



EAST AFRICAN COMMUNITY

IN THE EAST AFRICAN LEGISLATIVE ASSEMBLY (EALA)

The Official Report of the Proceedings of the East African Legislative Assembly

101ST SITTING - SECOND ASSEMBLY: THIRD MEETING – FOURTH SESSION

Tuesday, 25 January 2011

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

PRAYER

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

(The Assembly was called to order.)

PROCEDURAL MOTION

The Chairperson, Committee on Legal, Rules, and Privileges (Mr. Frederic Ngenzebuhoro, Burundi): Mr. Speaker, Sir, I beg to move:

THAT, this House, pursuant to the provisions of Article 55 of the Treaty and Rule 11 of the Rules of Procedure, do resolve to hold its sittings in Nairobi, in the Republic of Kenya.

The Counsel to the Community (Mr. Wilbert Kaahwa): Seconded.

Mr. Ngenzebuhoro: Mr. Speaker, Sir;

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

AND WHEREAS Rule 2 of the Rules of Procedure provides that the seat of the Assembly shall be at Arusha in the United Republic of Tanzania;

AND WHEREAS sub-rule 7 of Rule 11 provides that the Assembly may, on a resolution adopted by a majority of its Members, decide to hold one or more sittings elsewhere within the Partner States, other than at its seat;

NOW, THEREFORE, this Assembly do resolve as follows:

That pursuant to the provisions of Sub-rule 7 of Rule 11 stated above, the Assembly shall hold sittings in the Old Chamber of the Parliament of Kenya from today Tuesday, 25th January 2011 up to Friday, 4th January, 2011.

Mr. Speaker, Sir, I beg to move.

(Question proposed)

(Question put and agreed to)

COMMUNICATION FROM THE CHAIR

The Speaker: Hon. Members, amidst us today is H.E Mwai Kibaki, the President of the Republic of Kenya and Hon. Kenneth Marende, the Speaker of Kenya National Assembly. *(Applause)*

I have, in accordance with the provisions of Article 54 of the Treaty, invited them to address this Assembly.

I would now like to make the following proclamation to welcome the presence, in the Assembly, of the President of the Republic of Kenya and the Speaker of Kenya National Assembly:

PROCLAMATION

WHEREAS Clause (1) of Article 54 of the Treaty provides that the Speaker of the Assembly can invite any person to attend the Assembly notwithstanding that he or she is not a Member of the Assembly; if in his or her opinion the Business of the Assembly renders his or her presence desirable.

AND WHEREAS in the opinion of the Speaker, the attendance and presence in the Assembly of the H.E. the President of the Republic of Kenya and the Speaker of Kenya National Assembly is desirable in accordance with the Business now before the Assembly.

NOW THEREFORE, It is with great pleasure and honour, on your behalf Hon. Members, to welcome the presence of the President of the Republic of Kenya and the Speaker of Kenya National Assembly in this Chamber.

ADDRESS BY THE SPEAKER, KENYA NATIONAL ASSEMBLY

WELCOME REMARKS BY THE SPEAKER, EALA

The Speaker: Your Excellency Mwai Kibaki, President of the Republic of Kenya;

Rt. Hon. Kenneth Marende, Speaker of Kenya National Assembly;
Chairperson, EAC Council of Ministers;
Hon. Ministers;
The Secretary General of the EAC;
Hon. Members of Parliament and EALA;
Your Excellencies Ambassadors and High Commissioners;
Distinguished Guests;
Ladies and Gentlemen.

I wish to first of all thank Rt. Hon. Kenneth Marende, the Kenya National Assembly and indeed the entire Government of the Republic of Kenya for accepting to host us here in Nairobi once again. EALA enjoys very cordial relations with the Kenya National Assembly and indeed all the National Assemblies of Partner States. We always feel at home and a sense of belonging whenever we are here or in any other National Assembly in the region.

Your Excellency, we are particularly grateful to Hon. Marende for accepting to host us in Nairobi at this moment in time despite the fact that the Kenya National Assembly is in Session. As we all know, the Chamber of the Kenya National Assembly is being remodeled and what is available for both Assemblies to transact business is this Old Chamber. The acceptance by the Rt. Hon. Speaker to allow us share this only facility is a very clear gesture of brotherliness and I think as part of the usual Kenyan magnanimity as well. We are truly grateful.

Your Excellency, this is particularly true because we note the heavy workload before the Kenya National Assembly at this particular moment in time as they need to enact many laws to implement the Constitution. We at EALA are keen to see the full success of this democratization process and we are proud to note that the Kenya National Assembly under the able leadership of Rt. Hon. Marende is managing the process very well.

