

EAST AFRICAN COMMUNITY

EAST AFRICAN LEGISLATIVE ASSEMBLY (EALA)

Official Report of the Proceedings of the East African Legislative Assembly

81ST SITTING – SECOND ASSEMBLY: FOURTH MEETING – THIRD SESSION

Wednesday, 21 April 2010

The East African Legislative Assembly met at 2.30 p.m. in the Chamber of the Parliament of Rwanda, Kigali.

PRAYER

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

(The Assembly was called to order)

MOTION

FOR THE CONSIDERATION AND ADOPTION OF THE REPORT OF THE COMMITTEE ON COMMUNICATIONS, TRADE AND INVESTMENT ON THE TOUR OF THE EAST AFRICAN COMMUNITY BORDER POSTS

Mr Reuben Onserio Oyondi (Kenya): Mr Speaker, I beg to move that the Report of the Committee on Communication, Trade and Investment on the Tour of the East African Community Border Posts be adopted.

Mr Abdullah Mwinyi: Seconded.

Mr Oyondi: Mr Speaker, the East African Community (EAC) is a regional organisation mandated by the governments of Burundi, Tanzania, Rwanda, Kenya and Uganda to spearhead the East African economic, social and political integration agenda. The Treaty for the Establishment of the East African Community was signed in November 1999, and entered into force in July 2000. The key building blocks towards economic, social and political integration of the East African Community are

articulated clearly in it. The Treaty sets out a bold vision for the federation of the EAC Partner States.

Article 5 (2) of the Treaty for the Establishment of the East African Community states that "...the Partner States undertake to establish among themselves and in accordance with the provisions of this Treaty, a Customs Union, a Common Market, subsequently a Monetary Union and ultimately a Political Federation in order to strengthen and regulate the industrial, commercial, infrastructural, cultural, social, political and other relations of the Partner States to the end that there shall be accelerated, harmonious and balanced development and sustained expansion of economic activities, the benefit of which shall be equally shared."

The mandate for the establishment of a Customs Union is derived from Article 75 of the Treaty, which states that "The Partner States agree to establish a Customs Union details of which shall be contained in a protocol which shall inter alia include the following; The application of the principle of asymmetry, elimination of internal tariff and other charges of equivalent effect, The elimination of non tariff barriers, establishment of a common external tariff, rules of origin, etc.

Article 2(2) of the Treaty provides that a Customs Union shall be the first transitional stage (entry point), as well as an integral part of the Community. As per the Treaty, a Protocol on the Establishment of the East African Community Customs Union was concluded in March 2004, and the EAC Customs Union commenced operations in January 2005.

The pillars of a customs union include application of a common customs law and a common external tariff. Having established a customs union between them, the Partner States therefore started implementing the EAC Customs Union by applying the common instruments. The Republics of Burundi and Rwanda joined the EAC in July 2007 and undertook to make preparations to implement the EAC Customs Union with effect from 1 July 2009.

In view of the above timeframe, the East African Legislative Assembly (EALA) Committee on Communications, Trade and Investment (CTI) in accordance with *Rule* 79 of the Rules of procedure, carried out a tour of the EAC border posts to assess the implementation of the East African Customs Management Act, through holding consultative meetings with key stakeholders on the opportunities and challenges involved in the implementation process.

Objectives of the Tour

- 1. To verify whether the implementation of the Customs Union is progressing in accordance with the provisions of the Act and the attendant regulations thereto.
- 2. To hear from stakeholders the benefits of the implementation of the Customs Union between the EAC Partner States, and the economic impact thereof.
- 3. To enable the Members to know and understand the challenges facing the realization of a fully fledged and effective customs union, and develop relevant solutions.

4. To engage EALA Members in the implementation of the East African Community Customs Union in accordance with their oversight role. (Interruption)

The Speaker: Hon. Oyondi I think the honourable Members have read this report because they had the whole weekend to read it. So, instead of reading the whole report, maybe you can go to page 10 and start from the specific findings.

Mr Oyondi: Thank you Mr Speaker, sir for your guidance.

SPECIFIC FINDINGS

Weighbridges:

It was reported that there are a number of weighbridges along the Northern Corridor route, which connects the Port of Mombasa to Malaba/Busia, Katuna/Gatuna and Akanyaru in Burundi. These weighbridges have proved to be barriers to trade. For example, various transporters reported that from Mombasa to Malaba there are seven weighbridges, and from Malaba to Katuna there are four weighbridges. One Transporter at Gatuna border post summed up these weighbridges as corrupt points aimed at extorting money from transporters and traders. Apart from corruption at these weighbridges, they cause delays, which increase the cost of doing business in the whole region.

Visa Charges:

Whereas the EAC Customs Union Management Act is being operationalised, at Manyovu border post (Burundi/Tanzania border) it was reported that Tanzania was still charging, not only tariffs on goods, but also visa fees on the people of Burundi, yet Tanzanian goods and people are entering Burundi free of charge as provided for by the law. The explanation for this was that the customs authorities had not yet received the proper documentation for the operationalisation of the Act, and, therefore, country customs laws were still operational. The Committee noted that the visa fee is a bilateral issue, which Burundi and Tanzania need to sort out as it is a barrier to trade, particularly to the border population who hope to benefit.

Time Difference:

Time difference is a serious hindrance on cross border trade. At the Manyovu border post between Burundi and Tanzania, and at Rusumo border post between Rwanda and Tanzania, the Committee noted that on the Tanzanian side closes the border at 5:00 O'clock while it is still 4:00 O'clock on the Rwandan side. This means that vehicles that come from Rwanda will not go ahead as the Tanzanian border will already be closed. This acts as a serious non-tariff barrier. However, the Committee was of the view that this is an administrative issue, which can easily be resolved.

While in Kigoma, the delegation visited the Kigoma Port, and the Acting Port Master explained that Kigoma port was established by the Ports Act, 2004 of Tanzanian, and faces the challenges of power shortage and low water depth, which posses a difficulty for the movement of large boats. There is also lack of infrastructure for easy

connectivity of Kigoma Port to other regions. The port was built in 1922 and, therefore, most of the infrastructure is old. For example, there is a 100-year-old boat, which is still operational between Kigoma in Tanzania and Mpulungu in Zambia. It takes 3 days on the way. It carries 600 passengers and has a 200-tone cargo capacity.

Nevertheless, the Port Master pointed out some remedies already provided; a generator has been procured to solve power problems, a dredging project has been commissioned funded by GTZ to increase on water depth, which facilitates ships to load to full capacity and will in future accommodate bigger ships. The need to exploit our waterways to ease trade cannot be overemphasized.

At Akanyaru border post between Rwanda and Burundi, traders complained that the Burundi side of the border does not operate 24 hours, as it should. Night roadblocks along the route were also among the issues raised. The Burundi police officials clarified the matter that the security situation in Burundi is still fragile, and that is why they could not allow vehicles to move at night.

At Rusumo border post between Rwanda and Tanzania, stakeholders, especially small traders, complained that tariffs on local foodstuffs such as rice still existed and yet they are produced within the region. However, the Rwanda Customs officials clarified that despite the removal of tariffs on goods produced within the region, EAC Partner States listed a number of sensitive products on which to continue to charge tariff until a specified period. Rice is one of the sensitive products for Rwanda on which they will continue to charge 30 per cent tariff to protect Rwanda's domestic rice. However, these tariffs will only be valid for a period of two years since Rwanda started implementing the Customs Union (2009 to 2011).

At Mutukula, the Committee noted the USD100 charged on the people crossing to Tanzania under the guise that it is for a work permit even when they are just visiting.

At Malaba, Members visited Malaba Railway station, a one-step joint Customs clearing centre (Kenya Rift Valley Railways). The officials at the station informed the Committee that Kenya and Uganda jointly operate the railway. There is also joint verification of cargo and thereby producing a single administrative document. The Committee learnt that the station clears 26 wagons within 2 hours. However, the officials pointed out that the station clears fewer wagons currently because of problems such as piracy and the credit crunch. The Committee noted that this one-stop-centre is advantageous because it quickens the process.

Further, at Malaba border post, the Committee observed that the use of risk management and audit-based control procedures makes specially simplified procedures available for traders authorised by Customs at a certain level of compliance with regulations. There is a single window system, and the use of ASYCUDA++, which classifies imports depending on their risk, under the following categories of 'Green', 'Yellow' or 'Red'. This system allows automatic release of goods for compliant traders. "Green" category means that the goods comply with the Customs regulations, and are therefore not subjected to examination. Imports labelled 'Yellow' are subjected to scanning and may proceed for release or physical verification. All documents and goods under the "Red" category are examined.

However, transit goods are not subjected to the above categorical procedures but are merely monitored in the ASYCUDA ++ system.

At Busia, the Committee raised concern over the lack of fire fighting equipment on either side of the border. Traders there complained of corruption at the border post, particularly from the security personnel. They also complained of lack of 24-hour banking services at the border.

At the Ports of Mombasa and Dar es Salaam, the various trade stakeholders highlighted the following challenges during the meetings at the Kenya ports Authority in Mombasa and the Tanzania ports Authority in Dar es Salaam:

- Port capacity not growing at same rate as growth in traffic and therefore affecting the ships' dwell time;
- Congestion and trafic imbalance (export vis-à-vis imports) on the ports;
- Lack of coherence and coordination among the various agencies related to customs and port clearance;
- Weak connectivity of the ports to other important services such as road, rail and pipeline transport (missing links);
- High charges in terms of taxes and other duties on import goods;
- Quick deterioration of infrastructures especially roads, warehouses, ports and cargo freight stations, overload controls should be put in place to reduce damages on the roads;
- Un-harmonized revenue collection systems in the region;
- Corruption especially among the police;
- Container theft at the port, although the clearing system is automated, clearing agents illegally trap the passwords of other people with an intention of stealing their containers.

At Namanga, there was alleged harassment of Tanzanian traders on the Kenyan side, particularly the obligation to use brokers if they want to trade, and that the police harass petty or small traders. The officials explained that these were isolated incidents, which a joint committee would look into. The Committee noted that because of the current threats of terrorism, checking, screening and searching procedures are very rigorous, and this takes a lot of traders' time. These Methods do not favor perishable goods.

The Customs officials explained that for security reasons, and because of smuggling, these procedures have to be maintained until appropriate scanners are made available. The Customs officials further informed the Committee that the process of constructing the Namanga one-stop border facility is underway with the support of JICA. This will solve the problems of limited parking space, storage and verification sheds.

The Committee considered the municipal toll (tax) often called 'Access' that is levied by the Kenyan authorities on goods amounting to Kshs 2,000 per truck and about Kshs 500 on other vehicles oppressive and unfair since the Tanzanians did not levy the same.

General Observations

The Committee observed that most of the border posts with computerized systems use Automated System for Customs Data (ASYCUDA++). The system allows a variety of activities concurrently, such as e-banking, e-payment, and it enables the border posts to interlink with each other. It supports transit, payment of taxes and declaration of goods. Therefore, the system makes work easier because it helps taxpayers to assess themselves. It also helps in the selectivity and examination of importers' cargo. ASYCUDA++ further helps in risk management through categorization of the clients depending on their tax compliance.

Uganda Revenue Authority uses Revenue Authority digital exchange (RADEX) under ASYCUDA++, and Kenya uses SIMBA. These systems ease work because they enable on-line transactions, and by the time the trucks arrive, they find their documents ready. This is a major improvement, and it has greatly reduced the time that the traders spend at the border.

Recommendations

1 Dissemination of Information and Sensitization

The necessary information should be packaged and disseminated to all key stakeholders as much as possible. More specifically, people must be made aware of what the Customs Union is all about, with emphasis on the benefits and the likely costs of integration. Sufficient sensitization would help the traders to know about sensitive goods, duty free goods and customs requirements in general. This will require a well-structured and effective communication strategy.

2 Cross Border Issues

Customs and Immigration officials on the EAC borders should be encouraged to cooperate and hold regular joint meetings to have a common understanding of cross border issues in order to facilitate intra regional trade. This could be done effectively through the establishment of one-stop border posts.

3 Currency Exchange Losses

There should be a common currency across the EAC Partner States to facilitate trade, and to avoid exchange losses that occur when cross border commercial transactions are undertaken.

4 Infrastructural development

Soft infrastructure such as banks, insurance, clearing and forwarding companies should be established at the border points to reduce time wastage and cost of doing business in the region.

5 Non Tariff Barriers

Transit procedures and data processing should be harmonized and unnecessary weighbridges should be removed. Fully automated ones should be maintained, one at the point of entry and a second one at the point of exit.

