



EAST AFRICAN COMMUNITY

IN THE EAST AFRICAN LEGISLATIVE ASSEMBLY (EALA)

The Official Report of the Proceedings of the East African Legislative Assembly 92ND SITTING – SECOND ASSEMBLY: FIRST MEETING – FOURTH SESSION

Tuesday, 21 September 2010

The East African Legislative Assembly met at 2.30 p.m. in the Chamber of the National Assembly of Burundi, Bujumbura.

PRAYER

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

(The Assembly was called to order)

COMMUNICATION FROM THE CHAIR

The Speaker: Honourable Members, following a mini Cabinet reshuffle on 16 August 2010, His Excellency, Mwai Kibaki, the President of the Republic of Kenya appointed Prof. Hellen Sambili as the Minister for EAC Affairs in of the Republic of Kenya – *(Applause)*. She has indicated a desire to participate in the proceedings of the Assembly, however, in accordance with Rule 6 of the Rules of Procedure, Prof. Sambili can only take her seat in the Assembly after taking the Oath of Allegiance to the Treaty. May I now request two members

who know Prof. Sambili to bring her to the Table and present her before me to enable me administer the Oath of Allegiance to her? *(Applause)* It looks like these two Members do not know the Chambers themselves. *(Laughter)*

ADMINISTRATION OF OATH

The Oath was administered to:

Prof. Hellen Sambili.

The Speaker: Hon Members, amidst us in the Chamber is a new Member who comes to replace Hon. Amason Jaffah Kingi who was the former Minister for the EAC Affairs from Kenya. By virtue

of appointment and subsequent to the oath she has taken Hon. Prof. Sambili will be an Ex-Officio Member of this Assembly. *(Applause)*

Prof. Sambili, we congratulate you upon your appointment and warmly welcome you to this Assembly. We look forward to a good work relationship with you. You can count on us to be your greatest allies, as you will come to understand from your colleagues. We have so far had a very good relationship with them in the management of the EAC affairs. You are most welcome. *(Applause)*

I would also like to take this opportunity to extend our deepest appreciation to Hon. Kingi for the good work he undertook in this Assembly and the Community at large. *(Applause)* We congratulate him for his recent appointment as the Minister in charge of Fisheries Development, and wish him the very best in his endeavours. *(Applause)*

In the same vein, I would also like to extend our appreciation to His Excellency Paul Kagame and His Excellency Pierre Nkurunziza for the re-appointment of Hon. Monique Mukaluriza and Hon. Hafsa Mossi respectively as Ministers for EAC affairs. We have always appreciated the commitment they have so far shown in the work of the EAC and the Assembly in particular. *(Applause)*

Honourable Members, I would also like to use this opportunity to inform you that the Government of the Republic of Burundi has appointed one of our own, Dr. Sabine Ntakarutimana, as a Minister in charge of Health. *(Applause)* I know that most of you have been

congratulating her but I have been waiting for the official communication, which I have now received. You might have been hearing rumours that Dr. Ntakarutimana is a Minister for Health, so you will agree with me that His Excellency, Pierre Nkurunziza has made an excellent choice as minister for health in his government. *(Applause)*

As many of you may recall, Dr. Sabine was a hardworking Member of the Assembly and served in the Committees of General Purpose and Accounts where she offered her professional guidance. She also led the EAC Election observation team to Kigali, and we thank her very much for the good work she did for the Assembly. We will miss her so much in this Assembly. *(Applause)* I would therefore like to recognise her as a stranger in the gallery. She becomes a stranger now that she is no longer a Member of this Assembly. Dr. Sabine Ntakarutimana if you could stand for recognition please. *(Applause)* I wish you good luck.

**MOTION
FOR THE CONSIDERATION AND
ADOPTION OF THE REPORT OF THE
ACCOUNTS COMMITTEE ON THE
AUDITED FINANCIAL STATEMENTS
OF THE EAC FOR THE YEAR ENDED
30 JUNE 2009**

*(Debate interrupted on Thursday, 16
September 2010, resumed)*

The Speaker: Honourable Members, debate can continue on this report.

Dr Didas Massaburi (Tanzania): Mr Speaker, I would also like to congratulate Dr Sabine Ntakarutimana for her appointment as the Minister of Health in Burundi, and Prof. Hellen

Sambili, who is now the Minister for the East African Community Affairs in Kenya - (*Applause*).

I have two contributions to this report. The first one is on the issue of the tender committee and the committee on procurement, which is on page 17 of the report. In my view, both the Accounts Committee and the Audit Commission are recommending to remove the Deputy Secretary General for Finance and Administration, and the Director of Finance from the tender committee and the procurement committee. I think the two members are fit to contribute in the two committees, and I think there is no conflict of interest in that respect because this is the approval stage of procurement. Therefore, I think they are supposed to be in those committees to inform the committees on the matters of accounting and finance. I do not see any conflict of interest arising from their being in those two committees. I think the person who is not supposed to be in the Committee is the Internal Auditor, who is supposed to check whether the process was fair and followed the manual. These two being heads of department, they are supposed to approve the procurement of any item within the structures of the East African Community.

My second observation is on the Committee's recommendation to have additional space for store keeping. This is on page 18 of the report. Mr Speaker, I think they would rather think of reducing the quantity of stock instead of having more space to store items. If during the auditing, they found some extra materials on the floor that would imply that there is no proper stock control within the EAC. That means they order more than they want. We can

employ a variety of techniques so that we do not tie up the capital in the stored items.

Mr Speaker, I suggest that we consider both techniques, that is, to reduce the level of stock, and the same time try to check whether the items kept are at the optimum cost and whether they are necessary for the Community.

Mr Speaker, those are my two observations. I thank you.

Dr James Ndahiro (Rwanda): Thank you Mr Speaker for the opportunity. I would also like to congratulate Dr. Sabine Ntakarutimana and Prof. Hellen Sambili for their achievements. (*Applause*) One was appointed a member of this House, while another is leaving this House but going to serve the interests of this House elsewhere. Congratulations, Dr. Sabine Ntakarutimana. (*Applause*)

Mr Speaker, I would also like to contribute to this debate by first making a small comment on what my friend, hon. Massaburi, has mentioned. I do not want to agree with his first point that the Director of Finance or the accountant, and the Deputy Secretary General should serve on the tender and procurement committees. Actually, best practice excludes them, but it only excludes them under a law. You cannot have a Community running on manuals developed on best practice gathered from left and right. When you consider the recommendations of the Audit Commission, they are also talking about procurement issues not addressed. One of the management comments is that those issues will be addressed after the Council has approved the procurement manuals.

