negotiations continued on the development of the EAC Protocol on Environment and Natural Resources, the harmonisation of the mineral policies and mining legislation and development of a programme on mountain ecosystems and the development of Water Vision, Water Policy and an EAC Comprehensive Integrated Water Resources Development Strategy. Implementation of these important initiatives in the area of co-operation in the sustainable management of the environment and sustainable utilisation of the natural resources are in various stages of progress.

### **Tourism and Wildlife Management**

Hon Speaker, the study on liberalisation of tourism towards a single market in East Africa is ongoing. Meanwhile, a criterion on standards for the classification of

hotels, restaurants and other tourist facilities and standard guidelines for the development of non-graded establishments has been prepared.

### **Lake Victoria Development**

A Protocol for the Sustainable Development of Lake Victoria Basin was signed on 29 November 2003. The implementation of the Protocol awaits ratification by the Partner States. The Protocol, among others, provides for the establishment of the Lake Victoria Basin Commission, as well as the overall policy organ on Lake Victoria Basin issues. Its establishment will be implemented during financial year 2004/2005.

### **Social Sectors**

The criteria for the establishment of regional centres of excellence and terms of reference for the regional study on the harmonisation of education curricula in East Africa have been adopted. This sets the stage for increased cooperation among the Partner States in the development of education, science and technology, which are critical requirements of the regional integration and development process.

Activities in the vital health sector were continued with regard to the establishment of the East African Disease Surveillance Network. In addition, modalities for establishing a regional coordination mechanism on HIV/AIDS are being developed. Related to this is the adoption of the harmonized specific minimum training requirements for medical and dental interns in East Africa to facilitate reciprocal recognition of qualifications for doctors and other medical practitioners in the region.

**Co-operation in Political Affairs**

Mr Speaker, Sir, a study on the operationalisation of Article 123 of the Treaty, which relates to co-operation in political matters has been completed and is due for consideration by the ministers responsible for Foreign Affairs. EAC has continued to co-operate with other organisations and, as a result, EAC has secured accreditation with the World Bank, IMF and the United Nations Economic Commission for Africa and the United Nations. Accreditation with AU is being pursued.

The Inter-State Defence Committee has developed modalities for Partner States' co-operation in joint operation exercises, technical assistance, sports for Armed Forces, response to terrorism, early warning mechanisms and peace support and disaster response. In addition, the Memorandum of Understanding on Co-operation in Defence is to be upgraded to a Protocol.

Under co-operation in regional peace and security, Partner States are implementing programmes in respect of combating terrorism and security challenges on Lake Victoria. In addition, issues related to longstanding conflicts on smuggling of cloves through the Pemba Channel have been investigated.

**Legal and Judicial Co-operation**

Substantial activities have been undertaken in the area of legal and judicial co-operation, particularly with regard to capacity building. To this extent, a regional seminar for executive officers and court supervisors was held in June 2003. The Third Judges' Conference was held in October 2003 in Zanzibar.

The Committee on Approximation of Municipal Laws in the EAC context has reviewed and made recommendations for approximation in respect of 13 cross-sectoral areas. The Partner States are expected to expedite the adoption process of these harmonized laws.

**Statistics and Information Exchange**

The EAC has put in place modalities for the operationalisation of the Statistics and Information Exchange Committee and for the development of Phase II of the EAC Statistics Database Project. The first of the series of EAC Annual Statistics publication has been published and is a vital tool in monitoring the progress of regional integration and development.

**Outreach Programme**

Hon Speaker, in the area of dissemination of information about the Community, two workshops were held for media representatives; one for the East African Rural Broadcasters and the other for the region's Media Executives. These, among other interventions with the media, have generated increased coverage of EAC in the media, particularly with regard to ongoing publicity of the Customs Union Protocol and other major regional initiatives. The Secretariat also launched the EAC Students Essay Writing Competition intended to popularise the Community among the youth of the region.

**Finance and Administration**

The Secretariat is in the process of working out detailed proposals for the construction of the EAC Headquarters. This project has received a boost with the grant of Euro 8 million from the government of the Federal Republic of

Germany towards the construction of the headquarters in Arusha.

Consideration of the budgetary and administrative implications of the Report on the Organizational Structure of the Community, Terms and Conditions of service of Staff of the Community prepared by the team of Eminent Persons as directed by the Council is ongoing. The final report of the Eminent Persons will be presented, in accordance with existing EAC procedures, to the Extra-ordinary Council of Ministers scheduled for October 2004.