6 Harmonisation of Regulatory Framework

The EAC Partner States should make an effort to establish regional regulatory authorities/institutions for revenue collection, insurance, quality assurance and standards, anti-monopolies, counterfeit, and competition, among others. These institutions would manage the EAC unified market.

7. The Tanzania authorities should remove the visa fees charged for Burundians since EAC is in a fully-fledged Customs Union.

Conclusion

The tour was successful, and the Committee took note of the overriding concerns among most stakeholders, namely: lack of adequate information on the EAC Customs Union and the EAC Customs Management Act, in particular. The other concern was the poor state of infrastructure in the region, for which the Committee calls upon the Partner States to invest in the improvement of roads, railways, energy and other essential sectors in order to boost EAC capacity to compete in the global business arena.

The issues raised in this report reflect the opinions of stakeholders on the EAC Customs Union Management Act implementation efforts in general. All the stakeholders that the Committee met expressed strong support for EAC integration, and the customs union in particular, and they were generally appreciative of the legislative and oversight role that EALA is playing.

The Committee would like to express its gratitude for undertaking this tour because it has enriched the understanding of the Members on the progress of the implementation of the East African Community Customs Management Act.

Mr Speaker, sir, I beg to move. (Applause)

(Question proposed)

Mr Leonce Ndarubagiye (Burundi): Mr Speaker, I just want to point out that after raising the issue several times in this House, I think Tanzania has waived the visa charge for Burundians - (Applause). I got the confirmation of this when I was in Bujumbura recently. I therefore wish to take this opportunity to address the Members of this House who constantly raised this issue, especially hon. Dora Kanabahita Byamukama, who raised the issue on floor of this House for it to have succeeded. (Applause)

Ms Regine Katabarumwe (Burundi): I thank you very much, Mr Speaker, for the opportunity. I am a Member of the Communications, Trade and Investments Committee, and I would like to make a short comment on the report.

Indeed the visit to the different borders of the EAC Partner States helped us to come face to face with the businesspersons, who face many problems in their daily work. According to them, they were used to the government agents only coming to collect taxes and not to share their problems. In fact, the problems that business people encounter are of different kinds, but most of them are related to their ignorance of the provisions of the Common Market Protocol or the delay in its implementation. The business people do not know on which goods they must pay taxes and those on which they should not.

Mr Speaker, another problem is corruption. "Naomba maji" is the statement, which the police officers and the customs officers use to ask for a bribe. (Laughter) All the business people told us that they must go through many barriers of control in the same country and sometimes they pay fines. Therefore, with such problems, it is necessary for the Council of Ministers and the governments of the Partner States to make sure that the different provisions of the protocol are implemented without any delay. The Partner States should provide a campaign to inform the citizens about the Customs Management Act, and about the different activities. (Applause)

Mr Speaker, concerning the visa requirement for Burundians wishing to enter Tanzania, I would like to thank the government of the Republic of Tanzania for removing that requirement. (Applause) Now the Burundians are free to enter Tanzania, but we are still waiting for the official letter to confirm this, and the Chairperson of the EAC Council of Ministers should inform the EALA Members because the issue of a visa between Burundi and Tanzania was not a question of Burundi only.

I would also like to thank hon. Members who helped in supporting Burundi on the visa issue - (Applause) - especially hon. Dora Byamukama - (Applause).

Mr Speaker, sir, I would like to thank you and to thank God for making the Committee finish the tour without any problem. (Laughter)

I thank you Mr Speaker, sir.

The Minister for EAC Affairs, Uganda (Mr Eriya Kategaya: Mr Speaker, I just want to bring the House you up-to-date, because on page 10 the report says that there are four weighbridges between Malaba and Katuna, which means they are in Uganda. I would like to inform the House that after finding out that these centres were for corruption, we have suspended them forthwith. (Applause) We are also studying whether they are worth re-establishing or we should abolish them completely. So, now, we do not have any weighbridges in Uganda. (Applause)

Secondly, Mr Speaker, I would like to inform the House that since the Committee visit, the one-stop centre at Gatuna/Katuna has been opened, and it is now operational. (Applause)

Lastly, Mr Speaker, I undertake to find out why there are no parking facilities for 24 hours because when I last visited Busia, they told me everything was in order. But I will find out why the aspect of parking is not yet operational, because it should be 24

hours as a function of the border post. I undertake to find out what happened and rectify this.

I thank you Mr Speaker, Sir. (Applause)

Mr Augustine Lotodo (Kenya): I rise to support the motion, and to agree to the fact that the tour of the borders of East Africa was very necessary. I do associate myself with the recommendations in the Report, and most particularly, the first recommendation, which talks about information dissemination and sensitisation of the people. I believe that at this stage of the integration process, the most lacking aspect is the population knowing exactly what the Secretariat is doing. We really need to coordinate to know what the right hand is doing for the left hand to act in the same spirit.

We really need to put mechanisms in place to ensure that a serious extensive sensitisation programs goes across the population of East Africa, and not only on the Customs Union as reported by the Committee, but also on the Common Market. Thank you and I support the motion. (Applause)

Ms Valerie Nyirahabineza (Rwanda): Mr. Speaker, I rise to support the motion, and I commend the way in which the Committee developed this report, with recommendations, and, specific and general findings. Mr. Speaker, I have to declare that I am a member of this Committee, and that I had the privilege to tour the different border posts as stated in this report, so mine is just a vote of thanks.

First, I would like to thank our leaders for their commitment towards the EAC integration. (Applause) The reason why I am saying this, Mr. Speaker is what hon. Eriya Kategaya has just said. After we entered Uganda and checked on both sides of Gatuna and Katuna border posts, it is true there were four weighbridges, one of which was a calamity, Rukaya. The Minster has told us that those weighbridges have been removed, which is fantastic, because this particular weighbridge at Rukaya was causing problems for the traders. For example, if a truck reached Rukaya on a Friday afternoon, they would spend the whole weekend there waiting for Monday for the Customs officer to check whether the truck were overloaded or not, and to pay penalties. I would like to thank the government of Uganda through their leaders here, represented by hon. Eriya Kategaya.

I would also like to thank the President of the Republic of Tanzania because when we went to Mutukula border post between Tanzania and Uganda, the people there were complaining, especially those from the Ugandan side entering the Tanzanian side. They were paying some amount...I do not remember for what, but after we left there, the Tanzania President who was heading to Kampala for a meeting, immediately contacted his people in Dar-es-Salaam and the fee was scrapped. (Applause)

At Manyovu border post between the Republic of Burundi and the United Republic of Tanzania, the Immigrations and Customs officials there told us that they had no information about the East African Customs Management Act, so they were still applying national laws, and yet the Act came into place a long time ago. However, soon after we had left the place, they received instructions and the proper documentation from Dar-es-Salaam, and on our way back from Bujumbura, we found

them implementing the Customs Management Act at that same border post. (Applause)

Mr. Speaker, this shows their commitment, even though the flow of information took long. Therefore, I think that whenever the Assembly makes a law, the people should be informed so that they get to know what is happening. Therefore, I think we should really improve the way we inform East Africans.

While also thanking our leaders, I would like to insist on the flow of information to the people. For example, at the border post of Manyovu most of the traders moving between Tanzania and Burundi did not know the products that are duty free and so some of them were smuggling goods using *panya* routes. For example, we were told of a person who was shot dead smuggling in *kangas*, simply because he did not know that, they are duty free.

Therefore, Mr Speaker, I support the recommendations in this report, and I urge the House to support the motion.

Dr F. Lwanyantika Masha (Tanzania): Mr Speaker, I am not a Member of this Committee, but I want to express my appreciation for the work this Committee has done, as reported in this document. Given what we have heard from the hon. Kategaya and what was reported about the actions of the Tanzania government on the visas, it shows tremendous value on the oversight role of this Assembly. (Applause) We should not just see the legislative part as the only important part of our work, the oversight role is also very important.

I have a couple of comments that I want to make on this report besides acknowledging how thorough these people have been to go to all these border posts.

Mr Speaker, out of the seven recommendations I see that three of them, namely recommendations 3, 5 and 7 relate to what the stakeholders recommended. I am not sure whether to take these as recommendations of the stakeholders or recommendations of the Committee, so perhaps the person introducing them might want to indicate to us to what extent the Committee itself owns up on these recommendations, which are being ascribed to stakeholders.

The second comment I have requires a little explanation. When you go to talk to people who are taxed, or people who keep crossing borders for many reasons, there is no doubt you will get people who will complain. There is no doubt there will be many complaints. Even if everything is going smoothly, you cannot avoid some complaints about something. The application and the administration of law in these posts will result in a few people complaining, and, therefore, one has to be very careful that those whose job it is to complain do not use the Committee as a kind of a forum. However, I do I realise that the Committee was aware of that, as is evident from some other recommendations that have come out.

Following up on that one, and regarding the methodology used by the Committee, I want to give them credit for being so astute, careful and knowledgeable about these things. For example, on page eight they were informed and it came out very

clearly...I think the words used, if you allow me to read, it says clearly that "it was pointed out that, traders – (Interruption) - I beg your pardon!

Hon. Members: Which paragraph are you on?

Dr Masha: It is the second paragraph of page 8. It reads, "It was further observed that some cross border traders abuse the certificate of origin" and here there are no quotes, which means that the Committee accepted what it heard, and this is what the Committee is telling us. For instance, "At Akanyaru and Rusumu - and these are words of the Committee - "it was clearly pointed out that traders put Pakistan Rice into Tanzania rice bags and they clear such rice with Tanzanian Certificates of origin."

Now, the only way I can interpret this is that the Committee verified this happening. I want to congratulate them for their expertise in knowing the difference between Tanzania rice and Pakistan rice, regardless of which bag it is in. Perhaps they had some experts who were able to look into the Tanzania bag, look at the rice, and say this comes from Pakistan and not from Tanzania, Uganda or some other country!

Mr Speaker, what I am suggesting, once again, with all the credit that I am giving to the Committee, is that we have to be very careful not to end up promoting things, which are difficult to verify on our part and sort of pass on a message as if it was correct. Nevertheless, again, I congratulate the Committee for its knowledge of the different kinds of rice in the different bags. (*Laughter*)

Mr Speaker, with those few remarks, I want to give credit to the Committee for doing a fairly thorough job, and for a report written in very clear language. I applaud you. (Applause)

The Minister for EAC Affairs, Rwanda (Ms Monique Mukaruliza) (Ex-Officio): Mr Speaker, as it is my first time to take the floor this meeting, I would like to welcome you and all Members of EALA to this session. (Applause) This meeting taking place here in Kigali, preceding the Commemoration of the 16th Anniversary of the Genocide committed against the Tutsi in Rwanda in 1994. These one hundred days of commemorating the sad event that took place in 1994, is critical for Rwandans. I am sure some of the activities may have affected some of the honourable members during this past week, and I would like to apologise to those Members who might have been annoyed by some isolated incidents. It was not our wish as Rwanda. Rwanda is a country of a thousand hills and a thousand smiles. (Applause)

Secondly, I am greatly humbled and honoured by the resolution of the EALA of 26 February 2010 to convey special thanks and appreciation to me for the work I did during my tenure as the Chairperson of the Council of Ministers in the period June 2008 to November 2009. (Applause) I did not have the opportunity to express my thanks to the honourable Members of this August House because I was not around. I had to leave before the end of the meeting because of an urgent assignment that I had received from my government. However, on my part, I wish to affirm that none of this would have been possible without the collective support of my colleagues in the Council of Ministers, and in the East African Legislative Assembly. (Applause)

In addition, we owe what EAC has achieved during Rwanda's tenure in the chair to the confidence and trust of the EAC Partner States. Most important, Mr Speaker, sir, we have also noted the great strides made by the EALA to ensure that all the Bills are appropriately examined before they are passed. The oversight role of EALA through site visits and questions to the Council of Ministers during that period gave me a lot of motivation and assurance as the Chairperson to know that major decisions and recommendations that this August House made were well thought out. I thank you so much for that. (Applause)

Coming back to this report, Mr Speaker, I would like to refer you to page 11, on the specific findings at Rusumu border post between Rwanda and Tanzania where it is stated "stakeholders, and especially the small traders, complained that tariffs on local foodstuffs such as rice still exist and yet they are produced within the region. However, the Rwandan Customs officials clarified that with respect to the removal of tariffs on goods produced within the region, the EAC Partner States listed a number of respective sensitive products on which tariff will be charged until a specific period of time elapses. Rice is one of the sensitive products from Rwanda on which 30 per cent tariff is still being charged to protect the Rwandan domestic rice."

