



## **THE EAST AFRICAN COMMUNITY**

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### **IN THE EAST AFRICAN LEGISLATIVE ASSEMBLY**

**The official Report of the Proceedings of the East Africa Legislative Assembly  
56<sup>TH</sup> SITTING - SECOND ASSEMBLY: FIFTH MEETING - SECOND SESSION**

**Thursday, 26 March 2009**

*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 Abdi Haither Abdirahin, in the Chair.)*

*The Assembly was called to order.*

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### **PAPERS**

The following papers were laid on the Table:-

by the Chairperson of the General Purpose Committee, Ms Lydia Wanyoto:

The Report of the General Purpose Committee on the East African Community  
Annual Report, July 2006 to June 2007

by Mr Bernard Mulengani:

The Report of the Public Hearing Workshops on the Common Market Protocol

### **QUESTIONS FOR ORAL ANSWER**

**Question Ref/EALA/PQ/OA/006/2009**

**Mr Mike Kennedy Sebalu (Uganda):** Asked the Chairperson of the EAC Council of Ministers:

*“Pursuant to the provisions of Article 59(3)(c) of the Treaty for the Establishment of the East African Community, the Assembly shall hold an annual debate on a report to be submitted to it by the Council on the progress made by the Community in the development of its common foreign and security policies.*

*Could the Chairperson of the Council of the EAC Ministers:*

- (i) Inform this House why the above named report has never been submitted to the Assembly for the last six years?*
- (ii) Update this House on the progress made by the Community in the development of its foreign and security policies; and*
- (iii) Undertake to submit the report annually to the Assembly as per the directives of the provisions of the Treaty cited above?”*

**The Assistant Minister for East African Cooperation, Tanzania (Mr Mohamed Abood) (Ex-Officio):** Mr Speaker, with your permission I would like to react to the question of the hon. Member as follows:

The Council takes consideration to the Treaty provision relating to the report by the Council on the pursuit of security and foreign policies by the Community. Up to now, this report has not been tabled before the East African Legislative Assembly (EALA). This is not deliberate. The Assembly will appreciate that the absence of adequate operational frameworks from these sectors, coupled with capacity constraints, has been holding back operations in this area. However, particularly during the past one year, a number of activities have been undertaken. It is my honour to report to this House on the progress so far.

Mr Speaker, regarding the development and implementation of the Common Security Policy for the East African Community, the following developments has taken place:

1. A security council on inter-state security, bringing together all peace and security sector issues, has been established to speed up the decision-making process. Among the activities, including meeting of the chiefs of anti-narcotic drugs and operations aimed at curbing proliferation of small arms and light weapons policy has been developed, and is about to be concluded.
2. A peace and security protocol has been finalised, detailing the various areas of operation agreed upon and the modalities of implementation. The establishment of a Directorate of Peace and Security has been proposed to coordinate the implementation of this protocol.
3. Guided by the regional peace and security strategy that was adopted by the Council in 2006, police and intelligence chiefs meet regularly to review progress on matters of the sector.

Sir, allow me now to inform the august House that on conflict prevention, management and resolution, the EAC, along with other regional blocs, through the African Union (AU) and European Union (EU) African Peace Facility, is engaged in developing a modality that will facilitate timely intervention in potential crisis. In this regard:

- (a) An early warning mechanism has been finalised and is waiting Council approval for implementation. This will facilitate anticipation and preparedness, prevention, containment and management of situations that protect the security in the region.
- (b) A framework for conflict prevention, management and resolution to facilitate timely and appropriate response to crisis situations in its early stages of development.
- (c) A protocol in cattle rustling was concluded in August 2008, and is in the process of ratification by Partner States.

Regarding foreign policy co-ordination, the Partner States observed that time was not ripe yet to have a common foreign policy for the Community. A decision was taken that in the interim, in pursuit of the Community objective, Partner States should harmonise their positions while coordinating their foreign policy. The memorandum of understanding on foreign policy co-ordination signed in January 1999 is being upgraded into a protocol. In February 2009, the Sectoral Council on Foreign Policy Coordination endorsed the final draft, which is due for presentation to the next meeting of the Council. Broadly, the draft protocol addresses issues related to the co-ordination of collaboration in diplomatic and council activities, including provision of visa and consular services on behalf of each other where a Partner State is not represented; collaboration in liberal diplomacy, economic and social activities, and deeper engagement of the Partner State diplomatic missions in pursuit of the Community objectives.

I would like also to inform the House that in an effort to better position itself and take advantage of opportunities within the international civil service, the EAC established a sub-committee on candidature for international jobs, targeting senior level international positions. The sub-committee, at permanent secretary level considers curriculum vitae (CVs) submitted by Partner States on behalf of their nationals and recommends the best course of action. The purpose is to propose joint mobilisation in support for EAC candidatures and to mitigate the potential loss of opportunities that would arise through unnecessary competition among East Africans. Achievements in this area include Uganda's election to the United Nations (UN) Security Council, Kenya's membership to the UN Human Rights Council, membership to the International Atomic Energy Agency, and appointments of the executive within the AU Commission, among others.

From this presentation, I take this opportunity to assure this House that in accordance with the provisions of the Treaty, the Council undertakes to submit the annual report relating to the pursuit of the Community's foreign and security policies.

**Mr Sebalu:** Mr Speaker, I would like to thank the Minister for his response to the questions raised regarding the foreign policy coordination and the report that the Treaty mandates the Council to present to the Assembly for purposes of following up on those

undertakings. I thank him, but I would like to ask supplementary questions for further clarification.

He has, indeed, made an undertaking to make available that presentation to the House, but he has not given any indicative timeframe for this. I think that he would, definitely, be obliged to give an indicative timeframe, given that this activity has not been undertaken for so long. We are two years plus in this House, and such a very important report has not been presented to this House. So, may the Chairperson of the Council make an undertaking with a clear indicative timeframe within which this report will be presented to this House?

Secondly, he has clearly indicated that the protocol on peace and security is finalised, but I would wish that the House got to know the status of the protocol in terms of whether it is signed and ratified, because that was glaringly missing in his response. He only indicated that it is finalised. “Finalised” could even mean a draft. So, we want to know what the status is. Is it ready for implementation, so that, as a legislature we know how to feed into that process of oversight, as people’s representatives? So, I would wish that the Chairperson also gave us the proper status of the protocol.

There are also issues of a foreign nature, which relate to that co-ordination. We do have the East African Passport as a travel document within the region, but as it is, you will appreciate that it was printed and put in circulation when we were three Partner States. So, the details of it in print do not include the new Partner States of Burundi and Rwanda. So, may I know from him when it will be updated to reflect the Community as it is and not as it was? Can I get that indication?

Related to the same, it is a Treaty obligation that at some point ...a timeframe was given by hon. Ogalo the other day. From his score sheet, the score was zero regarding the issue of internationalisation of the EAC Passport. May I also get clarification from you on that, given that it has a relationship with foreign policy? When are we going to have the East African Passport serving as an international travel document? This is because that would be a level that will consolidate our Community. You do not have to present a Ugandan passport; you go as an East African in any part of the world. It is a commitment and aspiration that is clearly indicated. So, may we know when that will be done?

Sir, I beg to get further clarification along those supplementary questions.

**Mr Abood:** Thank you, Mr Speaker, for giving me the Floor to react to the supplementary questions from the hon. Sebalu.

First is the issue of the timeframe. I would like to assure this august House that within six months’ time that report will be in place. From that time, it will be an annual report to this august House. Secondly, yes, the protocol is not yet signed but we have finalised through the Coordination Committee and we are now working on the modalities of implementing it. But we will take all necessary action to make sure that this protocol will be signed and submitted for implementation.

On the foreign issue, I beg the honourable member to repeat his question in order for me to react to it.

On the fourth question regarding the EAC Passport, the consultations are going on and we are working on it very deeply. We are thinking that within a year's time we will conclude that process. Please, can you repeat the third question?

**Mr Sebalu:** Mr Speaker, the third question was to do with the East African Passport. You will realise that at the inception, when that document was put in circulation, we were three Partner States and the record therein in terms of where it applies, refers to Uganda, Kenya and Tanzania. Right now we are five Partner States, and the information therein does not reflect the additional Partner States. So, I am wondering when that undertaking will be made to ensure that the document is truly an East African document, covering the five Partner States without much ado. This is because if you presented it in Burundi written that it also applies there, an overzealous immigration official could take you to task and you could be embarrassed. So, we want it to truly reflect the character and scope of coverage as an East African travel document. When will it be done, given that we are already five Partner States, and this document should facilitate our movement within the region, as a travel document?

**Mr Abood:** Mr Speaker, with your permission, I would like to react to this supplementary question by the honourable member.

First of all, I would like to congratulate Burundi and Rwanda for joining the East African Community. They are very active members. (*Applause*) I would like to assure this august House that necessary action is taking place to make sure that the involvement of Burundi and Rwanda using that East African Passport is in place. We will do all we can as soon as possible to be in position for this implementation to take place. Thank you.

**The Third Deputy Prime Minister and Minister for East African Community Affairs, Uganda (Mr Eriya Kategaya) (Ex-officio):** Mr Speaker, as you have put it correctly, it is up to our new partners in the Community to call for the printing of these passports and issue them to their nationals. This is because, even in Uganda, Tanzania and Kenya, it was the initiative of the Partner State governments, which went out to call for the printing and issuing of the passport. So, it is up to Rwanda and Burundi to print and issue them to their nationals. As the Speaker has said, these passports are valid within the EAC, and the two are partners of the EAC. So, it is a question of operationalising the issuing of the passports in the two republics.

**Mr Sebalu:** Mr Speaker, I think we should also put attention to great detail, because when you look at this document, on page 3 it clearly states: "East African Passports are issued and renewed by the competent authorities in Tanzania, Kenya and Uganda. They can also be renewed – (*Interjection*) – yeah, this is a detail, and it is necessary to make it – (*Interruption*) –

**The Speaker:** *Mheshimiwa* Sebalu, if you read the quotation, it is the same person.

**Question for Oral Answer REF/EALA/PQ/OA/007/2009**

**Mr Christopher Nakuleu (Kenya):** Asked the Chairperson of the Council of Ministers:

*“During the Third Meeting of the Second Session of the Second Assembly held in Kampala, Uganda from the 1<sup>st</sup> to 15th December 2008, the Assembly considered a report of the Accounts Committee on various audited accounts of the EAC for the financial year ended 30 June 2007. The House accordingly adopted a number of recommendations and directives for implementation by the EAC management.*

*Could the Chairperson of the Council of Ministers of the EAC:*

- (i) Update this august House on the progress of the recommendations and directives of the House; and,*
- (j) Table before this House a memorandum detailing the respective actions taken?”*

**The Assistant Minister For East African Cooperation, Tanzania (Mr Mohamed Abood):** Mr Speaker, first I would like to commend hon. Christopher Nakuleu, the Chairperson of the Committee on Accounts for coming up with such focused questions which will go a long way to ensure that the directives and recommendations of the Assembly are implemented, resulting in improved financial systems and better management of the EAC resources.

