



EAST AFRICAN COMMUNITY

EAST AFRICAN LEGISLATIVE ASSEMBLY (EALA)

Official Report of the Proceedings of the East African Legislative Assembly 60TH SITTING – SECOND ASSEMBLY: SIXTH MEETING – SECOND SESSION

Tuesday, 26 May 2009

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

PRAYER

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

The Assembly was called to order.

MOTION

FOR THE CONSIDERATION OF THE BUDGET OF THE EAST AFRICAN COMMUNITY FOR THE FINANCIAL YEAR 2009/2010

(Moved by the Chairperson, Council of Ministers, Ms Mukaruliza on 21 May 2009)

(Debate interrupted on 21 May 2009 continued.)

The Speaker: Hon. Members, the debate is open. Hon. Wanyoto, you may proceed.

The Chairperson, Committee on General Purpose (Ms Lydia Wanyoto (Uganda):
Mr Speaker, I beg to lay on the Table the Report of the Committee on General Purpose on the EAC Budget for the Financial Year 2009/2010.

(Ms Wanyoto laid the document on the Table.)

The Speaker: Hon. Wanyoto, continue with the report.

Ms Wanyoto: Mr Speaker, I rise to present the Report of the Committee on General Purpose on the East African Community Budget for the Financial Year 2009/2010. This report has quite a number of annexure, which I would like to draw to your attention, and then I will take you through the highlights of the main report.

One of the documents that you may want to refer to has the responses to the questions, raised by the Committee on the Budget, from the Secretariat. The other document that you may want to refer to is labelled *Annex 1*. It includes cost centres for the proposals. It has scenario one to scenario three. The third Annex is *Annex 4*. It is a summary of proposed funds for re-allocation in the budget estimates for the Financial Year 2009/2010. It is a one-sheet document, but it is photocopied back to back.

The other annex is *Annex 3*. It is part of the Committee report, and it contains the Committee proposals on the cost centres of the seven committees of the Assembly, which are not reflected in the MTEF document that you all received on Thursday.

Mr Speaker, since this is my first time to speak in this particular Assembly, I would like to join those who have spoken before me to thank the President of the Republic of Burundi, the entire leadership of the Republic of Burundi, and our colleagues, the chapter of EALA from Burundi, for receiving us here since we came here to have our meeting. I want to thank them very much. You can see that we have enjoyed our stay. Some of us are a little heavier than we were when we came here two or three weeks ago.

The other issue that I want to mention, on an exciting note, on behalf of the Committee is that while we were here the first five days before the rest of you joined us, God blessed us with a baby girl to hon. Ndikuryayo, and we would like to request others in that line to keep sharing with us their joy. When the age does not show physically on your body, tell us you have had a child like hon. Ndikuryayo did so that we can celebrate together as an EALA family. (*Applause*)

Mr Speaker, I would now like to proceed and take you through the highlights of our report on the budget estimates, by going through the Committee report. This is the Report of the Committee on General Purpose on the EAC Budget for the Financial Year 2009/2010.

Mr Speaker, pursuant to the provisions of Articles 49 and 132 of the Treaty, and in accordance with Rules 72 and 79, as well as Annex 5(f) (ii) of the Assembly Rules of Procedure, I beg to present to the House, for consideration and adoption, the Report of the General Purpose Committee, covering the estimates of revenue and expenditure of the East African Community for the Financial Year 2009/2010.

Mr Speaker, the estimates of revenue and expenditure of the East African Community for the Financial Year 2009/2010 were presented to this august House by hon. Monique Mukaruliza, Chairperson of the Council of Ministers and Minister for East African Affairs from the Republic of Rwanda on Thursday, 21 May 2009, and it subsequently referred to the General Purpose Committee for consideration and report there from. The estimates are indicated -as you can see- in the table. The total of this year's estimates is US \$54,257,291.

As per the Budget Speech delivered to the Assembly by hon. Monique Mukaruliza, the Chairperson of the Council of Ministers on Thursday, 21 May 2009, the budget is to be financed by contributions from the EAC Partner States, development partners and miscellaneous income as indicated in all the documents that we have been able to review.

The Committee's mandate is as follows: That the annual estimates of revenue and expenditure of the East African Community are translated into budgetary proposals presented to this august House for consideration and approval in accordance with provisions of Article 49(2)(b) and 132 of the Treaty for the Establishment of the East African Community, and rules 73, 74, 75 and 76 of the Rules of the Assembly.

Prior to this, however, the General Purpose Committee is mandated by the Assembly's Rules of Procedure, through its pre-budget function, to analyse the proposals. This mandate is specifically found in Rule 79(g), as well as paragraphs (c), (d), (e), (f) and Annex 5(f) (ii) of the same Rules. These provisions are further elaborated in Rule 72 of the Assembly Rules of Procedure.

Mr Speaker, we adopted the following methodology in this assignment. We met the EAC Secretariat team to analyse the draft budget in January 2009, before it was presented to the Council of Ministers. We analysed provisions of the Treaty and the Rules of the Assembly. We also analysed the following documents, which I am glad to note that you all have as of now:

- The Medium Term Expenditure Framework (2009/10-2011/2012); Book 1 Summary by targets from 2009-2012,
- The MTEF 2009/10–2011/2012 figures (Book 2) alongside the budget proposals for the FY 2009/2010;
- The Medium Term Expenditure Framework (2009/10-2011/2012); Development budget for 2009-2012 (Book 3);
- The explanatory notes and assumptions on the EAC-Budget Financial Year 2009/2012;
- The EAC-Budget performance for financial year 2008/2009 (July 2008 to March 2009).

We did analyse the contents of the Budget Speech by the Chairperson, Council of Ministers, and we also analysed the previous recommendations of this Assembly on the EAC Budget. We met the Deputy Secretary General in charge of Finance and Administration, and technical officers of the EAC, the Council of Ministers, and we prepared a report for this august House on our findings.

The list of acknowledgement is there, but I would like to go through it for the record. We would like to extend our gratitude to the following individuals:

1. Hon. Monique Mukaruliza, Minister for EAC Affairs, Rwanda and Chairperson of the EAC Council of Ministers;
2. The Rt. Hon. Eriya Kategaya, First Deputy Prime and Minister for EAC Affairs, Uganda; Member of the Council of Ministers;

3. Hon. Dr Diodorus Kamala, Minister for East African Cooperation, Tanzania, and Member of the EAC Council of Ministers;
4. Hon. Jaffah Kingi, Minister for EAC Affairs, Kenya, and Member of the EAC Council of Ministers;
5. Hon. Hafsa Mossi, Minister for EAC Affairs, Burundi and Member of the EAC Council of Ministers;
6. Hon. Peter Munya, Assistant Minister for EAC Affairs, Kenya;
7. Dr Julius Tangu Rotich, Deputy Secretary-General, Finance and Administration;
8. Mr Miraj Msuya, Deputy Executive Secretary, Lake Victoria Basin Commission;
9. Mrs Ghaniya Kaddu, Director of Finance, EAC Secretariat;
10. Mr Joseph Ochwada, Director for Human Resources and Administration, EAC Secretariat;
11. Mr Charles Mukiri, Principal Internal Auditor, EAC Secretariat;
12. Mr Moses Marwa, Principal Agriculture Officer, EAC Secretariat;
13. Mr TaretoSalay, Senior Budget Officer, EAC Secretariat;
14. Mr Stephen Mwilolezi, Budget Officer, EAC Secretariat;
15. Mr Julius Birungi, Monitoring and Evaluation Officer, EAC Secretariat;
16. Mr Kenneth Madete, Ag. Clerk, EALA;
17. Mr Alex Obatre, Senior Clerk Assistant, EALA;
18. Mr Joseph Malesi, Accountant, EALA;
19. Mr Stanley Mono, Accountant, EACJ.

We also extend our thanks to you, Mr Speaker, for giving us the opportunity to undertake our pre-budget function, and to our Committee Clerk, Ms Elizabeth Barinda and her secretarial team for doing a commendable job during the period 10th May to 14th May 2009, when we were doing the deep analysis of the budget.

The Secretary-General of the EAC, Ambassador Mwapachu, has worked closely with the Committee. He sent us an apology for the meeting we had on Monday but he was able to send us his input on issues to this Budget. I want to note that this has been an inclusive Budget to many of the stakeholders. The views and discussions were quite inclusive, and as a committee, we were able to access every individual that was relevant and useful to the process. I want to thank them very much. (*Applause*)

The Budget performance for the Financial Year 2008/2009 and the Budget assumptions for the next financial year are as indicated on page 3 of this document. I would just want to draw your attention to the references. The other details are in the EAC Budget performance document; Annex 1 page (iv), which is in your folders for your reference and detailed analysis.

I would now like to move to page 4, and refer you to the next bullet, which I think is important.

Mr Speaker, according to the explanatory notes and assumptions on the EAC Budget for the Financial Year 2009/2012 (ref. page 1), the funds received by the EAC for Financial Year 2008/2009 were utilised to achieve the following broad areas of EAC integration - the broad areas are three as listed, but the Committee would like to refer Members to the document on explanatory notes and assumptions. That is where you will find the details in this respect; on page 1. The expenditure levels, as per the end of March 2009, are detailed in the table. Honourable members may want to refer to the annual total expenditure approved for the last financial year for purposes of comparison, but also to understand the trend of funding. The actual spending up to 31 March 2009 was as shown in the table on page 5.

Mr Speaker, the Budget for the Financial Year 2009/2010 and the Medium Term Expenditure Framework (MTEF) for the next three financial years were developed based on the following specific assumptions.

- (i) Continued and consolidated political support for the EAC integration process;
- (ii) Maintaining stability and enhancing convergence of macro economic environment in the Partner States, including control of inflation and stability, and predictability in foreign exchange rates to avoid erosion of the East African currencies;
- (iii) Availability of adequate financial resources and timely remittances by Partner States, notwithstanding the global financial crunch;
- (iv) Revamping the EAC organisational structure and the human resource capacity to mitigate challenges of an expanded Community.

Mr Speaker, the table on page 5 reflects the broad objectives under which this Budget has been constructed.

The Committee recommends that the above assumptions and broad objectives be subjected to the Assembly's scrutiny for purposes of fulfilling its mandate as stipulated in Articles 49(2)(b) and 132(5) of the Treaty. It is only after you have scrutinised the activities and assumptions that we are mandated to allocate funds.

Analysis of Funding from Development Partners:

This is on pages 2 and 3 of the MTEF, Book 2. The table on page 6 is very critical for the Assembly to understand the commitment of our countries in terms of contributions from Partner States vis-à-vis the percentages that we get from development partners.

The Committee would like to observe that the continued funding of the Community by donors on critical areas, as you will see in the report, is not sustainable as it is not always in line with the strategic objectives of the EAC integration process. This is a matter that Partner States must review, and they must ensure that core strategic objectives of the EAC integration process are funded by Partner States themselves.