Mr Speaker, after reading this report during the weekend, I had to call the Commissioner in charge of Customs in Rwanda Revenue Authority to check if the high tariffs applied on "sensitive products" apply to products originating from the EAC Partner States, because according to what is reported here, it seems that rice coming from Tanzania is charged as a sensitive product. I found out that "the sensitive product" list only applies to products coming from outside the region, and therefore there is no tariff applied to goods originating from the EAC Partner States, as stipulated in the Customs Union Protocol and the Customs Management Act. I think this has to be reviewed. Products coming from the region do not attract any tariff, but the sensitive products and the special rates applied to them concern only products from outside the region.

I thank you Mr Speaker. (Applause)

Mr Christopher Nakuleu (Kenya): Mr Speaker, first I wish to thank the Committee on Communications, Trade and Investments for having gone to most of the border posts, and for bringing a very comprehensive report to this House. I wish to concentrate mainly on the findings of the Committee on pages 10 and 11. The Committee found out that there are very many weighbridges in these countries.

Mr Speaker, from time to time, this Assembly has pointed out that these weighbridges are a barrier to trade, and that there is a need to do away with them. To that effect, I wish to commend the Government of the Republic of Uganda for removing the numerous weighbridges that existed between Malaba and Katuna. (Applause)

I would also like to highlight the issue of the visa charges. From time to time, we have said that there is no need to levy visa charges on the people of East Africa, and whenever this question has come up, we have always received a similar comment from the Minister, that the communication has been made, maybe the officials in

those specific border points had not yet got their communication. For how long will this go on?

Mr Speaker, personally I have failed to understand the proper definition of the word 'border' because, as long as countries exist, there will be borders, but the state governments decide which border posts the people should be passing through. However, there are many *panya* routes, which act as informal border posts through which so many people sneak in and out, and the goods go untaxed. Therefore, there is need to redefine the concept of borders because the most common borders are Namanga, Lunga lunga, Busia but what are about Moroto and Turkana, they are also official borders! (*Laughter*) Our people normally find their way to Kampala without necessarily passing through Malaba and Busia. (*Applause*)

Mr Speaker, to enhance effective collection of revenue in the Partner States, there is a need to be effective in ascertaining where the people pass and where the goods pass, so that we enhance our economies properly.

We have from time to time said that there is a need to remove these barriers to trade, but there are countries within the EAC that have put their armed forces at the borders. These armed forces scare away people, and, therefore, they act as a barrier to trade. For example, at the border of Uganda and Kenya between Turkana and Karamoja, there is a permanent base for Uganda People's Defence Forces, and our people from either side fear to cross over because of fear of arrest. (Applause) Moreover, whatever my people go to do there, they go to do whatever East Africans do. (Applause) Therefore, Mr Speaker, most of these Partner States have to push their armed forces into the interior to reduce the degree of fear and to enhance trade.

Mr Speaker, there is trade in livestock and I do not see it defined anywhere in the Communications, Trade and Investment – (Interruption) -

Mr Bernard Mulengani (Uganda): Mr Speaker, I want to inform my colleague, hon. Nakuleu, that the kind of trade he is referring to between the two states at border between Karamoja and Turkana is not within the provisions of the Customs Union Protocol. (*Laughter*)

The Speaker: Hon. Mulengani can you substantiate that?

Mr Mulengani: Mr Speaker, the existence of the armed forces on the Ugandan side is a result of the disarmament project that is going on in the country.

The Speaker: hon. Mulengani you were talking about trade between these two countries that is not in the Protocol. Can you clarify that? (Laughter)

Mr Mulengani: Mr Speaker, in Uganda trade involves exchange of either money or something else for goods. This particular trade my colleague is insinuating sounds like trade where you exchange goods without paying money. (*Laughter*)

The Speaker: Hon. Mulengani hon. Nakuleu did not say anything of that sort. Continue hon. Nakuleu. *(Laughter)*

Mr Nakuleu: Mr Speaker, I wish to thank you for giving my colleague hon. Mulengani, a direction upon which he should channel his argument. (*Laughter*)

Mr Speaker even if it is trade in commodity to commodity, it is still within the domain of trade. Even if it is money to commodity, it is still within the domain. Therefore, the kind of trade that our people from Kenya and Uganda are conducting is purely formal, as long as the two governments agree with what they are doing. (Applause and Interjection)

Mr Sebalu: Mr Speaker, my point of clarification from hon. Nakuleu regards his assertion that the presence of the UDPF guarding the borders and territorial integrity of Uganda is for purposes of serving as barrier to trade. The clarification I would like to seek from him is that how come that the presence of the UPDF is an issue only in that part of the country and not at the other borders of Uganda?

Furthermore, I just want to tell him that there is a saying that the guilty run away even when there is no one chasing them. (Laughter)

Mr Nakuleu: I wish to tell my hon. colleague, Mike Sebalu, that where he was born, in the kingdom of Buganda - (*Laughter*) - he may not have known the atrocities some of us who stay at the borders have faced. Most civilians have never shared with soldiers a plate. If they have shared from where he comes from, we have never shared with them in our place. (*Laughter*) Therefore, he may not be aware of the problems we are facing. I want to reveal to this House that my people from the other side have feared to cross over to Moroto because of the presence of the soldiers and, therefore, I am appealing that may be more policing should be done to enhance proper relationship between the two people.

Finally, hon. Speaker, I also wish to thank the United Republic of Tanzania for having naturalised the people from the Republic of Burundi who were there as refugees, but they are now free to participate in the economy and in the social sectors of the United Republic of Tanzania. (Applause)

With those few remarks, Mr Speaker, I beg to support the motion. (Applause)

Ms Safina Kwekwe (Kenya): Mr Speaker, I want to associate myself with the sentiments expressed on the floor of this House that this is a report well done. (Applause) I think that in the history of this Assembly, this is one of the most elaborate activities that the Assembly, through the Committee on Communications, Trade and Investments, has undertaken in terms of going through all those enumerated border posts. The issues that arose therefore are indeed pertinent issues. I want to associate myself with the comments made by hon. Nakuleu that trade is indeed a friendly activity. It is agreeing to buy and agreeing to sell, and when that is done in an intimidating environment then it is not free trade. I therefore urge this Assembly to probably address itself more vigorously on the issue of making sure that

trade is done in a conducive environment where the buyer and the seller are transacting on a friendly basis.

Mr Speaker, I want to congratulate hon. Monique Mukaruliza for the clarification that she gave, and to say that one of the issues, that has seized this Assembly for quite some time is the issue of having regulations on paper and not in practice.

Mr Speaker, the average applied tariffs rates within the region among the five Partner States range from 12 percent to 16 percent. For example, Kenya is 14.6 percent, but there are commodities, which are either special products or sensitive products, and which attract much higher rates than this average applied tariffs.

Mr Speaker, for example, regarding the 30 percent tariff charged on rice from outside Rwanda, I do not know whether they charge this tariff as a safeguard measure, or because they regard rice as a sensitive or special product in Rwanda. The point I am trying to bring to the floor of the House is that the approved tariff rates apply on all goods coming from outside the borders of a country. All Partner States charge tariffs, and I am happy that the EAC notified the WTO on the Customs Union in 2006, but there are situations where you will find Customs officials still attaching tariffs on sensitive products coming from within the region.

Mr Speaker, I think there is still more work to do, particularly on educating the Customs personnel at the borders. We need to be very clear on, for example if rice is a sensitive product, is it all rice coming through the borders of the EAC or is it only the rice coming from outside the borders of EAC. I am afraid that many Customs officials do not give that kind of differentiation for such products. There is still a lot to do, particularly to ensure that our customs officials understand the *Umoja wa Forodha* that we are in today. We are supposed to be a fully-fledged Customs Union by now. (Applause)

Mr Speaker, corruption is a disease that has been ailing us as region, and it is one of the cancers eating us up. If you go to the border posts, even those not mentioned in this report, there is a lot of trade going on across these borders, both formal and informal, but there is a lot to be desired. For example, at the Taveta- Holili post, there is the practice of offloading trucks for the physical inspection of the goods on the ground. Upon verification that they are legitimate and that the trader declared them correctly, then the officials give permission to reload. This is an archaic and inconvenient practice in this time and age of advanced technology.

Mr Speaker, just imagine the predicament of a trader who is obliged to offload his whole truck and then re-load it in a border post where there is no shelter or room to protect his merchandise from the vagaries of weather, for example rain, dust or sunshine! Let us pause for a moment and think of the costs incurred by such a trader, be they in time, damage to goods, money for off-loading and reloading!

Mr Speaker, our traders are facing these kinds of barriers, and they have told this to the Committee when it went around the border posts. Removing weighbridges could be one way of making trade within and across borders easier, but we also have to look, for example, at the possibility of electronic screening so that the traders do not have to offload and reload their goods at the border posts. (*Applause*)

Mr Speaker, I want to thank you and I support the motion. (Applause)

Ms Kate Kamba (Tanzania): Mr Speaker, I was one of the Members who toured the border posts, but I am no longer a member of the Committee. One thing that you will not read in this report is the way we travelled across the Partner States; it was very interesting.

We drove all the way from Bujumbura to Kigoma in one day, and while on the way, we kept looking at the different activities all over the region. Most of the roads were impassable, and we just thank God that all went well, but the good news was that the road from the border of Burundi, at Manyovu, to Kigoma is under construction. Therefore, very soon, it will also be tarmac. That is the good news. (Applause)

The different officials in the different border posts received us very well, and they really took good care of us throughout the region. We had a lot of talk about the Community, and as you know, when you are travelling in a group, you get to know each other better, and that is what happened to us also.

We also shared many ideas on how best to improve the ways of doing business in the region. We saw tourist attractions along these border posts and noted that there is a lot of trade and potential for investment in the tourist industry, although we did not mention this in the report. We took note of a businessman in Rwanda who is constructing five-start hotel and the many investors in projects and programs in Kigoma. Mr Speaker, what we saw during the tour will make you really feel that belonging to this East African family, there is a lot in it for all of us to benefit.

Mr Speaker, I know I am not the Chairperson of this Committee, but I would like to say that perhaps what is reported on page 8 may read better if we say, "We were informed that some cross border traders abuse..." because this is what was reported to us. Maybe the phrasing in the Report gives it another meaning, but the fact is that we were just given information. At this border post, we had some disagreements.

Regarding what hon. Minister Monique Mukaruliza said, I think we had a misunderstanding here. I remember hon. Mmari standing to say exactly what the Minister has said, that there was nothing of that sort with regard to rice. Maybe that is why it is reflected in the report. What the Minister has said is correct; there was a misunderstanding.

Mr Speaker, at the Rusumo border, we noted the small businesses carried out between the two borders, and rice was one of the commodities. We did visit a big go-down and we wondered why they were keeping a lot of rice there. Rusumu border is very tricky, because there is a big river and you have to use the bridge to cross it. I do not know how the traders cross it, but we thought that this was not fair to the people who trade in very simple commodities. So, I am so glad that the Minister has clarified this because what is reflected on page 11 is not the truth of the matter.

Mr Speaker, we need to inform the officials to stop misinterpreting the laws because they are also making it difficult for the traders. Officials not well informed on the rules of origin are a non-tariff barrier in a way. What does it entail; what is supposed to be charged, and what is not supposed to be taxed? All these things are supposed to be clear to whoever is at the border post. Ignorance of the law is no excuse.

Mr Speaker, everyone was complaining throughout the region about the weighbridges. The officials told us that the weighbridges are for the protection of the roads, but the roads that we saw did not reflect any protection at all. I do not know what is obtaining in Kenya and Tanzania in respect of the weighbridges, but to be in accord with Uganda, they should remove the weighbridges and put in place another mechanism of controlling the over-loading of trucks on the roads of East Africa. (Applause) The Ministers responsible for the EAC should find a way to harmonise all these things because, even if you remove the weighbridges in Uganda and yet there are still weighbridges in Kenya and in Tanzania, it does not really help those who are trading within the region very much. Therefore, I would really beg the ministers responsible for EAC to look into this. (Applause)

Mr Speaker, I am saying this because of the way the drivers are tempted to give bribes. For East Africans within the region to talk about good governance and yet when you travel in this region, you are stopped here and there and thus give bribes, I think it is high time we removed this scar in the region. (*Applause*)

With these few remarks, hon. Speaker, I beg to support the report.

The Speaker: Honourable Members, before I call upon the next speaker, I would like to say a few things.

