



THE EAST AFRICAN COMMUNITY

THE EAST AFRICAN LEGISLATIVE ASSEMBLY

Official Report of the Proceedings of the East African Legislative Assembly

55TH SITTING - FIRST ASSEMBLY: THIRD MEETING – FOURTH SESSION

Thursday, 2 June 2005

The East African Legislative Assembly met at 9.00 a.m. in the Chambers of the Assembly in the Ngorongoro Wing of the AICC Building, Arusha

PRAYERS

(The Speaker, Mr. Abdulrahman Omar Kinana, in the Chair).

The Assembly was called to Order.

MOTION

(Resumption of debate interrupted on 26 May 2005)

THAT, The Assembly do resolve itself into: -

- a) A committee of Ways and Means to consider and approve the Financial Statement; and
- b) A committee of Supply to consider and approve the Estimates of Expenditure, both of which constitute the Budget of the EAC for the Financial Year 2005/2006

(Moved by the Chairperson of the Council of Ministers, Mr Jakaya Kikwete, on 24 May 2005)

Chairperson, Council of Ministers (Mr. Jakaya Kikwete): Hon. Speaker, I would like to thank the honourable Members of the Assembly who have contributed to the debate here in the House: hon. Waruhiu, hon. Shamala, hon. Mwatela, hon. Ddudu, hon. Zubedi, hon. Muntu, hon. Nangale, hon. Kawamara, hon. Ovonji-Odida, hon. Shellukindo, hon. Kanyomozi, hon. Mwakyembe, hon. Gen. Adan, hon. Kate Kamba, hon. Wanyoto, hon. Prof. Kamar and hon. Mahfoudha. I thank also many other colleagues who did not have the opportunity to speak in the House but made very useful contribution through conversations.
Hon Speaker, I thank the Members of this esteemed House for the candid

expression of views. I was delighted that all was aimed at improving the capacity and performance of the organs and institutions of the Community, and at the same time deepening the integration of the economies and peoples of East Africa.

Hon. Speaker, it would be remiss on my part if I did not recognize the excellent job done by the General Purpose Committee under the wise leadership of hon. Rose Waruhiu. The Committee has very ably dilated the issues, in particular in the areas of difficulties, and proposed pertinent ways of dealing with the problems. I commend and thank the Committee for a job very well done. It strengthens the process of building our regional institution and the whole process of integration in East Africa.

Hon Speaker, in the course of the debate, a number of important issues were raised, many of which were advice to the Council, the Summit, the Secretariat as well as to the House itself. I want to assure this House that we kept our ears open; we have taken note, and we will not let you down. I want to assure you, Hon. Speaker, on behalf of Council, that we will do the needful.

Hon Speaker, the Council appreciates and encourages the contribution of the Honorable Members to the formulation of EAC policies, including participation in the preparation of the EAC budgets in accordance with the Treaty provisions. Maybe we need to look at the timing of the whole process of budgeting so that we can have adequate time for the interventions of the General Purpose Committee – *(Applause)*.

Hon Speaker, the Council takes note of the very important suggestions made by

the General Purpose Committee on the alternative sources of funding for the Community. Indeed, honourable Members are aware that similar suggestions are contained in the Report of the Committee on Fast-Tracking East African Federation, and will be given due consideration at the appropriate time.

Hon. Speaker, honourable Members also addressed at length the issue of inadequate staffing. Suffice it to state that as with the annual budgets, staffing at the EAC has not been static, but has grown steadily since 1996. There is no other way to describe a situation whereby the staff complement has grown from 19 in 1996 to the current 106, most of them at the professional level. The latest decision by the Council to beef up the capacity by filling 22 out of the approved 38 positions during the Financial Year 2005/2006, coupled with the projections for 2006/2007, will definitely improve the staffing situation and lessen some of the workload on the staff, including those of the East African Legislative Assembly. Council promises to honour this commitment as it has always done in the past.