### **East African Court of Justice**

Mr Speaker, Sir, the East African Court of Justice is yet to receive its first case. However, the Court is actively developing its capacity and is also engaged in raising awareness about itself in preparation for the important role that the Court is expected to discharge for the Community, especially after the launching of the Customs Union.

### **East African Legislative Assembly**

The East African Legislative Assembly continued to discharge its functions including legislation, consideration of the EAC budget and audited Accounts and liaising with National Assemblies of Partner States on matters relating to the Community.

### **Autonomous Institutions of the Community**

Mr Speaker, Sir, activities of the autonomous institutions, namely the Lake Victoria Fisheries Organisation (LVFO), Inter-University Council for East Africa (IUCEA), and the East African Development Bank (EADB) are proceeding satisfactorily. During

the year, the Lake Victoria Fisheries Organisation launched the Fisheries Management Plan for Lake Victoria which focuses on the sustainable management of the fisheries of Lake Victoria; the Inter-University Council for East Africa organised successful scholarship and research programmes in collaboration with the Ford Foundation and Sida respectively; and the East African Development Bank continued to participate in the activities of EAC, especially through funding of projects in the areas of infrastructure, petroleum potential, fisheries and the development of the Lake Victoria Basin.

### **Supplementary Budget for the Financial Year 2003/2004**

Mr Speaker, Sir, despite efforts to keep expenditure within budgetary limits during the FY 2003/2004, some overruns could not be avoided in the budgets of various Organs of the Community. The main factors for this included:

- Increased programme activity, in particular to ensure finalisation of the negotiations on the EAC Customs Union Protocol;
- Growth in the related administrative costs; and
- Strengthening of relations with the development partners whereby substantial resources have been realised to support the ongoing and planned regional projects, particularly in regional infrastructure development.

Consequently, I am presenting the following Supplementary Budget for the financial year 2003/2004, considered by the Council and recommended for approval by the Assembly.



- Expenditure on travel and subsistence allowance related to contacts with the development partners on various critical regional activities e.g. strategy to respond to the negative travel advisories affecting the region; additional expenditures were incurred on conferences and seminars on disaster management, anti terrorism, search and rescue, defence preparedness; harmonization of the educational curricula and educational structures, policies and legal frameworks in the region as well as intensification of reciprocal contacts with other regional organizations in co-ordinating positions relating to the Customs Union and implementation of new programmes under AU/NEPAD, ACP/EU and WTO. These costs add up to US Dollars 100,000.
- Expenditure on clearing and forwarding of imported goods, including library items and computers acquired on donation. These costs add up to US Dollars 8,000.
- Expenditure on postage due to the increased volume of mail sent to Partner States, including printed records of the Permanent Tripartite Commission, the Council of Ministers and the Summit. These costs amount to US Dollars 12,000.
- Costs of recruitment during the current financial year for the various posts including that of Budget Officer and staff of the Directorate of Customs Union and Trade, which will be effective by

1<sup>st</sup> July 2004. The expenditure of US Dollars 14,000 is involved.

- Expenditure on travel of Members and staff of the East African Legislative Assembly requires allocation of US Dollars 96,725; and
- Expenditure on overtime claims for general staff of the Legislative Assembly .The amount of US Dollars 6,000 is involved under the Supplementary Budget.

Mr Speaker, Sir, taking into account the foregoing requests, the Council recommended for consideration and approval by the Assembly of a total Supplementary Budget for the Financial Year 2003/2004 of US Dollars 230,725 to be realized from the Surplus Float of the East African Community.

#### **Budget for the Financial Year 2004/2005**

The budget for the Financial Year 2004/2005 considered by the EAC Council of Ministers on 7 April 2004 and referred to the Legislative Assembly amounts to US\$ 11,820,599 (inclusive of Development Partner Funds) of US\$ 9,102,229 (excluding Development Partner Funds). This represents an increase of 40.2 percent or 41.7 percent respectively from the budget for the FY 2003/2004.

The net total contributions from the Partner States are, therefore, US \$ 9,009,129 (i.e. US\$ 3,003,043 for each Partner State). This represents an increase in contributions for each Partner State of 40.8 percent from the current level of US\$ 2,132,793.