The highlights on page 7 include the general observations. The committee had an opportunity to discuss the budget details for each of the departments and organs of the EAC, and made the following observations:

The budget is a critical tool that facilitates the work of the Community. As such, it should be highly participatory in nature in order to set right the priorities. In essence, a pre-budget conference (in August of every financial year to lock into the Budget cycle that starts in October) would resolve all outstanding challenges of:

- Participation of key stakeholders in the Budget process;
- Identification of core and specific activities for each sector for a particular financial year;
- Agreeing on priorities for a particular financial year;
- Clarifying mandates and implementation modalities;
- Reviewing the annual reports and other relevant documents like the strategic plan, Summit directives, Council decisions, EALA resolutions and any other emerging issues and performance of the implementation of the previous financial year;
- Streamline the EAC Budget ceilings of 10 percent. We had issues with the 10 percent increment from our Partner States as a ceiling when we have not understood the denominator of each sector. You will see that in our report. We need to unpack this and deal with it once we have a pre-budget conference.
- Review and identify core Partner State activities that must be funded within the EAC Budget. We have given an example under the Directorate of Customs and Trade, where delegations from our Partner States would be funded within the EAC Budget, which already has a ceiling. So, we have issues with that. We hope that during the pre-budget conference, we will be able to agree, as stakeholders, on what must be funded within the EAC Budget from the Partner States.

Mr Speaker, Article 3 of the Treaty stipulates that the members of the Community are the Partner States. Each Partner State is required to designate a minister for East African Affairs. As such, the ministers are not only responsible for the co-ordination of the EAC integration at Partner State level, but also take responsibility for the political leadership and management at the EAC headquarters in Arusha. In that regard, the Committee recommends that the Chairperson of the Council of Ministers should be facilitated to undertake political supervision and management at the EAC headquarters for at least fourteen days every quarter of a financial year outside the traditional Council and EALA meetings for purposes of, but not limited to:

- Interfacing closely with heads of the EAC organs;
- Participating in some executive level meetings;
- Appreciating the working environment and the day-to-day challenges of headquarters undertakings;
- On-spot follow up on the implementation of the various policy decisions undertaken.

For this the Committee has worked out a threefold scenario for purposes of facilitating this office. I refer you to the annexes before you, and if you look at *Annex 1* of the Committee Report, you will find that we have given three scenarios for this House to consider how the Chairperson, Council of Ministers' office can, not only on paper but physically, be present in Arusha for at least 14 days quarterly in a financial year for the reasons we have given.

The EAC Council of Ministers, however, informed the Committee that they have agreed to meet once every month to fulfil the same obligations, and requested the Assembly to give this proposal time to take effect. The ministers said this decision was reached recently, and they have not yet had the monthly meeting, but they have requested - I think they agree in principle.

The next general observation pertains to the per diem to staff of EAC, EACJ, members of EALA and other institutions of the EAC. The committee observes that the per diem being paid to the above categories of office bearers is way below that of similar categories in Partner States. We recommend that these inconsistencies be addressed as a matter of urgency in order to adequately facilitate officers while out of station on official duty. The Committee recommends to the Council of Ministers and the leadership of the various organs to address this matter as at July 2009, to be within the Budget provisions of this financial year.

I would now like to take the House through specific recommendations and observations from the organs, and specific sectors within the Budget MTEF of the EAC institutions and organs.

Office of the Secretary-General;

The average performance of last financial year's budget registered a 59 percent utilisation rate by March, 2009. The recommendations of the Committee in the Financial Year 2008/2009 have been adhered to in this sector thus:

- Outlining broad objectives;
- Setting targets;
- Outlining activities and cost centres;
- Activity based budgeting.

Mr Speaker, the next issue that I would like to draw Members' attention to under this office is on the matter of resource mobilisation and representing the EAC at various fora. The Committee observes that the delegation of the Secretary-General to the various travels has been aligned to the relevant officials of the sector to be visited. This has reduced on the number of delegation as was exhibited in the previous years and hence a reflection of savings. As a result of activity-based budgeting, the Secretary-Generals' travel has been spread in other departments as well. For example, the Secretary-General will travel for a total of 178 days in the next financial year, of which 84 are under the Office of the Secretary-General, while 70 are under the Office of the Deputy Secretary General for Political Federation, while another 10 are under the Office of the Deputy Secretary General for Finance and Administration. So, it is very easy for oversight purposes to track the cost centres and the Office of the Secretary-General as budgeted.

Recommendations and Observations:

The Committee observes that the resource mobilisation strategy and drive still benefits the EAC Secretariat more than other organs of the Community. The strategy also lacks a legal backing framework yet it is crucial for ensuring that funds that are committed to the

EAC should be put to service the implementation of the EAC strategic plan within the framework of the Treaty. The Committee, therefore, recommends that there should be a legal framework and streamlined resource mobilisation strategy with participation of key stakeholders mandated by the EAC integration process. The Committee also recommends that funds accrued from development partners and donors be brought to the Community as EAC Budget support. In this regard, all funds committed to the EAC integration should be submitted to the Assembly for approval as per the provisions of the Treaty, Article 123(5).

The Defence Liaison Office (DLO):

The Committee recommends, as has been the case in previous reports, that the department of the Defence Liaison Officers should be harmonised under one sector with that of peace and security. The differences in their activities notwithstanding, these two departments share the same goals and outputs and hence their separation under different sectors has caused parallels, duplication of similar activities and lack of clarity of purpose among stakeholders.

Office of the Counsel to the Community (CTC):

While capacity building for Judges in EAC jurisprudence is important for integration, the Committee recommends that the Council should reverse its decision of 5 September 2008 to assign the Office of the Counsel to the Community to co-ordinate this activity. The Committee recommends that the Counsel to the Community's office can serve as facilitator and share experiences but not as a co-ordinator. This is to enhance separation of powers between the Executive and the Judiciary, both at EAC and at Partner State level. Therefore, an appropriate judicial office should be assigned to undertake this capacity building programme within the context of Article 126 of the Treaty.

Other recommendations:

1. The ministers responsible for East African Affairs of the Partner States should be delegated specific tasks in the oversight of particular sectors of the Community. I hope that this is simpler because it does not require detailed budgeting.
2. The principle of EAC officials to be away on official duty for at least one-third (80 days) of the financial year in order to ensure timely delivery of other official responsibilities. It is only in the EAC where there is no regulation on travel. So, we would like to recommend that while travels are important, especially for executive offices, they should be given a ceiling so that they only undertake those must-go meetings. If you give an executive officer 80 days in a financial year, they will be able to sit down and assign those 80 days to core activities, and also give the balance of the days to other administrative obligations of that office. For a long time, this Assembly and the Council of Ministers have given an open cheque in terms of travel, and there must be an end to this so that we are able to deliver tangible benefits to the East Africans.

Office of the Deputy Secretary-General (Finance and Administration):

Mr Speaker, the average performance of the department as at March, 2009 reflects a 72 percent utilisation rate. The sector is charged with the preparation and management of the EAC Budget. It also manages the procurement unit of the Community. The Committee has, on previous occasions, requested for the Budget to include, as an annexure, a procurement plan to guide the EAC procurement process, which is a big component of the budget. The procurement plan would be used to rationalise the procurement of conference facilities, media services, tickets, consultancies and equipment for the EAC, as well as out sourcing services at fair and negotiated rates, whose net effect is cost saving. In the Budget, it appears that all departments procure goods and services individually and at contrasting prices. For example, under the Directorate of Customs and Trade, conference facilities range from US \$500-1,500 (page 117). This is just an example.

The Committee further noted that the Procurement Officer has only ten items to procure in a year, and an amount of US \$27,000 for placing tender adverts in newspapers (page 43, code C01S), implying therefore that all other tendering and procurement was not carried out by his office.

Closely related to the procurement process, the committee recommended the inclusion of the skills of a quality control specialist to scrutinise and exercise control, disseminate procurement plans, storage specifications and regulations.

Discrepancies were noted in the Budget, particularly in the development fund. Specifically, the Budget is in excess of what the total allocation is. The variance casts doubt as to where the additional funds will come from. An example of this has been cited at page 34, code A01C02.

The Budget document indicates that a number of activities have found their way into the EAC development strategy. For example, training in French and English is not an item found in the budget, nor is it in the strategic plan. I want to note that when we met the ministers, an explanation was made that this had been done as a unique case, which would in future be discouraged, particularly regarding funds earmarked for individual countries rather than for the entire Community.

Recommendations:

1. The Committee recommends that the EALA should, on the basis of and in fulfilment of Article 132(5) of the Treaty, be able to approve activities to be undertaken by the EAC, through a budget conference with stakeholders, on the donor funds received and provide guidance on their allocation.

The Council of Ministers has agreed with this recommendation of convening a budget conference where all stakeholders will participate. It is going to solve a very big problem of trying to do reallocations in future.

2. The Committee recommends that capacity should be built at the EAC to manage RISP funds to ameliorate the problem of EAC funds having to be approved through COMESA. EAC should expedite the process of qualifying for the ISO standards.
3. The Committee recommends that the Secretariat should forward a list of the status of all projects and programmes under implementation in the Partner States and show all the projects that require counterpart funding. The Assembly should ordinarily receive periodic briefing on such activities as well as funds to be able to make informed decisions in its oversight function.

The ministers told us in the meeting we had with them that they neither have a mechanism nor a plan for tracking the activities that the EAC undertakes in Partner States. So, what are we coordinating? That is the question that the Committee is putting in this recommendation.

Office of the Deputy Secretary-General (Projects and Programs):

Directorate of Productive and Social Sectors:

The average performance of the last financial year's budget registered a 22 percent utilisation rate by March 2009. The Committee acknowledged the responses of the Deputy Secretary General (Finance and Administration) to the Committee's concerns about there being very little or no funding for all the sectors under the productive and social sectors.

The reason was mainly because the 10 percent budget limitation/restriction, which is apparently the main sector subjected to this restriction, was not viable since these sectors are indeed the core of the livelihood of the East Africans. This is the only sector that suffers from the 10 percent increment limitation, and this is the reason the committee has been able to share with you the annex on the responses. It is a pity that there is no money for the social sectors within the EAC financial year, where the bulk of East Africans would benefit.

The Committee noted with regret that this sector had completely been ignored and others had been postponed for subsequent years. The monies budgeted for are all for conferences, workshops and meetings, and no tangible productive outputs are visible in the budget allocations under this sector. Activities seemed uncoordinated, with mixed mandates. For example, despite EAC having a coordinating role, it was carrying out feasibility studies in and budgeting for Partner States, and this probably explains why the compilation and presenting of an annual report was a problem.

We are discussing this budget on the background that we don't have a report; the qualitative and quantitative analysis of our financial reports since 2006, and the problem could be lack of concentration on the part of the implementers.

Mr Speaker, the department on Agriculture, Food Security and Rural Development (page 60) is also under-budgeted. It is the same issue with the department on Environment and Natural Resources, Gender, Community Development and Civil Society, Industrial Development, Tourism and Wildlife Development, Energy, Education, Culture and Sports, Science and Technology.