Hon. Speaker, I have noted a feeling among fellow Members of this House that things may not be working as they should. I cannot say that everything is rosy in the Community, but I can dare say that a lot has been accomplished. As a matter of fact, Members of this House have done a commendable job. We should be proud of that and commend ourselves. In fact, the EAC has performed far beyond expectations. Perhaps, there may not be many regional economic communities in Africa or in other parts of the world that have

performed as well in as short a time as the EAC has done! (*Applause*)

As you know, Hon Speaker, it was only in 1996 that we started the process of cooperation with the establishment of the Secretariat of the Permanent Tripartite Commission for East African Cooperation. Three years later in 1999, this process of cooperation was upgraded to an economic community, and in record time all the organs of the East African Community: the Secretariat, the East African Legislative Assembly, the East African Court of Justice, the Summit, the Council of Ministers and the Coordination Committee were up and running. An East African Community Development Strategy was also put in place.

Hon Speaker, during the cooperation phase and now, a lot has been achieved. The achievements include the convertibility of currencies, easing of cross border movements and harmonization of fiscal and monetary policies. Several other policies and measures have been harmonized as well. Confidence-building measures among the Partner States have been undertaken to good success. These are not small achievements that have been made in the cooperation and integration process! After a very deliberative exercise, EAC has been recognized by the African Union as a Regional Economic Community (REC).

Hon Speaker, recently we embarked on the path towards integration. The process started in earnest on 1 January 2005, with the commencement of the East African Community Customs Union. A roadmap towards a political federation has been promulgated.

Three days ago in Dar es Salaam, the 3rd Extraordinary Summit of EAC Heads of State was concluded on a positive note. The leaders deliberated on fast-tracking the East African integration towards East African federation. They decided, in summary, as follows that:

1. The people of East Africa should be given an opportunity to discuss the Report on Fast-Tracking the East African Federation. This is a people's matter, and their views have to be heard;
2. Each Partner State should appoint a minister solely responsible for East African Community Affairs. Among other duties he or she will oversee and coordinate the integration process; and
3. A new post of Deputy Secretary-General in-charge of the integration process was created.

This landmark decision has heeded long-standing demands and concerns of all of us in this House. Fewer people now doubt the political will and commitment of the East African leaders and peoples for deepening cooperation and integration in our region – (*Applause*).

Hon Speaker, some mention was also made of the problems facing the East African Customs Union. The Customs Union is in a very infantile stage; just 150 days old since birth! The hitches that are currently being experienced are not unexpected; they are the teething problems of any new major interventions

or introductions. Proactive and sometimes retroactive measures have been engaged to deal with the teething problems.

Hon Speaker, the Ministers of Finance from the Partner States met on 14 May 2005 to review the implementation, in particular, of the Customs Management Act, and the Common External Tariff. The Sectoral Council on Trade, Finance and Investment will meet on 20 June 2005 to address the problems. The Sectoral Council will also address several other problems that arise in the implementation of this or any other aspect of the regional integration process. This is the way we manage our affairs in the East African Community: constant monitoring, evaluation and reprogramming. It is through this continuous process that we have survived and have always been making steady progress, problems notwithstanding.

Hon Speaker, with regard to the issue of the site for the construction of the EAC headquarters, I would like to say that Members of this esteemed Assembly have made their point very clearly and very emphatically. Last November, the Summit had taken a decision which may not have been favourable to the feelings of this House but our leaders have done so for a good cause, and within their powers. The Honourable Members could still pursue this matter with our leaders using the approach of dialogue with them – *(Applause)*.

Hon Speaker, I promised last week that while in Dar es Salaam I would talk to the leaders about a meeting with Members of the Legislative Assembly. I did that, and the Chairperson of the

Summit, H.E. President Benjamin W. Mkapa, the President of the United Republic of Tanzania has readily accepted. His office is looking for a suitable date this June for the meeting in Dar es Salaam – *(Applause)*. Please use the opportunity to raise as many issues of concern and interest to the Community and to the Members as it may be possible, including the issue of the site for the headquarters. I am sure you will get appropriate replies – *(Applause)*.