Mr Speaker, I would not like to support such a solution because it provides short-term solutions yet we need to look at this Community within a long horizon. If we have to deal with challenges, financial or otherwise, we should instead look at the possibility of introducing a procurement law as quickly as possible so that in that particular law we have issues properly aligned. The law is going to provide for disclosure mechanisms, transparency, accountability and good governance. After the enactment of the law, then you can extract, or develop procurement and procedural manuals. It is in such a law that you can restrict membership of the committees. Having a person who manages the budget of the Community and approves the money sitting in the procurement committee is like having a referee who is also a scorer. *(Applause)*

Mr Speaker, when you look at the Audit Commission report, you will realise that we have issues that are administrative, and some that are inherent in lack of supervision, which we have overemphasised in this House. People choose to maintain the status quo because it costs less and does not require extra effort to change the mindset. It takes a lot for people to change the way they operate.

We go around our capitals singing about ICT, do we ever see our important office, which is the Secretariat, using ICT in the processes in the Community? If we ourselves and the people who are supposed to ensure that we cut costs and save nature are not using these things that we preach...People are talking about storage space, but what is stored in such space: papers, files and so many things! The use of ICT can eliminate such problems.

When you consider that the accounts that we are debating in the House today is fifteen months old, meaning that we have a financial year that started in the midst of all these problems, we are being historical, and yet we are dealing with issues that are time bound. The only important thing that can improve the future relates to decision-making, policy and supervision.

Mr Speaker, the Council of Ministers is supposed to look at this to improve the situation, and to make sure that it saves our energy because no issue reflected in the report is new. We should be asking the Council of Ministers what happened about this and that. We debated on this and the Committees' recommendation last year was this. The Council of Ministers should tell us where we are at this point. Otherwise, postponing issues year after year is not going to be helpful.

Thank you Mr Speaker.

Mr Reuben Oyondi (Kenya): Mr Speaker, I would also like to congratulate Prof. Hellen Sambili for the appointment to the EAC, and as we say in English, "a new broom sweeps clean". I believe she will sweep cleaner by starting with the welfare of the Kenyan Members in this Parliament – *(Laughter)*.

I would also want to take this opportunity to thank my student, Dr. Sabine Ntakarutimana, for the appointment to the higher ground. I am going to miss her but I believe she will be comfortable there and she will be happy with the new appointment. Therefore, we want to wish her well in her new appointment. *(Applause)*

Mr Speaker, the intention of any audit in a business, company, corporation or government is to show the people concerned where there is progress and where there is no progress so that adjustments can be made. It seems that in many cases people are given the responsibility to take action without caring. That is why you will find many government corporations failing.

The corporations do not make money, and this forces the governments to keep on injecting funds into them to make them remain afloat. Mr Speaker, you will find that the reason why many airlines in the East African Community have failed is that they are under the management of the governments. I do not want to give any examples, but when Kenya Airways was under the government, it used to make big losses. Now since the Kenya Government sold shares to private investors, Kenya Airways is doing so well.

Mr Speaker, I want to underscore one of the items highlighted in the audit report, namely, the *RV-Jumuiya*. DFID donated this vessel to the EAC some years ago. It seems the vessel has not done the work it was to do simply because the people given the responsibility have not taken interest in it at all. Every year there has been an audit, and a number of things to do with the vessel mentioned. They assigned a contractor to replace the engine and some parts to make the vessel seaworthy but up to the time of the audit, nothing had been done.

Mr Speaker, if we have to be serious in this Community, the people given responsibilities for some duties must do it. Otherwise, we will be talking development of the Community when we are not doing much. The pace at

which we are moving is not enough to alleviate the problems of the East Africans.

Mr Speaker, I beg to support the motion.
(*Applause*)

Ms Safina Kwekwe Tsungu (Kenya):

Mr Speaker, today I stand here as a proud Member of this House who has seen positive developments in the membership of the House since 2007. We are gradually moving towards the principle of fifty-fifty. I congratulate Prof. Hellen Sambili, *karibu sana Mheshimiwa Waziri*. (*Applause*)

The Speaker: Hon. Safina what is “fifty-fifty”? (*Laughter*)

Ms Kwekwe: Hon. Speaker, “fifty-fifty” is gender balance. (*Applause*) We are gradually moving towards that, and I am encouraged by the efforts that our Partner States are making, either individually or collectively, to ensure that even in this House – (*Interruption*)-

Mr Mike Sebalu: Mr Speaker, I definitely appreciate the statement made by my colleague, hon. Kwekwe regarding the positive developments, but to some of us it gives us a bit of discomfort, because some of our Partner States may have to recall some male Members, and we become the victims. So how positive is that? (*Laughter*)

Ms Kwekwe: Mr Speaker, I want to inform the Member that sometimes the common good is better than the individual good.

I was congratulating Dr. Sabine Ntakirutimana whom I served with in the Committee of General Purpose, and I am sure, just as any other Member who

served in that Committee, that Dr. Sabine Ntakarutimana is the best candidate for the post of the Minister for Health for the Republic of Burundi. *(Applause)*

Turning to the Committee report, which is the topic of discussion today, I want to congratulate the Committee on Accounts for the job that it did with all the energy in it. It was hard work. I know because I was around when the Committee was compiling the report, and I know they invested so much in it. So, I congratulate them for that. I want to contribute on three issues.

Mr Speaker, on page 15 of the report the Committee highlights the issue of the contract for rent of office buildings. In that section, hon. Speaker, two things come to my mind, about which I would wish to talk. It is quite evident that although the EAC has three of its Organs housed at the AICC, there was a time when the EAC went into tenancy without any contracts. That was in the period 16 May 2006 to 1 of July 2008. Those were almost two years of using rental space without any contract.

Mr Speaker, I have never seen this anywhere else. Perhaps this case is the first example of where you can use somebody's space without any agreed terms. That is, without having anything written down on paper on how you are going to use that space, at what rate, on what terms. Who has the power to revoke or propose amendments, and so on? And, as if that was not enough, we went ahead and backdated the contract to show that it was signed in 2007!

Mr Speaker, this, in my view, is a dangerous trend because three of the

Organs of the Community are tenants of one landlord, and we as a Community continue to use office space without any contract. It is dangerous. Tomorrow if you come and find a lock on your door, what happens? What legal recourse will the Community have?

To add salt to injury, Mr Speaker, two Organs of the Community rented the same space within a time span of fifteen days. Both the EAC Secretariat and the EACJ rented the same space. How could this happen? It is only happening in the EAC. This is a result of not having manuals, because if we had the manuals that this Assembly has constantly been raising as a concern, such issues would not arise! Mr Speaker, more perturbing for me is the fact that the auditors did not raise this matter in the report on the audited accounts of the Financial Year 2007-2008. So, why is it becoming an issue now? How did they miss it then?

Mr Speaker, my second point is on the issue of double payments. Again, we are paying the price for not having manuals. I think it is only in the EAC where you can photocopy an invoice and use it as a document to back a claim. Paying for a service twice? One cheque made using the originals, and another cheque made using the photocopies. This in itself is reason to cause alarm for the Community, because I do not think that whoever raised those two payments raised them with good intent. I am sure, in their belief they thought that nobody would find this out, so that the double payment would have gone unnoticed. Thank God, that the Audit Commission detected it and it was normalised. Mr Speaker, it is, again, a result of not having any manuals. Mr Speaker, no accounting manual that I know of can

allow for the approval of payments based on photocopies of documents.