We are recommending that this should be allocated under Corporate Affairs and Communications. There is publicity activity under education. The Committee recommends that issues of the essay competition, media relations and editorial materials should be put to the appropriate Department of Corporate Communications but with a backup from the relevant sector like education.

It was also apparent to the Committee that culture and sports, science and technology had been completely left out of the Community's programmes and budget. There is an obvious bias on education and sensitisation.

On the Health sector, we know that there is no budget for the control of trans-border diseases, STIs and immunisation. The Committee would like to know the general EAC health strategy. It should be unpacked and disseminated so that people can get to know where we stand as a Community on matters of health.

Concerning the department of labour and immigration, the Committee was of the opinion that since the Common Market negotiations were still in progress, this sector should be catered for in the context of the negotiations.

The Minister explained that these sectors were extensive, including the ones in all Partner States, and the EAC Budget could not adequately cater for all the sectors since it was not easy to follow up production in all the specific areas. The Minister said that the productive sectors is heavy and therefore we need to rethink how the financing of the EAC can be for us to realise any tangible outputs specifically in the social sector, because their activities seem to have outgrown the budget commitment.

Recommendations:

1. The Committee recommends that the Council should give priority to the following sectors: sports and culture, education, health.
2. The Committee recommends that follow-up reports and implementation modalities of the Petroleum Conference resolutions should be availed to the Assembly for oversight purposes.

There is a lot of budgeting for and meetings about petroleum and energy, but the relevant Committee of the Assembly has not been able to access information on mechanisms and implementation modalities for follow-up.

Directorate of Planning and Infrastructure:

Mr Speaker, the average performance of last financial year's budget registered a 36 percent utilisation rate by March 2009. Under transport and works, the sector is also characterized by consultancies. The Committee recommended that the existing archives cannot be updated so that these consultancies are not necessarily a prerequisite to the implementation of these projects. The same applies to statistics. There are procurements out there and inconsistencies in the budget allocation.

Under civil aviation, there are only two meetings which will take up US \$240,000 of the total US \$265,000 budgeted for in this sector. This is an oversight issue that we want to look at as an Assembly. This budget can instead be used to hire people on full time basis to do the work for the three year period as it also serves to provide institutional memory for the organisation.

Under monitoring and evaluation, the organisation of the annual Partner State experts' review of the Monitoring and Evaluation manual does not have to be done at US \$34,750 (C01807 on page 90) particularly as codes CO1S02 and CO1SO4 are all focused on developing the manual. If you look at it you will realise that we can make savings there if we wanted to, as a Community.

In meteorology, the entire budgetary allocation was for conferences, meetings, workshops, subsistence and air tickets with hardly any activities in form of implementation. It goes on and on in this sector.

I would now like to move to clear recommendations under the sector of planning and infrastructure.

Recommendations:

1. The committee recommends that the linkages between the LVBC and other key stakeholders, and activities like the Lake Victoria Basin Initiative and the private sector investment promotion activities be clearly outlined.
2. There is an activity under investments promotion that talks about issues of Lake Victoria, and we do not see any linkage the Lake Victoria Basin Commission. So, we want to see those relationships, even in the budget framework.
3. The committee recommends that the Council of Ministers and the relevant Committee of EALA should carry out due diligence to ascertain the cost

worthiness of three consultancies (ref. transport and works department on pages 81 and 82 of MTEF, book 2).

This is the example that we gave earlier of surveys and studies that, from the look of it, do not show value for money. So, we would like to request the relevant committee to do due diligence so that we do not cause this sector of infrastructure any delays.

Office of the Deputy Secretary-General (Political Federation):

The average performance of last financial year's budget registered a 54 percent utilisation rate by March 2009. Under this sector, budget provisions have been given in respect to Article 123 of the Treaty.

1. The Committee recommends that until this Article is made operational by a Council directive (instrument), it is irregular to provide budgetary allocations in that respect (ref. MTEF document F01C02, page 109). It has US \$40,000.
2. The activities geared towards establishment of relevant regional structures in this sector do not match the target description of enhancing institutional and capacity mechanisms for political integration (ref. MTEF document, page 106, DP01C1). You will find there travels and meetings. There is no way travel and meetings can cause institutional establishment. So, the committee recommends that the activities be recast to achieve the intended objectives and outputs.

The following are specific recommendations:

1. The Committee recommends that the activity of lobbying for international jobs (F01C03) be re-examined for purposes of putting in place a transparent and people-centred mechanism to enable all qualifying East Africans to access these opportunities.

This particular response is in the annex from the Secretariat. You will be able to see the East Africans that have been able to access jobs outside East Africa, but the Committee is saying that this is a noble initiative, and we want to understand the mechanism, and that it should be people-centred. That is where the gist of the issue lies.

2. The Committee recommends that this sector should undertake to examine necessary mechanisms to engage political parties for purposes of harmonising governance standards, practices, systems and existing laws governing them to create cross-cutting uniformity in the context of multi-party politics and specifically addressing issues that cause instability.

The Directorate of Customs and Trade:

This directorate's average performance was 56 percent.

1. CMA regulations can be reviewed in one sitting and should not have different codes (A01S01 and A01S02 on page 116). The other five days are duplication. Regulations are already set under the Act, so the other five days of meetings are not necessary. We, therefore, recommend that the amount under A01S02 amounting to US \$77,000 can be reallocated or brought under the Office of the Counsel to the Community.

EAC budgeting for Partner States appears throughout the budget with travel and per diem for Partner State staff. The Committee was of the opinion that Partner States should budget for themselves and EAC should only play a co-ordination role since implementation is for Partner States. The situation will likely create abuse and conflict of interest. Issues of double budgeting and conflict of interest arise because our budget is passed through funds by Partner States, and then they come and budget for themselves here. If Council resolves during the pre-budget conference, we should be able to agree on which core activities can be undertaken under the EAC arrangement. As for now, we note that this is an issue for the Assembly to discuss.

The minister explained that there were certain strategic negotiations meetings where the Community needed to ensure the presence of Partner State delegations and a common stand, and, therefore, had to ensure that key individuals and competent teams always made it to all the meetings. This was a very candid answer.

2. On pages 116 and 117, we report on several border visits made on different activities. All the five activities should be combined. The days for the border visits should be increased rather than making many visits for a few days each. More work can be done that way. The directorate's absorption capacity is put to question. By March only 34 percent had been achieved in budget implementation.

Mr Speaker, under this directorate, where there is travel, you will see a very high budget performance, but where there are meetings and analysis of documents, the absorption capacity is very low. So, common sense will tell you how our officers are performing when you look at the budget trends and performance in terms of absorption.

Recommendations:

1. It is expected that sensitisation should now extend to wider and broader audiences and arena by use of tangible media such as radio programmes and broadcasts, so as to move away from the traditional workshops, which only reach a few people. The budgeting for mainly workshops, seminars and meetings should be reduced to include more outreach activities.

2. There should be budgetary provisions for intra trade, building an industrial base, removing infrastructural problems to conductivity, clearing and forwarding, setting up of one-stop centres, and addressing systematic issues so as to harmonize structures and ease trade in general.

The East African Court of Justice

The average performance of last financial year's budget registered 58 percent utilisation rate by March 2009.

Recommendations:

The committee recommends that sub-registries should be set up in the Partner States for the purpose of accessing justice to East Africans, and for extending the jurisdiction of the Court. This process was cited by the Chairperson of the Council of Ministers in the Budget Speech, but there is no budget line for the same. So, the budget document is not reading, in this respect, the same as the speech of the Minister. If you go to the Minister's speech on the issues of food security and agriculture, you will be shocked when you go to the MTEF and look at the budget allocation.

The East African Legislative Assembly

The average performance of last financial year's budget registered 82 percent utilisation rate by March 2009.

Office of the Speaker:

The Committee notes with appreciation the decision by the Summit, the Council of Ministers, the Office of the Secretary-General and the efforts of EALA to provide an official residence for the EALA Speaker. (*Applause*) The Committee notes that the Council of Ministers should further review and pursue the necessary changes commensurate to the Speaker's salary and other allowances befitting that office. In addition, the Committee recommends to the Council of Ministers to further review salaries of the EALA members in the same respect.

Honourable members will recall that the justification and back-up of how the salaries of the members of the Assembly were reached has long been outlived and is outdated. Therefore, when the Committee was looking through the budget allocations, we did not see any new life. Therefore, we would like to request the Council of Ministers to expeditiously review the salaries and welfare of members of the EALA. We are more than willing, as usual, to give the necessary political and technical support.

The Committee recommends cost centres for all EALA committees, with specific activities (ref. Annex 2 of the Committee Report). Hon. Members, there is a document

that we circulated in which we have given you an idea of what we mean by cost centres for committees. We have seven Committees of the Assembly, and we have shown you how we would like them reflected in the MTEF document. That will allow you to do Committee work to be able to facilitate plenary work. I hope that you will look through it and give your due diligence and comments.

Members should further note that in the Budget Speech on page 49, US \$438,000 has been allocated for committee work, though currently it does not appear in the MTEF document. The Committee acknowledges and appreciates this development by the Council of Ministers. (*Applause*)

There are no funds allocated for representation on page 139 of the MTEF document. We hope that this is now going to be the new arena for engagement so that Parliament is able to fulfil its three core mandates. There is no money for EALA to do representation.

The Committee recommends more funds for the library and equipment for the PRO office. In the document, that is also lacking, but we added that because in other organs of the Community, like in the Secretariat, there is glaring neglect of funding for the library, and yet we are documenting the process of the EAC integration. I don't know whether people are keeping this information in their heads, but we thought that the library is the best place to document and keep the historical events of the integration process.

Lake Victoria Basin Commission (LVBC):

The Commission attained 65 percent performance. LVBC has budgeted, under LVEMP II, for salaries and related allowances for eight professional and six general staff amounting to US \$5,965,000 for the Financial Year 2009/2010. This project is to be implemented by Partner States and amounts to US \$114.8 million for a period of eight years. The implication is that salaries and related allowances amount to US \$52,712,000, which is 49 percent. The response given by the DSG, F and A's team was that now that the finance agreement has been concluded, final allocation of the salaries and allowances will be worked out as per the disbursement schedule and in accordance with EAC/LVBC grades.

The Committee required more clarification on the salaries and allowances for the eight professional staff and six general staff amounting to a take home package of US \$35,000 per month. The committee has since received a breakdown as requested and recommends that the funding agreement be availed to the Assembly for scrutiny. There is the relevant Committee that should help the Assembly to scrutinise these donor funds and see the trickledown effects for the rest of the East Africans in respect to the Lake Victoria Basin Commission.

The Committee noted that the LVBC apparently did not have any involvement in the operationalisation of the Nile Basin Initiative Agreement's legal and institutional framework (page 156). The New Lake Victoria Water Release Policy could contradict the

agreement if and when LVBC is not fully involved in the agreement process from the beginning.