Hon Speaker, as I did state in my Budget Speech, already the Tanzanian Government has agreed to give the East African Community over 300 acres of land for the location of the East African Federation Headquarters – *(Applause)*. This is in keeping with the decision taken at the 26 November 2004 Summit when our leaders decided that construction should go ahead at the current plot and a bigger piece be made available for future use of the Federation. In this regard there are two sites to choose from and we are still working with the Secretariat of the Community on which site to choose – *(Applause)*. Very soon we will have a decision on the matter.

Hon Speaker, another important matter raised was the issue of the seat of the Lake Victoria Basin Commission, which at the time the Council was still consulting about. As Chairperson of the Council, I had decided at the last Extraordinary Council Meeting to visit the capitals of the Partner States, in particular Nairobi and Kampala, to try to see if the matter could be resolved quickly in an amicable manner and in the best interests of the Community. During the recent Extraordinary Summit

in Dar es Salaam, I raised the matter with our leaders through the Chairperson who also raised the matter with his peers. Fortunately, they decided that the seat will be at Kisumu in the Republic of Kenya – *(Applause)*. The matter is therefore now resolved and closed.

Hon Speaker, with regard to safety of navigation on Lake Victoria, a draft Lake Victoria Transport Bill has been subjected to stakeholders' consultations in the Partner States. The finalized Bill will later be presented to the Attorneys General for legal input before consideration by the Council, and subsequently to this esteemed House. The Bill has detailed provisions to regulate water transport on Lake Victoria, including safety-related matters. Indeed, of late the several accidents that are being experienced on the lake underscore the need and urgency of this regional project.

Hon Speaker, the development of a single airspace in East Africa is underway, but it should, however, be appreciated that before EAC becomes a single airspace, the following need to be in place: -

- Harmonized civil aviation regulations in the Partner States: The exercise of reviewing and harmonizing the regulations will be finalized by August 2005.
- There is a need to create an EAC Civil Aviation Safety and Security Oversight Organization. The three countries have agreed that this body be in place by December 2005.
- There has also to be established a Common Upper Flight

Information Region (UFIR). The process of establishing a common UFIR is in progress and the Community has secured US\$ 560,000 from the United States government to set up the organization. This process will take at least two years.

- In addition, the three Partner States will meet in Kampala next month to review the existing Bilateral Air Services Agreements (BASA) to provide for greater liberalization in the civil aviation sub sector and facilitate tripartite BASA negotiations. These will lead to enhanced capacities in the region and essentially lower airfares.

Hon Speaker, I am glad to inform this esteemed House that the Kenya Government has secured financing resources from the Arab Bank for African Development (BADEA) to undertake the Taveta-Voi Road Project – *(Applause)*. The project feasibility study is being updated, and the choice of works contractor will be done. Members will be informed of the latest developments in the subsequent Committee meetings of the Assembly.

Hon Speaker, a matter was also raised in this House that Tanzanian and Ugandan pilots are being discriminated against by the Kenya Airlines Pilots Association (KAPLA). I would like to inform the House that the matter will be brought up to the attention of the Heads of Civil Aviation and Airports Authorities meeting in Kampala this month. Honourable Members will be updated on progress *-(Applause)*.

Hon Speaker, the issue of preferential treatment to East Africans on work permits is being handled properly. The Council of Ministers meeting held in January 2005 adopted the recommended harmonized classification and procedures for issuance of entry/work permits in East Africa. Partner States have committed themselves to complete the process of implementation by December 2006, after putting in place the necessary legal and administrative measures. East Africans under the harmonized classification are expected to pay 50 percent prevailing work permit/entry fees.