The question relates to an update on the progress of the implementation of the directive and recommendations issued by this august House in December 2008 in respect of the Committee on Accounts’ report on the audited accounts of the Community for the financial year ended 30 June 2007.

I would like to inform this august Assembly that most of the recommendations and directives have since been implemented, and those not yet implemented fully will be addressed and dealt with expeditiously. The details of the status of implementation are contained in a memorandum that I beg to lay before this august House for your consideration.

Mr. Speaker, I would like to highlight the following areas:

The EAC Secretariat: The construction of EAC Headquarters is now projected to commence in September 2009 and is expected to take 18 months to completion in June 2011. The draft accounting, audit and procurement manuals and drafts for IT policy and other draft policies related to the governance and institutional strengthening of the Community have been finalised and they will be presented to the next regular Council of Ministers for consideration and approval. The Secretariat has developed a programme to train its accountants in order to enhance their professional competence for better service delivery.

Regarding the Mt Elgon Regional Eco-system Conservation Programme, I would like to inform this august Assembly that following the redesigning of the programme, the Lake Victoria Basin Commission has taken over the overall management of the Mt Elgon Regional Eco-system Conservation Programme and the programme management unit has already moved to the Lake Victoria Basin Commission Secretariat in Kisumu. IUSN, the former managers of the programme before the termination of the management contract, will now offer technical backstopping consultancy on a need-basis arrangement.

I would like to assure this august House that the redesigning programme has taken into consideration the challenges that had negatively impacted on this eco-system programme in the past years. The parent ministries in Kenya and Uganda have now also been given more roles and responsibilities over programme implementation and we now expect better results and service delivery to the people of the Mt Elgon region. *(Applause)*

Mr Speaker, in regard to the Lake Victoria Basin Commission, I am pleased to report that a permanent engineer and a master captain have now been employed and are currently manning the *RV Jumuiya*. I am glad to inform this august House that an accounts assistant has already been employed at the Commission, and interviews for the recruitment of a senior accountant and internal auditor are being concluded this week. The employment of these three officers is expected to greatly enhance the staff capacity of the Commission.

Sir, I would like to inform this august House that the Council of Ministers has considered the draft financial rules and regulations of Lake Victoria Basin Commission in February, 2009 and referred them to the Sectoral Council on Legal and Judicial Affairs for legal input and subsequent submission to the Council for the final approval.

On the Lake Victoria Environment Management Programme (II), Mr Speaker, following the request by the Assembly to the Audit Commission to investigate whether there was double payment in the procurement of computers I would like to inform this august House that the Kenya National Audit Office, on behalf of the Audit Commission, carried out investigations in February 2009. The Audit Commission report confirmed that there was no double payment in the purchase of computers, and a report to that effect was sent to the Assembly.

Mr Speaker, like I mentioned earlier, the details of the actions taken on the directives and recommendations of the Assembly are contained in the memorandum, and I now beg to lay the memorandum on the Table.

*(The Minister laid the document on the Table)*

**Mr Nakuleu:** Hon. Speaker, I wish to thank the Minister for giving comprehensive responses to the questions raised by the Assembly on the implementation of the EAC programmes. On the supplementary question on the construction of the EAC headquarters, the response given was that the Secretariat has already submitted project briefs, separate agreements and financing agreements...all those documents listed there.

What I would wish to ask is, when exactly was this done; was it after I had raised the question in Arusha or when specifically? Can this Assembly be informed of when this was done? And, can the relevant authority of the Assembly confirm the receipt of this document that has been alluded to by the Minister as having been submitted?

Also, hon. Speaker, on the next question, most of the responses given do not have time frames for implementation. For example, on the directive on adequate staffing of the Internal Audit unit and the lack of an audit committee, the response given is that the Secretariat will carry out a functional review of the Community and the establishment of an internal audit in each organ, but a timeframe has not been given.

Hon Speaker I wish to urge that besides answering my first question, I would like the Chairperson to the Council of Ministers to be specific in responding to the queries raised by the House.

**Mr Abood:** Hon. Speaker, I would like to react to the supplementary question from hon. Nakuleu, as follows: For the question regarding the construction of the EAC headquarters, this has been an on-going process for the last two years. For the second question, the time frame can be availed in a detailed statement, which will be submitted to this august House.

**Mr Nakuleu:** Hon. Speaker, I do not think that my question has been adequately answered because, besides the first part, which the hon. Minister has answered, I went ahead to ask for a confirmation from the relevant authorities of the Assembly, whether they received those documents.

**The Speaker:** *Mheshimiwa* Nakuleu, the Minister has answered your question.

**Ms Dora Kanabahita Byamukama (Uganda):** Mr Speaker, I am a Member of the Accounts Committee and I was in Kampala when we raised these issues. But much as the honourable minister has answered these issues, to some extent I think some of them actually need the response of the Secretary-General – *(Interruption)* –

**The Speaker:** The Secretary General is not a member of the Council of Ministers. The Rule stipulates that the questions will be answered by the Chairperson of the Council of Ministers.

**Ms Byamukama:** I am much obliged, sir, but I am seeing the “implementation by the EAC management”, but, let me just move on and talk about this issue of financial rules and regulations. We are being told that a review has been pending for the last two years, and we would just want to know exactly when we shall have this review completed, because, as the committee noted in its report, it is as if we are driving a car which has no breaks and the required number plates. We definitely need these financial rules and regulations. These are prescribed in Article 135(1). I just wanted to hear from the honourable minister as to when this will be available.



Secondly, at the meeting in Kampala, we also talked about the issue of a procurement policy. It was not very clear as to whether we have a procurement policy as well as an assets disposal policy, because they wanted to dispose of some vehicles and I think it was costing more in the garage than maintaining, and even selling it off would not have brought in enough money. So, we came up with a question on the issue of asset disposal. Basically, I have a feeling that not all the issues have been adequately addressed and maybe the Council of Ministers could take some more time and give our report and issues that were raised more seriousness because they were quite pertinent.

**Mr Abood:** Mr Speaker, I would like to react to the supplementary questions from hon. Byamukama.

The first one regarding the rules and regulations, as I mentioned here, we are in the process of introducing a new structure of our financial regime. In that case, we are considering the rules and regulations in the new structure.

On the issue of procurement, we have already finalised the procurement manual; it has been adopted by the Council and it spells out the procurement policies.

**Mr Bernard Mulengani (Uganda):** Mr Speaker, I just want us to be on record. I am a Member of the Accounts Committee. While in Kampala, the Council promised to avail the Committee, various documents that are being used in the Community that were ably enumerated by hon. Byamukama. Today they have only tabled a memorandum, but out of the various audits that have been carried out, there is a sort of a framework of a financial manual that they have been using, and we were ably told in Kampala that there is also a document to do with the procurement they are using. We would not mind, even though there are transformations that are going on, to receive the documents that they have been using in the previous audits and transactions of the Community.

I am, therefore, asking the Minister, Mr Speaker, to kindly assist this House and lay the documents that are being used currently, before this House. Mr Speaker, the reason I have raised this is because one of the recommendations was a request for the tabling of these documents, which my Chairperson has just raised as question number one, Mr Speaker.

**Ms Margaret Zziwa:** Mr Speaker, I also want to appreciate the answers given by the honourable minister. However, I did not hear him mention the transport policy, which was a very key request, which our committee put forward to the Council of Ministers. What about the transport policy of the East African Community?

**The Speaker:** The Minister has promised to provide a detailed submission to the Assembly.

## MOTION

**FOR THE CONSIDERATION AND ADOPTION OF THE REPORT OF THE COMMITTEE ON GENERAL PURPOSE ON THE EAC ANNUAL REPORT FOR THE PERIOD JULY 2006 TO JUNE 2007**

**The Chairperson, Committee on General Purpose (Ms Lydia Wanyoto) (Uganda):**

Mr Speaker, I beg to move that *the Report of the Committee on General Purpose on the EAC Annual Report for the Period July 2006 to June 2007*, be adopted.

**Mr Bernard Mulengani (Uganda):** Seconded.

**Ms Wanyoto:** Mr Speaker, I beg your indulgence. I hope that the report is being circulated. It is a brief report, and most of you know its history. So, I would like to beg to proceed so that we can discuss it and move forward.

Mr Speaker, by way of introduction, pursuant to Article 48(3) and 49(2) (c) of the Treaty for the Establishment of the East African Community, and in accordance with Rule 79(1) – *(Interruption)* -

**Mr Nakuleu:** On a point of order, Mr Speaker, I wish to ask whether it is in order for us to discuss a report of a committee when Members do not have copies.

**The Speaker:** It is being circulated; I think we should continue.

**Ms Wanyoto:** Thank you, Mr Speaker, for that very wise ruling. I did beg for the indulgence of the House. So, I think courtesy demands that my colleague accept my plea for his indulgence.

I would like to proceed with excitement to read the report of the committee so that it is adopted by the House.

Pursuant to Articles 48(3) and 49(2) (c) of the Treaty for the Establishment of the East African Community, and in accordance with Rule 79(1) and (2) of the Rules of Procedure of this Assembly, I present the Report of the Committee on General Purpose on the EAC Annual Report for the period 2006/2007 for consideration and adoption.

The Annual Report was presented to this House on 13 May 2008, by the hon. Mohamed Abood, representing the Chairperson of the EAC Council of Ministers then, and re-tabled in Kampala, in Uganda, on 4 December 2008 by the then Chairperson of the Council of Ministers, hon. Monique Mukaruliza, and was subsequently referred to the Committee on General Purpose for consideration and report.

Mr Speaker, the Treaty vests in this Assembly the mandate to perform certain functions. This is specifically the reason the Assembly is empowered to establish committees to look into matters of legislation, budgeting and oversight over the EAC activities. The Committee on General Purpose was, therefore, established by the Assembly to, among other things, carry out oversight over the progress made in the implementation of those provisions of the Treaty, which had raised matters of general application to the EAC in

relation to its roles and functions. In that regard, the Committee is required to examine the EAC annual reports, specific to the work of bodies, programmes and projects of the EAC.