Donor funding for the LVBC had increased from US \$2 million in the last financial year, to US \$12 million. The Committee recommends that the Council of Ministers should expedite the process of putting in place a legal framework that will empower mechanisms for supervision and coordination of activities that are being undertaken in Partner States and co-ordinated at the regional office in Kisumu.

HIV/AIDS prevalence along the Lake shore Islands is very high and rising, yet there are hardly any health services. But there is no budget for health on the lake shore areas.

The two meetings of Partner State participants to operationalise the Lake Victoria Transport Act was the mandate of the Counsel to the Community. The Committee noted that the Act is operationalised by the Council of Ministers and the draft regulations are drafted by the Counsel to the Community and so there is no need for these meetings.

If you look at page 158 of the MTEF document, you will see a provision of US \$82,000 for this activity. We met the Counsel to the Community -and I want to thank him for availing himself- and we were able to discuss with him some of these areas. So, we re-organised the budget document to give people their rightful mandate and budget allocations. But in addition, we hope that problems of this nature will come to an end when we start having pre-budget conferences.

The Committee recommends that the US \$82,000 be reallocated (H01C01, page 158).

Recommendations:

1. Donor funds should add value to the integration process but management costs should not exceed 30 percent of the total fund. This should be stipulated in the funding agreements. We have not been able to access any form of funding agreement as a committee. We tried very hard to request for them both verbally and formally, but nobody has been kind enough to avail them to us to be able have an idea of what these funding agreements look like. But, we hope that they realise the importance of parliamentary scrutiny on funding agreements so that we can share the negotiations to see that there is more money going to the Community than to the staff alone. If you look at this US \$12 million, you will find that about 46 percent of it is going back to the expatriates. So, why are we passing a budget which East Africans will not benefit from?
2. The intention to receive loans should be brought to the relevant committees of EALA for scrutiny. This would provide an oversight medium, as well as opportunity for guidelines to be set on the efficient utilisation of donor funds.
3. While the Committee appreciates LVBC's gesture of budgeting for the oversight function of Parliament (page 157) under capacity building (target G03C), the

Committee recommends that oversight funds for EALA should be provided for under the EALA sector.

The Committee recommends that the following sectors need more funding in the Financial Year 2009/2010, and, therefore, qualify, where possible, for re-allocation:

1. The office of the Chairperson of the Council to be facilitated for at least 14 days every quarter;
2. EALA committee activities (7 committees);
3. Productive and social sectors of agriculture, health and all the other sectors affected by the 10 percent budget increase restriction.

Mr Speaker, if you denominate one dollar and at the end of the financial year you get one percent of one dollar, what is 10 percent of one dollar? Or if you have zero percent in the sector and they say, "Okay, we are giving you a ceiling of 20 percent of your zero", what is 10 percent of zero? So, that is why we are saying that the pre-budget conference is a must, so that we can set a level ground for the denominator, so that even if you talk about 10 percent in the future there will be equity and also reasonability when you are setting ceilings. This is the case in point that the social sector has suffered.

Mr Speaker, I am now coming to the end of the Committee's report by drawing your attention to the last annex, Annex 4. During our interaction with the various stakeholders of the EAC - we had a longer list than we have now; this one has ten items - we were able to look at areas where we think that money can be reallocated within the sectors or outside these sectors. The reasons are clear:

1. Either there is duplication;
2. The objectives and the targets do not give us the intended outcome; or
3. There was double allocation.

So, those are the reasons why we tabled these ten matrix annexes for debate. It may have been overtaken by events because of the reallocation that has been accrued to the EALA in the Budget Speech, but, also, we need to discuss areas, which are specifically funded by development partners, like the ones on point numbers 4, 6, 7 and 8. But that does not remove the fact pointed out by the Committee that even if funds are given by donors, they should not be seen to be duplicated, over-estimated or to have parallel activities. That is the principle upon which this annex has been brought to this House for debate.

We would rather streamline within the same sectors so that we have the right targets with the right objectives and no parallel activities, even if it means reallocating within the same sector of the budget. You cannot pass a budget which has areas that look like unplanned activities. How do you budget for unplanned activities? It becomes very difficult to understand. We cannot do that in the budget of the Assembly. So, we need to

rethink around these four items and realign the MTEF to fit the calibre of the East Africans that we are.

Mr Speaker, I now want to proceed and conclude. The Committee notes that the Budget framework and the details in the estimates of revenue and expenditure of the EAC for the Financial Year 2009/2010 are progressive in content and spirit. The Committee further notes that a number of recommendations by the Committee in last year's report have been adhered to.

The Committee, therefore, presents for consideration, its report and recommendations to the House, and moves that the House debates and approves the proposals by the Council of Ministers for the Budget of the East African Community for the Financial Year 2009/2010, taking into consideration the adjustments made in the Budget Speech by the Chairperson, Council of Ministers. Mr Speaker, I beg to move. (*Applause*)

The Speaker: Hon. Members, I thought the members of the Committee were going to give their Chairperson some water but no one came up. Anyway, the debate is open. (*Laughter*)

Ms Safina Kwekwe Tsungu (Kenya): Thank you, Mr Speaker. Let me take this opportunity to congratulate the Chairperson of Council of Ministers for an eloquent and well thought through Budget Speech. Let me also congratulate the Chairperson of the Committee on General Purpose for that elaborate report of the committee to which I am privileged to be a member. I would also like to commend the Office of the DSG, Finance and Administration and all officers who are associated with the production of this budget that we are considering today, which has been done in line with the MTEF.

The format of this Budget is a great improvement as has already been cited by the Chairperson, Committee on General Purpose, however, there are some issues that I want to highlight that need more attention, particularly the issues of direction and content of the budgetary allocations.

Mr Speaker, if you look at the Budget Speech and compare it with the MTEF document, you will note that the Budget Speech is a very good text, very beautiful words; it shows progress and it is positive, but that is not reflected in the budgetary allocations. I want to give a very explicit example from page 19 of the Budget Speech.

As you look at the Budget Speech, I also want you to look at the MTEF document, pages 66 to 68, on the Directorate of Productive and Social Sectors, and specifically, on environment and natural resources. On Page 19, the last paragraph of the Budget Speech states: *"Development under the productive and social sectors covered a wide range of activities. These included focused efforts in agriculture and food security, with emphasis on livestock development and prevention and control of animal trans-boundary diseases. The EAC regional Avian Influenza Project was launched in December, 2008."*

The Avian Influenza Project has indeed received the bulk of the funding for the agriculture and food security sector. It concludes: *"A regional steering committee has been established to promote investment in the dry areas, and to improve the quality of life of pastoralists."*

Mr Speaker, if you go to page 66 of the MTEF document, under target DO4F, DO5F and DO6F - let me take you through those ones just to highlight the kind of contradictions that the Budget has. For DO4F, the target description is: *“Water vision policy and water resources management strategy in EAC finalised by 2012.”* Water and livestock go hand in hand. Water and food security, particularly in dry areas, also go hand in hand. If you look at the 2009/2010 Budget, there is no budgetary allocation; it is zero.

On page 67, the target description is: *“A strategy for arid and semi-arid areas, including irrigation to be developed by June 2010.”* Again, this is a beautiful description, but the allocation is zero.

On page 68, the target description is: *“Strategy for joint and efficient natural resources management to be developed by June 2012.”* Again, if you look at the budgetary allocation for 2009/2010, it is zero. Therefore, as much as the Budget Speech is very beautiful and shows there is concern in the EAC for investment in dry areas to improve the quality of life of pastoralists, that is not the case because we have put no money into these very pertinent areas, which many East Africans rely on for their livelihoods.

Mr Speaker, it has been said by the Chairperson of the Committee on General Purpose that it was agreed in the last meeting that the Committee had with the Council of Ministers that a budget constraint is a necessity not a luxury. Article 132(5) of the Treaty is very clear; you don't even need to go to the EACJ for interpretation. It says: *“The resources of the Community shall be utilised to finance activities of the Community as shall be determined by the Assembly on the recommendation of the Council.”* You don't need to go to court to interpret this! A budget office is the only opportunity for this Article to be effected. I am grateful that the Council of Ministers is in agreement with this, and I hope that in the reallocation, money shall be availed to ensure that next year when we stand in the plenary hall to debate the budget of the Financial Year 2010/2011, this matter will not come again to the Floor of the House.

I want to congratulate the LVBC for finally allocating money to operationalise the Lake Victoria Transport Act. This was one of the first laws that this Assembly, after swearing in, was seized with, and the first tour of the Assembly, which took us along the lake basin, was mainly to enable us to appreciate the Lake Victoria Transport Act, which is now going to be operational, God-willing, next year. However, the move by the LVBC to budget for EALA committees to undertake the activities of the LVBC is a demonstration of the glaring gap that exists today in terms of EALA having no money to perform its oversight role. It is the people who are supposed to be supervised who are giving us money to go and look at what they are doing. This is a clear case of conflict of interest. It is just like the European Union giving you money for the EPAs negotiations and they expect you to come up with a strong position. So, this move by the LVBC is a good one, but the funding should come from the budget of ELA, because that is where it should be in the first place.

Mr Speaker, arithmetic errors still exist in this document. Of course they were more last year and less today, but they are still there. If you look at the MTEF document, under Monitoring and Evaluation on page 90, there is activity COISO1, which has a sum of ten. Ordinarily, the sums should be in dollars. The issue of units of measure has not been

given due consideration, and that is why you are finding erroneous information going to the summation column, and, therefore, we are getting wrong summations for the budget.

I appeal to the people who are charged with the responsibility of coming up with the budget to ensure that, first, they adhere to the right units of measure, and, secondly, they should do the arithmetic right and we will always congratulate them when they do something good, just like we are saying that they have done better this time but they could have done more.

The logical flow of activities and the reality is also one of the issues that has been lacking in this MTEF document. In the Department of Statistics, for example, there are five activities geared towards one output, which is a Monitoring and Evaluation manual totalling US \$62,000. Training of EAC staff on the Monitoring and Evaluation manual for two days is US \$28,000; printing and distributing the manual is US \$1,000! Then, you crown it all by having an experts meeting to review the manual in the same year when you are probably still training the staff, and you use US \$34,750. That item, which is in *Annex 4* that members have been given, is a potential area source of funds for reallocation.

Mr Speaker, there is also the issue of confused rates. If you look at the budget of EALA on page 137 - I think it is an issue of quality control when it comes to the budgeting process. Is there really much effort put towards ensuring that the quality of the product that is given to the Assembly for adoption is given the importance that it deserves? The Speaker travels for plenary for US \$800. Next time, the Speaker will be sitting in an economy seat, 24F, and Members of Parliament shall be coming to plenary... this is on page 137 of the MTEF document. The air tickets for the Speaker - there are five tickets for plenary at US \$800 per trip. If you go to the Members' travel on page 139 posted under legislative and committee services, Members are travelling for five trips at US \$1,000, because that is US \$5,000 for the five trips. So, as I sit in seat 1C, you, Mr Speaker, shall be sitting in seat 24F, coming to Bujumbura for plenary! These are the confused rates about which we are saying that if there was enough attention given, would not happen.