Hon Speaker, there are a number of problems facing the tourist sector in East Africa; the Council is seized with this matter. Specifically, the overall strategy is to make East Africa one tourist market and destination. Studies have been undertaken and are now being evaluated.

Hon Speaker, the project on the Control of Trans-boundary Animal Diseases addresses this issue through the establishment of movement corridors in which livestock will be checked and handled in an effort to control diseases and, therefore, facilitate trade in livestock and livestock products.

Hon Speaker, another issue raised by honourable Members is related to energy development in East Africa. The East African Power Master Plan has identified interconnections of national grids, which will create a regional electricity grid. The interconnection will be managed under the East African Power Pool arrangement, which will be jointly undertaken by the power utilities in the region and the three Partner States.

Hon Speaker, the issue of under funding has been referred to by most of the honourable Members who have spoken. I would like to assure this esteemed House that the issue of what is being perceived as inadequate funding is not out of neglect. The Partner States do care very much about the East African Community. This is a matter of progress and survival for us in a globalizing world. However, it should not be expected that the Community will always get whatever it asks for. Partner States have to meet many competing needs from the meager resources available. The limitation of resources is a global phenomenon, not unique to our region and certainly not due to lack of commitment on the part of the Partner States. The Partner States themselves experience similar difficulties in financing part of their own budgets and have to rely substantially, regrettably though, on external support.

Hon Speaker, the budget of the East African Community has progressively grown since 1996. The Budget of the EAC in the Financial Year 1996/1997 was US\$ 2,081,852. In the Financial Year 1999/2000, it was US\$ 2,440,500, an increase of 9.15 per cent, while in the Financial Year 2002/2003 it was 6,556,830 and for the FY 2005/6 Council is proposing a Budget of US\$ 18.9 million out of which US\$10.5 million is contributions from Partner States. Certainly there has been growth. This clearly demonstrates that the East African Community budget has not been static but has been growing constantly.

Having said that I know that all of us would have wished that we got more, but we should appreciate the resource constraints facing the Partner States.

Having said that, let me also say that I highly appreciate and understand the Honourable Members' concern for a more vibrant and effective East African Community.

Hon Speaker, it has been the view of many honourable Members of this esteemed House that we give ourselves time to consult further on the budget. This view has actually been reinforced by the decisions taken by the Summit of the EAC Heads of State held recently in Dar es Salaam on the process of fast-tracking East African political federation. The decisions taken have far-reaching budgetary implications in this financial year.

In view of all this, I think there is merit in giving ourselves time to review the current proposals – (*Applause*) - and come up with a revised budget that will be realistic and take care of the important elements and activities as envisaged in the Financial Year 2005/2006. I have no problem with the idea of giving ourselves more time for a good cause. We have amply demonstrated this spirit during this debate. We have several times made consultations.

I am glad also that we are all aware that while we give ourselves time to consult on the budget, the activities of our regional organization should not stop; things have to go on. In this regard, therefore, I would like to propose that this esteemed House approves a Vote on Account of half the current proposed budget until such a time when we will have concluded the consultations and approved the Budget – (*Applause*). In my view it should take us not later than

December 2005 to complete the process. I am afraid to some of us it may seem too long a time, but the electoral process in the United Republic of Tanzania may necessitate that. However, I undertake to expedite the process of consultations the soonest possible – (*Applause*).

Hon Speaker, in conclusion, I would like to state that Council appreciates the important work of this Assembly. Since the establishment of the East African Legislative Assembly, the activities of the Community have been demonstrably rejuvenated due mainly to the diligent oversight and outreach activities that the Assembly has undertaken. The East African Legislative Assembly has no cause to despair but to soldier on, working with the Secretariat and all the other organs and institutions of the Community in a spirit of complementarity towards the continued success and development of the Community.

The socio-economic transformation of East Africa will not be achieved overnight, nor will it, with our sustained efforts and commitment, take too long to realize. What we all need to do is to keep at it, stay engaged, and be seized with it. Let us all get together, work together and steadily involve the people in the regional integration process and we shall definitely get where we want to get with the Community, within the shortest time possible.