Lastly, Mr Speaker, some time - I think in 2008 - in Arusha, when the issue of Migingo Island came up, the House sought to know from the Council of Ministers what the EAC had done, and how it had, if at all, in any way participated in resolving the conflict. I remember hon. Eriya Kategaya said it was an issue of two Partner States, and that is how we left it. However, if you go to Annex 1(a) on page 19 of the Report, there is an institution of this Community, the Lake Victoria Basin Commission, which spent \$51, 455 on surveying the Migingo Island. So, when did this issue cease to be a matter of just the two Partner States and become a matter of the Lake Victoria Basin Commission? I would wish to get clarification on this. If the Chairperson of the Committee of Accounts got that clarification, I would be happy to get it from him, if not, then the Chairperson Council of Ministers could give me that clarification – *(Interjection)*.

Mr Mulengani: Mr Speaker, on a point of information, I am just happy that my colleague hon. Safina Kwekwe is able to pick up such issues. The position of the Committee is that this money was spent out of the budget – *(Interruption)* -

The Speaker: Hon. Mulengani, you will have an opportunity to respond to all the comments from the Floor of the House.

Ms Kwekwe: I now want to take this opportunity to say that I am very grateful that this Assembly has never tired of raising issues, even when they are the same issues year in year out. This Assembly has never tired of raising these

issues because it is our duty and responsibility to raise them when they arise. I pray that in the next year -I also made this prayer when we were discussing the last audited accounts- that we will sort out the basic issues like the one of the manuals. I thank you Mr Speaker, Sir. *(Applause)*

Dr George Nangale (Tanzania): Mr Speaker, I would like to congratulate hon. Dr Sabine Ntakarutimana and hon. Dr Sambili for their new appointments. In Tanzania, we have a saying that “*wanawake wakiwezesha wanaweza*” literally meaning if women are empowered, they can excel. *(Applause)*

Mr Speaker, sir, I am a member of the Committee, and I want to commend the Audit Commission for pointing out some of the malpractices like the issue of double payments and the stale cheques. Looking back where we came from -and just for your information, Mr Speaker and I served in the Accounts Committee for five years in the First EALA- there are changes and positive developments in terms of the preparation of the Accounts of the EAC by the management and the seriousness of the Audit Commission compared to the past years. *(Applause)*

Mr Speaker, the recent re-election of President Paul Kagame and President Pierre Nkurunziza is a clear signal that the people of East Africa have confidence in the current leadership of the Partner States in both politics and development, including the East African agenda. *(Applause)* I hope Tanzanians will also prove the same in the forthcoming elections in November. *(Laughter)*

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

Ms Jacqueline Muhongayire (Rwanda): Mr Speaker, first, I would like to congratulate Professor Hellen Sambili and Dr. Sabine Ntakirutimana for the new and important responsibilities assigned to them, and I wish them all the best. *(Applause)*

Mr Speaker, I would also like to thank the government of Burundi, the Parliament and the Burundi Chapter of EALA for the warm welcome provided to us since our arrival in this beautiful country of Burundi. *(Applause)*

Regarding the report on the audited accounts of the EAC for the Financial Year 2008/2009, I wish to thank the Audit Commission and the EAC management and staff for their availability and cooperation to carry out this post audit review. Last week on the 16th, the Chairperson of the Council of Ministers laid the Audited Financial Statements of the East African Community for the Financial Year 2008-2009 before the House according to the requirements of the Treaty.

Article 134 (3) stipulates that *“The Audit Commission shall submit its reports under paragraph 2 of this Article to the Council, which shall cause the same to be laid before the Assembly within six months of receipt for debate and for such other consultations as the Assembly may deem necessary.”*

Mr Speaker, in line with professional standards and best practices, I think the Council should table the report on the audited accounts in the House by December of every financial year. This will enable the Accounts Committee of

the Assembly to analyse and review the statements for the benefit of all the stakeholders, and for accountability to the people of the EAC, who are the taxpayers. I also think that there is need to put in place a law to clearly determine or give guidance on the timeframe for submitting the audited accounts, to give clarification on the bodies to audit, and the manner of the audit. Take for example the East African Development Bank or the Inter University Council of East Africa; can we audit them or not?

Regarding the absence of approved management manuals, which the report refers to on page 24, the Committee on Accounts, expresses embarrassment to make the same recommendations on the pending management manuals every financial year.

Mr Speaker, the Audit Commission may also be in a very bad position because one wonders how they conduct their audit without management manuals as a basis of the audits. I think they mostly rely on the internationally accepted standards or best practices. The Council of Ministers must ensure that the governance manuals are in place and made operational, otherwise, some people can question some of the decisions.

Mr Speaker, regarding the East African Trade and Transport Facilitation Project referred to on page 33, the East African Community and the African Development Bank signed the project agreement on 8 February 2007, for a term of five years. On page 44, you can see that it was a grant of \$6, 200,000 units of account. On page 44, the absorption capacity of this project is about 13 percent, with the main

activities not executed. The implementation of the project is very slow, and it is behind schedule. The EAC management should put more effort in the execution and supervision of the project.

Mr Speaker, Article 132 paragraph 6 of the Treaty stipulates, *“The budget and the Accounts of the Community shall be kept and maintained in United States dollars”*. This is a Treaty requirement, and we must respect this requirement. We know that in some bi-lateral organisations, a unit of account is a unit measure, but we should respect this Article in the documents and reporting systems of the EAC.

Regarding the East African Capacity Building Project phases 1 and 2 referred to on page 33, the East African Community, the European Union Commission, and the African Union the project agreement. It is also a grant to support peace and security in Africa, and I think it is under the Political Federation department in the EAC. It is a three-year project, but implementation of this project is very slow. The Audit Commission reported that the reports do not show clearly the planned activities and the achievements. There was no evidence that progress reports were prepared or submitted.

Mr Speaker, I think the EAC management should put more efforts in project implementation, monitoring supervision and evaluation. We know that the projects constitute around 50 percent of the whole budget, so this is big amount of money. Even if it is a grant coming from the donors taxpayers, it needs enough attention in terms of

monitoring, supervision and control. *(Applause)*

Regarding the evaluation and assessment of the headquarters project, we were told that there is a team of surveyors in charge of the headquarters, and that its composition should take into account equal representation of the five Partner States. Now if I remember correctly, we were told that most of the surveyors are from Tanzania, the headquarters being in Tanzania. I think there is an issue of transparency here. Therefore, I think the Council of Ministers should take the issue of the composition of the team into account to avoid any conflict of interest in terms of transparency and accountability.