Hon. Members have said a lot on the weighbridges, but I would like to remind Members of the tour Kenya that whole House went on. You will remember our visit the Mariakani weighbridge where we observed weighing of vehicles. You will remember that the officials there informed us that the weighbridge at Mariakani shows the weight of the truck at entrance so that there is no overloading of the vehicle. The second weighbridge is at the point of exit, which is at either Malaba or Busia, or any other point of exit. It is for checking the actual weight of the vehicle from the time it came in and at the time, it is leaving. Transit vehicles do not have to go through any other weighbridge in the Country. All the other weighbridges are for the trucks that move within the country.

Honourable Members, when we go on some of these tours, we learn many things, and it is good for us to use the knowledge that we acquire while on these tours to analyse such reports. We should not forget other related information and just look at the report. We should be able to bring such information into perspective when addressing such issues. Furthermore, you will find weighbridges are all over the world. All the developed countries have weighbridges. Perhaps the only thing is for us to look at the corruption associated with these weighbridges in our Partner States. Therefore, I think hon. Members should also look at other things that we have done instead of just looking at this report and forgetting the other capacities that we have built before.

There is also the issue of the visa on which the Minister gave his word. I think it would be good for Members to take his word. Yesterday he told us that Tanzania had

waived the entry visa charge for Burundians entering Tanzania, but I can see that some Members are still insisting for him to table it.

I would like to say that there is a document here addressed to the Secretary General of the EAC concerning the removal of visa charges for the people of the Republic of Burundi. (Applause) It is dated 31 March 2010, and it says, "Please refer to the above subject. We wish to bring to your attention that the United Republic of Tanzania has removed the visa charges for the people of the Republic of Burundi effective from 17 March 2010. The purpose of the letter is to inform and to request you to disseminate and inform the Partner States accordingly. We thank you for your continued cooperation"

There is also another letter, which I do not want to read because it was sent to all border posts to inform them of the same. Therefore, I think that instead of castigating the hon. Minister here, you should be asking why the Secretary General has not passed this information on. The hon. Minister has already done his job. (Applause)

Ms Dora Byamukama: Mr Speaker, I thank you for giving me this opportunity, and I would like to say from the onset that I never at any time doubted the Chairperson of the Council of Ministers, and, therefore, we are very honoured and glad to see that he has lived up to what he said.

Mr Speaker, I also want to take this opportunity to thank my colleagues for the kind words, and to say that it was really under the guidance and perseverance of the Speaker that we were able to continue to advocate for the Burundi people on the issue of the Tanzanian visa. I just want to make one small point on this that when we raised this issue initially - and I think this was after the third time of asking this question - there was an argument that this is a bi-lateral issue, but we choose to ignore that. I am glad that the East African spirit has prevailed. I hope it will continue to prevail even for other issues as well. (*Applause*)

Mr Speaker, I would like to commend the Committee on Communications, Trade and Investment for the work it has done in respect to the tour of the East African Community border posts. I am very proud to be a part of this House because this report illustrates a very important work, which will do us proud as an Assembly. (Applause)

I would also like to say that we are practical; we are not armed chair legislators. We travel in the same way that the majority of the East Africans travel and therefore we are willing to share, which makes us more people centred than ever before. (Applause)

Having said this, Mr Speaker, I want to say that as an Assembly, we need to support this Committee to go ahead and do some more work, especially in respect to the other ports not mentioned, like the airports and the lake ports. The Committee may have looked at the border posts, but it did not look at the airports and the lake ports. As we have noted before, these also need some vigilance on our part, especially in view of the fact that at the Kilimanjaro Airport in Arusha, for example, East Africans are asked to produce yellow fever certificates – (Interjection) - and smallpox certificate, for hon. Dr Masha. (Laughter)

Mr Speaker, this report has highlighted several points, which this plenary has discussed at length, so permit me to only highlight some of these points. For example, the issue of the time difference has been brought up yet again, and I would like to request for this question on the order paper next time so that we get a substantive answer since it has been raised repeatedly.

On page 11, the issue of energy has been raised, but there is a substantive question coming on this, so, we look forward to hearing more about it. Some cardinal issues have been raised in the report, such as the need to adopt e-commerce, the need to harmonise the regulatory frameworks. The Committee has also clearly highlighted some areas in which the Council of Ministers needs to bring legislation to this Assembly, and these include the insurance industry, quality assurance, which to some extent has been worked on, untimely monopolies, counterfeit, and, competition, amongst others. Therefore, our work is clearly cut out, and I would humbly urge the Council of Ministers to bring legislation to ensure that we address these issues.

Mr Speaker, I would like to conclude by noting one particular issue, which perturbs me every time we meet, and this is the issue of lack of awareness, especially on what goes on within the EALA. I would like to urge the Council of Ministers and this August House to ensure that the public gets to know what we do. Therefore, I would like to propose that this report, especially, given its importance and practical realities, should be published in the newspapers of the respective Partner States as well as in the regional papers.

Mr Speaker, in the same vein, I would like to urge for more funding, especially in respect to the issue of live coverage, because as we debate now and as we celebrate with the people of Burundi on the lifting of the visa fees, most East Africans are not aware of what we are doing. Therefore, the issue of awareness, which the Committee highlighted on page 17 of the Report, needs to be taken further so that we can reach the people for them to appreciate us because indeed our work is commendable.

Finally, Mr Speaker, I would like to thank you for the opportunity and request that the Committee follows up on the recommendations by way of questions and motions, because as we have witnessed in this plenary, we can get results through such procedures. I thank you and I beg to support. (*Applause*)

The Ministers EAC Affairs, Kenya (Mr Jaffah Amason Kingi)(Ex-Officio): I thank you Mr Speaker, for giving me this opportunity, which I will utilise to make very brief remarks, and brief because much of what I wanted to contribute on has been covered by the previous speakers.

Mr Speaker, from the onset, I beg you to allow me to applaud the good work by these great sons and daughters of this region. (Applause) We should not just come up with the institutions but the need to interrogate them to get to know whether they are working is very important, because then we will be able to know whether we are making progress or not. Therefore, this tour was warranted, and, indeed, it came at a time when we needed to know, as a region, whether the Customs Union is indeed flowing as intended, or whether there are any hiccups. That is why I applaud this great work by this Committee. (Applause)

Mr Speaker, I will straight away go to page 7, where examples have been given that between Mombasa and Malaba, we have seven weighbridges. I want to believe that this is a typing error, but if it is the truth, then I want to give a very firm undertaking as the Minister of EAC from the Republic of Kenya that I will take up this matter. (Applause) We have some forums where we always discuss non-tariff barriers in Kenya. One of them is the Prime Ministers' Round Table, which takes place every month, and the other one is a meeting of the National Committees on non-tariff barriers, which is present in all the five Partner States. Therefore, I intend to take up this matter before these two forums.

I believe that if we have seven, then we should be able to move with speed to reduce them to two, because in the last meeting that we had with the Prime Minister, we did resolve to have only two. As you have already explained, one was to be in Mariakani and the other one was supposed to be at the point of exit. That was the directive given by the office of the Prime Minister to the relevant government departments in the Republic of Kenya. However, if that directive has not yet been implemented, then we certainly need to tighten the noose to make sure that directive is implemented.

Mr Speaker, hon. Byamukama has spoken on the need to get the East Africans to know what we are doing at the regional level. The biggest irony of this whole process is that there is so much that is happening at the regional level and yet there is very little that is known at the grassroots level.

If you look at the Customs Union and the Common Market in particular, the kind of benefits that accrue with these two Protocols actually are not so limited to say that it is only the elite who can take advantage of these Protocols. If you look at the kind of benefits that actually flow from these Protocols, you will find that the target person is the very person at the grassroots level, but these people are not aware of the very good instruments that we are creating at the regional level. Therefore, there is a need to create awareness.

The last time we met in Arusha as the Council of Ministers, we emphasised the need for the Secretariat to come up with a regional sensitisation programme. Mr Speaker, at the national level, the Ministers in charge of EAC do undertake rigorous exercises to create awareness. I am happy to report to you that in the Republic of Kenya, we have a very elaborate sensitisation programme that I did roll out. (Applause) As I speak, my officers are all over Kenya trying to spread this wonderful gospel.

Our first target is the Customs people at the border posts, because these are the people who actually come into contact with the traders to do cross border trade. If we give a directive at the regional level and the customs official is not aware of that directive, then they will keep on applying the directives given to them by their respective ministries. That is why we have deliberately decided to start with the Customs officials based at the border posts so that they can ease the flow of trade.

The lack of knowledge of these officials on the regional policies in itself is a non-tariff barrier. It actually impedes and at times denies the seamless flow of trade. Therefore, as Kenya, we have undertaken an extremely expensive exercise that we

hope to conclude before the common market comes into effect by the 1st of July this Year. (*Interjection*)

Ms Byamukama: I thank the hon. Minister for allowing me to interject. I would like to find out from the hon. Minister whether Members of EALA are involved in this in this extensive programme of spreading the good gospel to Kenyans and beyond. Thank you.

Mr Kingi: Mr Speaker, I would like to assure this House that the Members of EALA, Kenya Chapter are part of this cause. *(Applause)* I remember that when I was launching my communication strategy, they were part of team. We even had a meeting in my office, where we agreed that we will give them our timetable as a ministry so that they can synchronise it with their time table at the EALA level so that they do not miss out in these meetings. *(Applause)* Therefore, I want to assure the hon. Byamukama that indeed we cannot do without EALA, as a country. *(Applause)*

Mr Speaker, another issue that hon. Byamukama has raised is the issue of time. In this report, it is indicated that it is an administrative issue, but I think the time has come for us to make a very deliberate choice. I think it is the right time for the Republic of Rwanda and the Republic of Burundi to reconsider aligning their time with the three original Members of the EAC. (Applause)

This will actually take care of such incidences as witnessed by the Committee at the Manyovu border post between Burundi and Tanzania, where the border closes at 5 p.m. on the Tanzania side while on the Burundi side it is 4 o'clock. The effect of this is that while on one side people are closing their offices to go home, on the other side are people with one hour to close their offices. I think this is something on which we should put our heads together and see how best we can adjust our times so that we can belong to one time zone as a region. (*Applause*)

Mr Speaker, with those few remarks, allow me to say kudos! (Applause)

Mr Straton Ndikuryayo (Rwanda): Thank you Mr Speaker for the opportunity to contribute to this motion. I would like to contribute on two very important issues. One is on the revenue collection systems, which are not harmonised.

This report has mentioned the different software used in our Partner States, namely ASYCUDA++ used in Rwanda, RADEX in Uganda, and SIMBA used in Kenya. Mr Speaker, all these software have both positive and negative attributes, and what we need here is either to have the same software used in all our border posts for collecting revenue, or to create interface between the different systems, such that if, for example, you are logged onto ASYCUDA++ in Rwanda, you can retrieve information from RADEX in Uganda or SIMBA from Kenya. I think this can have a very positive effect on our region for it will reduce the time spent at our border posts. It will facilitate trade and increase revenues.

The second issue is about recommendation number four of the report on page 16, on insurance. The issue of insurance is not easy for us. For example, I have a car, which has United Republic of Tanzania number plates. I have insurance from Tanzania but that insurance cannot cover me when I am in Rwanda. When I was at the border post

of Gatuna, I saw many trucks from Uganda using insurance from COMESA because that insurance can cover most countries in the region. However, Mr Speaker, not all our Partner States are members of COMESA. Therefore, we need to have insurance that can cover our properties, especially cars or other goods, across the region - (Applause) - so that when you get insurance from Tanzania, you are covered in all the Partner States. I thank you, and I beg to support the motion. (Applause)

Mr Mike Sebalu (Uganda): Thank you very much Mr Speaker, I would like to start my few comments by thanking the Chairperson of the Council of Ministers for having made good that promise, which has been outstanding, to ensure that those inconveniences of some part of East Africa are done away with. Bravo, Mr Chairperson Council of Ministers! *(Applause)* Mr Speaker, I just want to make interventions on two areas.

Dr. Masha commented on the expertise of the members of the Committee on matters of rice. (Laughter) Mr Speaker, I can only say that perhaps the Committee's level of expertise could only be at the level of eating, and not beyond that - (Laughter). Nevertheless, I think what the Committee was highlighting - and for which we should not discourage the Committee — is that when we go out there, the most important thing is for us to capture all the emerging issues as raised by the East Africans we interact with. (Applause) And this is something that we as an Assembly should actually emphasise. I think we owe it to the East Africans to pick their ideas from out there, and then bring them to the House for purposes of getting substantive explanations from the Council of Ministers, using their technical arms of the Partner States. The explanations that we get from the ministers are very useful for us as a legislative Assembly because when we go back for interaction with the people, we have feedback that is authoritative and informative.

