



EAST AFRICAN COMMUNITY

EAST AFRICAN LEGISLATIVE ASSEMBLY (EALA)

Official Report of the Proceedings of the East African Legislative Assembly

FIFTH MEETING– FIFTH SESSION – SECOND ASSEMBLY

Wednesday, 30th May 2012

The East African Legislative Assembly met at 2:30 p.m. in the Chamber of the Assembly, Ngorongoro Wing, Sixth Floor, AICC Complex, Arusha, Tanzania.

PRAYERS

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

The Assembly was called to order

THE EAST AFRICAN COMMUNITY APPROPRIATION BILL, 2012

FIRST READING

The Speaker: Hon. Minister.

Mr. Peter Munya: I beg to move that The East African Community Appropriation Bill, 2012 be read for the first time.

CONSIDERATION OF THE BUDGET OF THE EAST AFRICAN COMMUNITY FOR THE FINANCIAL YEAR 2012/2013 ON MOTION

Mr. Munya: Mr Speaker, I beg to move that this Assembly –

The Speaker: Hon. Members, as you are aware, the Budget was read last week and we have given you time to go and study it. I now call on the General Purpose Committee to read its report on the Budget.

Ms Lydia Wanyoto: Thank you, Mr Speaker, Sir. On behalf of the Chairperson of the General Purpose Committee, I would beg to quickly read through the report, which is being circulated to the Members.

Mr Speaker, Sir, pursuant to the provisions of Articles 49 and 132 of the Treaty establishing the East African Community and in accordance with rules 72 and 79 Annex 5 (f) (ii) of the Rules of Procedure of the Assembly, I beg to present to the House for consideration and debate the report of Revenue and Expenditure of the East African Community for the financial year 2012/13.

Mr Speaker, Sir, the estimates of the revenue and expenditure for the East African Community for the financial year 2012/13 was presented to this august House by hon. Musa Sirma, Member of Parliament on the 24th May, 2012 and subsequently referred to the Committee on General Purpose for Consideration.

The Council requests for the approval of US \$ 124, 414, 444 million excluding the Inter University Council of East Africa and Lake Victoria Fisheries Organisation for the financial year 2012/13 including the budget estimates of the USIA and the Lake Victoria Fisheries Organisation, the subtotal budget is US \$ 137, 723, 103 million. Subsequently, the committee considered additional funds approved by the Council of Ministers amounting to 593, 352, which brings the total amount to US \$ 138, 316, 455 million. From this amount, Partner States contribution amount to US \$ 40, 201, 431. For Development Partners' support, will be US \$ 97, 079, 329 while other revenues amount to US \$ 1, 035, 695.

Table 1 clearly shows the allocation of the Budget to the institutions and organs of the Community as well as the expected revenue from the same period.

The funds requested to realise this year's budget whose theme is: *"The implementation of the Common Market and laying the foundation for the Monetary Union."* After adoption of the

estimates for the Inter University Council of East Africa and Lake Victoria Fisheries Organisation by Council, the whole budget for the East African Community financial year 2012/13 is shown in the table below. Hon. Members, I will not take you through the table below because you have it. I will just proceed to the total, which is US \$ 138, 316, 4505 million.

In the above context, therefore, the priority programmes for implementation during the financial year 2012/13 are in line with the EAC Development Strategy 2011/12 and 2015/16 the outcome of the pre-budget consultation that was very exhaustive in terms of stakeholders and participation of the DSG for F and A and technical officers of the EAC as well as responsive pronouncements of the Summit and Council decisions. The EAC will focus on priorities as shown below:

- (1) Consolidating the Customs Union.
- (2) Implementation of the Common Market Protocol.
- (3) Completion of the negotiations on Monetary Union Protocol.
- (4) Cooperation in cross border infrastructure.
- (5) Implementation of the critical activities of the EAC Food Security and Climate Change Master Plan.
- (6) Implementation of activities of Lake Victoria Basin Commission.
- (7) Personal emoluments and other support services cost.

Mandate of the East African General Assembly and the Committee

In accordance with the provisions of Articles 49 (2) and 132 of the Treaty for the creation of the East African Community and rules 73, 74, 75 and 76 of the Rules of Procedure of the Assembly, the Annual estimates of revenue and expenditure of the East African Community in form of budgetary proposals is brought to this Assembly for consideration and approval.