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

Mr Mike Sebalu (Uganda): Mr Speaker, I would also like to join my colleagues who have spoken before, together with the rest of the House, to welcome Professor Hellen Sambili, first as one of us, a Member of EALA, and as a member of the Council of Ministers. I have no doubt that she is going to do a good job, as her predecessor did. Prof. Sambili is most welcome, on my part as an individual, and as the Chairperson of the EALA, Uganda Chapter. *Karibu sana! (Applause)*

Mr Speaker, I would also like to congratulate a dignified loss. *(Laughter)* We have lost one of our own, but her government has re-deployed her to serve in yet another very important capacity. I think that is a vote of confidence in the EALA as a training ground. If you see many of us going to other places, do not be surprised. *(Laughter)* Just as we have

former vice-presidents with us here, we are going to create some vice-presidents in future.

Mr Speaker, allow me also to thank the Committee. They have done a very good job. I want to tell the Chairperson and the members of the Committee that this is a very good report. (*Applause*) It gives us a good working document to review and to look at the performance of our Community in terms of managing financial issues.

On page 13 of the report, we have a very important issue of the construction of the EAC Headquarters. That is a very important activity in my view. If we must create identity for the Community, then we should take seriously the issue of getting the EAC its own home. So, at this point, although it is not a basic scenario, I would like to thank the Federal Republic of Germany for offering us a grant of Euros 14 million for this construction. However, reading the developments so far made in the construction of the headquarters, you will realise that we are not doing well as EAC in terms of the timeframe set for completion of this construction because of certain contradictions on the ground, which have not allowed this project to take off in good time.

Mr Speaker, I am highlighting this point from a selfish point of view. As a Member of EALA, it will not do me any harm if they built the headquarters during my term of service. As an EALA Members, we perform our oversight role on the construction, but the developments on the ground are a bit disturbing with regard to some of the obligations of the host nation. You will appreciate that organisations of the nature of the EAC enjoy certain

obligations from host nations, and in this case, the United Republic of Tanzania definitely has responsibilities in terms of host nation obligations.

When I look at the recommendations of the Committee, which I fully support, they urge the Council of Ministers to ensure that the contractors comply with all the provisions of the contract in terms of making it in good time so that by 2011, as it was stipulated, we will have the headquarter in Arusha.

Mr Speaker, my emphasis is on recommendation number two, and because the current Chairperson of Council wants things to be done when he is still the Chairperson of the Council, I have no doubt that he is going to follow up this matter. (*Laughter*)

Mr Chairperson Council of Ministers – (*Interruption*) -

The Speaker: Hon. Sebalu, you address the Chairperson Council of Ministers through the Speaker.

Mr Sebalu: My apologies, Mr Speaker. Someone was trying to derail me here, but I apologise!

Mr Speaker, I would like to implore the Chairperson of the Council of Ministers to ensure that the Government of the United Republic of Tanzania and other Partner States do comply and respect the provisions of the Treaty as they pertain to this project of ensuring that we get headquarters. Where the contractors need some leave in terms of tax exemptions, let them be given in good faith and at the end of the day, we will have the headquarter constructed. It will not augur well on our part as a

Community if we abuse the magnanimity of the Germany government. They availed the funds for us to construct the headquarters, but because of internal contradictions and inconsistencies in our movements, we do not use this money in good time. I would hate to see a situation where they come to remind us of our commitments for them to be able to make good their support to us. This is an important project, because it is the identity of the Community. A Community without a home of its own is not something good to write home about.

Mr Speaker, I hope that the Chairperson of Council, who is very dynamic and versatile, and normally works within deadlines, will definitely use his good powers and good offices to ensure that they take the recommendations of the Committee into account, and come 2011, we have a headquarters for the East African Community. We have always wanted the East African people to be mobilised around concrete achievements of the Community, and I believe such is the headquarters.

Mr Speaker, people will take us more seriously if they see us operating from the premises of our own structure in Arusha, which is the regional and diplomatic capital of the Community. There is no better way of showing and expressing our commitment to the cause of our integration other than dealing with the issue of our home.

Mr Speaker, my last observation is on the observation that the Committee made upon their interaction with different departments of the EAC to the effect that there is lack of a resource mobilisation policy such that in some instances funds

are deposited in the EAC bank accounts without indicating the exact source of the funds. There are no designated coordinators for some projects and programs, except for the Resource Mobilisation Officer. I think it is good to have a resource mobilisation officer, but what would the terms of reference of the Resource Mobilisation Officer be without a resource mobilisation policy? That does not add up in my view, because it would make the work of the Resource Mobilisation Officer very difficult, or, perhaps it is at the discretion of the Resource Mobilisation Officer.

Mr Speaker, the perimeter within which this person is supposed to operate is a policy beyond which they are not supposed to operate. This is a very big omission on the part of the EAC, and they have indicated that plans are underway to have a policy in place, but the status quo does not reflect us in very good light, given that funding is a very critical aspect of the activities of the EAC Secretariat. Our budgeting arrangements are not coordinated, and we may get situations where we enter into funding arrangements that run counter to our strategic objectives. The Resource Mobilisation Officer needs to operate under and within a clearly stipulated resource mobilisation policy so that the structure of mobilising, coordinating and utilising the mobilised funds meets the strategic objectives of the EAC.

Mr Speaker, this is a very big omission. We are celebrating ten years of the existence of the EAC and we do not have a resource mobilisation policy? I think it would be a shame on our part to deal with a report of this nature and not

come up with similar recommendations. That way we would be showing good progress towards implementing the best practices identified in this report.

Mr Speaker, I beg to support this motion, and I thank you for your indulgence to give me an opportunity to make my thought known. *(Applause)*

Ms Valerie Nyirahabineza (Rwanda):

Mr Speaker, first let me congratulate my sisters, Professor Hellen Sambili and Dr Sabine Ntakarutimana for their new appointments by their respective countries to contribute to the betterment of the East Africans. *(Applause)* Let me also congratulate the Chairperson of the Committee on Accounts and the entire team for the good job they have done. They have come up with a consistent report, and we are happy to declare that we really support it.

Mr Speaker, I would also like to congratulate the EAC management for the financial statement. I wish to say that this is good practice, and if they can keep it up, we pledge our help as the House. However, there are some issues pointed out in the report, which to me are very urgency and require more seriousness than ever before.

If I may recall, last year, in Arusha, when we were discussing the Accounts Committee report, the Committee informed the House that the EAC Management was in the process of developing some accounting and procurement manuals. Now in this wonderful report, we can see that the EAC management has approved the manuals they are waiting for input from the Sectoral Council. So, if the Council of Ministers could expedite this process

so that the manuals can be made available for use that would be great.

Mr Speaker, my second point regards the level of implementation of the EAC activities, which is on page 9. The Audit Commission has enumerated some points, but let me highlight paragraph (iv) which states *“the monitoring and evaluation officer hardly carries out the monitoring of implementation of activities. The Audit Commission noted that the officer has always involved in consolidating reports from other directorates and projects”*

Mr Speaker, if this is the case, it is a big shame, because we are employing someone who seems to be useless. He is not his doing job and it means that the image we are getting in terms of the implementation of the EAC planned activities is wrong. It seems that officer is merely compiling reports from the different departments and does not do his or her own report for us to see whether we are making progress or not.