Therefore, in my view, the Committee did not do any harm to raise these issues because they came up as they interfaced with the East Africans, and we need to capture them and own them as the people's views, so that we can get feedback for them at the end of the day. Since we represent them, we should never shy away from exposing the issues as they come to our knowledge as we do our work. Therefore, to me the Committee was spot-on, and it is good that we got some good answers to some of the issues. What we need to do now is to look at the mechanism of feedback, so that the people appreciate what has come out of it.

Mr Speaker, my final comment is about the cross border issues mentioned in recommendation number two of the report on page 16. This is a very serious recommendation, especially since it is in respect of customs and immigration officials. I think there is a need for a mechanism for informing these officials, like joint training by the EAC Secretariat, so that once information is sent out from the regional level, the Partner States do not have the option of selective implementation, causing disparities in terms of implementation at the Partner State level. We have been having many complaints from honourable Members regarding the conduct of the immigration officials.

Mr Speaker, you will recall that the other day the Chairperson of the Council did register a serious reservation about immigration officials acting on media reports. These are the kinds of disparities that we should avoid. Is there a way for the Council of Ministers and the Secretariat, once they agree on a position for implementation, to

ensure that they bring the concerned officials on board at the same time? We could do this either by way of communication, training or even by bringing them together to share this information with them! This would ensure a more coordinated and a more focused implementation, and then we would not get disparities and disconnects in terms of implementation!

Mr Speaker, I wish to end by supporting the motion to adopt the Report of the Committee. The issues raised are very important, and we need to make serious follow-up on them because they have an impact on the benefits of integration, as the people of the East African Community should enjoy them.

Mr Speaker, I thank you for the opportunity. (Applause)

Ms Lydia Wanyoto (Uganda): Mr Speaker, I thank you for the opportunity to make comments on this report. I am a member of this Committee, and I just have one issue, which is in relation to recommendation number one.

I want to make a passionate appeal to the ministries for the EAC in our countries regarding the issue of dissemination of information. I have attended at least two meetings called by the Ministry for EAC Affairs of Uganda - and I would like to congratulate and thank hon. Eriya Kategaya for always inviting the EALA Members from Uganda to participate in such activities in Uganda. (Applause) However, my comment on this particular issue is about the modus operandi of the communication strategy that we have put in place. Can we have a tool in our strategies that includes periodic feedback? The reason I am raising this matter is that in my own opinion, and from what I saw when we went around the region, there is lack of ownership of the integration process by our people.

Mr Speaker, when you go for these meetings, the EAC officials and other Members, like me, seat like where the Speaker is, on the high table, and then the other people who come for the meetings seat on a different side, like an audience. You present your paper, they respond, and you go. Another six months, and then the EAC officials go back! Can we have a tool that provides for feedback without us having to go to them for regional meetings or border meetings? I was asking myself when we were going around that, supposing we had not gone to these border posts, what would happen? Imagine the wealth of information that we came across, so many challenges. People are just seated at the border posts keeping quiet! Therefore, if we do not go, we may never get these important pieces of information!

I would like to make an appeal in regard to this recommendation, that we should have a tool for creating periodic feedback so that there is ownership and vigilance from the traders and the business community, vis-à-vis the technical systems in the ministries and at the regional level. That is very important to me. Otherwise, the communication systems in our Partner States are there but my thinking about this is that it is still EALA/EAC at the regional level. They sit, wait and tell you. If you do not go, then you will not know what is happening in the Community.

I would really like to urge our ministries to fund periodic meetings. Hon. Kingi talked about the Prime Minister's Round Table. Can we have a roundtable agenda to get,

periodically, specific feedback from what is happening in the business community other than at the border posts?

Finally, Mr. Speaker, we need to document informal trade. Hon. Nakuleu raised an issue on this, but on a serious note, in terms of the customs union, it is very critical. We should document and have an audit of what informal trade means in terms of the Customs Union

I come from near the Rwakaka border, and there is a lot of trade that goes on there but there is no infrastructure to document it. The people just keep criss-crossing the border every day. I think we need to have a serious audit of the informal trade with the hope of forming an affirmative action for the small business people in the Community - (Applause). I thank you Mr Speaker. (Applause)

The Minister for East African Cooperation and Chairperson, EAC Council of Ministers (Dr. Diodorus Kamala): Thank you Mr Speaker, for giving me this opportunity. Let me start by congratulating the Members of the Committee on Communications, Trade and Investment for presenting this very good report. I thank you so much. (Applause) I have a few comments.

Sensitisation is a very key issue, and not only on the Common Market, but for the whole integration agenda. I do congratulate Kenya for having established a very good communication strategy - (Applause). We have agreed that all the Partner States will borrow a leaf from the Kenyan communication strategy. (Applause) I would also like to say that for the Republic of Tanzania, we have started the sensitisation programme, and one of the key decisions is to go as far as the village level. We have already started working with the local governments. We started by undertaking a seminar with the Municipal and district directors to forge the collaboration on how better we can take this knowledge of integration to the grassroots people. (Applause)

I would also like to talk very briefly on the importance of evaluation of the Customs Union. The Protocol that establishes the Customs Union directs us to undertake the evaluation after five years so that we can establish the successes, the challenges, and to review the common external tariffs.

Currently the common external tariff is three-band, zero per cent on raw materials, 10 percent on intermediate products, and 25 percent on finished products. We are supposed to review it. A consultant undertook the evaluation of the Customs Union, and a workshop was held in Arusha to review the evaluation. Personally, I did not call it an evaluation because if you read it, you cannot clearly establish whether the Customs Union has been a success or a failure. I think we made a serious mistake, because after launching the Customs Union, we did not put in place a monitoring mechanism.

Mr Speaker, you cannot undertake an evaluation if you do not have a monitoring mechanism. If you do not monitor and then after 10 years you pretend to do an evaluation, you will be cheating yourself.

When you look at the report of the consultants, somewhere they tell you that at a certain border post there are five immigration staff, and in the next border post, there are three. So, their report on that border post is only on the number of immigration officials there, which I think is irrelevant. The most important thing is to measure the process of people passing from one border to the other. That is, the time taken by the people to cross the border. If you say at a certain border it takes ten seconds to cross while at another it takes twenty minutes, then you can conclude whether there is efficiency. Therefore, I would like to urge that before we start the implementation of the Common Market, we must make sure a monitoring system is in place for monitoring the performance of the Common Market. (Applause)

We must also have a strategy for implementing the Common Market. It does not make sense for us to say that the Common Market has been ratified and we are now starting the implementation when we do not have a strategy for the implementation. After 10 or twenty years, we can begin the evaluation process but you cannot evaluate without a monitoring mechanism. (Applause) Mr Speaker I would like to emphasise this issue, and to ask the Partner States to look into it.

On the evaluation of the Customs Union, we have circulated this to the Partner States. We are looking forward to the Council of Ministers pronouncing itself on it, and let me promise to this August House that I am going to request the Secretariat to make it part of the report of the Customs Union, so that we can make a decision on this report. (Applause)

There has been a tendency of making decisions in workshops. If you make a decision in a workshop, it is like a talk show, but if you make a decision, for example in this House, it is legally binding. (Applause)

Conducting workshops in which you cannot make any decisions is wastage of money and time to. That is why we decided that the workshop held in Arusha on the Customs Union was not enough. We have asked all the Partner States to comment on the report of that workshop, and then the senior officials, the permanent secretaries and the ministers will look at the report so that we can make decisions and move forward.

Mr Speaker, there will be a business Summit, which will look into these issues, particularly the issue of the non-tariff barriers. In Tanzania, we are going to put in place what we call the logo position tracking system, so that instead of having weighbridges and customs check points, we will have this global effective logo system. Fortunately, Japan has promised to help EAC and finance the software infrastructure. Therefore, I am going to ask the Secretariat to prepare a programme for us to address the NTBs.

Mr Speaker, with this software, for example, you do not have to have physical weighbridges. The driver does not even have to stop unless he has excess tonnage. I think we should aim towards this new technology.

Mr Speaker, let me end by thanking the Committee for a job well done, and let me promise that the Committee's recommendations will be part of the deliberations of the Council of Ministers to make the Customs Union better, and to make the forthcoming Common Market a better one. (*Applause*)

With those few remarks, thank you for your kind attention.

Mr Reuben Onserio Oyondi (Kenya): Thank you very much Mr Speaker, I want to take this opportunity, first to thank the former Chairperson of this Committee, hon. Catherine Kimura. (Applause) She did a wonderful job, and it is good for us to tell somebody now rather than waiting to say it outside there. Sometimes we men are jealous and we do not tell the truth. Sometimes we tell our wives that they are good only in the bedroom, but not where the children can hear that their father and mother love each other. Therefore, I want to tell hon. Catherine Kimura that she did a wonderful job. (Applause) Actually, there is also another lady here, hon. Lydia Wanyoto, but that will come when we talk about her Committee. (Laughter)

Mr Speaker, 17 honourable Members, including five ministers, have contributed to this report. I thank them all. (*Applause*)

Honourable members raised some issues about the weighbridges, and Dr Masha has complained that we did not have the capacity to differentiate between the Pakistan and Tanzanian rice. (*Laughter*) However, I want to inform the hon. Masha that for some of these things we have to rely on the people on the spot. We could not have taken the experts from here with us to advise us on these things.

There was also the argument that we took up the recommendations of the stakeholders. If you want us to be sincere, if somebody comes up with a very good issue, do you discard it and say it came from the stakeholders and therefore I should not own it? No! We said this came from so and so but we own it, and that is why we put it there. (Applause)

Mr Speaker, I am not sure whether hon. Nakuleu wants us to build a Berlin wall to stop people from passing across the border. That is why we have the word "thief" in English. It means that somebody is stealing from you when you are not aware. (*Laughter*) Those are thieves! (*Laughter*) They should stop, and that is why we want to charge our leaders with the responsibility of saying: "do not steal". It is unbiblical. (*Laughter*) Do not steal...rather than building a Berlin wall. (*Laughter*)

Finally, Mr Speaker, to the Chairperson of the Council of Ministers, I want to say that we know Tanzania is going into elections. We want to wish him well. (*Laughter*) Dr. Kamala, we pray you win your elections and come back here. (*Applause*) Therefore, we want to pray for you. We love the work you have done, and when you pray, pray on your knees, do not pray while walking. (*Laughter*)

Mr Speaker, I want to commend all those who have spoken, and I beg to move.

(Question put and agreed)

MOTION

FOR THE CONSIDERATION AND ADOPTION OF THE REPORT OF THE INTER-PARLIAMENTARY RELATIONS SEMINAR

The Chairperson of the Committee on Regional Affairs and Conflict resolution (Mr Abdul Karim Harelimana): Mr Speaker, I beg to move that the report of the Inter-Parliamentary Relations (Nanyuki V) Seminar be adopted.

Dr F. Lwanyantika Masha: Seconded.

Mr Harelimana: Mr Speaker, before I present the report on the Nanyuki V seminar which took place in Bujumbura, I would like to first thank the Members of the subcommittee which the hon. Speaker appointed to review the report of the consultant. Small as the sub-committee was, it did a very great job, and that is why I thank them. They are hon. Margaret Nantongo Zziwa; hon. Pierre Damien Habumuremyi; hon. Dr. Lwanyatika Masha; hon. Christopher Nakuleu; and hon. Fredric Ngenzebuhoro – (Applause)

Mr Speaker, I also take this opportunity to thank all the Members of the Committee on Regional Affairs and Conflict Resolution for going through the report compiled by the sub-committee. And, hon. Speaker, I want to thank you for the facilitation of their work.

The report that I laid on the Table last week has 150 pages, but working under the advice of my Committee, we made a summary, which will take seven to nine Minutes.

Mr. Speaker, in 14 April 2010, the Committee on Regional Affairs and Conflict Resolution met to consider the Report of the Fifth Nanyuki Seminar held in Bujumbura, Burundi, from 27th to 31st January, 2010 on the theme: " *The East African Common Market:- Prospects, Challenges and Opportunities.*"

The overall objective of the Nanyuki Series is to strengthen the functional relationship between EALA and National Assemblies, and the specific objective of Nanyuki V was to discuss the provisions of the EAC Common Market Protocol, particularly, its prospects, challenges and opportunities.

Mr. Speaker, after this two and a half-day seminar the following outcomes were registered:

- 1. The seminar participants' knowledge about EAC and its organs, including EALA and its operations of the Seminar participants was enhanced;
- 2. The Seminar participants were able to acquire better understanding of the critical aspects of the Common Market Protocol;
- 3. The Seminar participants appreciated the need for a Common Market, and proposed for the provision of the necessary legislative facilitation that will be required; and,
- 4. The Seminar participants demonstrated high level of cooperation for the common good of East Africa.