Accordingly, the Committee met on 6 August 2008 in Kampala, in the Republic of Uganda, in Kigali in the Republic of Rwanda during the Second Session of EALA, and in Nairobi, in the Republic of Kenya during the current EALA Session to consider the EAC Annual Report and wishes to report as follows. I want to begin with appreciations:

The Committee wishes to extend its appreciation to the following people: hon. Monique Mukaruliza, the Chairperson of the Council of Ministers and Minister in Charge of EAC Affairs from Rwanda; the Rt. hon. Eriya Kategaya, Member of the EAC Council of Ministers and Minister responsible for EAC affairs from Uganda; hon. Dr Diodorus Kamala, Member of the EAC Council of Ministers and Minister for EAC Affairs from the United Republic of Tanzania; hon. Amason Jaffah Kingi, Member of the EAC Council of Ministers and Minister in charge of EAC Affairs, from Kenya, and hon. Venerand Bakevyamusaya, former Member of the Council of EAC Ministers and Minister for EAC Affairs from Burundi; hon. Wilbert Kaahwa, Counsel to the Community, and Ambassador Julius Baker Onen, Deputy Secretary-General in charge of Programmes and Projects at the EAC Secretariat. These members met the Committee at various times since last year, 2008, to discuss issues pertaining to this report.

I would also like to extend the Committee's gratitude to the offices of the Speaker and of the Clerk for the support rendered to the Committee in carrying out this mandate.

The following methodology was adopted:

1. To engage the EAC Council of Ministers, Secretary-General and technical officers.
2. To analyse and discuss the EAC Annual Report 2006/2007, the EAC Development Strategy 2006/2007, the Annual Work plan and Budget for the Financial Year 2006/2007 and the Treaty for the Establishment of the EAC.

Hon. Speaker, the Members, having considered the annual report for the period 2006/2007, have come up with the following observations:

1. The document titled "Report 2006/2007" is a public relations document, as earlier indicated. In the Committee's view, it is not worthy of an annual report for consideration and adoption by the Assembly. It was prepared by the public relations office to inform East Africans and other stakeholders what the Community is about and not to demonstrate what was planned and whether or not it was achieved, and what costs were involved.
2. The Community, again, reiterates its earlier position that important documents like the Annual Work Plan for the year 2006/2007, the budget extract for that financial

year and a link between the strategic plan and Annual Report were not availed to the Committee, as the Treaty envisages. The Annual Report 2006/2007 that was presented in the Session in Kampala lacked the balance sheet and income and expenditure statement for the period under review. The one on the last page of the Report is not for the period under review, but rather for the period ending June 2006; it lacks the qualitative and analytical details. I think this was a huge oversight.

3. The Committee acknowledges receipt of the reports presented to the Council of Ministers and to the Summit, from the Office of the Secretary-General, but these are narrative in nature and were progress reports and, therefore, not annual reports as expected.

Mr Speaker, on the expectations of an EAC Annual Report from the EAC Council of Ministers, the Committee reiterates the following:

An annual report from the Council of Ministers as envisaged by Article 49 of the Treaty is expected to have the following features, but not limited to what we have put down:

1. It should be a publication of the Council of Ministers to the Assembly and not a campaign or publicity material from the Directorate of the Corporate Communications Department of Public Affairs of the Secretariat.
2. It should show consistency with the strategic plan, the annual work plan and the budget outlook for the period specifically under review.
3. It should reflect achievements made, challenges met and future outlook in the implementation of the EAC activities and programmes.
4. It should reflect budget projections for the future.
5. It should reflect planning processes for the future.

Mr Speaker, I would now like to move to the way forward, so that we are able to conclude on this matter. It is the Committee's view that the annual report that was presented during the plenary meeting in Kampala, Uganda, in December 2008, does not conform to the strategic plan nor does it address all the above features, as highlighted even earlier. It did not, therefore, meet the standards of the Committee to merit a thorough analysis and recommendation to the Assembly.

The Council and EAC Secretariat undertook to mitigate the challenges through a two-day interactive meeting with the EAC Secretariat, on what an EAC Report to the Assembly should entail, and the *modus operandi* thereof. The Council undertook to avail the Assembly with the annual work plans and budget details, which would be tabled retrospectively and shall be deemed to be part of the annual report for the period 2006/2007, hopefully, for record purposes. The Committee also urges the Council of Ministers to present the annual report for the period 2007/2008. It is long overdue. Our own proposal is that these reports should come to us latest September, so that they are useful for their purposes. Further, the annual report should cover the period between 1<sup>st</sup> July, at the beginning of the financial year, and 30<sup>th</sup> June of the next financial year. The report to the Assembly should be tabled, at least, by September, so as to be relevant to the budget process and for the oversight and value addition to which the Assembly should

input. Finally, the annual report to the Assembly should be de-linked from the progress reports to the Council of Ministers and Summit.

Mr Speaker, the Committee requests this august House to adopt its Report on the Annual Report for the Period 2006/2007. Mr Speaker, I beg to move. *(Applause)*

**Mr Bernard Mulengani (Uganda):** Mr Speaker, from the outset I would like to say that I am a member of the Committee. I only have a few issues to highlight, and one of them is the fact that the so-called annual report that was laid in this House has eventually been proved not to be an annual report, basing on the fact that the Committee, time and again, has pushed its way to find a document called “an annual report” to this House.

When we were in Kampala we were promised that we would receive a detailed annual plan that is usually submitted to the Council for onward forwarding to the Summit. In our understanding then, we knew that arising out of the report we gave to the House, the Office of the Secretary-General was going to avail to this House an annual report. To our surprise, in Nairobi, in this very sitting, between then and now the documents we have received as a Committee were progress reports. This one presupposes that the Council of Ministers and the Summit are not being given annual reports, but progress reports. It creates a challenge for the functioning of the Community if the Executive at the helm of the Community is being given such documents.

Mr Speaker, what is very amazing is that there are photographs of very senior people in this document. A document they are calling an annual plan, contains the financial statement of the previous year being referred to as the financial statement of the period under review. To the extent that the Council of Ministers came to the Floor of this House to present this document and lay it on the Table, shows that the Executive is being given documents that it is not reading, and bringing them to the Floor of this House. This is a challenge, Mr Speaker.

Mr Speaker, if an annual report, a financial statement, the income and expenditure statement, the balance sheet are the premises on which interpretations and financial performance of the institution -and this time the EAC- are based for analysis to know whether we are on the right track or not, I want to say on the Floor of this House that I would wish to lay this document, the purported annual report, on the Table so that it becomes a record of this House to show that the financial statement contained in this document is irrelevant financial statement for the period July 2006 to June 2007. Mr Speaker, with your permission, I beg to lay this one on the Table before I complete my submission.

*(Mr Mulengani laid the document on the Table and on resuming his place\_)*

Before I sit down, I want to inform the Council of Ministers that when we rise up in this august House to raise concerns, we are not doing it against anybody's wish or to harm anybody, but we are doing it for the people of the East African Community. I want to call

upon the Council of Ministers to consider our plea and requests with a lot of passion; that our intentions for moving – (*Interjections*) - Mr Speaker, I request for your protection.

**The Speaker:** You are protected; please continue.

**Mr Mulengani:** Thank you, Mr Speaker. I want to request the Council of Ministers to consider our requests on the issue of the annual report very seriously, because it eventually confirms the basis of our cry that we should have, at least, the Chairperson of the Council of Ministers sitting in Arusha, to have hands on some of these activities that are going on in the Community. I support the motion. (*Applause*)

**Dr Odette Nyiramilimo (Rwanda):** Mr Speaker, first, I would also like to say that I am a Member of the Committee on General Purpose. We were very surprised when we received the report that my colleague, hon. Mulengani, laid on the Table. We tried to examine it; we were expecting to have a report that would show the activities that were planned for the year 2006/2007, and what had and had not been accomplished and the reasons why; the funds received and the funds utilised, but we got nothing of that sort, only some literature and some photographs as has been noted in our report.

In Kampala we were sent Ambassador Onen to represent the Secretariat to discuss the report, and he said that he was himself surprised that what we had was not the same report that was given to the Summit of Heads of State in Kigali. He promised to bring the true report to the Committee. That is the one hon. Mulengani has talked about, the progress report that had been given to the Summit in Kigali!

Then we tried to examine the report. We wondered what we should do with the progress report, whether we could use it as a Committee. We asked ourselves as a committee what we should do with the progress report, because it did not cover the financial year, which should have been from 1<sup>st</sup> July to 30<sup>th</sup> June the following year. The progress report was like one and a half years, and it was showing the activities that were being carried out, which, I think, was a good report for the Summit, but not for the Assembly. Now, as the Assembly, especially as the committee dealing with the budget, what do we do with the so-called report that we have received, or the progress report that was given to the heads of state? We wish to have a real report to be used for our oversight role in the budgetary process, but the documents we have received are not useful.

Mr Speaker, I beg to support the recommendation in this report that our chairperson has given to this Assembly, and therefore urge the Council of Ministers to at least try to make a good report for the year 2007/2008, and give it to us in good time so that we use it for the other activities that we are doing during the financial year.

**Dr Aman Kabourou (Tanzania):** Thank you, Mr Speaker, for giving me this opportunity to comment on the Committee's report.

I am not a member of the Committee, and so I do not know much, but I am just curious because of what has been said. It would appear to me that the members of this committee

were not satisfied with what was handed to them, and because of that, they have been telling us things that I do not think are very parliamentary. These reports are characterised as “purported to be” reports, which means that they are really not reports. And, eventually when we come to the conclusion of the Report of the Committee, it says: “*The Committee also urges the Council of Ministers to present the annual report for the period 2007/2008.*”

Mr Speaker, I am confused; it would appear to me that the 2006/2007 report has not been accepted by the Committee. So what do we do when we are faced with that kind of a situation where the Committee is not satisfied with what was brought to them, and yet they want another report for the following financial year? It is very confusing to me.

In the last but one paragraph, the Report says: “*The Committee requests this august House to adopt its report on the annual report for the period 2006/2007.*” Does it mean that we are being asked to adopt the Committee’s report and not the EAC report? *(Interjections)* If that is the case, then I would agree that I am happy, and I will be happy to support the committee’s report and reject the EAC report because, apparently, it did not come clear in here that the report satisfied the requirements for being an EAC report. And that is why I am saying that I am sort of confused, but I support the committee’s report and not the EAC report.

**Mr Dan Wandera Ogalo (Uganda):** Thank you, Mr Speaker, for giving me this opportunity to contribute to the motion. I am a member of this committee, and I wish to premise my contribution with the wise words given to us by hon. Kategaya in June 2007: “the Treaty; the Treaty; the Treaty”.