Mr Speaker, in highlighting the slow implementation of EAC activities, the Committee pointed out that this is, among others, because of the late disbursement of funds from the EAC Partner States and donors. I think we have said enough regarding the late disbursement of funds, but I would like to emphasise something regarding the donors. We have seen that the funds that we get from the donors have some conditionality that undermines the EAC Treaty and the integrity of its institutions. So, it is my view that in some cases we should invite the donors not to dictate to us but to align themselves to allow a smooth implementation of the EAC planned activities.

Mr Speaker, I thank the EAC management and the Audit Commission for being here as we discuss this important report so that they respond to some of the issues that some of us are still concerned about.

With those few comments, I beg to support the motion.

The Counsel to the Community (Mr Wilbert Kaahwa): Mr Speaker, I would like to join the rest of my honourable friends who have thanked you and your counterpart, the Rt. hon. Speaker of the National Assembly of Burundi, the government and peoples of Burundi for having enabled the East African Legislative Assembly to sit, once again, in Bujumbura. *(Applause)*

I also wish to congratulate Prof. Hellen Sambili and Dr. Sabine Ntakarutimana, not because they are here but in recognition of their being entrusted with new responsibilities in public service in the East African Community. *(Applause)*

Let me also congratulate hon. Hafsa Mossi and hon. Monique Mukaruliza upon being re-appointed to the portfolios responsible for the EAC Affairs in their respective countries, and, *de-facto*, once again to the membership of this August House - *(Applause)*.

Mr Speaker, last but not the least in this congratulatory phase of my contribution, allow me to congratulate my sister, hon. Margaret Zziwa, for her election, as a flag bearer for her party, in the forthcoming parliamentary elections in Uganda. *(Applause)*

I also wish to thank the Committee on Accounts for the able report it has submitted to this House for consideration and debate. The report, as expected, contains some issues that are critical of the management of the accounts and funds of the Community. In my view, *"Criticism is the window and chandeliers of art. It illuminates the enveloping darkness in which art might otherwise rest only vaguely discernible and perhaps altogether unseen"* I am quoting a prominent writer, George Jean Nathan.

Having said that, Mr Speaker, I would like to thank the Committee for recognising the fact that the management of the Community is improving with regard to its handling of funds and accounts. *(Applause)*

The Chairperson of the Accounts Committee is on record in this House as having verbally indicated -which fact may not necessarily be in the report- that this time the Audit Commission issued an unqualified report on these matters. No wonder, as hon. Nyirahabineza did point out, you will find an unqualified statement on page 6 of the report where the Audit Commission informed the Committee that they issued all the recommendations of the previous years, and that the EAC had addressed thirteen recommendations satisfactorily, leaving six of them pending. And they have given the reasons for the pending queries in this report. As I say this by way of thanking the Audit Committee, I thought there would be some foot stamping as an accolade to the management of the Community on funds. *(Applause)*

Mr Speaker, I have three more issues by way of substantive contribution. The

issue of the lack of policies, manuals and procedures has featured prominently in the Audit Report, and the hon. Chairperson of the Accounts Committee emphasised it. In the report on pages 7, 24, 29, and 41, the lack of manuals and procedures and the adverse effect that this has on the management of the Community's accounts is pointed. It has also featured in the contributions to the debate.

Mr Speaker, last year happened to have been a very strange year in the integration process. First, the Council of Ministers did consider the draft manuals and procedures, and referred them to the Sectoral Council on Legal and Judicial Affairs -which is the technical wing of the Council on such matters up and above the Counsel to the Community- to consider. However, it so happened that because of electoral activities in the Partner States, the Sectoral Council on Legal and Judicial Affairs, comprising Attorneys General, some of whom also happen to be ministers, has not been able to meet. The last time that the Sectoral Council was supposed to meet to finalise the work of the manuals and procedures was in March this year.

The Secretary General has been trying to convene a meeting of the Sectoral Council without success. However, let me assure this House that the tenth meeting of the Sectoral Council is convened to take place from the 4th to 11th of October 2010. By the time of the next audit and next report to the House from the Accounts Committee, this issue of the manuals and procedures will no longer be outstanding, or not concluded - *(Applause)*.

Mr Speaker, we are still faced with a problem of the Rules of Procedure, which requires a quorum made up of all the Partner State representation at any given Sectoral Council meeting. I have proposed an amendment of the Rules of Procedure, which the Council of Ministers will be considering soon. I proposed this amendment after getting an advisory opinion from the East African Court of Justice on managing the principle of consensus in decision-making within the integration progress.

My second substantive point is with regard to breaches of the Treaty. On pages 4, 19, and 21 of the report of the Audit Committee, there are salient indications where the Audit Commission and in turn the Accounts Committee felt that some provisions of the Treaty, especially Articles 132 and 138, were breached. It is important to know that this matter has now come to the fore and remedial action should take place. Nevertheless, let me also indicate that in matters of breach of the Treaty, each of the Partner States -because the Partner States are contracting parties, and must in international law, be bound by what they have contracted to perform. Compliance with provisions of Article 138 on immunities and privileges, for example in fiscal exemptions, is a matter that the Partner States as contracting parties have contracted themselves to accord respect to, and indeed, implement.

I would like, as Counsel to the Community, to point out that the Treaty does not leave the Partner States, Organs and Institutions of the EAC as orphans in any matter of a breach, even by the Partner States.

Mr Speaker, allow me to point out that Article 29 is an important Article in this regard. Let me point out in *extenso* for the avoidance of doubt that Article 29(1) provides as follows:

“Where the Secretary General considers that a Partner State has failed to fulfil an obligation under this Treaty, or has infringed the provisions of this Treaty, the Secretary General shall submit his or her findings to the Partner State concerned for that Partner State to submit its observations on the findings”.

Paragraph 2 provides that:

“If the Partner State concerned does not submit its observations to the Secretary General within four months, or if the observations submitted are unsatisfactory, the Secretary General shall refer the matter to the Council of ministers, which shall decide whether the matter should be referred by the Secretary General to the Court immediately or be resolved by the Council.”

Paragraph 3 provides that:

“Where a matter has been referred to the Council of Ministers under the provisions of paragraph 2 of this Article, and the Council fails to resolve the matter, the Council shall direct the Secretary General to refer the matter to the Court’.

So, that provision should come to the aid of the Secretary General as the principal executive officer of the Community. The question is always when the Secretary General gets to know what has happened. It is at a time like this when the Audit Commission has observed

some non-compliance with the provisions of the Treaty.

Mr Speaker, let me thank the honourable Dr James Ndahiro and the honourable Jacqueline Muhongayire for indicating the need for some legislation. Hon Dr. Ndahiro outlined at length the need for a procurement law, and the hon. Muhongayire equally outlined the need for a law, which should guide audit even before we talk of manuals and procedures, perhaps along the lines of what we have at national level as Public Finance Acts.