The Rt. Hon. Marende is a very active Member of the Bureau of the EAC Speakers, an umbrella body the National Assemblies are using to spearhead the set up of a number of institutional arrangements at the EAC. The Bureau has made a number of suggestions, which are with the Council of Ministers, and we hope they will soon be added to the agenda of the next meeting of the Summit for consideration.

With these few remarks, I now take this opportunity to invite my very good friend, the Rt. Hon. Kenneth Marende, Speaker of the Kenya National Assembly to make his remarks. (*Applause*)

The Speaker, Kenya National Assembly (Mr. Kenneth Marende): Your Excellency,
The President of the Republic of Kenya, Hon. Mwai Kibaki, CGH, MP
The Speaker of the East African Legislative Assembly, Rt. Hon. Abdirahin Abdi, MP
Chairperson, East Africa Community Council of Ministers,
Honourable Members of EALA and Parliament,
Ladies and Gentlemen,

It is my pleasure, privilege, and honour to welcome and address you once again during this auspicious occasion of the East African Legislative Assembly Sitting in the Chambers of the Kenyan Parliament.

I thank you, Honourable Speaker for inviting His Excellency, the President of the Republic of Kenya who is also the Member of the Summit of Heads of States of the East African Community, His Excellency, Hon. Mwai Kibaki to address this Assembly.

Mr. Speaker, the East African Legislative Assembly (EALA) was inaugurated by the Heads of State of the EAC Partner States at its first sitting in Arusha, Tanzania on 30th November, 2001, as an independent legislative arm of the Community under duty to act in concert with the objectives set out in the Treaty for the Establishment of the community.

Some of these objectives are; the strengthening of economic, social, cultural, political, technological and other ties between the partner states to facilitate fast balanced and sustainable development; the establishment of an East African Customs Union and Common Market, the establishment of a Monetary Union and ultimately a Political Federation.

Mr. Speaker, though the EAC Common Market Protocol provides for the free movements of the people of EAC across the borders, there is need to finalize negotiations on the Protocol's annexes on harmonization and mutual recognition of academic and professional qualifications and on social security benefits in the community.

I have noted that non-tariff barriers still remain a big challenge and impact negatively on trade consequently making business expensive in the East African Region.

There is need to immediately implement EAC food security action plan by urging Partner States to increase budget allocation to agricultural sector to a minimum of 10% of budgets by 2015 and to establish finance and insurance instruments on agricultural development in small and medium scale enterprises in all Partner States in order to make our region self-sustaining in food production.

Mr. Speaker, so as to effectively address the unjustifiable perennial food shortages that confront our region there is dire need for us to think and act strategically and leverage on our obvious economies of scale.

We East Africans must by act and deed and break out of the box of our narrow perspectives and instead acknowledge and appreciate our region as East Africans.

Only yesterday, I had the privilege of receiving a delegation from the Parliamentary Commission of the Republic of Uganda and one of the issues that came up for discussion was trade between Kenya and Uganda. To start of that discussion, I did throw in a

comment that Uganda is so valuable to Kenya because since five years ago, Uganda has overtaken our former colonial masters Britain as the biggest trading partner to Kenya. The Leader of the Uganda delegation who happened to be the Government Chief Whip said that that comment is well taken and we appreciate the brotherliness that there is between the people of Uganda and the people of Kenya which is largely natural although history also falls in and provides a certain percentage of the reason why that friendship is so close.

He did say that we seem to have a problem because the balance of trade is so much in favor of Kenya that it is so difficult to give a political explanation that is excitable to Ugandans that this trade is healthy and good for us. I did tell him that this was set to change very soon now that they had discovered oil in Uganda.

Mr. Speaker, allow me Honorable Members to summarize my take on the position from a renowned writer Mark Gazon in his "Leading Through Conflict." I will quote, "we can and must develop and impact integral mission, "they" are "our" suppliers or customers and "we" are their lenders or borrowers, when "their" forests replenish our oxygen and "our" software operates in "their" computers when "their" medical school graduates operate in "our" hospitals and when "our" international institutions dictate the rules of our economy, who then is a foreigner? It is either all of us or none of us is a foreigner.

We are all part of a whole East Africa, let us all lead our people to convergence, and let us see the borders between our countries as connecting us and not separating us. There is a choice, you can choose that those boundaries connect us or that they separate us but the choice that you make makes all the difference.

Our region has continued to attract negative publicity on commitments to fight corruption and impunity and thus more effort need to be targeted to enhancement of good governance encompassing adherence to the rule of law, democracy, transparency, accountability and protection of human rights.