Article 49 of the Treaty requires this Assembly to consider annual reports on the activities of the Community. This is from the Council. We are therefore under an obligation, under the Treaty, to annually consider reports submitted to this House by the Council on its activities, programmes and projects. The framers of the Treaty realised that this was such an important matter that they had to reflect in the Treaty. There are very many other matters, which are not in our Treaty, but the Treaty being the equivalent of a national constitution, would reflect those matters, which the framers thought must be given priority, and one of those is the consideration of the activities of the Community.

Mr Speaker, this really is in effect the oversight function of this House, because the Community is run by the taxpayers’ money from East Africa. That is the money, which is used to finance the activities, projects and programmes of the Community. Therefore, the framers of the Treaty required that the taxpayers’ money is put to good use and hence the requirement that this Assembly, representing the people of East Africa, would have to look at those activities and see whether they are in consonance; whether they meet the aspirations of the people of East Africa.

So, the way the matter has been handled has been in a lukewarm manner. It is as if it is not a very serious matter, and the Council of Ministers must take ultimate responsibility for this. *(Applause)* I do not think that we should even be blaming the office of the

Secretary-General at all, because the Treaty does not say that the Secretary-General shall present this report; the Treaty knows the Council of Ministers. So, the responsibility for this is not to heap blame on the Secretary-General's office, but to see why the Council of Ministers is bringing to us public relations documents instead of a report.

Mr Speaker, I think it is a good thing for a technocrat to sit in Arusha and prepare a public relations document to be circulated to the *wananchi* in East Africa so that they know what East Africa is about, is a good thing; it is very good for a technocrat to do that for the sake of East Africa, but for the Council of Ministers to take that document, bring it here and say "This is the annual report on the activities, programmes and projects of the Community", with due respect, Mr Speaker, is demeaning to this House. (*Applause*) Really, I would have expected, at best that at one stage, the Council on realising this, would simply call for all this documentation, take it away and then come up with a report, which we can then debate, taking into account the aspirations of the people of East Africa.

Somebody asked me this morning where the EAC projects and programmes are located in East Africa, and I said that I did not know. Mr Speaker, I have no answer because I cannot carry out my oversight function without a report on those activities. Like it has been pointed out in the committee report, one would expect that the programmes, the projects, the difficulties and the challenges would be in this report. Then I would be able to answer the question, which was posed to me this morning. I would be able to say, "Yes, there is a project in Soroti, it has reached this and that stage; we have examined it"! But if now we are even considering the annual report for the period 2007/2008 - it is even a post mortem; we are behind schedule. So, we seem to have big problems, and the challenge is to find solutions of dealing with them. How we can receive current reports, so that we can become answerable, because we also have people to answer to.

Yesterday but one when I was contributing here, I did emphasize the necessity for there to be political responsibility in Arusha; the necessity for the Chairperson of Council to be grounded in Arusha so that there is political supervision in Arusha. I am sure that if my proposal of at least 84 days for the Chairperson of Council to be in Arusha was adopted and this took place, the Chairperson would be in a position to go through all this documentation and make a determination as to whether or not the chairperson should present this report to this House. I am sure that if the chairperson had put some time into this report, he would have said: "No, I am not going to present this to the Assembly." But we have our Council of Ministers with responsibilities in the Partner States, and they only come to Arusha part-time. So, at the end of the day you will get the Council of Ministers getting embarrassed because we are debating a public relations document!

I seriously appeal to the Council of Ministers to take charge of Arusha. There is a political vacuum in Arusha. (*Applause*) If you do not take charge, somebody else is going to fill that vacuum. Who else can fill that vacuum but the technocrats? So, my appeal would be for us to stop being a House of lamentation. Help us and take charge of Arusha so that we do not have these kinds of things. They are embarrassing to us. (*Applause*)



So, I will repeat my earlier submission that I will be proposing for the Chairperson of the Council of Ministers to have a minimum of 84 days in Arusha, funded out of the budget. *(Applause)* As I said, not in those cubicles that the ministers sit in, but somewhere where the Minister can do work, with a core minimum staff - personal assistant, clerk and so on. I am going to make that as a priority in next year's budget – *(Applause)* - so that we can reduce on these lamentation; so that there can be some control!

Lastly, unlike parliaments in the Partner States which have got some kind of relationship which forces accountability on the part of the ministers, we seem to lack that, and that is why we must also address the Treaty. The Treaty must be addressed because the ministers are ministers in their Partner States; they sit in the cabinets there; they have responsibilities there, and then they also have responsibilities in East Africa, and this divides them up. Whereas in our Partner States, parliamentarians can take a minister to account - for example, censure him- to show that they are aggrieved with his performance, for us we can do nothing. Even if next year another document from the public relations office is brought to us by the Council of Ministers, we will simply lament, because we lack that kind of relationship. So, at the end of the day, we must have Ministers for East Africa who are answerable only to East Africa. *(Applause)* I will support very much what hon. Kategaya said the other day, that they should not only be responsible to East Africa, but also with portfolios. Then I think we will be able to move forward and avoid such situations of having to say, "Take back this and bring more documents," yet we are behind schedule. Mr Speaker, I support the report of the Committee. *(Applause)*

**Dr James Ndahiro (Rwanda):** Honourable Speaker, I thank you for the opportunity. I would also like to take this opportunity to salute the Parliament of Uganda for the initiative taken. *Asante sana.*

I am a member of this committee and I would like to take this opportunity to make some clarifications. One, an annual report is also a progress report, but a progress report is not necessarily an annual report. We face this when you consider that the reports submitted to the Council of Ministers and to the Summit do not adhere to the standards of an annual report. With further explanations, we were made to understand that the progress reports are determined only when the Summit is able to sit. If the Summit sits after two years, the report will consider the period between their sittings. So, it can be a report after five years, indicating the progress they have made. So, the clarification I wanted to make is that while considering the reports, we were also careful to see whether the information provided to the Summit and Council could be useful and considered to be an annual report.

Mr Speaker, let us not cause confusion. We are not suggesting that you consider the report of the Committee and wait for the next report and do nothing for the period 2006/2007. The suggestion is clear; if we are not happy with the report, we are suggesting to the House to reject the annual report of 2006/2007.

Hon. Speaker, we are also in a dilemma. Since we started discussing this particular report, each time we meet the Secretariat, each time we meet the Council, the first thing they say is: "We totally agree with you." On each occasion, they have agreed with us 100 percent – (*Laughter*) Recently they have come up with another format, which they consider to reflect information that can be taken as an annual report. They have given that format to us; we have looked at it, and have agreed to meet again to go into the details of the document, to be able to determine whether such information will be useful not only to the Committee, but also for our budget process; for the whole Community and for our stakeholders.

The annual report can also be used as a public relations document. I do not disagree with that. This is because the stakeholders also have an interest to know whether what you planned or agreed on as activities were carried out properly, and whether you have utilised the budget and whether you have showed the challenges, which are going to inform the next year's budget process, so that those challenges and budget deficiencies can be addressed. But if we are here debating a document finalised in 2006, what is it informing us on today? How are we going to use the information from that report to inform our next budget cycle? Very little, if any at all, because most of the activities have been overtaken by events! The purpose of asking the Council of Ministers to bring the report of 2007/2008 is rather to see whether we can get any information that can be useful in our next budget cycle.

What does it mean then, if we ask the House to reject the 2006/2007 annual report? Mr Speaker, with your indulgence, we do not want, as a committee, to be on record and for history to judge us in future that we agreed to compromise the standards, and we got a document - as ably described by other Members- purporting to be an annual report and we endorsed it! We do not want to be on record for doing that. But, with your indulgence, I think we can find a way of addressing that gap. If the Council and the Secretariat can be able to address those issues so that the report is on record as an annual report, I have no difficulty with that.

Hon. Speaker, I beg to support the motion.

**Maj. Gen. Mugisha Muntu (Uganda):** Mr Speaker, let me take this opportunity to thank the Chairperson and the Committee on General Purpose for the report they have presented to us. My contribution will be based on a few questions that I need to raise. I will also make some proposals on how, I believe, we should move forward.

I hope that when the Committee on General Purpose sits next it will consider the following questions and be able to guide us as to what their impressions are. This is because unfortunately some of us who are not members of this committee cannot easily form impressions from the interactions they have had or study on the basis of which they made this report. We all have our mandates as different organs; we also have duties to perform, and for the Community to progress, all of us must perform those duties that we are supposed to perform. Now, for one of the organs – in this case I think the Secretariat – not being able to do what it was supposed to do, there must be a reason for that. It is on

the basis of that that I would like to raise questions that the committee may be able to help us to answer.

What impressions have you created? Do you think that they have written these purported public relations reports and brought them as if they were annual reports? Is it because you believe that there is incompetence in the Secretariat, that they do not know what they are doing? That is one question. The second question: do you believe that they have got the professionalism to be able to write authentic annual reports, but they are not doing so, because, maybe they do not want to be held to account? The third question: do you believe that they know what to do, but because they do not care about the Assembly and they do not think that the Assembly has got the capability to exercise its oversight role because they believe that whatever they do there is nothing we can do?

You see, before we know the answers to these questions, it may be very difficult for us to proceed. Nevertheless, we have got functions to exercise as an Assembly. It is our role as an oversight body to ensure that what is supposed to be done is done. Also, to make another observation in regard to the Council of Ministers, forgive me for saying this, but this does not reflect well on you, as the Council of Ministers, honestly. This is because, between the Secretariat and us, you are the ones who are supposed to scrutinise these reports before they come to us.

If you had scrutinised them, we would not be engaged in the debate that we are engaged in right now. And, if we do not exercise our role as an Assembly, then, unfortunately, there will be three weaknesses exposed: There will be the weakness in the Secretariat in the sense that they are presenting unprofessional work, and there is no debate on that; there is weaknesses at the level of the Council of Ministers because they are the ones who needed to have scrutinised this report before it came to us; and if we do not exercise our mandate, it means that we also will be weak as an Assembly. I think it is quite frightening to imagine that we may end up in a situation where three organs, which are supposed to spearhead the progress of this Community, are all weak!

The Committee needs to help us, when it sits next, to respond to those three questions and to tell us which is which, so that we know how to respond. My observation and knowledge of how we are as human beings is that what motivates us...at times we are motivated to do what we are supposed to do because of conviction; believing in what we are doing and, therefore, we do it at any cost. Two, many times we are motivated by fear, fear of sanctions. I would really like to believe that our colleagues, the professionals who are in the Secretariat are motivated by conviction; I would like to take that for granted, but over time we have also seen that many things are not done the way they are supposed to be done. There seems to be a gap, and we do not know yet the sanctions that we can put in place. I think we have reached a point where we must decide what sanctions must be undertaken. (*Applause*) So if they are motivated by conviction, we need to add the second motivation of fear of sanctions. If we do not do that, we would have added a third weakness on top of the two weaknesses that we have so far observed. But we need to help each other, if we are going to move the Community forward. Otherwise, we are going to remain like a debating club, or, as hon. Dan Ogalo has just indicated, lamenting! We are

talking about an annual report of 2006/2007, and my proposal is, if it is possible, set deadlines when that report should have been done according to a format that would have been agreed upon.