## Assumptions

Mr Speaker, Sir, the Budget Estimates for the Financial Year 2004/2005 are based on the assumption that the Partner States will contribute on timely basis towards the Budget. In this regard, it is noted that to date, two months to the end of the financial year, only 65% of the budget has been remitted by the Partner States. While this is a modest improvement over the past years, the Council has still urged the Partner States to remit their contributions within the financial year.

The budget is also premised on the assumption that the EAC would continue to benefit from the goodwill of the development partners in meeting expenditure gaps of the projected regional programmes. I am pleased, in this regard, to note with appreciation, the commitment of funding from the German Government of Euro 8.0 million towards the construction of the EAC Headquarters in addition to USD 500,000 in other technical assistance. I also note, with appreciation, the firm commitment of Euro 1.0 million grant from the government of Finland for projects in the FY 2004/05 under the ongoing EAC-Finland co-operation.

## Outlook for FY 2004/05

Mr Speaker, Sir, a significant expenditure rise is expected in Financial Year 2004/2005 owing to the projected expansion of the EAC mandate, particularly with regard to the implementation of the Customs Union Protocol and the Protocol on the Lake Victoria Basin. This increase involves expenditure on the establishment, staffing and equipping of these new institutions.

Hon Speaker, it is to be appreciated that the most precious resource for the

organisation in the fast changing global environment in which the EAC is operating is the human resource. Staff at all levels in the Community will need constant upgrading of skills, knowledge and experience in order to cope with the growing challenges. There will be need for expenditure on capacity building, which is therefore envisaged in Financial Year 2004/2005 for which we would seek funding from both the Partner States and our development partners.

Similarly, there will be significant growth of activities relating to the Industrial Development Strategy, the East African Power Master Plan, the Infrastructure Development Programme and outreach activities as well as issues of the Common Market and the negotiations on the admission of Rwanda and Burundi.

Mr Speaker, Sir, on the whole, in proposing the Budget for the Financial Year 2004/2005, the Council is mindful of the need to maintain the momentum already gathered in the regional integration process. Above all, there is need to match the objectives of the organization with resources at effective levels to underwrite the integration process. Agreed new programmes have to be provided for effectively. Important studies for further regional projects and programmes as well as the felt need to promote public awareness and participation in the Community call for adequate resources.

In further streamlining the budget process and in ensuring objectivity in the budget setting exercise, the Council has directed the Secretariat to develop a new system of the budget preparation intended to be more pro-active and involving the Medium Term expenditure Framework (MTEF)

model with effect from FY 2005/2006. The MTEF approach emphasises prioritisation of activities with related outputs over the medium term, and expenditure based on the available resources.

### **Conclusion**

Mr Speaker, Sir, it is indeed heart warming that today's budget proposals are being presented against the dynamic background of steadfast application to their tasks by all the organs and institutions of the Community. Harmonious operations of the various organs are of the greatest essence to the effective and timely delivery of the regional integration and development objectives. It is with this commitment that the organs of the Community have managed the steady progress of the Community over the past 11 years of the resumption of regional co-operation in East Africa.

In setting the priorities and developing the programme for regional integration and development of East Africa, the organs of the Community provide the impetus and sustain the political will behind the integration process. By the same token they involve the participation of the people in the activities of the Community. Indeed, the success and achievements of regional integration are predicated mainly on the participation of the people.

In the rapidly evolving world economic system dominated by the forces of globalisation, regional integration is the only viable option and effective response for the East African countries. We all have the opportunity and challenge to promote this awareness and involvement of the people in the regional integration process. We have important

contribution to make to the sustainability of the regional agenda right from the grassroots and constituency levels to the highest decision making levels.

The challenge ahead is for the continued collaboration of all the organs and institutions of the Community in moving forward with the new realignment towards regional integration perspective and approach to solutions and management of social and economic development issues. The people of East Africa should become more and more attuned to facing their challenges collectively as a family. They should consider that collective approach to solutions is more effective; and that positive resolutions of issues at the regional level inevitably impact on national solutions.

Hon Speaker, it is in this spirit that the Council has deliberated in presenting the Budget proposals for the next financial year, which should set the pace and direction of the Community towards the intensification and acceleration of the regional activities in the critical period ahead. We need to consolidate the gains so far realised and in the coming years to be in a position to demonstrate more and more concrete achievements and tangible benefits of the regional integration effort.