Procurement is one of the areas in which we are not doing very well in the EAC, and we should face that fact. That is why we are getting different rates for similar services and products. Department (a) will source for conferencing facilities at US \$500 per day; another department will go and probably bargain better and get it at US \$350. This is because we have no focal point where we can all do our procurement and strengthen our bargaining capacity and get value for money! The economies of scale are something that everybody should appreciate. So, when we bargain as EAC and we have a central point for doing all our procurement and we have procurement manuals and schedules, we will be making a lot of savings in the EAC budget. Most of our activities are conferences and consultancies. If they are properly procured, we can make huge savings in that area. So, a procurement system is a necessity and the need for one is long overdue.

There are times when we are better off with consultancies than with permanent members of staff. That is what this MTEF document is telling us. If you go to page 84, under statistics, we are having, under DO1SO5, a consultancy for 350 days in a year. As if that

is not enough, we have another one under DO1SO6 to hire a data analyst for nine months in year one, 12 months in year two and 12 months in year three. We are also hiring another consultant under DO6SO2!

Mr Speaker, what I am trying to say is this; why hire a consultant who is an outsider to do EAC work for 350 days in a year, or nine months in a year or even 12 months in a year as it is given in year two and three? Why not hire an expert, retain them in the system so that we can have institutional memory, and also ensure that, that person gives us undivided loyalty and service? I don't know why there is so much inclination towards consultancies, even when it is obvious that we could have permanent staff! These are the areas that I strongly recommend should be re-looked at, so that savings are made and money is taken to other deserving sectors.

It is a shame that EAC cannot manage RISP funds because they say we have no capacity to manage them. We are managing the Partnership Fund, and we have been managing our own budget with funding from the Partner States! If we have no capacity to manage the RISP Fund, do we have the capacity to manage the money that comes from the taxpayers of East Africa? This should not be the case because I believe we have the capacity. Even under the RISP Fund itself, there is money for capacity building. Why not use that allocation to build the capacity of the EAC to be able to manage the funds that come to it? So, the Committee has recommended that we need to build the capacity of the EAC. I concur with that entirely because it will also help us to face others, even within our own region and within the COMESA fraternity. *(Applause)*

Mr Speaker, I want to conclude with the issue of the EAC shop. This is under the office of Corporate Communications and Public Affairs. If you look at the budget for stocking the EAC shop, it stands at US \$110,500. This is not little money. It is not that much, but it is not little money either. We need to pride in our states so that when we are working on billboards of the EAC, we are advertising EAC as a strong and serious entity, not one that does not even know how to do a flag.

Finally, this budget is better than the one we had last year, but obviously there is need for amendments and re-allocations. Therefore, when that is done, I will find every reason to support it. I would also like to get, as one of the amendments, a breakdown of how the US \$438,000 the Chairperson, Council of Ministers said in her speech has been re-allocated to EALA. I want the breakdown to be shown so that we know exactly what the US \$438,000 is going to. I don't want this to be a roadside decree, where you just say, "*nimewapa*" and yet one never know when "*utapewa*." I thank you. *(Applause)*

Mr Dan Wandera Ogalo (Uganda): Thank you, Mr Speaker, for giving me this opportunity to contribute to the debate.

I wish to begin by thanking the Council of Ministers and the officers at the Secretariat who have taken into account the recommendations this Assembly made during the last Budget and incorporated them in order to come out with a better Budget this year. This

goes to show how far we can go; how much we can achieve if we dialogue and exchange views between the organs. *(Applause)*

Mr Speaker, as I thank the Council of Ministers and the Secretariat for the work they have done, I cannot run away from the problems which have been ably pointed out by hon. Kwekwe. It definitely means that there is still need for improvement, and I hope that between now and the time we pass the Budget, the Council of Ministers will take into account the recommendations we are making so that we can better this even further, rather than waiting for the next financial year.

There is, of course, a problem which would have been resolved faster if, as I said, there was input, not just from the Assembly and the Secretariat, but also from the Council of Ministers in this whole process. In the Committee we raised this issue, and as has been pointed out by our chairperson, the Council was of the view that the issue of budgeting for the Chairperson of Council to be present in Arusha should be put on hold while we look at the possibility of them meeting once every month as an alternative. I think this can be complementary. I think the Council of Ministers can still go to Arusha and meet once every month, while at the same time the Chairperson, Council of Ministers can be present in Arusha for two weeks every quarter.

Mr Speaker, I raise this matter because if you look at our report, it is full of recommendations to the Council. It is, therefore, the Council which is in a position to implement what we decide here. I think that the times they go to Arusha once every month will not be sufficient for them to implement all these recommendations, which arise from so many other reports we have debated and adopted in this Assembly, in which we always make recommendations to the Council. The fact that things don't move means that there is a problem with the implementation process. That is why I think the presence of the Chairperson of the Council for two weeks in Arusha every quarter is very important.

Mr Speaker, we were informed that the Council of ministers going to Arusha once every month would be funded by the Partner States. So, to me, it is okay for us also to look into our budget and see how we can fund the Chairperson's presence in Arusha. I think that we can reallocate within this Budget to enable us have that activity.

The Committee has prepared a document with three scenarios indicating what it would cost for the Chairperson of Council to be present in Arusha. One scenario is where we have to purchase a vehicle for the Chairperson, hire offices and staff. That scenario requires a sum total of US \$276,287. The other scenario is where the Chairperson of the Council would use a vehicle from the Secretariat so there would be no need to purchase a vehicle. We came up with US \$203,813. The third scenario is for the Chairperson to continue using that office for Chairperson in Arusha, but at least with staff and the per diem to go to Arusha. We came up with a figure of US \$185,779. This, of course, is for the first year. As Members will see from the scenarios, the figure will progressively reduce in the following years. I think that within the budget of this financial year, we can find money to ensure that we have the Chairperson in Arusha to follow up on the decisions of the Community, as well as provide political supervision. The monthly meetings cannot answer the management problems in Arusha. *(Applause)*

This matter of ministers in Arusha has hitherto been handled in a lukewarm manner. For example, some time in 2003, we had a Clerk of the Assembly by the name of Mr Werunga. Then one day, we were told that he had had differences with the Secretary-General because of which he had resigned and gone back to Kenya. We wondered what the problem was. The Assembly was so perturbed by the Clerk just walking away that it put in place a select committee to find out what had happened. One of the findings of that select committee was that the Clerk and the Secretary-General then had had big differences regarding managerial styles, and were unable to get along. The select committee concluded that the lack of a politician at Arusha to resolve some of these day-to-day problems that were arising was partly to blame. The Committee came up with a recommendation, which the House adopted, that there was a necessity for the presence of the Council of Ministers in Arusha. So, this is not a simple thing. I see this as a matter, which will help the Community to improve on what we are already doing.

Mr Speaker, I would expect that when we are dealing with the Budget, foremost would be to check how the implementation of the decisions we have already reached! This House passed the East African Joint Negotiations Act. That law has given directives, specifically setting up of a commission, developing a mandate on how we will negotiate in the WTO, the EU and all those trade negotiations. If the Chairperson, Council of Ministers were in Arusha, I would expect this Act and the other Acts passed by this Assembly to be on the desk of the Chairperson. It would then be the Chairperson to say, "We have to do this; we have to set up a Commission; we have to put in place a mechanism to ensure that we negotiate as a bloc because there is a law, which is in place"! But when you look at this Budget, there is completely nothing about that law. It is as if no law was passed!

I submit that if we had the Chairperson of the Council in Arusha, these are the areas that he or she would be addressing to ensure that the integration process moves forward. So, at the end of this, I hope that there will be willingness by the Council, before we pass this Budget, to see which of these scenarios can be adopted for us to have this political supervision in Arusha, which, to me, is very important.

There is another critical issue; the issue of Article 123(1) and (2) of the Treaty. Under the provisions of that Article, the Partner States undertook to define, establish and implement common foreign and security policies, but in Section (5) it says: "*The Council shall determine when the provisions of paragraphs 2 and 3 of this Article shall become operative.*" In other words, the Partner States saw the necessity of developing and implementing common foreign and security policies, but they were cautious by providing that the Council would place the date when we would embark on developing, establishing and implementing these common foreign and security policies. This matter has come up in the Assembly twice, and on both occasions the Council has said it has not yet set a date for us to do so. Therefore, to my mind, if no date has been set, we cannot pass a budget, which purports to put in place mechanisms for establishing and implementing common foreign and security policies. That would be contrary to the Treaty!

We asked in the Committee if we could know the date which the Council has set. Mention any date, like 23 January 2009. We did not get any answer. Instead it was explained that the Ministers of Foreign Affairs have, after all, been meeting already. That does not make it right. The fact that they have been meeting does not legitimise an illegal

act. What makes it right is that we ensure that we work within the Treaty. And as I have always said, I am always guided by hon. Eriya Kategaya's words to us at the beginning: "The Treaty, the Treaty; the Treaty!" (Applause)

So, for me, this whole budget...on page 109 it says: "*Strategies on the harmonious pursuit of EAC Partner States' common foreign policies jointly developed, co-ordinated and implemented ...*" is illegal. We are being asked to pass money here for the Secretariat to do an activity, which has yet to be authorised by the Council. The amount has been put at US \$40,000, but to me it comes to about US \$209,000. This amount is just sufficient to fulfil scenario two for the Chairperson, Council of Ministers to be in Arusha. (Applause)(Interruption)

Mr Mike Sebalu: On a point of information, Mr Speaker, and just to add to the very good observations being made by hon. Ogalo, you will remember that even in our meeting in Nairobi a question was asked regarding a provision we have in place requiring that a report is given annually on the progress registered in the area of foreign policy coordination. No such report has ever been presented to this House. So, it goes a long way to show that a lot needs to be done in that area.

Mr Ogalo: Thank you for the information, hon. Sebalu. There is good reason for that. The Partner States did not wish to rush into common security policies without giving it thorough thought. That is why the Article says that the Council shall prescribe in detail how that provision shall be implemented. There must be an instrument by the Council showing in detail how we are going to deal with common foreign and security policies. So, for us to sit here and pass this money for a non-existent policy is, in my view, erroneous.

The third point I wish to raise is on where money can be raised for reallocation arises out of this document: "*Responses to questions by the General Purpose Committee on the Budget Estimates.*" In the Budget US \$40,000 is intended to develop a comprehensive strategy for lobbying for international jobs for East Africans. I have no problem with us lobbying for international jobs for East Africans. We are informed that it is the Council, which put in place a mechanism for this, but I note that in order for us to do this properly, there must be a mechanism for transparency and accountability. If we embark on this without putting in place a system for ensuring transparency, it is likely to backfire on us. We should go for those things, which unite us and try as much as possible to avoid those areas, which are likely to divide us. I see the hunting of international jobs by the Secretariat for us as one of those areas, which are likely to divide us if there are no clear mechanisms of how we get there - (Mr Kategaya rose in his place_)

The Speaker: Hon. Kategaya, you will have an opportunity to debate later on.