I would like to propose that the Committee responsible for legal issues should find out what sanctions can be taken if they do not meet those deadlines; not only the deadlines for 2006/2007, but also deadlines for 2007/2008. In fact we should draw lines so that each and every one of the three different organs remains aware that there are things to be done; things to be fulfilled, and that they will either be fulfilled and all of us can go on and celebrate at every point where things are fulfilled, or if they are not, to expect sanctions. Mr Speaker, unless we are able to do that, we will come here next time and lament over another report, because we have been through this over and over. Enough is enough!

I believe that there are sanctions that can be exercised by this Assembly. Besides, we need to start to make other proposals. I hope the Legal Committee will help us in this; the proposals for the amendment of the Treaty. More sanctions need to be built within this Treaty. From the experiences we have had in the First and the Second Assembly, fortunately there seems to be a more active Council of Ministers, but we are not going to get off your backs! Do not misunderstand us. You have a duty to do; we have a duty to do, and as an oversight duty, we are not going to leave you alone. We are going to keep prodding and pushing and pushing until we all function efficiently. *(Applause)*

I would like to back up hon. Ogalo's proposal, which he mentioned that other day and talked about again today. You may have to consider whether the staff that will be in Arusha to give support to the Council of Ministers when they are in Arusha, need not be independent of the Secretariat. Because, most times all these reports that come to the Council of Ministers come from the Secretariat. Now you do not have a check in terms of the Council of Ministers. If that is not possible, then as the Council of Ministers you will need to start using your staff from your own ministries back home to start scrutinising the documents which come from the Secretariat before you bring them to the Assembly, because this does not make you look good at all.

So you need also to protect yourselves. You should have staffs that are going to be scrutinising what comes from the Secretariat, because, for whatever reason, many, many times a number of things just do not go right!

So, in ending my observations, I would like to ask the Committee on General Purpose to guide us in answering the three questions so that when we meet next, we decide on what sanctions should be taken, based on the observations as to what of the three conditions the Secretariat is suffering from. Thank you, Mr Speaker. *(Applause)*

**Dr Said Gharib Bilal (Tanzania):** Thank you, Mr Speaker. Let me begin by thanking the General Purpose Committee for the judicious work it has done putting into perspective the shortcomings of what is obtaining as far as the work of the East African Community is concerned. I think the annual report must of necessity show appraisal of

what has transpired for the year under review, and it must also lay out the shortcomings and the recourse -the way forward- as far as that is concerned. Annual reports are supposed to be milestones of what should be the five-year development strategy, and these are in fact what should be the beacons of how we fare in our journey towards achieving those strategies.

I am asking myself this question: are we debating here the annual report of the General Purpose Committee or on the worthiness of the EAC annual report of 2006/2007? If my memory serves me well, I think two years ago we had this annual report and we politely rejected it that it was not worth its name. And here we are again, being given a report that -according to the Committee- no work has been done on. So, I tend to agree with Dr Kabourou. What are we really supposed to be debating? If it is the annual report, then we should reject it, because it does not meet the criteria of an annual report.

Hon. Speaker, I am reading on page 3 the expectations of the General Purpose Committee on the annual report. The Committee has laid down what should be the features, and I read: "It should be a publication of the Council of Ministers to the Assembly and not a campaign or publicity material. It should show consistency with the strategic plan. Definitely it must be part and parcel of the strategic plan. It should reflect achievements, budget and project planning processes for the future.

I would add that it should also have a dimension of the State of the Community address by the Chairman of the Summit. I think the General Purpose Committee must be at the beginning of the budget process and the Council meeting comes at the end. That is a very beautiful way of looking at the work of the Community. That is why this august House has been saying that there should be an annual address by the Chairperson of the Summit in order to give effect to how the work of the Community should be seriously put on track. What are the expectations? The annual report must reflect this.

By being here now, two years after we politely rejected the annual report of 2006/2007, I think we are supposed to be ahead of the cuff, but I think we are behind the bus as far as activities are concerned. We should not be debating this here. Therefore, I am supporting the report in as far as raising issues of the worthiness of the annual report is concerned. I want to go as far as that. Thank you, Mr Speaker. (*Applause*)

**Mr Mike Sebalu (Uganda):** Thank you very much, Mr Speaker. This is a very interesting revelation from the Committee, especially when you look at page 3 in terms of the expectations of an East African annual report. Hon. Mugisha Muntu has asked three serious questions, which I share. Actually, I intended to ask them. I just want to ask one more to the Council of Ministers.

The process through which this report has gone has been quite lengthy. Those of you who were in Kigali will remember the reservations that came from the Committee and the House regarding the report, and the assurance that was made by the Chairperson of the Council of having a much better report produced this time, but from the observations raised by the Committee, not much seems to have changed in the nature and content of

the report as per the expectations of the Committee. So, did we simply have change in the cover page and not in the contents of the report as had been requested by the Committee? My interest is to find out whether, considering this process that the report has gone through, the Council of Ministers was satisfied with what was presented to them for onward transmission to the Assembly? This is a question that I would want answered by the Council of Ministers. Did they interface in the process of getting the contents approved it for onward transmission to the House?

What is also disturbing is the pace at which we are moving in terms of considering these annual reports. If at this point in time we are considering the annual report of 2006/2007, when shall we get up to date in terms of doing our work? As a House and as a Community, we need to be proactive, but we are more reactive! Can you imagine that at this point in time we are reacting on issues that were raised in 2006/2007? It does not reflect very well on us in terms of keeping up with the pace of what we are supposed to do. If anything, we should be in projections of where we want to go. So, how then do we assess the performance of the Community? What are the performance benchmarks if they are not clearly indicated in the report?

This report is supposed to give us an opportunity to do a performance audit. We set ourselves to achieve certain things as a Community and a year later, we should be in position to tell how far we have gone in terms of performance. It is well known that the Chairperson of the Summit in the State of the Community Address did raise issues of implementation. This is one aspect, because if we cannot get annual reports done well and on time and considered on time, then in a way it is going to affect the implementation phase of some of the aspirations that are set out in these projections. So it is something that we really need to take seriously. The report is for 2006/2007, we are in 2009. There is a big gap, and if we are not moving in tandem with the time, I think in one way or another it is something that can reflect on our performance.

So, my final question, as I did indicate is: was the Council of Ministers satisfied with the report as presented for onward transmission to the Assembly? Before you present something you really need to satisfy yourself because it becomes your report at the end of the day. It is not the person who drafts, but it is the person who presents. So, could the Chairperson of Council be kind enough and tell us whether the Council was indeed satisfied and very confident to present this report and call upon the House to support this report? What is the view of the Council?

Mr Speaker, like *Ndugu* Kabourou did point out, this complicates decision-making in this Assembly in view of the report that was presented. We would like to know the status of this report for 2006/2007 in terms of our decision. Is it a report before us competently that we should consider and adopt? Is it a defective one; what do we do?

**The Speaker:** Could the Chairperson of Council say something?

**The Assistant Minister for EAC Cooperation, Tanzania (Mr. Mohamed Abood)(Ex-Officio):** Hon. Speaker, firstly, I would like to thank you for giving me the Floor and to thank Members for their good contributions. The position of the Council of Ministers is

that, first of all, we appreciate the work of the General Purpose Committee, which considered, extensively, the EAC Annual Report. The Council particularly recognises all the important recommendations of the Committee and members at its meetings in Kampala, Kigali, Arusha and Nairobi over the past few months.

The Committee has, for the reasons well articulated in the report, recommended a review of the structure of the annual report. This is with a view to ensuring that the report is more focused and better tuned to achieving the purpose for which it is required by this august House on the basis of the Treaty. To this extent, the Council undertakes to review and change the format. Therefore, in future the Assembly will receive and consider a better structured report from the Secretariat and the Council. Mr Speaker, I support the motion.

**The Chairperson, General Purpose Committee (Ms Lydia Wanyoto) (Uganda):**

Thank you very much, Mr Speaker and honourable colleagues for your contributions. I will make an effort to respond to a few questions raised, but again proceed to request the House to adopt the Committee report as requested by the members of the Committee.

The first issue that hon. Members raised is whether this report of the committee is asking us to reject the annual report of the EAC for the year 2006/2007. Sometimes it is very difficult to explain certain things because if there is no report, then what are you rejecting? From what hon. Mulengani tabled here and from what my colleagues have said, we have shown you what the features of an annual report are supposed to be and they were not there.

MR Speaker, maybe we did not talk in a way that was very clear, so I would like to proceed and say that the Committee, therefore, requests this august House, taking into consideration the issues raised, to collectively reject the annual report for the year 2006/2007 – which we thought was not an annual report at all in the first place– because it did not meet the expectations of an annual report. We have listed five things that we thin constitute an annual report, on page 2 of our report. I hope that question has been ably answered and put to rest.

Secondly, there was the question on whether there is competence on the part of the Secretariat. I think members were just scared to also question competence of the Council of Ministers. For us as an Assembly, our work is to make use of the annual report to influence, give direction and have an input in future programmes and projects, and also add the issue of value for money. As hon. Ogalo said, this is money from Partner States; money from our taxpayers, and we must account for it. We must show qualitative accountability that the activities we have been given money for within the financial year are properly accounted for, and that therefore there was value for money, and then we can ask for more money and pass a budget that is befitting the integration process.

Mr Speaker, we have been able to explain the distinction. There is a clear disconnect between the progress reports that are written for whenever the Council of Ministers or the Summit meets. Those are briefs; those are narratives. There is a clear disconnection

between those progress reports for purposes of those meetings and the annual report to the Assembly. The intentions are different, the purpose is different, and even the period of time covered by the reports are different. The qualitative report is attached to the financial interest, accountability and oversight. The progress reports to the Summit and Council of Ministers have their own intentions for the leadership and organs of the Community. So we want to de-link the two so that we are able to perform our duty.

On that note, hon. Speaker, I would like to thank my colleagues who have made contributions to this motion: hon. Mulengani, hon. Nyiramilimo, hon. Dr. Aman Kabourou, hon. Dr. James Ndahiro, hon. Maj. Gen. Mugisha Muntu, hon. Dr. Bilal, hon. Mike Sebalu and the Minister, hon. Mohamed Abood, who has made my work easy by supporting the report of the Committee.