Let me assure this House that as Counsel to the Community, I will take up these recommendations with a view to making appropriate proposals to the Council of Ministers. *(Applause)*

Mr Speaker, with these few words, I thank you and support the motion on the report of the Committee on Accounts. *(Applause)*

The Minister for East African Cooperation, Tanzania and Chairperson, EAC Council of Ministers (Dr Diodorus Kamala): Mr Speaker, allow me, first, to congratulate the Committee on Accounts for the good work done. The Committee has gone through the audit reports on the accounts of the organs and institutions of the Community, and the recommendations that they have presented before us are very important, and if implemented will not only make our books to look good, but will improve the general performance of the EAC.

Mr Speaker, I do recognise different issues that honourable members have raised, and I will respond to them as I

proceed, but let me mention them. Apart from the Chairperson of the Accounts Committee, the following have debated the report: Dr. Didas Massaburi; Dr James Ndahiro; hon. Reuben Oyondi; hon. Safina Kwekwe; Dr George Nangale; hon. Jacqueline Muhongayire; hon. Mike Sebalu, and hon. Valérie Nyirahabineza.

Mr Speaker, let me congratulate hon. Prof. Sambili for her appointment as the Minister for East African Community affairs. Congratulations! (*Applause*) The last time I congratulated hon. Kingi for his appointment as the Minister for Fisheries Development, although I prefer calling him the “Minister for Fish”. (*Laughter*) And, when you go back to Kenya, please tell him to make sure that during our next meeting in Kenya, instead of taking us to the *Carnivore*, he takes us to the hotel which only cooks fish, so that we appreciate that our colleague is the “Minister for Fish”. (*Laughter*)

I would also like to recognise the appointment of the hon. Dr Sabine Ntakirutimana as the Minister for Health, HIV/AIDS, and other things - (*Applause*). I have been told that the Ministry has merged a number of other important sectors. We congratulate her.

I would also like to congratulate my colleagues here, hon. Hafsa Mossi and hon. Monique Mukaruliza for their re-appointment in the same ministries in their respective countries. Congratulations! (*Applause*)

I commend the Committee on Accounts, under the Chairmanship of hon. Bernard Mulengani, for coming up with an objective and well-written report, whose

recommendations will go a long way to strengthen the governance process and improve the management of the affairs and resources of the Community. I also thank the Honourable Members who have contributed to the debate on the report on the Committee on Accounts. The Council of Ministers has taken note of the Committee’s recommendations and the contributions by the honourable Members, and wishes to assure the August House that the Council of Ministers will ensure the expeditious implementation of the specific recommendations. (*Applause*)

Mr. Speaker, I would like to respond as follows:

Manuals and Governance Instruments:

On the finalization and implementation of the governance instruments and manuals, I wish to inform this August House that the Council of Ministers appreciates the importance of putting in place the governance instruments and manuals as part of the institutional strengthening of the Community. During its twentieth Meeting held in March 2010, the Council considered the following manuals and referred them to the Sectoral Council on Legal and Judicial Affairs for legal input and harmonization with other policy documents of the Community, before finalizing the approval procedure:

- (i) EAC Governance Code
- (ii) EAC Procurement Manual;
- (iii) EAC Transport Management Policy;
- (iv) EAC Records and Archives Management Policy;
- (v) EAC Financial Policies and Procedures Manual;

- (vi) EAC Internal Audit Manual;
- (vii) EAC Audit and Risk Committee Charter;
- (viii) EAC Internal Audit Charter;

However, the Council deferred the EAC Human Resource Policies and Procedures Manual and the Risk Management Framework pending further consultations. Partner State experts have considered the two manuals, and they are ready for consideration by the Council of Ministers.

The Sectoral Council on Legal and Judicial Affairs has not been able to meet since March 2010 because of electoral processes and referendum in the Partner States in which the Attorneys General were heavily involved. This meeting has now been convened to take place from 4th – 8th October 2010, and the documents will be considered.

Considering that all the Partner States have concluded elections, except Tanzania, I hope that no Partner States will come up with a proposal to postpone the meeting. I would like to call upon the Partner States to take note of the urgency of this matter. I have talked to my colleagues and they have assured me that there will be no other request from any Partner State for the postponement of the meeting. I think we agreed on that one. Isn't it so? *(Laughter)*

Mr. Speaker, in the interim, EAC is applying internationally accepted accounting procedures and standards to manage its resources, and has governance issues, including the segregation of duties between finance and procurement, have been addressed.

On the issue of the approval process, the Council will direct the management to review the delegation of responsibilities to relieve the Deputy Secretary General (Finance and Administration) of the day-to-day operational duties so that he concentrates on policy issues.

Mr. Speaker, the Council of Ministers fully appreciates the need for timely remittance of funds to the Community to enable the implementation of planned and budgeted activities as per approved work plans. The Council will remind the Partner States to honour their obligations in line with the Council decision to pay full contribution within the first six months of the financial year. *(Applause)*

The Council notes the important role played by the development partners in the financing the EAC projects and programs. The Council assures this August House of the directive to the Secretary General to ensure the management of the funds from the development partners in line with the provisions of the Treaty. *(Applause)* I would like to inform this August House that, commencing this financial year, we are going to mainstream all donor funds into the approved budget of the Community.

Mr. Speaker, the Council of Ministers has restructured the Sectoral Council on EAC Affairs to include the Ministers for Planning. This move will not only enhance the monitoring and evaluation aspects of the implementation of the EAC projects and programs, but it will also ensure planning as the Community takes on board priorities at the national level. It will also enhance the implementation of the priorities in the

EAC Development Strategy at the national level.

In the ongoing institutional review of the Community, there are proposals to enhance the capacity of the evaluation and monitoring function with a view to ensuring the timely production of quarterly progress and performance reports, and their timely and regular reviews. I would like to say that the Ministers for EAC, having noted the unsatisfactory performance of the Secretariat...Mr Speaker, I would like to repeat this so that it is recorded very well in the *Hansard* - (*Laughter*).

The Ministers for EAC, having noted the unsatisfactory performance of the Secretariat, have consulted, agreed, and directed the Permanent Secretaries to assess the current performance of the Secretariat and the current system of supervising the Secretariat, and then come up with proposals on how the EAC Ministers can better supervise and monitor the performance of the Secretariat. (*Applause*)

We have also agreed that the Permanent Secretary should complete what we have directed them to do before we meet. We have decided to meet on the 15th of October. I would like to direct the Secretary General to make sure the meeting of the Ministers of the EAC and the Permanent Secretaries scheduled on 15th of October takes place. I understand that the Secretary General might not be here, but his assistants are all here. (*Laughter*)

The Speaker: You being the Chairperson Council of Ministers, can you tell us why he is not here?