The EAC is under no illusion that its economies continue to be encumbered by low competitiveness. On this, we should be compelled by determination to address the challenges systematically and effectively. In this regard, tangible emphasis should be put in place on infrastructure development

As Members deliberate on the agenda before the Assembly, I indulge them to focus on the improvement of the social economic welfare of the East Africans and take advantage of the common market, sustainable utilization of Lake Victoria and establishment of a Political Federation.

Mr. Speaker, finally, the Kenya National Assembly will through structured engagement continue to facilitate and support the Assembly where applicable in order to ensure that it achieves its mandate, together as one people with one destiny.

I once again welcome you to the Parliament of Kenya and on behalf of the Honorable Members and staff of the Kenya National Assembly, I wish you fruitful deliberations.

Thank you and may God Bless. (*Applause*)

ADDRESS BY HIS EXCELLENCY THE PRESIDENT OF KENYA

WELCOMING REMARKS BY SPEAKER, EALA

The Speaker: Your Excellency Mwai Kibaki, President of the Republic of Kenya;
Rt. Hon. Kenneth Marende, Speaker of the Kenya National Assembly;
Chairperson, EAC Council of Ministers;
Hon. Ministers;
The Secretary General of the EAC;
Hon. Members of Parliament and EALA;

Your Excellencies Ambassadors and High Commissioners;

Distinguished Guests;
Ladies and Gentlemen.

On behalf of the EALA and on my own behalf, I wish to most warmly welcome Your Excellency to today's Sitting of the Assembly.

We are so grateful and indeed feel honoured because every time the Assembly is in Session in Nairobi, you have always gladly accepted our invitation to address us. To us, this is a clear signal about the importance you and your Government attach to this August House and indeed to the EAC integration efforts. Thank you very much Your Excellency.

May I first take this opportunity to congratulate Your Excellency, the Government and the people of Kenya for the recent holding of a peaceful and successful referendum on the new Constitution for Kenya. This landmark achievement has been hailed far and beyond and it is only natural that we too add our voice in heralding this great achievement.

May I further take this opportunity on behalf of the East African Legislative Assembly to extend through Your Excellency, our appreciation to the Summit of EAC Heads of State for the recent special Summit meeting on Food Security and Climate Change. This historic meeting was not only timely but we also believe it laid a clear path on how EAC should address the above two issues. We call upon the Partner States to waste no time in ensuring that the milestones set at this Summit are embarked on without further delay.

On our part, we are proud of the tremendous progress the Community is making in the integration efforts. With constant and foresighted guidance from the Summit, the Community is on course in attaining the four main pillars of integration it set out to achieve. The Customs Union is in place; the Common Market became operational on 1st

July 2010; preparations for negotiations for the Monetary Union are already in advanced stages; and already significant studies on the Political Federation have been undertaken on the orders of the Summit. Indeed the 12th Ordinary Meeting of the Summit held in early December, 2010 went further to make more bold steps towards the achievement of the Monetary Union and the Political Federation. We as the legislative arm of the Community, pledge our commitment to fulfill our role in the Community and assure Your Excellency that we are ready to go an extra mile should we be called upon.

Your Excellency, in the past seven months since we were last here, the Assembly has managed to enact six pieces of legislation. Four other Bills are on the floor of the House and will form the bulk of our work in the next two weeks here in Nairobi. We were also able to play our oversight role by not only demanding progress reports on the various programmes and projects of the Community, but also carried out on-spot/on-site visits to these projects to validate the information provided in the progress reports. We also continued to offer budgetary oversight by ensuring that the resources provided to the Community were allocated within the priorities of the Community.

In our representative role, not only have we been able to establish formal working and reporting mechanisms with the National Assemblies, but also we have constantly consulted the people of East Africa on all the proposed legislations and a number of Protocols for the Community. We believe that constant dialogue with citizens of the region is of utmost importance to ensure that we all move together from one stage of integration to the other so that ultimately, we own and share our achievements collectively.

Your Excellency, the next two weeks shall see EALA deliberate on crucial legislative business. We expect to debate the following business, among others:-

- a) The EAC Elections Bill;
- b) The EAC Service Commission Bill;
- c) The Lake Victoria Basin Commission Bill;
- d) Hold Committee Meetings; and
- e) The consideration of various Committee Reports.

Your Excellency, I also wish to bring to your attention the fact that this year, EALA shall be marking its 10th Anniversary. The commemoration which shall be observed in all the EAC Partner States will climax with a wide range of activities envisaged to be observed in Arusha, Tanzania on November 29, 2011.