Hon Speaker, in concluding, I now have the honour and pleasure to present the Budget for the Financial Year 2004/2005 as considered by the Council of Ministers and recommended to the East African Legislative Assembly for consideration and approval.

Hon Speaker, I beg to move.

**Mr Kalonzo Musyoka (Member of the Council of Ministers (Ex-Officio (Kenya)):** Mr Speaker, Sir, allow me to join you and my other colleagues in recalling the life of our late and distinguished colleague, Hon. James Wapakhabulo whom we sincerely miss. We also wish to celebrate the very short time we had with him as Chairman of the Council of Ministers. We continue to mourn with his family, the Republic of Uganda and the entire region.

Mr Speaker, Sir, I also want to take this opportunity to congratulate Hon. Tom Butime for being sworn in as a Member of this Assembly and for moving the Motion on the adoption of next year's financial estimates.

Mr Speaker, Sir, when I came in, a honourable colleague looked me in the face and said, when you came in, we were very optimistic. We think the light that we saw was kind of diminished. I want to assure that honourable colleague that I am more committed to East Africa than I have ever been before. I was there in 1993 when we started to pick the pieces of the East African Community after the monumental mistakes of the 1970s when East Africa was allowed to disintegrate. It was a big shame, and it started happening again.

I was the first Chairman of the Council of Ministers of the East African Co-operation. I was delighted to chair that first Session. I could remember the enormous problems between Nairobi and Kampala, and as a new Minister for Foreign Affairs and International Co-operation, I did not know how to begin but I had friends who prayed with me. In fact one walked into my office and asked me whether he could do anything to assist me at that particular time. Surprisingly, that was a

friend from Germany, and it is no wonder that it is the Germans who have come up with a solid contribution in trying to help us rebuilt East Africa. I know that other people were also working in that area and it did not take us long to achieve success! We moved very swiftly and that is why we are here today. I do recall that there was not much of a problem between Kampala and Dar es Salaam and Nairobi and Dar es Salaam. But that is part of our interesting history.

Mr Speaker, Sir, I have just returned from witnessing some very historic occurrence in the world today. I was invited by the Foreign Affairs Minister of Hungary to join that country as it prepared to join the expanded European Union. I also moved to Cyprus, which is the second least member of the European Union in terms of population. So, we are now talking about a population of 440 million people. We have to look at that as a market and the world can no longer avoid looking at what is happening in Europe today.

Mr Speaker, Sir, I am mentioning this because I we have something to learn from Europe and yet it all begun with Europe learning from East Africa. What a tremendous mistake it was! Can you imagine where East Africa would have been today if it had not broken up? Therefore there is need for all of us as East Africa to strengthen the institution so that never again would political bad faith bring such suffering to the people of East Africa.

Therefore, as we swear allegiance to the Treaty for the Establishment of the East African Community, I think we are doing the right thing by strengthening on a point-by-point basis where we have to painstakingly even glorify figures that look to me

obnoxious! We are talking about a budget of USD11 million and we are going to great lengths to justify every cent we spend. That is good because we live in days of absolute transparency, but I think we should be thinking big!

It is true that the East African Court of Justice has not had its first case, but can we also recall with a little bit of nostalgia when we had the publication of East African Law Reports? Let us move to at least return East Africa as fast as we can to where it went wrong. I have a friend in Kenya who keeps talking about where the rains started beating us. So, let us start looking at where the rains started beating us. I remember the East African Airways, the East African Ports and Harbours and so on. Of course, we are proud of the surviving institutions like the East African Development Bank or the Flying School in Soroti and the East African Inter-University Council.

Mr Speaker, Sir, I think we should begin to move very fast. I am happy that at the Summit level the three Presidents decided to take a firm decision to bring on board our brothers and sisters from Rwanda and Burundi. I want to suggest that we make it absolutely easy for them. If we have to begin to negotiate process, for instance like Hungary had to undergo to qualify to become a Member of the European Union – we know that we have to look at the democracy test and human rights.

I am not saying that countries that want to join the East African Community should just walk in. Realising as I do that Rwanda's and Burundi's membership to the East African Community will be a stabilising factor, especially to Burundi, and I am happy that the Hon. Speaker of Burundi is

with us today, I am sure that Burundi's membership to the East African Community will send a strong signal to the people of Burundi to put their act together. You may remember that at one time we recommended sanctions against Burundi, but although those sanctions did not work, but at least it was a very powerful signal that Burundi should be stable. Now that they want to join the East African Community, I have no doubt in my mind that they will grow with the rest of the East African family.