The General Purpose Committee is mandated by the Assembly's Rules of Procedure through its budgetary function to analyse the proposals. The mandate is specifically found in rule 79 (g) as well as paragraphs c, d, e, f and Annex 5 (f) (ii) of the Rules of Procedure.

Methodology

The committee adopted the following methodology:

- (1) Analysing provisions of the Treaty and the Rules of Procedure of the Assembly and we did analyse the following documents: The EAC Strategic Development Strategy, the Pre-Budget Conference Report, the 24th Extra Ordinary Council Report, Background information on the EAC Budget financial year 2012/13, the EAC Budget financial year 2012/13, the Inter University Council of East Africa Budget 2012/13, Lake Victoria Fisheries Organisation Budget 2012/13, Annual Operation Plan 2012/13, Budget Performance 2010/12, notes of the EAC Budget for 2012/13 and the Procurement Plan 2012/13 plus the Medium Term Expenditure Framework 2014/15.

The committee also made use of the reports of the Committee for the EAC Budget Estimates for the financial year 2010/11 and 2011/12 as well as details of the specific expenditures affected by the criteria on specific items.

(2) Meeting with the Secretary General, Deputy Secretaries-General and technical officers of EAC.

(3) Meeting with the Council of Ministers.

(4) Preparing a report for the committee.

Acknowledgment

The committee would hereby like to express its gratitude and appreciation to the Rt hon. Speaker for giving it the opportunity to undertake both pre-budget conference on the EAC Budget preparation for the financial year 2012/13 as well as the budget analysis of the EAC Budget for the financial year 2012/13. The committee would like to thank the Office of the Clerk to EALA for facilitating its work between the period of 15th and 19th May, 2012. In addition the committee would like to appreciate the Council of Ministers for the cooperation not only on 22nd and 29th of May, 2012 but through the entire period of the committee's work on the EAC Budget. Actually, until yesterday, we were with the Chairperson of Council of Ministers. So, we appreciate that input.

Finally, but not in any way least, all the DSGs to the EAC and all technical officers and the staff whom facilitated the work of the committee through to the end of the consideration of the Budget priorities at the EAC especially for the expenditure and revenue of the financial year 2012/13.

Status for the implementation of the Budget and the Budget analysis exercise

The committee would like to thank the following individuals- hon. Members we have listed the people that worked hard on this exercise on page 6. I don't have to read the names because you can see them but we would like to recognise the leadership; the Secretary General, Dr. Richard Sezibera, the Deputy Secretaries General; hon. Jean Claude Nsengiyumva, hon. Jessica Eriyo and Dr Rotich Tangus.

(Applause)

Achievements during the financial year 2011/12

Budget performance for the financial year 2011/12 and the budget assumptions for the financial year 2012/13

Mr Speaker, the key achievements registered in the financial year 2011/12 that the Secretary General pointed out to the committee include:

(1) The launch of the Fourth EAC Strategic Plan for 2011/12 and 2015/16;

(2) Commissioning of a study in October, 2011 to inform policy decision on the appropriate model of the single customs territory.

- (3) Resumption of the negotiations with the European Commission for the Comprehensive Economic Partnership Agreement.
- (4) Commencement of the process of establishing the Tripartite Free Trade Area in particular, the Tripartite Strategy Work Plan and a budget have been finalised.
- (5) The ongoing negotiations of the EAC Monetary Union Protocol.
- (6) Good progress towards completion of the Namanga–Arusha-Athi River road with the Kenya/Tanzania portions registering nearly 95 percent and over 90 percent as of March, 2012.
- (7) Harmonisation of the gross vehicle maximum axle load gross combination at 55 tons.
- (8) Good progress has been registered at the EAC Headquarters construction with the completion rate at 75 percent as of November, 2011 and it is expected that occupation will be in June, 2012.

Mr Speaker and hon. Members, the Budget assumptions for the financial year 2012/13 are as follows:

- (1) Continued and consolidated political support for the EAC.
- (2) Availability of adequate financial resources and timely remittances.
- (3) Continued financial support from Development Partners.
- (4) Political stability and good governance.
- (5) Conducive macro-economic and business environment in the region.
- (6) Global economic stability.

The committee takes note of the above assumptions and hopes that the same level of commitment and hard work registered in the financial year 2011/12 will realise similar if not better achievements for the next financial year.