EALA shall thus use the observance of its 10th Anniversary to reflect on the various achievements (and challenges) realized over the past ten years and appraise its own effectiveness as a Regional Assembly as it sets the mood for the next decade.

With those few remarks, it is now my humble duty to welcome Your Excellency to address this August House. *(Applause)*

HIS EXCELLENCY THE PRESIDENT OF THE REPUBLIC OF KENYA (Mr. Mwai Kibaki): Honourable Abdirahin Abdi, Speaker of the East African legislative Assembly, Honourable Members of the East African Legislative Assembly, Distinguished Ladies and Gentlemen, I am pleased to address this session of the East African Legislative Assembly. I note that during this session, you will be discussing crucial legislative matters regarding our Community and the integration process. I take this opportunity to warmly welcome you to Nairobi and to wish you fruitful deliberations. This session comes at a critical moment of the East African Community, when the pace of integration has gained momentum with the implementation of both the Customs Union and the Common Market. In addition, substantial progress is being made in the implementation of East Africa Community projects.

I take this opportunity to commend this Assembly for the oversight role that it has continued to play and for the legislative achievements, this august Assembly has made. Your efforts have continued to play a significant role in deepening and widening of the integration process.

As we embark on the EAC flagship projects and programmes it is my hope that the Assembly will play its rightful role to ensure their timely and effective implementation.

Mr Speaker, the progress we have made to date in the implementation of the Customs Union and the Common Market is commendable. The Customs Union, which we established in 2005, has generated the intended positive results over the last five years of its operation. This is clearly demonstrated by the trend in intra-EAC trade over the period. For example, the value of the total intra-EAC trade rose from 1.8 billion US Dollars in 2004 to 3.5 billion US Dollars in 2009 representing a growth of 94 percent. A closer look at both the exports and imports of each one of the Partner States reveals similar upward trends.

In addition, following its launching in July last year, the Common Market has increased interest in our region from both the citizenry and foreign investors who continue to inquire on the available opportunities. In this regard, the conclusion of the remaining Annexes to the Protocol on the Common Market should be finalized without further delays. This will enable the Community benefit from a working single market. This further calls for close monitoring by this Assembly.

Mr. Speaker, while the business community has continued to play a commendable role of embracing the Customs Union and investing in various parts of the Community, there is need for support in the form of improving the business environment in the Community. Towards this end, a number of areas need to be addressed. First, it imperative that we eliminate the Non-tariff Barriers such as prolonged clearing procedures and regulations that have continued to make doing business in East Africa expensive. I encourage the Honourable Members to pay special attention to this area and develop viable solutions to the problem.

Second, for the East African Community to emerge as a competitive trading area, the state of our infrastructure has to be excellent. This may not be realized if the region continues to rely on an overstretched road network. Therefore, the state of the railway network which is outdated and substantially incapacitated needs to be addressed. There is need to upgrade and modernize the railways network as well as extend it to other parts of the Community. I have no doubt that although the amount of money required for this kind of network overhaul is huge, this can be achieved if all stakeholders work together.

Third, the traders in small and micro-enterprises sector need to be facilitated to enable them do business in the regional arena. Across the whole region, majority of our people are engaged in this sector and many more continue to join it annually. However, their operational capacities are too small for them to compete on equal footing with bigger corporations. The main challenge is, to engage the sector in the process of accessing the benefits of the customs union. It is, therefore, necessary for strategies to be developed in support of the sector. Mr. Speaker, further beyond our Community, the ongoing implementation of the Comprehensive Peace Agreement in the Sudan and specifically the just concluded referendum on the Southern Sudan is encouraging. We specifically commend the leadership of both the National Congress Party and the Sudan People's Liberation Movement for supporting the outcomes of this democratic process. We are optimistic that the outcome of the referendum will have positive implications for the East African Community.

In conclusion, Mr. Speaker, I would like to re-affirm the commitment of my Government to the East African Community integration process. We are certain that this is an effective vehicle for the economic development and prosperity of the people of East Africa. We, therefore, continue to give priority to the Community agenda in the operation of our Government.

With these remarks, I once again wish you fruitful deliberations and look forward to continued partnership with this Assembly in our journey towards regional integration.

Ladies and gentlemen, we in East African need to get closer and to treat each other as brothers and sisters. There is no reason whatsoever why we should not develop the trade between us and above all, the relationship ought to be more friendly. I am quite sure you will promote it.

When you are in Nairobi, do not just stay here, when you finish with the Community's business, take time off, visit Mombasa, Kisumu, Mount Kenya and everywhere else, and get to know the people. This is what will make the East African Community to grow. If you can go to any part of Kenya and meet the people, they will always remember you but if you just visit Nairobi, you will only meet a few busy people and they are not exactly the people we want to promote. We would like you to visit all the places of East Africa much more that we do right now.