Mr Speaker, I have put an extra sentence in the report before the conclusion so that it is clear that what was brought to this House was not a report. In the last sentence before the conclusion I have said: *"The Committee, therefore, requests this august House, taking into consideration the issues raised, to collectively reject the EAC Annual Report 2006/2007"*. I hope I am clear on that. (Applause)

*(Question put and agreed to.)*

*(Report adopted.)*

## MOTION

### FOR THE ADOPTION OF THE REPORT ON THE PUBLIC HEARING WORKSHOP ON THE COMMONE MARKET PROTOCOL

**Mr Bernard Mulengani (Uganda):** Mr Speaker, I beg to move that the Report on the Public Hearing Workshops on the Common Market Protocol be adopted.

**Ms Margaret Zziwa (Uganda):** Seconded.

**Mr Mulengani:** Mr Speaker, the Report has 17 pages, but I will request for your indulgence so that I pick a few lines here and there. I hope Members will be able to read the detailed report later.

The report is structured into eight sections: The first section is an introduction, which gives the background of the formation of the East African Community by Burundi, Kenya, Rwanda, Tanzania and Uganda. It goes further to state that the key building blocks towards the economic, social and political integration of the EAC are clearly articulated in the Treaty for the Establishment of the East African Community. The Treaty sets out a bold vision for the Federation of the East African Community Partner States. Paragraph 2 talks about Article 5(2) of the Treaty for the Establishment of the EAC. Paragraph 3 talks about Article 2 of the Treaty that provides for the establishment of a Customs Union as the first transitional stage into the integration.



Following the Summit meeting held in Arusha in April 2006, the EAC Heads of State directed the negotiations on the EAC Common Market Protocol to commence on 1 July 2006. Negotiations, however, began in July 2007 and are set for January 2010 as the target date for commencement of the Common Market.

The report recognises that a common market is one of the major steps towards full integration of the people of East Africa. Paragraph 1.2 on page 2, sets out the mandate from the Treaty, and states that the mandate to commence negotiations on the East Africa common market is derived from Article 5(2) of the Treaty. It also talks of Article 76(1) of the Treaty, which states that there shall be the establishment of a common market among the Partner States. Article 76(3) of the Treaty states that for purposes of the Article the Council may establish and confer powers and authority upon such institutions as they may deem necessary to administer the Common Market. Article 76(4) states that for the purpose of the Article, the Partner States shall conclude a protocol on a common market.

In implementing the mandate of the Treaty, therefore, the Community put in place a strategic plan with time lines on the integration process. Mr Speaker, the last paragraph on page 2 states that “The 11<sup>th</sup> meeting of the Council held in Arusha in April 2006 decided to proceed with negotiations on the Common Market Protocol that would encompass labour issues as well, within one broad framework.” The Community commissioned a comprehensive study that clearly indicated the scope of coverage of the Common Market Protocol. The study proposed a model Common Market Protocol that has formed the basis for the current negotiations expected to end in March, 2009.

Mr Speaker, I need to say here that there are various rounds of high level task forces that have taken place with the most recent being in Burundi, and hopefully the final one in Kampala around April – (*Interruption*). I am informed that the one in Kampala starts next week, Mr Speaker.

Paragraph 1.3 on page 3, gives the details of what a common market is. It includes among others the smooth functioning of the Custom Union, including complete elimination of all tariff and non-tariff barriers plus a common external tariff, free movement of persons, labour, services and right of establishment and residence, free movement of capital within the Community, enhanced micro-economic policy harmonisation and co-ordination, particularly with regard to fiscal regimes and monetary policies, setting up, strengthening and empowering the necessary common market institutions, like the courts, and the Assembly.

On page 4 are the terms of reference that were given to the various delegations that went to the five Partner States. They include: disseminating to the people of East Africa the meaning of the salient features of the common market; asses the status of the on-going implementation of the various aspects of the Customs Union with a bearing on the common market and draw lesson there from; hear issues and concerns of the general public, the business communities, farmers, service providers, academicians, politicians and government technocrats on the proposed common market; identify the key issues and propose policy options, institutions and structures for the smooth function of a common

market; capture and ensure that issues raised by the public are put forward as the negotiations continue, so that the final protocol is as representative as possible of the views of the people of East Africa; and, lastly, prepare a report of its findings.

On the methodology on page 5, with the help of the Ministries for East African Community Affairs of the Partner States who mobilized the citizens of the respective countries in the capitals and organised the workshops, we interacted with the citizens of the respective countries. In Burundi, the workshops took place in Bujumbura and Gitega, in Rwanda the workshops took place in Kigali, in Tanzania they took place in Dar-es-Salaam, Zanzibar and Mwanza, while in Uganda workshops took place in Kampala, Mbarara and Jinja. In Kenya we held workshops in Nairobi, Mombasa and Kisumu.

Mr Speaker, we also conducted a brief session for all the members of the team, which included the East African Community Secretariat staff, Ministers for the East African Community Affairs, chief negotiators from all the Partner States, members of the task forces and officials from the Partner State EAC Ministries. We held press conferences for the activities at the capitals of the five Partner States; we prepared a customised communiqué for the five EALA delegation teams, which were read out at all venues.

We also conducted public hearings, as mentioned above, to sensitise the general public of the pertinent and salient issues of the draft Common Market Protocol. We held consultations with key strategic stakeholders, and then the preparation of the draft reports

Mr Speaker, on page 6 we have the findings from the public hearing workshops. Paragraph 5.1 was on the general knowledge of the people on the operations of the Customs Union. It came out clearly out of the hearings in the five Partner States that the majority of the people lacked sufficient knowledge on the operations of the EAC Customs Union. Their main concern was with the non-removal of barriers, both the tariff and non-tariff barriers, at the customs border posts, contrary to what they thought the Customs Union sought to eliminate. Further, there is apparent lack of dissemination of information on the programmes on the elimination of internal tariffs, including the categorisation of taxable and non-taxable goods. The applicable rates for “dutiable” goods are not generally known by the small and medium scale traders, who felt that they are at the mercy of the customs officials. But to a large extent, larger scale business people, especially the manufacturers, had sufficient knowledge on the operations of the Customs Union.

Paragraph 5.2 is the operationalisation of the Customs Union. In all the five Partner States, participants were of the opinion that the proposed date of 2010 for the launch of the Common Market was too ambitious. The view was that there is need for time to evaluate the performance of the Customs Union so as to take corrective measures, where and if necessary, before proceeding to the Common Market. It was the view that the Customs Union would be given the chance to operate fully and the lessons learnt there from would inform on how best the Common Market would be structured and operate. In the meantime, the necessary operational infrastructure for a common market should be developed and circulated to all stakeholders in good time.

On the issue of the free movement of persons and labour, the participants expressed frustration at the stringent immigration controls and poor treatment of East Africans at the border points and the increasing deportation of illegal immigrants by all the Partner States of each others' nationals. Whereas the free movement of labour can be negotiated within a common market protocol, a good number of participants were of the view that free movement of people should be implemented immediately. Among others, this will go a long way towards making East Africans feel as one.

There is also the issue of identification and travel documents. The participants noted that it was critical for all Partner States to issue harmonised East African Community identity cards, which will be compatible to the systems of all countries. It was also suggested that the East African passport could be internationalised and used as an alternative document to identification cards for the EAC citizens. Also worth noting was the proposal that high technology systems be used to design and read identify card details across all Partner States, without necessarily allowing each state to establish its own technology system. These IDs should be easily readable in all Partner States. It is, therefore, imperative for the Partner States to put in place special measures that facilitate quicker, harmonised and standardised travel documents for the East African citizens.

Paragraph 5.4 is about the free movement of capital. The participants noted that there are still serious inhibitions to the free flow of capital in the region. Participants in particular expressed concern that authorities in some countries still maintain controls on the capital accounts and that capital markets authorities need to be harmonised to allow free movement of capital services and goods. It was also pointed out that establishment of cross-border business required multiple registrations in each country, and participants were of the view that business firms should be allowed to open up branch networks instead of subsidiaries within the EAC.

On the free movement of goods, the participants raised concerns over the various restrictions that continue to exist in the region, especially those of a fiscal nature, and the non-tariff barriers. The participants also expressed fear of dumping in case the free movement of goods is allowed, and if no enforcement mechanism to guard against the dumping is put in place.

On page 8, on free movement of services, people expressed concern on lack of harmonised qualifications that are awarded within the region. They further expressed fear for shoddy services in some of the areas, as well as domination of services of people with multi-lingual advantages.

On the right of establishment and residence for the smooth operation of the Common Market, participants thought that issues with regard to application for citizenship, as well as access to land and its use should be carefully considered due to the sensitivity of the issues. A good number of participants expressed fear of losing their land to citizens of other Partner States if the two rights were to be granted so freely. The fear was exacerbated by the differences in the land tenure systems, which include, among others, the public, private, communal hold, customary hold, and the leasehold systems obtaining

in the respective Partner States. According to the people, we should move very carefully in that area.

On fiscal and micro-economic policies, participants raised concern of increasing potential for harmful tax competitions among the countries and the need for tax harmonisation, particularly, the harmonisation of tax incentives. Participants felt that whereas some harmonisation had already taken place, there are still significant differences in investment incentives. They were of the view that there is need to harmonise the capital recovery rules and incentives offered under the export processing zones.

On the fragmented regional tariff frameworks, it was observed that for a common market to operate smoothly there is need to have common regulatory authorities for the major players in the market. However, as of now there has not been any effort to establish regional regulatory authorities for revenue collection, insurance industries, quality assurance and standards, and, anti-monopolies, amongst others. There is thus a need to set and empower common market institutions that will manage the unified market.

On the capacity of Partner States to implement Council and other decisions, the committee was really amazed. Stakeholders were expressing concern about the lack of implementation of Council decisions by the Partner States, and there were no sanctions once Partner States failed to implement decisions, just like what we have been debating. They noted that these bureaucratic and systematic delays in policy implementation greatly affect business plans particularly of the private sector. A number of participants were of the view that once decisions are made at the regional level, this should automatically take precedence over similar national decisions. It was also proposed that implementation time lines within which Partner States are required to implement such decisions should be agreed upon before hand and respected by all the five countries.

Paragraph 5.11 is on good governance and public trust. Participants were concerned that there should be provisions within the protocol to ensure good governance, democracy and the rule of law.

Paragraph 5.12 is on fear of domination. A number of participants in all the five Partner States visited expressed a general fear that their businesses are likely to collapse due to the stiff competition, particularly from the stronger economies amongst the Partner States.