In this regard, I would like to inform honourable Members that plans are underway to organize a strategic planning workshop or retreat, involving the participation of the Council, the East African Legislative Assembly, the East African Court of Justice and the

autonomous institutions of the Community, which will focus on mapping out the strategy to take the Community forward during the next ten to fifteen years. *(Applause)*

Hon Speaker, I now humbly request this esteemed Assembly to approve a Vote on Account of USD 9,468,047 to cover the activities of the Community from January to December 2005. Hon Speaker, I beg to move – *(Applause, Applause)*.

The Speaker: Hon Members, from your standing ovation, if the rules permitted I would have concluded the matter and closed the House – *(Laughter and interjections)*. But we are yet to vote, and that is what I wanted to skip.

(Question on the Motion put and agreed to)

COMMITTEE OF SUPPLY

(The Chairman, Mr. Kinana, in the Chair)

Vote on Account 2005/2006

Chairperson, Council of Ministers (Mr. Jakaya Kikwete): Hon Chairman, I beg to move that this Assembly do consider and approve a sum of US\$ 9,468,047 as set out in the Vote on Account for the purpose of meeting expenditure necessary to carry on the services of the East African Community for the Financial Year 2005/2006 until such a time as the Appropriation Act for the year comes into operation.

Vote 001

The East African Community Secretariat including the Defence

Liaison Office and the Directorate of Customs

Question proposed that the total sum of USD 6,692,812 under Vote 001 be provided for the expenses of the East African Community Secretariat including the Defence Liaison Office and the Directorate of Customs as Vote on Account for Financial Year 2005/2006.

(Question put and agreed to)

Vote 002

East African Legislative Assembly

Question proposed that the total sum of USD 1,326,624 under Vote 002 be provided for the expenses of the East African Legislative Assembly as Vote on Account for Financial Year 2005/2006.

(Question put and agreed to)

Vote 003

East African Court of Justice

Question proposed that the total sum of USD 332,473 under Vote 003 be provided for the expenses of the East African Court of Justice as Vote on Account for the Financial Year 2005/2006.

(Question put and agreed to)

Vote 004

Lake Victoria Basin Commission

Question proposed that the total sum of USD 1,116,138 under Vote 004 be provided for the expenses of the Lake Victoria Basin Commission as Vote on

Account for the Financial Year 2005/2006.

(Question put and agreed to)

Chairperson, Council of Ministers (Mr. Kikwete): Mr. Chairman, I beg to move that the House do resume and the Committee of Supply do report thereto.

(Question put and agreed to)

(The House resumed, the Speaker, Mr. Kinana, presiding)

Chairperson, Council of Ministers (Mr. Kikwete): Hon. Speaker, I beg to report that the Committee of Supply considered and approved the Vote on Account of the Budget of the East African Community totalling USD 9,468,047 for the Financial Year 2005/2006 pending the enactment of the Appropriation Act. I beg to move.

MOTION FOR THE ADOPTION OF THE REPORT OF THE COMMITTEE OF SUPPLY

Chairperson, Council of Ministers (Mr. Kikwete): Hon. Speaker, I beg to move that the Report of the Committee of Supply be adopted.

Question proposed that the Report of the Committee of Supply be adopted.

(Question put and agreed to)
Report Adopted.

ADJOURNMENT

The Speaker: Hon Members, with that the Vote on Account is approved and we conclude our business for today. But as you know, in his statement the Minister mentioned a retreat and our meeting with

the Chairperson of the Summit. I think honourable members had some way of preparing us for that, so I will ask that as soon as we adjourn the House, the honourable Members should remain so that we have at least some fifteen minutes to strategize on how best we can succeed in our meetings.

The House is adjourned until you are informed.

(The House rose and adjourned indefinitely)