Mr Ogalo: Mr Speaker, I need protection from being heckled by hon. Kategaya. (Laughter)

Mr Speaker, I want to refer to the document entitled, "*Responses to Question Raised by the General Purpose Committee on the Budget Estimates*". On the second sheet headed "International Relations Department", there is a justification there. We are told what has

been achieved so far. Under (ii), you will see “*Context of close collaboration with other RECs, including IATA representation of the Council of Ministers and Summit.*” Now turn that over to the next page and go up to number (iv), where it says: “*Candidatures and candidates so far successfully handled.*”

Mr Speaker, the candidates are listed there: Ambassador Mchumo, Mr Mwencha and it goes on, including others that I don't think are jobs. For example, Tanzania's membership to the International Oceanographic Commission, Uganda's membership to the International Civil Aviation Organisation; I don't see those as jobs, but they are included as achievements. You will see other names there, including Justice Chande, Stephen Karangizi, Paula Awich, Joseph Mulenga, Havyarimana...I want to show why this could divide us and cause us more problems than putting us together.

For example, (xii) “*Appointment of Justice Githu Muigai (Kenya) and Justice Joseph Mulenga (Uganda) as judges of the African Court of Human and Peoples' Rights.*” Prior to this appointment, there was a Ugandan judge there called Justice Kanyeihamba; both judges are judges of the Supreme Court of Uganda. I have worked with both of them, in the Constituent Assembly that put in place a new Constitution for Uganda, in the same committee. I have appeared before both of them in the Supreme Court, fielded court questions from them in the course of arguments and I know that both of them are very capable and men of great intellect. They are very serious in their work and any of them can serve very well in this position; there is no question about it. But when this information came up, Justice Prof. Kanyeihamba raised objection and said he had been edged out because of his stand on certain political issues in the country. So, he is not happy with being edged out, obviously. Now here we are as East African Community saying we are the ones who helped Justice Mulenga to get the job. Where does that leave us as far as Justice Kanyeihamba is concerned? (*Interruption*)

Mr Dan Kidega: On a point of order, I would like hon. Ogalo to help me understand this matter a little deeper. He is saying that one of the judges said that he had been edged out because he believes in a certain political stand. Is he implying that the one that was brought in believes in another political stand that favours the appointing authority in Kampala? That insinuation has a very serious implication in terms of enjoyment of justice by the people of East Africa.

Mr Ogalo: Mr Speaker, at the beginning I said I know both men and I said both of them are very capable and able to carry out the activities of a Judge of the African Court. I am only reporting what the other one is saying. It is not me who is saying so. I am only reporting what the man is saying – (*Interruption*) -

The First Deputy Prime Minister and Minister for East African Community Affairs, Uganda (Mr Eriya Kategaya): On a point of order, Mr Speaker. This matter of Justices Kanyeihamba and Mulenga, in my view, is entirely a domestic matter of Uganda. Is it in order for hon. Ogalo to use the platform of the East African Legislative Assembly to try to score points on a matter, which is purely domestic?

The Speaker: I think hon. Ogalo was just reading a document given to him by the Secretariat. The Secretariat brought this document to the House. I do not think there is anything domestic he is bringing here.

Maj. Gen. Mugisha Muntu: Mr Speaker, it is commonly said that a stitch in time saves nine. Even if this were a domestic matter, there are five countries involved here, so it is good that hon. Ogalo has raised an issue like this from one of the Partner States, just in case tomorrow there is such a complaint from any of the other Partner States. There is need for a clear procedure such that should any individual complain, All of us need to know that there is a procedure that can be followed by all who want to access jobs internationally so that anybody who looks at any such complaints will be able to judge whether really the individual has any grounds for complaint, and those who processed that person's application did it fairly and transparently. Whether it is about Justice Kanyeihamba or Justice Mulenga is there any such procedure?

Mr Ogalo: Mr Speaker, the clarification I can give here is that no such mechanism exists. This was an issue in the Committee; it is not personal. I am not trying to score any political points here. I did not produce this document; it came from the Secretariat. They are the ones who are saying the Community helped Justice Mulenga to go to the African Court. I am only saying, freeze this US \$40,000 for this financial year, put in place a mechanism which all of us can know is transparent and anybody who is aggrieved may complain rather than leaving some other East Africans feeling that they have been short-changed. I had thought that this would be taken in that light. Issues of jobs are very serious matters; they are not simple matters. I know for a fact, for example, that in the Parliament of Uganda, a member moved a motion to compel the Prime Minister to lay on the Table a list of who is holding all the top jobs in Uganda. He did so because he felt that – *(Interruption)*–

The Speaker: Hon. Ogalo, now you are digressing.

Mr Ogalo: Most obliged, I will move away from that.

I would recommend that the Assembly re-looks at this, freezes this US \$40,000, reallocate it to another area, put in place a mechanism, by which everybody will be able to see that there is transparency and justice. That is all I am saying.

Mr Speaker, there is a critical issue of the budget itself. We always complain that there is under-funding because of the nature of the budget process. It is by equal contributions by the Partner States. We are informed that the Summit directed the Council of Ministers to look at this area and see how we can come up with alternative financing for the Community. Even the strategic plan of 2006/2010 proposes that we do so through a percentage of customs revenue by each Partner State. We are coming to the end of that strategic plan and the matter is still pending, yet there is a realisation that financing through equal contribution is not rational.

We were informed that the Council, in its wisdom, referred the matter back to the Partner States. If that is so, the matter is dead; we will never have anything coming from it. I would, therefore, request the Council to call back this decision from the Partner States

and we deal with the matter and finalise with it. There is no reason to be shy about this issue. We, as the five Partner States came together and said we want to work together. If we find that the way the money comes into the Community is not sustainable, why should we be shy about it? We should move away from that and put in place other mechanisms, which will ensure that we do rational budgeting.

Mr Speaker, since the Speaker is now resident in Arusha, the question of the Speaker's salary is going to be reviewed. The Council of Ministers graciously said so, and I am grateful for that. The Speaker, surely, cannot continue being on the same salary scale with Mr Obatre; it is not fair.

There was the issue of travel, which our chairperson dwelt on at length. There have been views that the Assembly complains about travel, travel, travel, but they are also travelling, travelling, and travelling. So, what moral right do they have to raise this issue? I think that there is a misconception of what travel is in this respect. We travel because the necessity to do plenary work requires that we travel. There is no way I can sit in Kampala and hon. Mmari sits in Dar-es-Salaam and we start debating the East African Community Act on elections or something like that. We must meet somewhere. So, travel is in-built in our work. The alternative, of course, which would be very expensive and I don't root for it, is to give housing allowance for Members to stay permanently in Arusha. And that would come with privileges such as settlement allowance, spouse allowance...you know, all these other allowances that the other Community employees earn. There is education allowance... all these allowances. That is the alternative for Members of the Assembly not travel.

The travel which is in this budget, for example, is the travel of Members to those international organisations we have subscribed to. When we went through them for the next financial year, only 15 Members of the Assembly will travel. Really, if you compare that with other travels, you would not be able to say this is over-travel. Moreover, this is money given to us by donors under stringent conditions. It is not East African taxpayers' money. This is donor money from AWEPA (The Association of European Parliamentarians for Africa) which insists that we use the money on capacity building. And we think that when we go to the Inter-Parliamentary Union (IPU), we may learn more. It is very little money. So, this issue of travel should be put to rest.

Lastly on this travel issue, as was pointed out by our chairperson, there is no provision in the whole budget for our function of representation. Nothing! We have three functions: oversight, representation and legislation. We have been begging, and now this year, somebody has said; "Alright, you have money for oversight in your committees". So, at least we now have got oversight this year after all these years. For representation, it remains with no funding. It is only when we travel to Partner States that we take advantage of our plenary sessions to do representation. The Speaker says, on Saturday, all Members we are going to Southern Burundi so that Members can meet with the people. That is representation. Nobody provides for it in the budget. We only do it when we take advantage of plenary. I hope that those who think this travel is a lot will be able to take these views into account.

Mr Speaker, I hope that between now and when we pass the Budget, people will look at reallocations and see what to do. We raised a certain matter with the Council when we met them. Things have become more expensive. Even Partner States have realised that things have become more expensive. The per diem of the Secretary-General is US\$ 350. That of the staff under the Secretary-General is even far lower. We said it is time now for East Africans to look to the Partner States and look at what is happening there and be realistic about it. The Community gets the best officials from the Partner States to come and serve, and you must remunerate them properly, and there must be equity.

For example, the lowest per diem in Uganda for officials travelling is US \$360; more than our Secretary-General. This is a matter we should not shy away from. We must look at it and provide solutions for it. I was doing calculations. If you said, for example – I am giving an example of myself but this is across the board for all staff of the Community. If you added US \$100 to my per diem and that of other Members, in totality you will add about US \$250,000, which is really very little. So, I am hoping that the Council of Ministers will look at the staff of the Community and Members of the Assembly and be realistic about this. You go to Tanzania or Kenya or any of the other Partner States and you will find that the rates in the Community are the lowest in the region – *(Interruption)*

Mr Mulengani: On a point of clarification, Mr Speaker, does the Council of Ministers enjoy the same benefits or per diem of the Community when they attend to Community work or do they enjoy domestic per diem?

The Speaker: That clarification should come from the Council of Ministers, and not from hon. Ogalo.

Mr Ogalo: Mr Speaker, they are funded by the Partner States when they come, and I know that at least in Uganda the per diem is US \$750. That is the information I have. *(Laughter)*

In conclusion, I support the committee's report and recommend it to Members to support it. I thank you. *(Applause)*

Mr Abdul Karim Harelimana (Rwanda): Thank you, Mr Speaker. I also take this opportunity to thank the Council of Ministers for the good job it has done, and especially, the Chairperson for her Budget Speech last week. I also thank the Chairperson, Committee on General Purpose for her good report. However, I have a few comments on the Budget Speech, and I will make some recommendations, which I believe that my colleagues will support.

One is about the EPAs negotiations, which in the Budget Speech is on page 12. We are told that there are some agreements, which the Secretariat and the EU had signed. I remember that there was an alarm raised by hon. Kimura, and later on by hon. Kidega that maybe the Secretariat was going to sign a EPAs agreement that was not good for the Community. In the Budget Speech something different from that came up, which I also appreciate. But, just to put away our doubts, could the Council of Ministers avail to us that document, which they initialled? Also, there are some issues that they are still

negotiating and somewhere in July they are expected to conclude. Issues of market access; trade in services, technical barriers and so on. Could they tell us the plan they have so that at least we can have a few comments on those issues before they are concluded?

About the hospitality industry in East Africa, in the Budget Speech we were told that there was a robust joint market of East Africa's tourist potential in the leading travel and tourist markets in Europe. At the end of that, Rwanda and Kenya were awarded the best in Africa; number one and number three. My question is; was this a East African Community arrangement or did these countries go there in their individual capacities?