Paragraph 5.13 is on suspicion. There was also the fear about loss of employment opportunities due to difference in the competitiveness of the labour force. Some participants in all the capitals and cities expressed the concern that free movement of labour would result into an influx of qualified personnel from some Partner States with their multi-lingual advantages into other Partner States thus out competing residents of the respective Partner States in the labour market.

Other fears included:

- Loss of sovereignty

- Definition of family: Some stakeholders were worried that the definition of the family in the protocol would exclude so many other family ties.
- Involvement in decision making: The majority of stakeholders needed assurances that they would be involved in the process of making major decisions that touch on their livelihoods, which includes the right of establishment, residence, and the right of employment, amongst others.
- The disparity in the national constitutions and practices of democracy, good governance and corruption, human rights, constitutionalism and the rule of law would bring about discrimination. The people felt that these have to be simultaneously harmonised as the negotiations get concluded.

Most of the stakeholders were worried that the Partner States citizens would infiltrate the electoral processes of other nations in the region. They also noted that the right of residence and establishment may encourage such practices.

On the issue of nepotism, most stakeholders were of the opinion that nepotism would prevail in the job market leading to discrimination in job opportunities if identity cards were to be issued by each Partner State. They proposed issuing similar IDs at a one-stop centre. Participants observed that the current EAC logo was not representative enough. The EAC derives its name from the geographical setup, and the question was that in the event that many more countries apply to join the Community and are allowed to do so, the EAC name may not give a true description the member states.

Harmonisation of the political systems: Participants and stakeholders were of the view that there was need to harmonise political systems and other policies; or election periods.

Cultural institutions: A number of stakeholders who had strong attachment to their cultural institutions were concerned that the Treaty does not adequately safeguard their cultural leader from the institutional setup of the Community. Lack of uniformity in doctrines, discipline and accountability among agencies dealing with peace, security and defence in Partner States would enhance the conditions under which insecurity would thrive along the border areas. The people had fears of increase in cross border crime including small arms and light weapons, illicit drugs and weapons, human trafficking among others.

Some stakeholders were concerned that over emphasis of the political federation may obscure other stages of integration as provided for in the Treaty, which are the foundation for a firm political federation.

On the reasons for the collapse of the first Community, many stakeholders were concerned that some of the reasons that led to the collapse of the former Community have never been adequately addressed, such as delayed gratuity and pensions.

On page 12 there is the issue of financial sustainability. Stakeholders were concerned that the financial stability of the EAC would imply increase in taxation to run one additional tier of government.

On purchasing power parity, there were concerns particularly because some of the currencies of the region are weak against the dollar. It would, therefore, be prudent for the common market era to have a uniform currency unit, and this would also help in the widening and deepening of the integration.

Participants were concerned that the differences in the level of economic devolvement, entrepreneur skills and competitiveness in the manufacturing and service industry would give advantage to some Partner States.

Another point was affirmative action for marginalised groups. Some participants feared that some Partner States stood to lose the gains already made in affirmative action for marginalised groups in the bigger EAC entity.

Most stakeholders wanted to see tangible things like roads, railways, et cetera constructed for the second revived Community as it was the case with the collapsed Community.

Mr Speaker, the general observations of the Committee are as follows: Despite the concerns raised, the EALA delegation noted that in no single member state did any stakeholder express opposition to the integration process. Although there existed varying degrees of comprehension and reasons for integration, all stakeholders seemed to agree that unity along the lines specified in the Treaty was the best option for East Africa. *(Applause)*

Participants appreciated that in this globalised world, it is a matter of survival for such weak and poor economies to come together and through pooling resources and economies of scale they may stand a better chance to effectively compete internationally. Several participants pointed out the need to effectively engage the ordinary people of East Africa and avoid the pitfalls that led to the collapse of the former Community, through a cultural orientation programme. They also called for the need to increase social interactions among East Africans to avert fears for the integration process to some of the member states.

Stakeholders pointed out that there has been very little effort in the dissemination of issues pertaining to the Customs Union and the Common Market protocols, and all the activities of the EAC. There was an observation that to ensure a smooth transition to the Common Market, East Africans need to be involved in the various on-going consultations that are meant to facilitate the attainment of a Common Market Protocol and hence the implementation of the common market stage of integration.

On page 14, Mr Speaker, we have the recommendations:

1. The various delegations observed that more funds and time need to be allocated to create awareness within the population of the region on the integration process.
2. A draft federal constitution to address division of power between the national and federal level, electoral processes, distribution of federal organs and bodies should

- be devolved to address the concerns of devolution or centralisation of power and this should be subjected to a referendum process.
3. A mechanism should be devolved to address issues related to democracy, rule of law, human rights and combating corruption in the region.
  4. Further sensitisation of the East Africans by the East African Community organs and the respective EAC ministries of the Partner States is required to enable the citizens to understand all issues pertaining to the EAC integration in general and the political federation in particular.
  5. In order to put in place a firm foundation for a political federation, the other stages of integration should be accelerated.
  6. Each Partner State should address internal conflicts such as tribalism, civil strife, insecurity and other related issues.
  7. The people of East Africa would like to see more tangible economic benefits from the integration process.
  8. Implementation of the EAC Customs Union should be evaluated in order to establish the successes and challenges with a view to addressing them.
  9. The regions' involvement programme should take into account the principle of comparative and absolute advantages. This will address imbalances and ensure equitable distribution of benefits.
  10. A comprehensive regional strategy should be developed for protection of the environment and sustainable utilisation of natural resources and land management.
  11. For balanced economic growth and devolvement, there should be deliberate policies on technology, devolvement and transfer, skills development, entrepreneurship and appropriate labour market regulations.
  12. The Partner States should embark on a vigorous process of promoting Kiswahili language by introducing it in school syllabi or curriculum at all levels.
  13. Educational curriculum and or syllabi on East African Community integration should be developed and taught in schools at all levels up to say, universities.
  14. Harmonisation of education systems and other divergent policies should be effected.
  15. Underscore the need to mobilise and deepen sensitisation on political integration, stimulate greater political will to promote deeper economic integration and to lock in gains achieved from economic cooperation.
  16. Safeguard common values and fundamental interests of the Community.
  17. Involvement of EALA in the continuous sensitisation of East Africans through meetings, workshops and or seminars with professional groups, business communities and CSOs among others.
  18. Need to institutionalise the convergence criteria as we move towards the Common Market.
  19. There is need for affirmative action or phased opening up to allay some of these fears. The competition, anti-monopoly and mergers and acquisitions Acts should be used in this regard.

In conclusion, the issues raised in this report reflect the opinions of stakeholders on the East African Community integration efforts in general and the Common Market Protocol

in particular. All the stakeholders expressed strong support for the East African Community economic integration. The participants in all the Partner States were generally impressed by members of EALA as representatives of the people, for organising these public hearings and expressed the need for more of such hearings, and to continue with such hearings up to the grassroots within the Partner States.

Thank you very much, Mr Speaker, and thank you Members for listening to me. *(Applause)*

*(Question proposed)*

**Ms Margaret Zziwa (Uganda):** Mr Speaker, I want to take this opportunity to thank you for this very important exercise, which you organised. It enabled all of us to participate, to reach out and to get a feel of the people of East Africa on this important process of the Common Market. Before I make my submission on the report, allow me to thank you for the well executed work during this Fifth Meeting in this capital of Nairobi. Today we are concluding our business and I have no doubt we have done our work very well. Congratulations, sir. *(Applause)*

Allow me also to thank the Kenya Chapter, the National Assembly of Kenya, the Speaker, the MPs and staff for the good environment and hospitality they have accorded us. We have enjoyed it and we have been effective in our work. *(Applause)*

Allow me also to put on record my appreciation - and I think also the appreciation of the whole House - to Mr Justine Bundi, the out-gone Clerk of this Assembly. He is a national of Kenya but has been the Clerk in the last Assembly and during the First Session of the Second Assembly. We appreciate the good work he has done and the contribution he has made to the people of East Africa. We congratulate him for the execution of his duties and we wish him well in his new deployment. *(Applause)*

Mr Speaker, let me say that this report is very important. I want to thank hon. Mulengani for the good presentation he has made and all the chairpersons who headed the various delegations. The process of the Common Market is a very important process. I want to thank you for making very good preparations for us when we were going to embark on this exercise. I want to thank you for the literature we got. It was very useful. Specifically, I want to quote one of the issues, which I thought was very important; that the Common Market is going to anchor on these pillars and will be conducive to increased competition, specialisation and larger economies of scale. The factors of production would be allowed to move freely where they are most valued. This will eventually lead to increased efficiency in resource allocation.

Mr Speaker, I want to add that we, members of this august House, members of the EAC and indeed the people of East Africa must be convinced about these principles. They must be convinced; and that is the bottom line! If they are convinced then the processes of the Common Market will be very smooth. It is also reflected very well that we need to bear in mind that the draft protocol is designated to eliminate the remaining barriers to the



creation of a single market. I think this is a very important principle on which the proposal for the Common Market Protocol is made.

So, bearing in mind these two important principles, and also the report, which has touched on many issues, and which hon. Mulengani has presented to this House, I would like to take this opportunity to welcome back the members from this very well executed responsibly, and as the Chairperson of the Summit noted, this was a noble task, which enhanced the people centeredness of the integration process.

Mr Speaker, I was part of the team which went to the United Republic of Tanzania, and I want to thank my chairperson, hon. Nangale. We had very well-attended and organised consultations. At this juncture, I want to thank the Members of the Council of Ministers; hon. Kamala and hon. Abood, for gracing our consultations with their physical presence, and for explaining some of the issues, which the nationals wanted to hear about from them, particularly in Kiswahili. Some of them wanted the words in the actual language, and the honourable ministers did a good job.

Mr Speaker, sir, right from page 6, the Report has highlighted very important observations and fears, and of course I want to say that it has also put it on record that the people of East Africa have strong aspirations for the Common Market. I just want to emphasise that the lack of proper information on the pillars of the Common Market was a very important hindrance to them accepting some of the issues within the Common Market. And as the report has observed, I think this calls on the Council and also on the EAC to urgently organise very effective dissemination seminars on how the many issues which have been raised are going to be tackled.

I want to say that many of the recommendations given are very, very pertinent, and many of them do not need money or resources; they can actually be put within the actual activities of the EAC as it is right now. I want to say that it is important that the EAC and the Council of Ministers should actually move to start implementing many of these recommendations. Some of them may not be in the short run but I think it is important that they start being implemented right away.

The other point I want to add, which I think was observed, is that there is a lot of press alarmist attitude. Wherever we were in parts of the United Republic of Tanzania, the press seemed to bring out only the negatives. I think we need to have a concerted effort on mobilising the press. We need to find a way of bringing them on board. That Fourth Estate is very important, because it is also very effective in reaching out to the population. We should utilise them effectively.