Mr. Speaker, the President of the Republic of Burundi, His Excellency Pierre Nkurunziza, officially opened the seminar. He is the second Head of State to officiate at the seminars since it was instituted. (Applause)

One hundred and thirty five participants attended the seminar from: the EALA, the relevant committees of the national parliaments of the EAC Partner States; Members from EAC Secretariat, as well as a few invited guests from other institutions.

Highlights of the Opening Session

Mr. Speaker, the opening ceremony was presided over by the Speaker of the EALA, Hon. Abdirahin Abdi, who welcomed the guest of honour, His Excellency President Pierre Nkurunziza and other important dignitaries. The speaker of EALA introduced His Excellency President Pierre Nkurunziza. He expressed great gratitude to His Excellency for officially opening the seminar. He went on to give a short history of the Nanyuki series of seminars, and its critical importance in promoting interparliamentary relations.

He noted that the issues for discussion during the seminar were largely informed by developments in the EAC. Views, ideas and opinions were to be sought from MPs of EAC Partner States, and from the EALA.

In his opening statement, the President of the Republic of Burundi, H.E. Pierre Nkurunziza thanked God for allowing such an important Seminar for the EAC to take place in Bujumbura. He noted that for him it was a moment of great joy and legitimate pride to be before the August Assembly of honourable Members from the four corners of the EAC, and to participate in the East African Inter-Parliamentary Relations seminar on the theme "The Protocol for the Establishment of the East African Community Common Market: Prospects, Challenges and Opportunities."

He congratulated EALA and the Speaker for having thought of organizing the Nanyuki series of seminars, and for the choice of the current topic, as EAC embarks on the second phase of integration. He concluded his opening speech by wishing the seminar plenty of success.

Substantive Presentations

Mr. Speaker, during the two and a half-day seminar, there were fourteen presentations on, among others, the following topics:

- 1. An overview of EALA through its six standing committees;
- 2. A critical overview of the EAC Common Market Protocol: the necessity, the benefits, the implementation modalities and the critical determinants for making the EAC Common Market achieve its objectives;
- 3. An overview of the East African Community: insights on the way forward on amendments to the Treaty and legal issues involved in the operationalisation of the Common Market;

- 4. An overview of EAC's programmatic direction with specific reference to the 2010 integration agenda;
- 5. East African Community agenda in the productive and social sector; EAC state of play in peace and security, governance, anti-corruption and political federation;
- 6. An overview of the Directorate of Trade;
- 7. The Common Market Protocol: unpacking the key discussions, and outlining the operational challenges;
- 8. The Role of the East African Court of Justice in the Realization of the Common Market and the Customs Union

Group Presentations

Mr. Speaker, the Seminar constituted itself into working groups under the four themes, and came up with the following recommendations, which the Seminar adopted: -

- 1. Proposed measures for facilitating effective partnership between EALA and National Parliaments/Assemblies to promote and popularize EAC Integration as a People-Driven Process (PDP). To achieve this there is need for:
- Regular interface between the EALA and the national parliaments
- A communication/information mechanism between EALA and the national parliaments
- Sensitization of the decision makers first (political and executive)
- EALA to regularly brief the national parliaments and have joint platforms
- Developing an action plan on the agenda through Committees on a periodic basis
- Each Assembly to facilitate sensitization and to involve EALA/national parliaments
- A monthly report to national parliaments by EAC Ministers
- Popularising the use of Kiswahili in meetings and for sensitization
- Establishing and operationalising a reporting mechanism between EALA and the national parliaments
- 2. Proposed measures for improving EAC institutional linkages and communication to enhance coordinated and harmonized decision making on EAC matters. To achieve this there is need to:
- Amend the Treaty to fill the gaps unforeseen at the time the Community was established
- Institutionalize the address of the Chairperson of the Summit of the EAC Heads of State to EALA, and other measures proposed to sensitize the Community.

Conclusion

Mr. Speaker, I want to conclude by saying that the Fifth Nanyuki Seminar held in Bujumbura, Burundi, from 27th to 31st January, 2010 on the theme :"The East African Common Market: Prospects, Challenges and Opportunities," proved to be very useful in showing that there are some notable achievements in the integration agenda, although certain impediments and challenges hamper its progress. It is my humble submission that all stakeholders have a vital part to play towards addressing the challenges stated in our report to ensure that the fully-fledged Common Market becomes a reality.

Mr. Speaker, I want to take this opportunity to thank Members of EALA in general, and Members of the Committee on Regional Affairs and Conflict Resolution in particular, the MPs from the national parliaments of the Partner States, as well as the Staff of EALA for making this report a reality. I will not be doing justice if I do not extend my gratitude to the Government of the Republic of Burundi and the Parliament of Burundi for hosting this important seminar, and AWEPA who funded this activity. (Applause)

Mr. Speaker, I beg to submit the report of the Fifth Nanyuki Seminar, held from 27th to 31st January 2010 in Bujumbura, Burundi, for deliberations and adoption. I beg to move. (Applause)

(Question proposed)

Ms Dora Byamukama (Uganda): Mr Speaker, I want to thank you for giving me this opportunity, and to thank the Committee for this excellent work. I have read the report and I fully support what it says, but I have three comments to make. The first is on a structural issue.

If you look through the report, you will find that page 91 is an annex, which is the Bujumbura Communiqué. I have issues with this because this communiqué was resolved upon formally by the gathering in Bujumbura. We adopted it formally during a session chaired by the hon. Speaker. Therefore, I would like to propose that instead of making the Bujumbura Communiqué an annex, it should stand as a substantive part of the report.

Secondly, I would like to propose that we publish this report so that we can easily disseminate the information therein to the national assemblies as well as to the development partners who support us.

Finally, Mr Speaker, I note that the report has missed out a very critical aspect of what transpired, and this is the vote of thanks. I do not understand why it is not in the report. I think it was substantive and it should therefore be captured. I thank you.

The Speaker: What interests do you have in the vote of thanks, hon. Byamukama? (*Laughter*)

Ms Byamukama: Mr Speaker, this really about being consistent in reporting what transpired. The report covered verbatim and consequentially in a concurrent manner

the events that transpired, but chooses to miss out this particular function, which I think was carried out in an excellent manner. I thank you. (Laughter)

Dr F. Lwanyantika Masha: Mr Speaker, I stand to support the motion, and to thank you for having included me in that little group, read out by the Chairperson, of the sub-committee that put together this report. I say "put together" even though there was a draft by the consultant who, indeed having a lot of work...and it is a credit to all of us, particularly my colleagues. I thank the Chairperson of the Committee because we were able to come up with a report as you see it.

Mr Speaker, we are getting close to the heart of integration. I realise that political matters seem to have precedence over the other matters in international discourse, but in line with what the Treaty provides for in Article 5, this is the heart of the meat of the integration, so it is good for all of us to internalise the information in here as we spread the gospel. This is part of the main gospel. Many of the elements of the Customs Union are part of the Common Market Protocol, and this seminar was essentially on the Common Market and its eventual realisation.

Mr Speaker, allow me two or three minutes to urge those who may be put off by the size of this report to put it in the shelves instead of reading it, that they should not worry so much about it. I want to ask hon. Members at least to look at three areas for detailed study, and to internalise what is in here, and what is coming for the people of East Africa. It will help to provide us with some of the answers that we can give to the people as we move around, on what the Common Market is all about, and what elements it has.

Mr Speaker, I wish to appeal to Members to look at pages 64 to 70 of the report, which deals with unpacking the Common Market, and I give credit to the officer who made that presentation, Mr Daudi Sajjabi. I think he made an excellent presentation regarding the details and elements of what the Common Market is all about, and what free movement of persons is all about. Now, we can move all over come 1st July, but in this segment we see the details of which country has accepted free movement of goods and services and free movement of capital. I urge hon. Members, without going into the details of this segment, to look at that presentation.

The other thing that I would urge the Members to look at is the communiqué, which hon. Harelimana referred to. It contains a lot of information, which it appears was an agreement. "Communiqué" is French for "agreement" but it formalises such as agreement. In this communiqué, I have not seen the signatures, but I assume that all the leaders signed on this communiqué. It provides a lot regarding the extent to which the five Partner States are willing to go, and what remains.

Mr Speaker, I want to point one or two things on the challenges contained in the communiqué. One is to implore the Partner States to cede some sovereignty to the Community, and particularly, not to pursue independent economic and political policies as we go into the Common Market. This is very important. (*Applause*)

There is cause for institutional reforms, to be able to administer the Common Market, and I am glad to read -and you will see this in the report- that the Council of Ministers has committed itself to undertake this process. Mr Speaker, the Organs of the

Community are required to undertake a number of measures to implement the central pillars of the integration process. Either the Secretariat or the EALA has been requested to sensitise the decision makers, which include the politicians and the executives. We also noted in the previous report the need to sensitise the people on what is going on for them to know the details of the process of integration so that they can own it, and tell the rest of the people what is coming.

Mr Speaker, I hope I will not sound mischievous to quote a paragraph in the communiqué. Participants, including the ministers who were there, signed on where it is asking them to be fulltime in Arusha to offer political leadership in the integration process. I know that there have been some requests to transform the Council of Ministers into a kind of a political arm to supervise the process of integration in the region. Therefore, we hope some of these things, which are called for in the communiqué, will be taken seriously, including this one, asking the ministers to supervise the integration process fully. I hope that proper recommendations will be taken to the Summit. The institutional reform should include a call for the expanded jurisdiction of the Court. (Applause) In addition, in the communiqué, there is an element of alternative financing of the Community. I have been hearing about this since I came into the East African Legislative Assembly.

Mr Speaker, these are serious matters, which are contained in this report, and I do hope that the follow-up will be equally serious. For example, in one of the conclusions, there is a call to set up a mechanism to follow up the decisions of these Nanyuki seminars. I hope such a mechanism will be established. Unfortunately, the way that sentence is phrased does not give a specific role to any particular body. It just states that EALA, national assemblies, and the other organs to follow up. I wish it had been very specific. I would therefore like to request the Council to set up a mechanism to follow up on the recommendations and decisions taken at the Nanyuki V seminar, as well as the previous seminars.

Let me conclude with the commitment of the Chairperson of the Council of Ministers to have an indicative budget for implementing the...I think that the Committee one was that there would be a draft from the Secretariat some time in April, and that institutional reforms would be undertaken, and that the report would be made available. However, on his part the Minister said that the Council would take a decision in that direction by this month.

Mr Speaker, these are very serious matters, which if implemented will take us a long way into the integration process, and ultimately we will be able to move to the next stages of the monetary union, and then political federation.

Finally, Mr Speaker, I want to say that it was a pleasure for me to participate in the seminar, and a pleasure to be a part of the group that put together this report. I support the motion. *(Applause)*

Ms Odette Nyiramilimo (Rwanda): Mr Speaker, I would like to say to you, to the Members, and to the Council of Ministers that we as EALA, Rwanda Chapter and all the Rwandans greatly appreciate the support, you gave to us on the seventh of this month. *(Applause)* How you showed your sorrow for what happened to Rwanda, and

the discussion we had on the genocide of Tutsi, and the interest you showed was a talking sign for all us. (Applause)

Mr Speaker, I am a member of this Committee, and I support the report. I want to comment on the Nanyuki seminars generally. I think this series of seminars, which takes place once a year is the best network between the EALA and the national parliaments, considering the number of participants. All the EALA Members participate, but the national parliaments send smaller delegations. I think in this particular one, only five Members represented each Parliament. I think this Interaction is not sufficient. If you want to strengthen the process of the integration of the Community, we need a better way of communicating and interacting more frequently with the national parliaments.

Yesterday, when some of us were discussing the organisation of the Nanyuki seminars with a consultant from AWEPA, we came up with the thinking that perhaps every time EALA meets in a country we could have a few hours of interaction with all the members of the national parliament, so that each Parliament can report to the other, for instance on which Bills we are debating on the integration process and those that have been passed. (Applause)

Mr Speaker, I would like to ask you, and may be the Members of the House Business Committee, to discuss that matter and consider the best way to communicate with the national parliaments.

Secondly, in the conclusion of this Nanyuki V Seminar, it was said that the Annex on the establishment of the Common Market was not yet negotiated. We would like the Council of Ministers to consider all the annexes, and follow up on their negotiation. If we are going to have the Common Market start operating on first of July, which is very soon, I think these annexes should already be finalised by now.

Mr Speaker, I would also like to ask the Council of Ministers to brief us on the laws and regulations in the Partner States enforcing implementation of the Common Market if possible.