Dr Kamala: Mr Speaker that is one of the issues that we would like to look into; it is about the performance of the Secretariat. We will also look into the issue of absence without notification. (*Laughter*)

Mr. Speaker, the Council of Ministers notes the concerns of the Honourable Members on the need to complete, on time, this regional road project, which will enhance trade between the Partner States. I am referring to the Arusha-Namanga-Athi River Road Project.

On the issue of the project auditor, I am happy to report to this August House that an auditor has been competitively procured in line with the provisions of the financing agreement between the African Development Bank, the United Republic of Tanzania, and the Republic of Kenya.

Mr Speaker, the audit exercise, which includes financial, technical and environmental audits, has commenced. The Auditor is required to submit audit reports for consideration by the Steering Committee of the project, which comprises the Permanent Secretaries responsible for Roads in the two Partner States, those for EAC Affairs, those for Finance, and ADB representatives, together with the CEO of Tanzania National Roads Agency. The Secretary General chairs the Committee to ensure that the construction work is on course and that it adheres to the technical designs and specifications of the project, and to ensure that value for money is achieved.

Mr. Speaker, as recommended by the Committee, EAC will collaborate with the Republic of Kenya and the United

Republic of Tanzania to monitor the implementation of the project so that it is completed within the planned timeframe, and to ensure the regular submission of progress reports. The project progress and audit reports will be availed to the Audit Commission.

In terms of currency in use, the Council will direct the management to maintain all books of accounts in United States Dollars.

Mr. Speaker, the Construction of the EAC Headquarters, funded by the Federal Republic of Germany with counterpart funding from Partner States commenced on 28 January 2010. The Council of Ministers notes that the initial delay in the commencement of the project was a result of the need to re-design the building because of the expanded membership of the Community, subsequent mobilization of additional resources due the enhanced design, and the elaborate procurement process of contractors and other service providers.

Mr. Speaker, I am happy to report to this August House that the construction work is progressing satisfactory, and the United Republic of Tanzania has already availed the necessary tax exemption as provided for in the Headquarters Agreement. *(Applause)*

I would like to add here, before I forget, that apart from the Government of the United Republic of Tanzania granting the necessary tax exemptions, we have decided to do the following: The Tanzanian government has decided to bear the cost of constructing a tarmac access road, which was also supposed to be constructed using the funds from

Germany - *(Applause)*. When I visited the construction site, I was informed of a plan to request for more money from Germany to construct the access road. I told them that that was not acceptable. I spoke to the President and the Prime Minister of the United Republic of Tanzania, and they agreed that we would provide funds for constructing the access road - *(Applause)*.

Mr Speaker, during my visit to the construction site of the headquarters, the experts also informed me that they were also planning to ask for more funds for the furniture from Germany. I told them that there was no need to ask for funds for furniture from Germany because the Partner States cannot fail to provide the furniture for the headquarters - *(Applause)*. That would be an embarrassment! So, I will call upon the Partner States to be ready to bear the cost of getting the furniture for our headquarters. Should the Partner States fail, Tanzania will be able to provide, but I do not think the Partner States will fail - *(Applause)*.

Mr Speaker, the Council of Ministers notes the anomalies underscored in the report of the Committee on Accounts, on the contract for rent of office space at the Arusha International Conference Centre. I wish to inform this August House that the Secretary General has already instituted a board of survey to carry out a detailed assessment of the rented space. Upon receipt of the report of the Board of Survey, the Secretary General will initiate negotiations with the AICC Management for recovery of overpayment, if any. *(Applause)*

Mr Speaker, if you look at the Audit Report and at the recommendations of

the Committee, there are some issues, which we do not know whether they were done by mistake or deliberately. For example, on the issue of making one payment using original receipts and another using photocopy of the receipts, the response of the EAC Management is that they have noted the problem and taken measures. This is something, which we cannot just leave, as it is - *(Applause)*.

That being the case, we, as the Ministers of the EAC, have agreed to call an extraordinary Council of Ministers immediately to closely look at the report of the Audit Commission, together with the proposals from the Accounts Committee and the recommendation from this House, so that we can take measures, and where necessary, order a special audit - *(Applause)*.

Mr. Speaker, as regards lack of adequate space to accommodate stores, the management is already looking into this matter with a view to securing additional space - *(Applause)*.

The Council of Ministers has directed the Secretariat to carry out an Institutional Review of the Community, and there proposals in the draft report to upgrade the Internal Audit unit into a directorate with more staffing. The Council will consider these proposals to enhance the capacity of the audit function. *(Applause)*

We will also consider the sub accounting functions of the EAC organs to ensure that the arrangements are operating effectively, with internal controls strengthened. In addition, the internal controls and the payment verification process of these organs has been

strengthened by involving the Deputy Registrar and Deputy Clerk.

Mr. Speaker, the Council has noted the concerns of the Committee on the lack of a resource mobilization policy for the EAC, and wish to report to this August House that a consultant was engaged to develop a resource mobilization policy, which is being considered by the Secretariat in preparation for its validation by the relevant stakeholders.

Mr. Speaker, I wish to assure you that we will give this matter priority with a view to enhancing the financial requirements for the development of the Community and the need for accountability and value for money. The Council of Ministers will also consider the possibility of introducing what we call value for money audits, because experience has shown that you may get very good audit reports with certificates in flying colours but when you go on the ground, you will find nothing. You are likely to find a difference between a very clean audit report and the reality on the ground.

In view of this, the Council of Ministers is seriously considering introducing value for money audits. That is why we have directed the Secretary General to invite the audit commissioners to attend the forth-coming extra-ordinary meeting of the Council of Ministers to advise the ministers on whether we can introduce value for money audits or not.

Mr. Speaker, the Council of Ministers has taken note of the commendations by the Committee for the work done by the LVBC Management to put the Research Vessel *RV Jumuiya* into operation. The vessel has been fitted with all the

necessary equipments, and it is currently being used for, among other things: HIV Research on the Islands of Lake Victoria, Maritime Safety and Navigation facilitation to stem the huge losses of life, fish research, hydrography, and charting of the lake.

Mr Speaker, when we received this vessel, people said that we had received a very good vessel, but after only a few months, we were told that the vessel needed an engine change and other things. The Council of Ministers is not satisfied with the way that this matter was handled. Therefore, we should closely follow up on this matter to see the type of vessel that we received, because we would not like to make East Africa a dumping ground. That might not have been their intention, but in future whoever wants to give us anything, I think an inspection has to be carried out to know what we have received - (Applause).

That is why we are emphasising the concept of value for money audit. Otherwise, we should not be surprised to be told within one month that the *RV-Jumuiya* can no longer operate, and that we need to buy a new one. We need to be very clear on this issue. That is why we are going to follow up on the matter very closely.

Mr. Speaker, the Council of Ministers notes the concern of the Committee on Accounts about the valuation of land. The Government of the Republic of Kenya donated land under a 99-year lease for the construction of Lake Victoria Basin Commission Secretariat Headquarters. The land measures 2.8 hectares, and has been valued at a market value of Kshs.42 million, which

is equivalent to USD560,000. The Council will direct the Executive Secretary to include the land value in the books of accounts of LVBC.