Of course I want to say that we also need to take our roles very seriously; all the organs of the Community, including the Council of Ministers. At one time we were a bit disappointed when we seemed like we were not moving in the same direction. It was like we were disjointed, me and my team. I think the aim of all this work we are doing should be to solve the problems as envisaged on the part of the processes as enlisted in the Treaty. I think it is not good if we also become alarmists. On that note, I want us to all

embrace this responsibility and know that we have to go into it and have it executed properly.

I wish I had had the report a lot earlier. However, I want to support it fully. I want to thank the chairpersons of the sessions, which went out. They helped us in being able to unveil some of the challenges, which our people are facing.

As I wind up, Mr Speaker, allow me just to bring greetings to this august House from Mr Masami, our Committee clerk who fell sick at the end of last year. As a team, we went to visit him. His family appreciates you, hon. Speaker, and the whole august House for the support you have accorded it. I thought it would be important for us to put it on record. They are calling for your prayers so that he recovers quickly. *(Applause)*

Mr Speaker, I thank you for the opportunity and I want to thank honourable members for the candid way in which they looked at the issues of the Common Market. I also want to appeal for further support for this august House to again go out and facilitate or improve on the dissemination of the information on the Common Market, perhaps before April 2009, which I think is the date set for the appendage of the signatures on the protocol. Thank you, Mr Speaker. *(Applause)*

**Ms Nusura Tiperu (Uganda):** Thank you, Mr Speaker, for giving me this opportunity. I would like to join my colleagues in thanking the members who moved in the different Partner States during the consultative meetings. I also want to thank MPs from Uganda who have really shown us how we should be working with the different Partner States. I got the opportunity to go to Rwanda during the consultative process. I want to say that we enjoyed ourselves while in Rwanda. The trip gave us an opportunity to interact with people.

I would like to be on record for supporting the report, first of all, and secondly, for saying that the Assembly should be continuously involved in the process of consultations in our various Partner States. Considering the time that we have, I would just like to make a few remarks, especially on the issue that involves the Treaty. That is the issue of Article 65, which requires EALA to liaise with the national assemblies.

Mr Speaker based on the report you will realise the fact that there is need to increase funding for EALA so that our interactions with the national assemblies is increased. My second note is on the issue of a disconnect, that I have realised. First and foremost, when the President addressed the Assembly, he was clear on the question of the Common Market; he said it was on course. However, considering the report, you will realise that the population of East African Community is concerned about the fact that they do not understand the Customs Union. That creates worries in my mind. I would like the Council of Ministers to take this matter seriously and to consider maybe halting the process until deliberate mechanisms are put in place, perhaps through the ministries responsible for EAC affairs in our Partner States, to ensure that the national Parliaments are involved to understand the challenges of the Customs Union. We should also get their input in as far as the Common Market is concerned.

Hon. Speaker, I also want to request the Secretary-General to use his position so as to have a retreat with Members of EALA to take us through the programmes and projects of EAC so that we enhance our oversight role. As you may understand, we face a lot of challenges, especially when our colleagues back home ask us what projects are being carried out at the EAC level, and we fail to answer. A retreat would do us good. I would like the Secretary-General to borrow a leaf and do exactly what his predecessor did by moving to the different Partner States and interacting with the national assemblies.

Hon. Speaker based on those few remarks, I do not want to bore my colleagues, and I support the report as it is. *(Applause)*

**The Third Deputy Prime Minister and Minister for East African Community Affairs, Uganda (Mr Eriya Kategaya) (Ex-Officio):** Mr Speaker, first of all I would like to commend the teams, which went around and compiled this report. The report contains very many issues on integration. It is a very good report, and I think, if funds allow this could be put in a booklet form so that it is circulated in all our capitals. Most of the issues that concern integration are here. *(Applause)*

I only want to make a few remarks. First, on the question of land, in integration I think we should start with less difficult issues where we can generate consensus. The most difficult ones should come later. Some of these issues are not immediately relevant to integration. For me, the land issue...in Uganda we say it should remain at Partner State level. *(Applause)* The laws of the Partner States should be governing the land issue for the time being until such a time when the circumstances dictate that we should change them. Because even at our national level in Uganda, we have different regimes of land: customary, common, lease, freehold, so when making the Constitution we said, “No, no; this is not going to cause us trouble. Let all these regimes continue until the economic factors dictate that we change and make them common”. So, Mr Speaker, I think we should put to rest the fears of those who are saying that land is going to be grabbed by those who do not have land. That should not be an excuse against integration. Land should remain at Partner State level.

Secondly, there is this fear of domination. I do not know who will dominate what. As a region, we are already dominated, in economic terms. These economies we are running are almost not ours. I do not know why people are worried about domination. Domination is already here! If people cannot fear the domination by foreigners how can they fear domination by East Africans? *(Applause)*

For me I would rather have domination by East Africans than domination by the Chinese or Europeans. *(Applause)* This is because, for East Africans, we can work together but for the Chinese, I will work for him. You work for them; but for East Africans we work together! You can work with East Africans but for foreigners, we work for them. So, I do not see the reason for this fear. Already we are dominated, so why should we have a fear of a so called domination of East Africans? What is the point? What is the idea? Why are we coming together? For me, I think we should come together to help East Africans

dominate their economy! (*Applause*) This is the point; they should dominate their economy. I do not give a damn if a Kenyan is running a good business in Uganda, a Tanzanian, a Rwandese or a Burundian. I do not mind; I do not find it objectionable, because we are already dominated. This is the point I am making; we are already dominated.

Even on manpower, I do not see such a big fear for domination on manpower level. What are the skills of our manpower that we fear? If you had a country dominating us in engineering, chemical engineering, manufacturing, yes! But these economies of ours...for me, in terms of skills and manpower, they are the same! And so, my view is that closing in is not the answer; even if there was domination, closing in within our borders is not the answer. The answer would be to say, "yes, there will be a gap, but let us go out and fill this gap by working" rather than saying, "Oh, we are going to be dominated, so let's keep in our small hut!" To me, that is not the approach; the approach should be: "there is a difference, but go out within the region and pick the manpower, learn from those who have done better!" rather than saying "Because we fear domination, let us keep quiet; let us keep in our hut!" That will not help.

In any case, keeping in our huts is not possible in the world of today. These fellows will find you in your heart and dominate you more. Mr Speaker, part of integration is to emphasise real sovereignty in our region; real sovereignty where you can say no to certain things. That is the strength China is showing. When China says she does not want something, nobody can force them, not even Americans. But for us here, you say "we in Uganda we do not want this", they will just look at you and laugh!

Mr Speaker, one time I was the National Political Commissar, which is like the Secretary-General of the National Resistance Movement, and the American ambassador came to see me. We argued and argued and then he said, "By the way Uganda is not China". In other words, Uganda cannot make a stand permanently. He said, "You do not have the strength of China. It is China which can tell us and we listen". Some of you have been in government; and you have seen some fellows from the universities who come to give you lectures about Uganda and so on, just because we do not have the sovereignty we are talking about, to keep what we want. So, domination of East Africa is not a problem to me, and the answer is not to keep in our huts; the answer is to go out and learn from each other.

And dominant economies, I said it before; I said this is a debate among pigmies. This has been my answer. The pigmies are one of our people here, but they are all very short. Sometimes they debate, "Are you one inch above me or two inches?" But we are all pigmies, what is the argument? Why should we not improve our genes so that we are no longer pigmies? (*Laughter*)

Lastly, Mr Speaker, this exercise by EALA is commendable. And I think we should be able to evolve answers to some of these questions, which have been raised so that we are able to disseminate the message. I think over time we should be able to evolve answers to these issues instead of continuing to ask each other: "What do you think?" "I have also

been thinking about it. I am not so sure". But when such teams go out, then we should be able to evolve some answers -well researched answers of course- to show that we know what we are talking about in terms of the integration of East Africa. Thank you, Mr Speaker.

**The Minister for the East African Community Affairs, Burundi (Ms Hafsa Mossi):**

Thank you, Mr Speaker. As I stand to support the motion, allow me to add my voice to thank you personally and this august House for conducting public hearing workshops on the Common Market Protocol. My special appreciation is extended to hon. Bernard Mulengani, hon. Catherine Kimura, hon. Patricia Hajabakiga, hon. Leonce Ndarubagiye and hon. George Nangale for having ably facilitated this important exercise. In addition, I applaud the Partner State co-ordinating ministries for rendering technical support and back-up to the Assembly's teams.

Mr Speaker, the Treaty, in its Articles 2 and 5, provides for the systematic development of the Community through a customs union, a common market, a monetary union and ultimately a political federation. Regarding the common market, high level negotiations on all aspects of the intended common market have gone through eight important sessions, as you all know. The sessions have addressed all key corner stones necessary for an effective and efficient common market for the mutual benefit of the Partner State.

At its Sixth Extra-Ordinary Summit held on 20 October 2007, the EAC Heads of State agreed on a concise timetable for finalising the negotiations and concluding the Common Market Protocol. Accordingly, the effective intervention of this august House through public hearings was not only quite timely but also on all forces the Treaty requirement for the integration process to be people-centred. The Assembly's interaction with the people of East Africa, through the public hearings, aids the negotiation process. This is because the outcome of the public hearings will inform the high level task force on the diverse aspects of the draft protocol, some of which have been challenging.

The Assembly established the East African people's knowledge of the Customs Union and now it operates. The Assembly was able to explain to the population such important aspects of the Common Market as free movement of persons, labour, capital, goods and services, right of establishment and residence, related fiscal and micro-economic policies, and the regulatory frameworks. Much as the Treaty, in Article 104 in Chapters 11 and 14 provides for these matters and the development strategy caters for them, the people we serve are generally unaware of the implications of adopting them on a regional basis.

As governments and organs of the Community spearhead the establishment of the Common Market, it behoves us to move along with the population.

Mr Speaker, it is on the basis of this realisation that I applaud this august House for making good recommendations to fathom good governance, trust and confidence in the negotiations of the Common Market Protocol. These recommendations assist the high level task force to address fears and suspicions that may have afflicted progress. The Council of Ministers undertakes to avail this report to the high level task force for

information and guidance. The Assembly's intervention was, therefore, a big shot in the arm. Mr Speaker, I support the motion. *(Applause)*

*(Question put and agreed to)*

*(Report adopted)*

### **ADJOURNMENT**

**The Speaker:** With that we come to the end of business for today. I adjourn the House sine die.

*(The Assembly rose at 5.40 p.m. and adjourned sine die)*