When you are here, make a point of seeing various parts of Kenya so that you can tell people about it and how we have been getting more integrated. Kiswahili is now your language, please use it. Thank you very much and God bless you all. *(Applause)*

VOTE OF THANKS

The Speaker: Hon. Members, it is now my pleasure to call on Hon. Massaburi to give a Vote of Thanks.

Dr. Didas Massaburi (Tanzania): His Excellency the President of the Republic of Kenya,
The Right Honorable the Speaker of the Kenya Parliament,
The Speaker of the East African Community,
Council of Ministers, Council of EALA,
Invited Guests, ladies and gentlemen,

Mr. Speaker, I would first like to congratulate the Right Honorable Speaker of Kenya for his address that was rich and had every sign of development in the East African Community.

I would also like to thank Mr. Speaker for giving me this chance to register my vote of thanks in this August House.

I first would like to commend and congratulate the new members who joined this House recently who include the new Ministers who joined EALA after being appointed by their respective countries.

Your Excellency, Mr. President, I commend you on your stylistic leadership with lots of influencing and leading in the chain management and good governance in the East African Community.

This is evidence in political developments that Kenya is undergoing in the recent times. Few examples include the introduction of the Kenya's new constitution and the implementation of development policies and involvement in the East African Integration process and current laws, which seems to enrich and achieve the objectives of the Kenyan Government.

Your Excellency, every man undergoes a process in their life cycles and it is said that if you are not smart at the age of 20, then you should forget about it, if you are not strong at the age of 30, you should forget about it, if you are not rich by the age of 40, forget about it and if you are not wise at the age of 50, you should forget about it. It appears to be different in your case, you are smart, strong and wise at this age however, you are not rich.

I wish you all the best and God bless you and you advising team to continue making a difference in the East African family. This implies that you might look old physically but you are young in the brain.

To confirm and justify my argument, I wish to pick a few visionary aspects of your speech.

On behalf of this August House, I wish to commend and support the directives and advise which you have given in the speech. We have the pleasure to receive your welcome in Nairobi and we will make every effort to meet with the community people and ensure that we are widening and deepening integration within Nairobi as citizens of East African Community.

Your Excellency, we also note that you have given directions to this August House to consider various aspects of making the integration process specifically in growing the business within the East African countries. We note that in 2004, the total business growth was at 1.8 Billion Dollars, which has grown up to 3.5 Billion Dollars in 2009, which is 94 percent growth.

It is our sincere hope that you will advice the Heads of States to make sure that this growth continues and this will only be achieved through the political federation. Therefore, there is a need to fast track the political federation so that the integration benefits most of the people in East Africa.

We also appreciate the advice you have given to us to look into means and ways of strengthening or removing the non-tariffs barriers which will need the EALA's involvement in legislating and moving relevant motions to remove the non-tariffs barriers in the business sectors.

We also note that we cannot be competitive if the infrastructure is not improved within the East African countries. We therefore accept the responsibility and we shall make sure that we carry out our oversight activities and ensure that the projects that are included in the strategic development concerning infrastructure improvement are implemented in time and in a quality that will benefit the entire community.

We also assure you that we will try our level best to facilitate the small and medium enterprises to make sure that they are doing business in the region regardless of their position and financial strength. There is a need for regulating and making laws, which are relevant to support the SMEs in the region.

We also appreciate you for recognizing the efforts that have been made by the people of Sudan in the recent referendum. We support you and request you to advice your fellow Heads of State to also commit their countries as you have said that the Kenyan Government is committed to the progress of the integration process.

We also thank you for welcoming us to visit other parts of Kenya and we shall make sure that we will visit other parts of Kenya if time allows us.

I would like to take this opportunity to warn my fellow colleagues that there is a new law in Kenya that prohibits people from taking alcohol during working hours.

Once again, on behalf of this August House, I congratulate you for the Speech and wish you long life.

Thank you. (*Applause*)

The Speaker: I do not have anything to add to that; only to say that as an Assembly, your government has been supporting us in touring different parts of this region for the last seven years.

Honorable Members, before I adjourn I would like to say that there would be a photo session with the President at the steps and we would also like to invite all the invited guests and Honorable Members to a reception in the Parliamentary Gardens after the photographs.

ADJOURNMENT

The Speaker: with those few remarks, I would like to adjourn the House until Thursday at 2.30pm.

(The House rose at 4.20 p.m.)