I thank you Mr Speaker, sir. (Applause)

The Minister for East African Community Affairs, Kenya (Mr Jaffah Amason Kingi): Thank you Mr Speaker, for yet another opportunity to contribute to this motion. Let me take it from where hon. Odette Nyiramilimo has just ended. I want to move to page 87 of the report.

Mr Speaker, on page 87, paragraph 6.7 gives the obligations that Partners States must undertake or discharge in as far as the Common Market is concerned, and it gives the timeline for discharging these duties, and I would like to report on the steps that the Republic of Kenya has taken. In the Republic of Kenya, we have constituted a committee of experts, which we have called the task force. The primary mandate of this task force is to audit the provisions of the Common Market Protocol with a view of advising my ministry on the relevant areas of the law that require amendment so that it is in harmony with the Common Market Protocol. Secondly, to see if there is a

need for us to pass new regulation to cushion the provisions of the Common Market, which will be undertaken after, we get the report.

Mr Speaker, we expect the task force to give us its report by the end of this month, or latest by the 10^{th} of June so that we can transmit the report to the office of the Auditor General for the necessary work. So, what I wanted to report is that as the Republic of Kenya, we have already embarked on this exercise, and, hopefully, we should be able to have a report by the end this month.

Mr Speaker, we do have a timeline within which we are working, but looking at the amount of work that the Partner States have and the duties that have to be discharged, we are trying our best. But from what we have seen so far, we are certain to go beyond these timelines. I expected to receive the report from the task force by the middle of this month but that was not possible, and we had to extend their mandate to either end of this month or may be early next month. And should that happen, I hope we will be understood in that light.

Mr Speaker, there is also another issue that I wanted to highlight, which is the amendment of the Treaty. We have always talked about this subject. At times, we have found ourselves with a Treaty that is so rigid, and decision-making has become almost impossible. I believe time is right for us to actually come together and get to know what we want to amend in the Treaty.

Mr Speaker, for me I would zero on the issues of quorum, and decision making for the Community. As you have realised, sometimes it is extremely difficult to have the Partner States attend a certain meeting. In such a situation, you realise that no decision can be taken until the report is deliberated on and taken to the Partner States for their input, and ratification later on. Therefore, as we think of amending the Treaty, I believe the things we need to look at are these, like how we can expedite decision making at the Community, because to me this one of the biggest bottlenecks for the decision making of this Community. (Applause)

Mr Speaker, I remember that during one a Summit Meeting here in Kigali, President Museveni emphasised the need to amend the Treaty purposely in that regard because decision-making was becoming rigid or frustrating because of the definition of quorum in the Treaty. Therefore, as we identify the areas to amend in the Treaty, I believe that should be our first priority, to enable us quicken the decision-making mechanism of this Community. (Applause)

I thank you Mr Speaker, Sir.

Dr. Said Gharib Bilal (Tanzania): Mr Speaker, I must declare my qualified support for the motion because the report provides very important decisions that enable us to see the achievements as we position ourselves to comprehend the implementation of the Common Market. I want to assure the Committee that we are going to read this

report because it provides very important references on how best to approach the issue of integration.

This Burundi Seminar was my first Nanyuki seminar, because during the previous one, which was held in Rwanda, I was hospitalised and so I could not attend it. I would like to say that I found this seminar very emotional, being my first one. I will look with nostalgia at the ambience and environment of this seminar that took place in the Parliament of Burundi. I feel it was very important for me, but unfortunately, I do not see my name on the list of participants - (Laugher). I want to believe that this was a typing error. Also, my colleague, hon. Sebtuu and I would like to declare that we are very important and from Zanzibar - (Laugher)

The Speaker: Hon. Bilal, I think you have heard hon. Mwinyi mentioning that he is from Zanzibar, and so I do not think it is a Zanzibar thing - (Laugher)

Dr Bilal: Mr Speaker, I would like to implore this Committee to re-instate my name so that I can feel proud as a person who participated in this seminar. I thank you. (*Applause*)

The Chairperson, Committee Regional Affairs and Conflict Resolution (Mr Abdul Karim Harelimana)(Rwanda): Mr Speaker, first I want to thank the honourable Members who have contributed to make this report better than it was before. I thank hon. Dora Byamukama for proposal to incorporate the communiqué into the main report, and to publish the report - (Applause). It is my duty, but Mr Speaker, if you find it necessary, we will publish it and disseminate it to the Partner States.

The Speaker: hon. Harelimana I think that recommendations was for the House not you personally. *(Laughter)*

Mr Harelimana: I thank you Mr Speaker for your guidance. I think the idea is very good, and that is why I did not refuse it. (*Laughter*)

Hon. Byamukama also pointed the omission of the vote of thanks in the Report. I would like to say that it is a very important part of the Report, and we will incorporate it. (Applause)

I thank the hon. Dr. Lwanyantika Masha for his contribution and hon. Odette Nyiramilimo. I also thank hon. Kingi for briefing us on what the Republic of Kenya is doing for the smooth implementation of the Common Market, and more especially on the proposal for the amendment of the Treaty, which we have been talking about for so long. I am sure that the Council of Ministers will take a decision one day to ensure that we amend the Treaty where necessary. (Applause)

I promise hon. Bilal that we will add his name in the list of participants. (Applause)

Mr Speaker, I take this opportunity to thank hon. Mike Sebalu, the former Chairperson of the Regional Affairs and Conflict Resolution Committee for the good work he did during his tenure - (Applause). As you all know, he is a man who gives us light moments and makes us participate in the discussions and deliberations. He was a good leader and used to make us work as a team. Perhaps that is why he was named after J F. Kennedy, one of the most important people in the world. (Laughter)

Mr Speaker, I beg to move. (Applause)

(Question put and agreed to)

Resolution Adopted.

QUESTIONS FOR ORAL ANSWER

Question for Oral Answer Reference EALA/PQ/OA/012/2010

Ms Dora Byamukama: Asked the Chairperson, Council of Ministers_

The Heads of States of the EAC Partner States signed the Common Market Protocol on 20 November 2009. The Presidents further endorsed a decision for the effective start date of 1 July 2010.

Can the Chairperson, Council of Ministers inform this August House what mechanisms have been instituted to give legal effect to the provisions of the Protocol through legislation/Acts of the Assembly?

The Minister for East African Cooperation, Tanzania, and Chairperson, EAC Council of Ministers (Dr Diodorus Kamala): Mr. Speaker, pursuant to a directive by the Heads of State at the 11th Summit held on 20 November 2009, the Partner States have undertaken a process of ratification of the Protocol for the Establishment of the East African Community Common Market. The deadline for ratification of the protocol and deposit of instruments with the Secretary General is 30 April 2010. I am glad to inform this August House that the United Republic of Tanzania, the Republic of Uganda and the Republic of Rwanda have completed their respective processes of ratification and will soon deposit their instruments of ratification. (Applause)

Mr Speaker, in tandem with the ratification processes, the Partner States will:-

- (a) enact the relevant enabling legislation to bring the provisions of the Common Market Protocol into domestic law by 21 August 2010; and
- (b) Review their domestic laws with a view to causing necessary amendments to ensure that the same are consistent with the Treaty.

Mr. Speaker, in order to support the action of the Partner States in this regard, the Committee on Approximation of Laws has also embarked on the identification of such commercial laws as require harmonization for purposes of supporting the Common Market. So far, the laws relating to business organizations such as the

Companies Act, and the Insolvency Partnerships Business Registration Acts have been identified.

Mr. Speaker, furthermore, the Secretariat has, with the assistance of the Investment Climate Facility (ICF) for East Africa embarked on a project for the harmonization of Partner States commercial laws that relate to the implementation of the Common Market. The ICF consultant has already prepared an inventory of such laws. So far, the consultants have identified 45 pieces of legislation on trading, business registration, investment, insurance, and banking. The outcome of this project will include model laws and bills for consideration by this august House.

Ms Jacqueline Muhongayire (Rwanda): Mr Speaker, in reference to the general provisions of Common Market Protocol, and specifically Articles 46 to 50, the Chairperson of the Council has already informed the House about the challenges met during the implementation of the Customs Union. I would like to know what mechanisms have been put in place to make follow-up on the implementation of the Common Market Protocol as provided in the Article 47, which is about harmonisation of policies, laws and systems.

Also, the Chairperson of the Council has already informed the House that the calendar of the meetings – (*Interruption*) -

The Speaker: Hon. Muhongayire you are asking another question. Can you come to your exact question?

Ms Muhongayire: I would like to know specifically what mechanism has been put in place for monitoring and evaluating the Common Market Protocol in order to avoid a possible delay of the effectiveness of this Protocol.

The Speaker: Hon. Muhongayire the question you asked is different from what we have here. The one we have here is about the legislation which is about to come to this House. Therefore, I now call hon. Kwekwe. Maybe you should ask that as a substantive question.

Ms Safina Kwekwe (Kenya): Mr Speaker, the Chairperson of the Council of Ministers told us that the consultant has identified 45 pieces of legislation to work upon. My supplementary question to the hon. Minister is whether any of these legislations has any bearing whatsoever on Article 23 of the Common Market Protocol, which is on the movement of services. Article 16 of the Protocol talks about the services that the Partner States have agreed to open up.

Paragraph two of Article 23 says, "The Partner States undertake to make additional commitments on the elimination of restrictions on the service sectors and sub-sectors that are not specified in Annex V of this Protocol..." and these include health, construction, movement of persons, and so on.

The third paragraph of that Article says, "The Council shall issue directives on the modalities for the implementation of paragraph 2."

Mr Speaker, my supplementary question to the Chairperson is whether the 45 pieces of legislation being worked upon have any bearing whatsoever on the application of Article 3.

Dr. Kamala: Mr Speaker, the fact is that the Partner States are yet to agree on the way forward on these provisions. The consultant cannot come up with the proposals because we cannot know what the Partner States will agree on. However, as soon as the Partner States conclude on the issues, we will need to come forward with concrete proposals.

Ms Byamukama: Mr Speaker, I want to thank hon. Safina Kwekwe for the supplementary question, and I must say that I am not completely satisfied. We have had the Treaty in operation for the last ten years, we are preparing to have the Common Market for the next five years and, therefore, we should have anticipated the need to have certain legislation in place to operationalise the Common Market Protocol. So, when the hon. Chairperson Council of Ministers confines himself to company laws that are still being worked upon, he is not answering the question. We asked to be given the pieces of legislation that will give legal effect to the provisions of the Protocol but he has not answered it clearly. I hope we will be able to put this question to him again.

Finally, Mr Speaker, considering that today is the 21 of April 2010, and that we have 9 days to the 30th of April, does the Minister have any indication as to when the Republic of Kenya and the Republic of Burundi will also do the needful so that they can meet the deadline. In the same breath, I want to congratulate the United Republic of Tanzania, the Republic of Uganda, and the Republic of Rwanda for having met the deadline for the ratification of the Protocol. (Applause)

The Speaker: Hon. Minister, if you look at the framing of this question, it says "...give legal effect to the provisions of the Protocol through legislation/Acts of the Assembly." Now if you look in the Treaty, it says that "the Assembly means the East African Legislative Assembly" and your answer here is talking of domestic laws, domestication and harmonisation!

Secondly, when you talk about the Secretariat and mention the Investment Climate Facility, is it an NGO that came by and said that we want to harmonise the commercial laws? I mean, the question was on the Common Market and not the commercial laws. Maybe we should have a more comprehensive answer on this issue. (Applause)

Dr Kamala: Mr Speaker, the Council of Ministers has given the consultant permission to fast track the process. Otherwise, we would have left the Partner States to continue on their own. The Council of Ministers decided to have a consultant so that we can look at this issue comprehensively and to fast track the process. I stand corrected, but once the Protocol is effective, it will be easy to prioritise the legislations. Legislating is not an easy task, and the Council of Ministers cannot just come up with proposals for legislations that we are not sure of. And this is a challenge to us all.

Hon. Byamukama's spirit is to make sure that we move very fast. I want to assure her that all of us would like to do the same. (Applause) As you have heard from hon. Kingi, he has already constituted a task force in Kenya to look at the legislations, and I hope that all the other Partner States will do the same as we also do so at the level of the Secretariat. Now I cannot point out clearly the kind of legislations that we are going to table in this August House, but as time goes, we shall know them.

About the other Partner States meeting the deadline, I cannot give any indication because the timetable is very clear. We expect all the Partner States to have ratified by the time line. I have no doubt that Kenya and Burundi will be able to meet the deadline. I thank you.