Mr. Speaker, the Council of Ministers has noted with concern the internal control weakness at LVBC, which include long outstanding imprest, stale cheques, double payment to an air ticket supplier, and control over payments. The Council will direct the Executive Secretary to instruct the management of Lake Victoria Basin Commission Secretariat to strengthen the controls in place and blacklist the service provider for air tickets.

Mr. Speaker, I would like to report to this August House that the Accounting System of the LVBC has been computerized following the acquisition and installation of SUN 5 Accounting software. I would like to inform our colleagues at Lake Victoria Basin Commission that having a very good accounting system and software is not enough. What is important is to look into the type of staff and other things so that we can improve the performance as well.

Mr. Speaker, the Council of Ministers will direct the Secretary General to ensure that the Partner States address themselves to the provisions of the Treaty and the Headquarter Agreement with regard to tax exemptions.

The Council of Ministers appreciates the commendations made by the Committee on the LVBC management of the Partnership Fund agreement. The Protocol for the Sustainable Development of the Lake Victoria Basin provides for each Partner State to establish a focal point office for Lake

Victoria Basin Commission. The Focal Point Offices coordinate the implementation of the activities of the LVBC in the Partner States, thus the provision of support by the LVBC Partnership Fund. The Council of Ministers will direct the Executive Secretary to follow closely the accountability of funds to the National Focal Point Offices (NFPO).

Mr. Speaker, the Council notes the concerns of the Accounts Committee on the constitution of the Board of CASSOA. I wish to report to this August House that the Republic of Rwanda, the Republic of Burundi, the United Republic of Tanzania and the Republic of Uganda have nominated their Members. However, I wish to urge the Republic of Kenya to nominate her member so that the CASSOA Board is fully constituted. Yesterday I spoke to the Executive Director of CASSOA, and he told me that even those already appointed do not turn up for the meetings of the Board. Perhaps we will advise our Partner States, in future, to appoint people who have time to attend the meetings.

Mr Speaker, hon. Ndahiro has raised the issue of what we can do with the recommendations. We have directed the Secretary General to convene an Extra-Ordinary Council as soon as possible to look into the recommendations.

I thank hon. Sebalu very much for his question, but, as I said concerning the furniture, access road, and tax exemptions, it is timely, and we will try our level best to respect the Treaty and serve the East Africans.

Mr Speaker, on the issue of mobilisation of funds, we have to know who

mobilises funds and how. What is important is that we are going to introduce value for money audits.

Having said that, Mr Speaker, I thank you for giving me the opportunity, and would like to promise that I will live to my words, and whoever thinks that I am just talking and acts contrary will face the music. Thank you very much. *(Laughter and Applause)*

The Speaker: Honourable Minister, this is not a place to issue threats to other people! *(Laughter)*

The Chairperson, Committee on Accounts (Mr Bernard Mulengani) (Uganda): Mr Speaker, I beg your indulgence recognise and put on record two honourable members who contributed to the debate but the hon. Minister Kamala did not mentioned them. They are hon. Catherine Kimura and hon. Wilbert Kaahwa.

Mr Speaker, the honourable Members have raised many issues, and I think the Chairperson of the Council of Ministers has properly responded to most of them but I just want to highlight a few of them.

On pages 43 and 44, the table clearly shows that any number divided by zero or nothing gives infinity. If you turn to that table, you will see something, which looks like the figure eight. That is the infinity sign, and since we are in MTEF, it means that there was no activity. The response by management, which is on page 43, is that Council gave the directive.

Mr Speaker, parliamentary procedures are well known. I hinted on that while I

was presenting the report, so I would not like to go into it again, but I want to thank hon. Muhongayire for highlighting it. I would like to emphasise what she said when she drew the attention of honourable Members to the possibility of conflict of interest in respect of the composition of the survey team, comprised mainly of people to whom the assets belong. The AICC belongs to the United Republic of Tanzania, but the board of survey is comprised mainly of the people from the ministry of works and transport, and the people from the EAC Secretariat, who are from that very country.

Hon. Mike Sebalu talked about the lack of a mobilisation policy, and what that has culminated into is that certain areas are being defaulted, especially areas where the donors bring in their conditions. I want to applaud Lake Victoria Basin Commission, because although it is also receiving funds from the donors, it is following the provisions of the Treaty.

This puts a question on how the Secretariat operates, because LVBC has Partnership Fund and has other funds from other development partners but follow the provisions of the Treaty governing donor funding. The Audit Commission audits the LVBC, as per provisions, which is actually enshrined in the Treaty. So, I really want to urge members from the Secretariat to borrow a leaf from their own institution, the LVBC.

Mr Speaker, hon. Kaahwa has mentioned many things, but I would like to comment on the issue of timeframes. We come on the Floor here, talk about things, and give good responses but at

times the timeframe is not talked about, and so we may find ourselves going into years, and possibly even leave the Assembly to go into another elective term without saying some of the things we are talking about. I would just request that we should consider the issues that the Counsel to the Community has mentioned within a timeframe.

Mr Speaker, on the area of a breach, he has quoted Article 29(1). I want to request the indulgence of the Counsel to the Community that the Audit Commission is seeing some of these things, but our own people cannot see them internally. For example, where the LVBC is unable to put in its financial statements, issues to do with VAT because the host country has not written to them to confirm that they will pay, I think they are just flaunting the accounting principles.

I think the Council of Ministers needs to take it up as well. How can one put in a report that I was unable to put VAT refund because the ministry has not written, has not responded that they will pay? That is faulting accounting principles, and I would urge the Council of Ministers to take it up.

On the issue that the Council of Ministers is raising about political supervision at the EAC, the Assembly has been talking about some of these things for a while, and I think we should refer to the record of the Assembly proceedings and get what we have been saying. This is something that is long overdue, and I would not see the demand for a consultant. A consultant to come and do what on issues of political supervision at the EAC? Just pick up

your bags, pack them, come and sit in Arusha and do your job.

Mr. Speaker, I would like to thank the Minister for the positive response. I want to thank all those who have contributed to this report, and I want to thank the Secretariat for the cooperation. We hope to have better audited accounts during the next financial year. I thank you. *(Applause)*

The Speaker: Thank you hon. Mulengani, but I think you should be fair to the Chairperson, Council of Ministers. He is not a resident Minister in Arusha, so he cannot just pack up his bags and go to Arusha if he wished to. Therefore, I think we should urge the Partner States to have resident ministers of the EAC. *(Applause)*

(Question put and agreed to)

(Resolution adopted)

ADJOURNMENT

The Speaker: Honourable Members, we have come to the end of business today. I now adjourn the House until tomorrow.

(The Assembly rose at 4:30 p.m. and adjourned until Thursday, 22nd September 2010 at 2.30 p.m.)