Mr Speaker, Sir, I went to Addis Ababa and President Konare who is the Chairman of African Commission did not refer to the East African Community. I think it is because we have not been accredited to the African Commission. I know that the responsibility was with our Chair to make sure that the papers were presented before the Commission in Addis Ababa and I am sure that this will happen as a matter of course. But the problem is that the Commission in Addis Ababa is thinking in terms of each country belonging to one economic grouping and jumping out of the rest. We know that we now have the African Parliament and we congratulate one of our distinguished East Africans who was elected Speaker of the African Parliament, but what business will there be in Africa so that African Parliament would be busier than the East African Legislative Assembly?

The vision that I wanted to share with my brothers and sisters in this House is that could we, with the addition of both Burundi and Rwanda, consider, as soon as there is peace in Somalia and other countries in the horn of Africa, allow them to join the East African Community? I think that is where it should really begin. It is only then that

we shall have a sizeable market. We may not be in a position to rival the European Union, but we shall be making some terrific strides in fighting poverty and ending conflicts in our region so that we can begin to grow and realise the economic dividends that will accrue.

Mr Speaker, Sir, I just wanted to congratulate Hon. Tom Butime and second the Motion that he has moved. But I would like to say that I find it difficult to call USD11 million a budget. As a matter of fact, one multinational company could actually give it to you for free if you went to them, and yet the whole of East Africa is sitting here thinking about a 40 per cent growth in a USD11 million! I am told that growth is mainly because of what you are getting from Germany at 48 per cent. But you can hear some people saying we should put some brakes because Arusha is moving too fast; I believe we cannot move fast enough.

First of all, I believe that we should get to where we left it all and then begin to catch up with the rest of the world. May I suggest that we should even approach other development partners whom we have met and are willing to co-operate and work with the East African Community? One such country is Japan. I would like to refer the Secretary General to that so that he can open urgent discussion with Japan so that it can support us very solidly. Even yesterday, I received the Minister for Trade from Korea and they are all thinking about working with us!

Mr Speaker, Sir, as a region, I am suggesting that we deliberately begin to look towards the East for purposes of tourism and sell East African Community as a destination. We all know that we have suffered

tremendously due to the negative travel advisories. It is good I came to Arusha because the Americans are trying to get in touch with me because they have something to announce to Kenya tomorrow because we put up a very strong case. We told them we could not understand why Madrid gets hit by terrorists and there are no negative travel advisories telling people not to go to Spain. But a mere threat of some possible remote attack in East Africa, every American is advised not to set foot in this part of the world! We think these are double standards, and we put it very plainly to these partners who want to work with us. East Africa has a very unique product to sell and share with the rest of the world.

Mr Speaker, Sir, I hope I will get time to come and listen to the Budget debate next week. I will do the best I can to be available. But on Tuesday next week, Africa will be making a tremendous step in Addis Ababa. We are getting inaugurated at the Summit level – The African Peace and Security Council. I hope that will have the capacity to fight and since Kenya is a founding member, I have to be there to represent President Kibaki. I hope after that, I will be able to find time to come to Arusha. If I manage, I will be happy but if I do not, please do not take it against me.

I was supposed to meet with the Somali delegation today in Nairobi to negotiate peace in a country that is the worst example in the world. We hope Somali can make progress towards peace. I was supposed to chair a Ministerial meeting on Somalia today, but two of my colleagues, Minister Mesfin and Minister Farah from Djibouti and Ethiopia respectively did not arrive. They will arrive tomorrow morning and I thought I should be here. I tried to call the Speaker and he

gave me some wonderful travel advisory on how to get to Arusha by next week. I am sure he is surprised to find me here. It is because I found this window of opportunity and I had to come and join my brother here as he presents this year's Budget.

With those remarks, I beg to support.

*(Question on the motion put and  
agreed to)*

### **ADJOURNMENT**

**The Speaker:** Honourable Members, that concludes the business on the Order Paper for today. The House is, therefore, adjourned until Tuesday at 2.30 p.m.

*(The House rose at 3.45 p.m. and  
adjourned until Tuesday, 25 May  
2004)*