Ms Byamukama: Mr Speaker, I am sorry but I am not satisfied. I do not believe that after we have signed the Protocol we now have to wait to make the laws. This should have been in tandem; we should have foreseen these laws. Therefore, Mr Speaker, I would like to move to ask this question again. I also ask the Chairperson of the Council of Ministers to support us when we bring Private Members' Bills to operationalise this aspect of the Protocol. I thank you.

The Speaker: Hon. Minister, maybe you should go and look at this question again, and then come back with a comprehensive answer for this House because what this House is asking you is whether there are any laws that you are bringing to this House, and here you are only talking about harmonisation and domestication within the Partner States. Now, if the Protocol is taking effect from the 1st of July, what laws do you have in place to make sure it takes off from the 1st of July?

The Customs Union Protocol was signed, but we still have to sit overtime to operationalise it. I think it was signed during the Christmas and New Year holidays. So, hon. Minister, maybe you can come up with a better answer in our next sitting in Nairobi. (Applause)

Question for Oral Answer Reference: EALA/PQ/OA/013/2010

Ms Dora Kanabahita Byamukama (Uganda): Asked the Chairperson, Council of Ministers _

Can the hon. Minister inform this August House what mechanisms have been instituted to: -

(a) protect human rights of East Africans in view of Article 76(1) of the Treaty, which provides for free movement of labour, goods, services, capital, and the right of establishment;

(b) operationalize Article 27(2) which provides that the Court shall have such other original, appellate, human rights and other jurisdiction as will be determined by Council?

The Minister for East African Cooperation, Tanzania (Dr. Diodorus Kamala)(Ex-Officio): Mr. Speaker, the protection of human rights is a subject that must, for operational purposes, be addressed within the context of Article 126 of the Treaty, which provides for the harmonization of national laws within the East African Community context; the standardization of legal training and curricula; and, the standardization of judgments. The requirements in this regard are being addressed through existing programmes under the following mechanisms:-

- Approximation of laws, spearheaded by a sub-committee that has accorded (a) priority to commercial laws and laws touching persons, for example immigration legislation;
- Regional Judicial Training, whereby training on writing judgments and (b) taxation of costs have been undertaken; and
- Harmonisation of syllabi and teaching curricula, whereby the Inter-University (c) Council and the International Law Institute have embarked on a study encompassing training at law schools in the region.

The outcome of these efforts, which started long before negotiations for the Common Market will go a long way towards establishing a common regional jurisprudence with harmonized substantive and procedural aspects of law. This development will underpin a common approach in the administration of law and justice in the EAC Partner States.

Mr Speaker, within the context of free movement of labour, the Protocol for the Establishment of the East African Community Common Market has addressed goods, services capital and the right of establishment. This Protocol provides for the principal of non-discrimination in the treatment of nationals of one Partner State by another. It seeks to accelerate economic growth and development through the attainment of the free movement of goods, persons and labour, the right of establishment and residence, among other key aspects of the Common Market.

The Council will closely follow all outstanding work on the establishment of the Common Market including the ratification of the Protocol, the finalization of all outstanding annexes, and the systematic and timely implementation of the protocol.

In this regard, the Council will decide on the appropriate measures for the actualization of the provisions of the protocol on the different aspects of the Common Market from time to time. This will serve to expedite the realisation of the ideals spelt out in the Treaty on the free movement of persons.

Mr. Speaker, the Council has already decided that in tandem with the establishment of the Customs Union and the Common Market, Article 27(2) of the Treaty should be operationalised for purposes of extending the jurisdiction of the East African Court of Justice. A draft protocol in this regard was drafted by the Secretariat. This draft protocol has undergone national and regional consultations involving key stakeholders such as the national legislatures, judiciaries, the business community, bar and other professional associations, and the civil society. There are a few issues currently being addressed at the national level pending the conclusion of this protocol

Ms Kwekwe: Mr Speaker, my supplementary question is in relation to part (a) of the substantive question, and in reference to Article 7 of the EAC Common Market Protocol, which is on the free movement of people. This freedom is a good thing, but it poses some challenges to this region, and I particularly want to talk about trafficking in persons. How is the EAC preparing itself, as it reaps the benefits and fruits of the EAC Common Market, to ensure the protection of the rights of the people, and particularly the vulnerable people who are easily trafficked like the children and the women?

Ms Byamukama: Mr Speaker, again, the Chairperson of the Council of Ministers has not given the kind of answer I was anticipating. He notes in the first paragraph that protection of human rights is a subject that must be addressed within the context of Article 126 of the Treaty. I do not believe this.

Article 3(b) of the Treaty says that one of the conditions for joining the East African Community is "...adherence to the universally accepted principles of good governance, democracy, the rule of law, observance of human rights and social justice."

Further, Article 6 of the Treaty says," the fundamental principles that shall govern the achievement of the objectives of the Community by the Partner States shall include ...the recognition, promotion and protection of human and people's rights..." Therefore, for the Council of Ministers to say that the protection of human rights can only be done within the context of Article 126 of the Treaty is relegating this very important issue to the fact that these human rights have to be harmonised. However, this notwithstanding, all the EAC Partner States are signatories to the Universal Declaration on Human Rights. We are all signatories to the African Charter on Peoples and Human Rights, and, therefore, I do not understand what the Chairperson is trying to say when he talks about the approximation of laws, regional and judicial training. It does not answer the question that I have raised.

Let me give an example, Mr Speaker. Here in the Republic of Rwanda, the Constitution prohibits polygamy, and the death penalty, but if a man moves from the Republic of Uganda, where polygamy is practiced and comes here and tries to practice his polygamy, what will happen? Mr Speaker, I am now talking about the practical realities in view of the free movement of people, so I would like the hon. Chairperson, Council of Ministers to answer this. (*Laughter*) Mr Speaker, colleagues have informed me that the practitioners of polygamy are in this room. (*Laughter*) They stand warned. (*Laughter*)

Mr Speaker, Article 27(2) of the Treaty provides that "the Court shall have such other original, appellate, human rights and other jurisdiction as will be determined by the Council at a suitable subsequent date. To this end, the Partner States shall conclude the Protocol to operationalise the extended jurisdiction." I do not believe that the Council of Ministers had to wait for the operationalisation of the Common Market to come up with this extended jurisdiction. What is happening exactly? We need to move and move very fast.

The Speaker: But hon. Byamukama, you are also not fair to the Minister. You asked a question on particular articles, and now you are bringing in other articles - (*Interjection*). There is information here; I do not know whether you want to take the information first.

The Minister for EAC Affairs, Rwanda (Ms. Monique Mukaruliza) (Ex-Officio): Mr Speaker, I wish to inform this August House that this morning, I opened a meeting of the heads of Human Rights Commissions from all the EAC Partner States. They have created an association and they are now looking at the Common Market Protocol to see how the human rights of the East African people will be protected. EAC has to support it, and I hope it will be capable of solving all these problems. (Applause)

The Speaker: I think the hon. Mukaruliza has answered the question, unless the Chairperson Council of Ministers wants to say something.

Dr. Kamala: If the hon. Speaker is helping me by saying that the hon. Mukaruliza has answered the question, I do subscribe to that - (Laughter) – but let me say very briefly that if you look at the question, it was about Article 76(1) of the Treaty. Hon. Byamukama rightly quoted other provisions of the Treaty, which guarantee human rights. I do agree with her that the Treaty indeed has ample provisions for human rights. Therefore, it is now up to the Partner States to work towards the operationalisation of those articles. Indeed a number of activities are in progress, so let us wait and see the outcome.

On the question of the death penalty, currently all Partner States have different laws on this. Even if hon. Byamukama is challenging the harmonisation of the laws, you will find that whereas one Partner State may have abolished the death penalty, another one may have not, so the only thing you can do to harmonise the situation is to approximate. I do not see how you can avoid approximation of laws and at the same time challenge the different laws in the different Partner States! (Laughter)

Ms Byamukama: Mr Speaker, I am satisfied to some extent, but permit me at some other point to ask the hon. Minister – (*Interruption*) -

The Speaker: Hon. Byamukama I asked you to ask the next question. (*Laughter*)

Question for Oral Answer Reference: EALA/PQ/OA/014/2010

Ms Byamukama: Asked the Chairperson Council of Ministers_ The EAC Anthem has been in various stages of development and substantial resources of the Community have been utilized for its purpose:-

Can the Council of Ministers inform this August House:-

- (a) What the activities and annual budget for this activity has been since 2006 and what it may cost in the FY 2011/2012
- (b) On the proposed contents of the EAC Anthem
- (c) When the EAC Anthem is most likely to be finalized

The Minister for East African Cooperation, Tanzania, and Chairperson, EAC Council of Ministers (Dr Kamala) (Ex-Officio): Mr. Speaker, I would like to inform this August House that the development of the EAC Anthem has been an ongoing process since 2005. The Seventh Summit of the EAC Heads of State, held in April 2006, after listening to the first submission of the proposal of the EAC Anthem directed the Secretariat to develop:

- a) an anthem with a motivational message and tune in consonance with the Partner States' enthusiasm for enhanced integration;
- b) More than one song to avail the Council and the Summit a reasonable range from which to choose a suitable anthem

Subsequently, the proposal for the EAC Anthem has gone through a number of revisions, and twice (June 2007 and November 2008 in Kampala) was presented and deferred by Summit for further improvement. The third and most recent was during the Eleventh Summit of the EAC Heads of State sitting in Arusha on 20 November 2009. The Summit, after considering the proposed Anthem, directed the Council to develop it further into a motivational song using the existing text/words, and to resubmit for Summit's consideration.

Mr. Speaker, in terms of expenditure, the process of developing the EAC Anthem so far has cost the Community USD 411,042, and the projected budget for finalizing this process during the Financial Year 2010/2011 is USD 129,500.

Mr. Speaker, the proposed Anthem has three verses and a chorus. It is in Kiswahili, and highlights the essence of the East African society, its prominence, aspiration and its desire to be united, prosperous and stable.

The EAC Secretariat has developed a programme for the review process. The Council is expected to consider and present the revised proposal to the Twelfth Summit, tentatively scheduled for November 2010, for finalization.

Ms Byamukama: Mr Speaker, I will continue asking this question. I would like to know the activities envisaged.

Secondly, the Minister is talking about the annual budget. This annual budget –and I would like Members to note this- is going to total US\$ 54,842. I may put this in our own local currency where I come from in Uganda, this is one billion shillings, and we do not have the content here.

Mr Speaker, I specifically asked for the contents of this Anthem. Could the hon. Minister lay the contents of the anthem on the Table so that we can go and explain to the East Africans how and for what they used this money?

Ms Muhongayire: Thank you hon. Speaker, I hope my supplementary question will be the right one - (*Laughter*)

I would like to hear from the Chairperson, Council of Ministers what mechanism is there for this Assembly to interface with this process for purposes of making input as an organ of this Community before the process is finalised?

I would also like to know whether this project has been turned into a milking cow whereby for five years \$100,000 has been utilised.

Dr Kamala: Mr Speaker that is the cost of integration! *(Laughter)* The problem was that every Partner State wanted to participate in the process right from the beginning. I think that is okay because if you want a song, which, at the end of the day, will truly be East African, then everybody will want to be on board.

However, let me remind the Assembly that the team of experts in this area was constituted from all the Partner States. It met several times to try to fine-tune the anthem. These people are supposed to be financed to travel from one point to the other, and this money is very little, really. If we did not direct the Secretariat to take everything that the experts want, for example, I have an expert from my area in Bukoba who has been complaining that he has not been participating in all the sessions, and I told him that he was to participate to a certain level. Therefore, you will be surprised to find that the money spent might be less than expected. I cannot go into the details of this, but I will direct the Secretariat to come up with a breakdown of the expenditures to show the Assembly how it came up to this amount.

The interface can always be arranged; what we want is to make this exercise better, but let me remind you that arranging this inter-face will increase the costs, and so do not ask why the extra cost. (Laughter)

The Speaker: Hon. Minister, I thought you said that when the team of experts was participating, the expenditure was okay, and now when the Assembly wants to participate, you say it will mean an extra-cost. I hope you do not mind the extra cost – (*Interjection*). He does not mind, so they will interface with us. (*Laughter*) Honourable Members, before I adjourn, as you know we have another function this evening. The President of the Senate and the Speaker of the Chamber of Deputies have invited us for a cocktail in honour of the EALA Session. The EALA Members and staff, and all the East Africans who are here have been invited to a cocktail in the Parliamentary gardens. It starts at 6 p.m., which is about three minutes from now.

ADJOURNMENT

The Speaker: I now adjourn the House until tomorrow 2:30 p.m.

(The Assembly rose and adjourned until Thursday, 22 April 2010 at 2.30 p.m.)