Mr Speaker, when we look through the report of the Committee on General Purpose and the documents given to us by the Council of Ministers, especially those annexes, when you talk about industrial development and the budget given is just zero, I don't know whether we will be able to support our economies if we don't put into consideration the importance of industrial development. If today we are giving zero percent and we are eager just to recruit three members of staff to be given US \$110,000 a year, for what? I think if we are to achieve sustainable economies in our Community, we should put emphasis on industrial development. So, if between today and towards the end of the session we fail to talk about industries and put some emphasis and budget for it, I think we will be failing ourselves.

Mr Speaker, the Budget Speech, as well as the report of the committee, talk about sensitising our people towards understanding the EAC. If our job of sensitisation is just to make these budgets and, maybe, sometimes when EALA comes to Bujumbura or meets elsewhere in the region, we do a press conference and the local TV station and some radio stations talk about it for some few days, I think that is not enough. I am not suggesting that what I want to say can be provided for in this Budget, but in future, we should think about establishing radio and television stations for the East African Community which will be working for 24 hours talking about the achievements and programmes of the EAC.

Lastly, I want to support the issue of the Speaker's allowances and salary. If the Speaker is going to be based in Arusha full time, I think it is good to be paid more than the other staff.

With those remarks, I beg to support the motion, subject to the recommendations made by myself and other Members. I thank you. (*Applause*)

Mr Augustine Lotodo (Kenya): Thank you, Mr Speaker, for the opportunity to contribute to the motion. I want to say that overall the budget is progressive and dynamic. Last year when we rejected the Budget and then we had to meet in Arusha, we were faced with a situation whereby we were being threatened that if we did not pass the Budget, it would be implemented anyway. But things seem to have worked out such that we can now cooperate and work together in the budget process.

I also want to thank the Chairperson, Council of Ministers. This is a transitional budget, especially in our progress towards achieving an East African federation. We are now at a

crucial stage of the East African Community Common Market. From the way the Budget has addressed issues of agriculture, infrastructure and roads, it shows that the East African Community is serious in its agenda to achieve its targets. This has been ably demonstrated through the tripartite agreements with COMESA and SADC, and also through the fact that we are trying to address issues of value addition.

I want to give an example of our tour of Burundi. We really need to market the products in this country, especially in agriculture. Our tour showed that there are a lot of fruits here, and that Burundi is self-sufficient in food. But these need value addition and marketing. I think this Budget reflects quite a lot on that.

I also want to talk about the regional steering committee that has been established to promote investment in dry areas, and to improve the quality of life for pastoralists. This issue has actually been ignored for quite some time. I am happy that we can find space in this budget for a committee to be formed to address the issues of the larger section of East Africa, which has been ignored and marginalised over time. I want to applaud the Council of Ministers for that. *(Applause)*

Finally, I want to speak about a situation that happened in Arusha in February. We had visitors to the Community from the German Parliament, but the visitors came and went without meeting us, yet all of us were here, including the Council of Ministers. That is why it is important for the Chairperson, Council of Ministers to be present in Arusha to manage some of these issues. As a regional Parliament, we felt that when the EAC gets such visitors, they should at least make a courtesy call on the Assembly. I think this was an oversight that should not be repeated in future.

There is also the issue of sensitisation. I think we need to do more about sensitising the people of East Africa about our achievements and challenges.

Last but not least, I want to thank the Committee on General Purpose for a job well done. I beg to support motion. *(Applause)*

Ms Kate Kamba (Tanzania): Mr Speaker, let me take this opportunity to thank you for giving me the Floor. I want to extend my appreciation to the Chairperson, Council of Ministers for presenting a well thought-out Budget Speech. I also want to congratulate the Chairperson of the Committee on General Purpose and the entire committee for scrutinising the Budget on our behalf, and for tirelessly working with the Secretariat to reallocate and provide inputs in the budget process. I want to congratulate all the people involved in the budget process for the team spirit they have shown in this years' budget process.

The objective of our coming together as East Africans should not be overshadowed by our challenges. On page 3 of the Treaty is the preamble. With your permission, let me read it to remind us: *"Determined to strengthen the economic, social, cultural, political, technological and other ties for the fast, balanced and sustainable development by the establishment of the East African Community, with an East African Customs Union and a Common Market as transitional stages to and integral parts thereof, subsequently a Monetary Union and ultimately a Political Federation."*

It goes on to say: *“Convinced that co-operation at the sub-regional and regional levels in all fields of human endeavour will raise the standards of living of African peoples, maintain and enhance the economic stability, foster close and peaceful relations among African states and accelerate the successive stages in the realisation of the proposed African Economic Community and Political Union.”*

What follows these loaded pronouncements is the operationalisation clause leading to the establishment of various organs so as to realise these well-intended dreams. As we have seen in the Budget Speech, we will be celebrating ten years since the birth of the East African Community, in November 2009. What have we achieved? What is the way forward? Those are the questions which this Budget should be trying to answer.

For the realisation of all these dreams, we need a budget which will be addressing these well-intended objectives. Annex 2 has shown us our budget performance of the 2008/2009 Budget in which the challenges include limited funding to implement the well-loaded East African Community Development Strategy 2006/2010, untimely remittances of funds from financiers, which include our Partner States, and the so-called development partners. As a result of that, there is inadequate staffing in most departments, and unplanned statutory meetings, hence disrupting planned activities.

I take the EAC as our baby. We do not need somebody else to remind us of our responsibility. If you conceive and deliver a child, you need to take into consideration all the needs of that child. We cannot have good words or loaded statements as objectives yet we are not serious about our pronouncements. Nobody forced us to create this Community. When you marry, conceive and then you have a child, it is your responsibility to make sure that you bring up that child to your standards. You just cannot have children and then abscond from your responsibility. This is what is happening to the Community.

Mr Speaker, I urge the Partner States to meet their contributions and commitments. Even the little money they have promised to remit, they should remit it timely, and remit the agreed amounts.

For the sustainability and growth of our Community, and especially the people of East Africa, more serious commitment is required for getting reliable sources of money to run this Community. We went to ECOWAS and we can borrow a leaf from what is happening there in terms of sustainability and taking responsibility. In ECOWAS they have this good practice, which we can borrow. Each partner state is levied a 0.5 to 1 percent import duty, and this is the money, which is supporting the activities of ECOWAS. Hon. Ogalo has mentioned this in his presentation that we need to work this out as East Africans. The Council of Ministers should take into consideration that this is not something, which came out of nowhere. This is our own initiative. We should not throw back this responsibility to the so-called partner states. We should take this responsibility as EAC.

Mr Speaker, looking at – (*Interruption*)-

The Counsel to the Community (Mr Wilbert Kaahwa): On a point of order, Mr Speaker, is my honourable friend currently on the Floor in order to refer to the Partner States as “the so-called partner states”? (*Laughter*)

The Speaker: I think you are the only one who heard it; I did not hear it myself. Maybe we can check in the *Hansard* later. You can continue.

Ms Kamba: Thank you for that wise ruling, Mr Speaker.

I was just saying that I don't know how long it will take for the headquarters of the EAC to be completed. Even that in itself, it is true that we as East Africans have decided to come together, but the fact that a building which is going to house the EAC is the responsibility of somebody somewhere else, is really absurd. We are building this house with donor money. I just want to caution...I had a discussion with two East African architects who were not given the opportunity to design a house for East Africans. I was told that this building is going to indebt us; we are going to be tied to whoever is going to build it. I was told that the building is what we call a house, which is fully serviced in the sense that it is totally air conditioned; in the weather of Arusha? I stand to be corrected, but I am told that it does not provide for windows to be opened. It is like somebody designing for Europe! What for? This is a grant, but this is going to be perpetually serviced by the so-called technicians of that donor state.

I don't know how far we have gone, but I would like to urge that whatever we are getting, we should be aware that these things are tied to permanent or perpetual dependence. Much as it is going to be fully serviced, I would urge, now that it has not yet been built, for our East African architects to chip in so that we at least have a building with windows that we can open when the air conditioners are not working. I don't think that is going to add any construction costs, but it will reduce the cost of maintaining the building. So, whoever is supervising that project, we need that undertaking. If we are not late, let them come and chip in and see what can be rescued.

Mr Speaker, as you can see from the objectives of the Community, we want to see a vibrant economy and increased incomes of our people so that they can enjoy a life which is self-fulfilling. The region is just too big; the EAC region is indeed very vast. As a measure of giving ourselves accountability and evaluation, there is a need to focus our efforts in an area which is common to all East Africans, and that is the Lake Victoria Basin. We should even have a mechanism to give direction so that when we are talking... for example, in paragraph 95 of the Budget Speech we are talking of agriculture, rural development and food strategy. If you visit the Lake Victoria Basin you will find that there is extension service to agriculture, and there is no environmental protection; there is a lot of silting of the lake.

If we concentrated our efforts towards what is doable in that lake basin, the East African Community would be appreciated. As you know, within the lake region, there is a proliferation of NGOs, each purporting to help the people there but they are not even helping them; they are just exploiting them. So, you will find that the area, which we could concentrate on and show that we are there, is not getting due attention. So, I urge

that in the next budget, we should look within the budget to see how we will improve the standards of living of the people living in the Lake Victoria basin.

With those remarks, I beg to support the motion. (*Applause*)

Dr James Ndahiro (Rwanda): Mr Speaker, I thank you for the opportunity that will allow me to add my contribution to this Budget debate. My contribution will basically touch those areas that we felt, as a committee, that the Community must improve, and those areas that we think can be useful if considered, in making savings in the Budget.

Hon. Speaker, if you ask me whether we have a good Budget before us, I would say yes. Does it have the essential elements for it to be considered an East African Community Budget? I would say yes. Does it have all the necessary ingredients for this House to pass it? I would say yes. Does it have loopholes? I would say yes. Does it need to be corrected and improved? Yes, so that next year we can have, not only a good budget, but an excellent budget.

I would like to give a bit of information on one issue that was raised in this House about jobs for East Africans. In my opinion, I don't think that it is good for the Community to be hunting for jobs for East Africans, the reason being that in East Africa we have governments, which are not necessarily all-inclusive. There are people in the opposition parties, there are people who are apolitical and do not come near politicians at all, but would like to compete for technical jobs. My suggestion is that the governments and the Secretariat should differentiate between hunting for jobs and sharing diplomatic portfolios among themselves. If it is governments that have come together to say, "Okay, let us look for diplomatic jobs and share them among ourselves", it is understandable that each government can support its own candidate. Then, it would remove this issue of saying if the government does not give you support, you will not participate and win international jobs. So, I think the Secretariat, together with the Council of Ministers, should look into this matter. If it is for diplomatic jobs, it is even the practice that each Partner State has the prerogative of appointing people into diplomatic jobs. These jobs are not competed for even in our Partner States. So, even at the level of the Community, if they come together and say, "Okay, we have diplomatic jobs, which we want to share among our Partner States", the politicians will get together and maybe support one candidate. Perhaps that is beyond us, but if they are technical jobs, let them be competitive, let it be transparent and let us, in all fairness, allow East Africans to compete.

On the issue of transport, in the Committee we had a problem understanding why designing two major roads will cost US \$15 million, and sitting down to design a road strategy will cost US \$8 million. Writing a strategy, US \$8 million; designing two roads, US\$15 million! I am not an engineer, and we don't have engineers in our committee, and that is why we referred this matter back to the Council, but how is it possible?

In our recommendations we mentioned that the Community needs to look again at the archives we have. I don't think that this Community does not have information that we can build on or improve, instead of redoing things; instead of reinventing the wheel, as they say. If the Secretariat can mobilise some money just to bring together the archives of

the Community - I hear some are in Kenya, others in Uganda and Tanzania, if the Community can bring together the archives in one central location, go through them, these archives will save us millions in consultancies.

Mr Speaker, there is an issue of funding to the Community. When you look at the Budget we have provided for conferences and meetings, whereby the private sector goes out for meetings in Germany and other different areas -it is good, because our Community is private sector-led, but in all fairness, if we have to fund the private sector players, they should also fund the Community. We are suggesting that public money contributions from our Partner States are not sufficient to operationalise our development plan. Instead of going out there...we appreciate the private sector initiatives. We have heard that cables are to be laid up to Mombasa. We have heard about the EASSy Project; those are good initiatives; those are good projects that are going to contribute towards improving the investment climate in our Community but we should find a way of making sure that the private sector players take up their role.

If we are private sector-led, where is the private sector in this budget, in terms of contributions? Look at the contributions we have from donors and the other sources; we need to see a line there of private sector contributions. We have more than 100,000 registered companies in our Community. If we asked them to each pay at least US \$200 annually, even if 50,000 of them responded, we shall have sufficient funds to do our infrastructure.

Hon Speaker, there is an issue of ICT. It is a good initiative. That is the global trend; that is where we are going, but when you look at the Budget, we budget for e-governance, e-business, e-everything! We understand the role of the Community and the role of the Secretariat to be that of a co-ordinator; co-ordinating activities, but when we inquire to appreciate and understand which activities they are co-ordinating...for example, what is it that is being implemented in Partner States in terms of e-this or e-that, we have no documentation or answer. When you look at the infrastructure, actually there is no budget for it whatsoever. We have budgeted for different meetings, conferences, fine, but is there any strategy? Is there anything being implemented in the Partner States? Probably, yes. Do we know it? No!

When you look at the donor initiatives, in our committee we looked at it as a risk to the Community. Why, because if you allow donors to come and take over the activities of the Community, fund them 100 percent, they will own them and give them directions. Are we still going to build those particular institutions in our integration process? Probably, not! They can divert us. What we thought was integration tomorrow we might find that we are something else; perhaps disintegrating. If you look at the donor funds and you find that they have budgeted for themselves to the tune of 46 percent for administration, aren't we helping donors to come and consume their money in East Africa? Can we do it differently?

I believe that even the people who give money to these international organisations will be equally concerned about the utilisation of the money they provide. This is money from taxpayers somewhere, so they would be interested in knowing and appreciating that their contributions reached and did things that they are purported to do. But if they also

understand that 50 percent of the money they donate finds its way back to Europe, Asia and America, I don't think those taxpayers will be happy. So, it is not a question of saying that we should be stubborn and say no to donors. We must say yes to the donors, but make them sit down with us and go through the activities that we want implemented. For those that will appreciate and agree with us, we maintain them and move ahead because they will be partners in the integration process. Those who will say no will have their hidden agenda and they should be allowed to walk away with their agenda.

Mr Speaker, we also had an issue with the Partnership Fund. We are told that there is a Partnership Fund with a steering committee, fortunately, chaired by the Secretary-General, with ambassadors representing those countries that contribute to the Partnership Fund. We are faced with a situation where one donor brought his money into the Partnership Fund and dictated. He said, "This money will only be used in Rwanda and Burundi". It might sound very good, maybe with good intentions, but what does it tell us in our integration efforts? Do we want to allow a donor who is coming to dictate to fund specific countries when he is approaching a Community? Why doesn't he come to fund the Community and then the Community will spend the money according to priorities? If we are not careful, this might be the old tactics of divide and rule. I am not saying it is the case for this particular donor, but we should safeguard against that.

With the Partnership Fund, we should make it categorically clear that the money going into the Partnership Fund are for the Community; they are not for Rwanda, Burundi, Tanzania and so on, so that they understand that the partnership is a partnership, and we are focusing on integration. Otherwise, if it were Rwanda and Burundi, we would have gone to Brussels to seek for that money as Rwanda. Why do they have to come to the Community to fund Rwanda and Burundi? Why couldn't they go straight to Kigali or Bujumbura?

Those are the things, which we wanted to bring to the attention of the Secretariat so that in the next financial year we have an excellent budget. Those are the issues, which if addressed, can make us have an excellent budget; a budget which will help us to speed up the process of integration. Otherwise, my colleagues have touched on the most essential areas, which we think should be looked into, and we urge the Secretariat to look into those areas. We are doing this to build the Community. We are not doing this because we want to educate the Secretariat on how to do things, but we are doing this to make sure that we have an excellent budget, which will operationalise the development plan. We are doing this to make sure that we correct each other; to make sure that we have the best for the Community.

For those areas that have been selected for reallocation, I hope and pray to the Council and the Secretariat that they give it proper attention and due respect so that in our next budget cycle, we shall be speaking the same language in order that the budget process serves to improve our working relations, to improve the Community and to improve the focus and implementation of the development strategy. I beg to support.

The Speaker: My last speaker is hon. Kimura.

Mrs Catherine Kimura (Kenya): Thank you, Mr Speaker. Let me join my colleagues in thanking the Parliament of Burundi for this wonderful facility, and the people of Burundi, and in particular our colleagues from Burundi for the hospitality they have shown us since we came here and of course for letting us sample what Burundi has to offer during the weekend.

I want to congratulate the Secretariat and the Council of Ministers for a budget that is well thought-out; for a Budget that is a major improvement from last year when we had to pick even on typos, wrong additions and so on. I must admit that this time, even as I looked at the figures and tried to add up, I could not fault the additions. So, let me congratulate the team that has been working on this budget. And of course our own Committee on General Purpose for indeed taking time and spending a lot of time with the Secretariat and the staff that were involved in the preparation of this budget.

Let me take this opportunity to congratulate the Chairperson, Committee on General Purpose for a very good report that indeed highlights all the issues that are in the Budget. I just have one or two points to refer to in this budget.

One of them has been referred to by my colleague, hon. Harelimana. This is the issue of EPAs; an issue that has been mentioned by the Chairperson, Council of Ministers in her speech on page 8 as part of the performance targets that they have during the course of the year. On page 12, the Chairperson, Council of Ministers pointed out that indeed the EPA negotiations are part of our regional cooperation and the issue of negotiating as a bloc has been taken on board, and that they are in the process of finalising the final text.

Mr Speaker, this House passed a motion on the EPAs. We have not heard anything since that motion was passed. Have the issues that this Assembly is concerned with been addressed? We don't know whether they have been discussed by the Council of Ministers, and we don't know whether the views expressed by us here have found their way into the negotiations.

This Assembly arranged a meeting of members of the trade committees from the Partner States and from EALA to discuss our concerns on these EPAs because it appears that EALA Members were not alone in feeling that they had been left out in this very important process, considering that the EPAs will have an impact on the economies of our countries.

In the agricultural sector in particular, what are we talking about? As we open our markets to the EU, there will definitely be loss of revenue. Therefore, how do we mitigate that loss of revenue, and how do we ensure that we shall get the necessary funds to implement the EPAs. Since this House has pronounced itself on certain issues concerning the EPAs, it would be good to be brought on board as to how far or what is contained in this agreement.

I remember the meeting, which was held in Nairobi on 7th and 8th April. It was really a forum of mourning and complaints as to how much the national parliaments and EALA have been left out of the process, and they were groping in the dark as to what it means to their respective countries. That forum agreed that each trade committee would bring to its

national parliament a motion to request that the negotiators, through the various ministries, update the parliaments on the status of the EPA negotiations. So, one would hope that we also, as a regional parliament, would benefit from an update from our Council of Ministers on how far we are before the signing these EPAs in July 2009.

The other point I have is on a very expensive asset that sits on Lake Victoria, called the *RV Jumuiya*. This particular asset has featured in this Assembly before. It has featured several times in our Committee on Accounts, and the Committee has been concerned that this asset, since it came, has been lying there for the last three years and has not been put to use for the purpose for which it was acquired. Looking at the Budget, Book 2, there is an allocation on page 151; *RV Jumuiya* has an allocation of US \$28,655 every year. It just says expenses. My question is, since it is not in use, because it requires some engine or whatever, these expenses appear to be recurrent; how can we continue paying for an asset that is not being used? It is an idle asset; why does it require recurrent expenses? If indeed, we are going to put recurrent expenses for *RV Jumuiya*, then you need to put in some capital expenditure. Otherwise it does not make any sense to be spending money when there is no capital expenditure to make sure that the vessel moves and does what it is supposed to do.

We cannot over-emphasise the work that it is required to be done on Lake Victoria and, therefore, I am requesting the Council of Ministers to see where they can reallocate money to ensure that there is money allocated to make sure that the vessel moves. If not, even the recurrent expenditure should be removed until we are ready to put it on to the lake. Whether it is the people who are employed, whether it is to pay for fuel, whatever the case may be, it does not make any sense.

A Hon. Member: For parking fees!

Ms Kimura: I hear it is parking fees on Lake Victoria!

I don't want to take peoples' time. I see that our energy levels are going down, mine in particular. Therefore, what I am going to say has an element of my energy levels, and this is the issue of remuneration.

I talk about remuneration not just for the institution of EALA, but for the entire EAC. We know that in our Partner States, our Ministers for Finance and Labour are responding to the inflation that we are all experiencing; the cost of living that we are all experiencing in our Partner States and, surely, EAC is not immune to this. One would, therefore, expect – and I haven't gone to the details, but judging from the comments of the Chairperson of Committee on General Purpose – that there would be an element of enhancing remuneration for members.

I do not know whether there is remuneration enhancement for the staff of the Community; if there isn't, it is a major omission. We need to move in tandem, not only with our Partner States, but also with the times. We are pressed and the pressure does not only affect the Members, but also the staff of the Community. So, I would hope that this is a matter that the Council of Ministers has taken on board, that at one time or another

they will need to be looking at the issues of inflation and the cost of living every year so that they can adjust remuneration accordingly. *(Applause)*

Mr Speaker, with that, I hope that my energy levels can be enhanced. I beg to support the motion. *(Applause)*

The Speaker: I think this is the only time I have seen the Secretary-General applauding. *(Laughter)*

ADJOURNMENT

The Speaker: Hon. Members, I will now adjourn the House until tomorrow at 2.30 p.m.

(The Assembly rose at 5.55 p.m. and adjourned until Wednesday, 27 May 2009 at 2.30 p.m.)