The committee despite the said achievements notes that the budget performance for the last financial year for the period July, 2011 to March, 2012 reflected a low absorption capacity which was caused by among other things the following challenges:

- (1) Supplementary Budget which accounted for a substantial part of the budget was only approved in February, 2012 resulting in delays in carrying out some key activities.
- (2) Migration of financial data into a new system has posed a number of challenges particularly in updating the data.
- (3) Delaying in recruitment of key staff due to the moratorium on recruitment.
- (4) The work plan is skewed towards the implementation of activities in the 3rd and 4th quarters.
- (5) Delayed disbursement of funds by financiers making it difficult for the plan to be implemented.

Consideration of the Budget Estimates for the financial year 2012/13

The committee had the opportunity of considering and discussing the detailed estimates of the departments and organs of the EAC and also had fruitful and informative deliberations with the Secretary General, Deputy Secretaries General and then made the following observations and recommendations. The range of observations, recommendations and explanations furnished Annex I of our report attached to the document.

General observations and recommendations

The committee would like to commend the Council of Ministers for their dedicated guidance for steering the Community in the right direction through both individual and collective endeavours.

The committee notes with appreciation the remarkable improvement of documents cited in Part 1.2 of this report. There is commendable improvement over time in the budgeting process and lay out of the annexes. The committee further commends the Secretariat in general for showing consistence with regard agreed upon priorities in the Pre-Budget Conference and clear coherence and correlation in cost centres, objectives, targets and respective activities.

However, improvements need to be registered in the coherence between these and the EAC Development Strategy, procurement plan and annual plan work plans plus the MTEF. In particular, the committee would like to insist that the correlation should be established specifically because there is an evident decline in the professional and coherent preparation of this budget as compared to the financial year 2011/12. Illustrative examples are given in this part in the report and the committee begs for the indulgence of the Rt hon. Speaker and the House because it would like to rectify this problem which has been raised for the last three years and is still not solved. The committee is sure that the guidelines provided will be useful in the process towards perfecting the entire process.

The committee registers its appreciation and commends the Council of Ministers, the Secretary General, the executive officers and the staff of the EAC organs and institutions for the commendable job towards this achievement. Further the committee expresses its appreciation to all EAC partners, donors and friends who have in one way or another contributed towards the achievements registered.

Low absorption capacity of approved funds

The committee notes that there is a significant low absorption capacity in regards to approved funds. The committee acknowledges the explanation provided but it would like to register its dissatisfaction at this low level of absorption that reflects that lack of financing is not so much that the committee has but more of lack of capacity to utilise funds. The committee yet again would like to emphasise that it is inconceivable that departments would have finances and not utilise them.

It further retaliates that the issue of low absorption recorded in the Secretary General's statement should ideally not be a reason rather than a problem which seems to be the inflexibility of the EAC procedures with regard to procurement procedures assent to expenditure that is subject to Council's meetings and lengthy approval processes as well as failure to utilise and adopt policies, MoUs and agreements to changing circumstances to accommodate changes in

programming, calendars of activities and a political social environment. Procurement and tendering processes as examples should not take a month or so, which has been the case.

The committee recommends that the bureaucracy and delayed approval of procedures in the EAC be minimised to allow speedy, efficient and appropriate implementation of activities.

Nonalignment between the MTEF and strategic documents

According to Article 132 of the Treaty establishing the EAC, the committee is supposed to propose for approval to the Assembly to be funded in any financial year. In the Budget of the financial year 2012/13, some of the activities are misaligned with the development strategy. This is further reflected in the MTEF, budget estimates and procurement plans which should be interconnected and consistent with the set priorities, performance indicators and inputs to address the EAC integration. It is expected that the budget and activities should be simple, measurable, achievable, realistic and timely (SMART).

On its part, the Secretariat informed the committee that it uses annualised targets which feed into the five year strategic plan only that they do not reflect the five year ones but rather the annual ones.

The targets in the development strategy must be reflected in the MTEF and annual operation plans. Without this alignment, it becomes difficult to prioritise the activities that led to attainment of those goals. In this instance, creation of other targets other than those adopted in the development strategy may divert from achieving the objectives of the EAC within the framework of the EAC 4th Development Strategy.

Notwithstanding the commitment given by the DSG, F and A to do so, the committee recommends that the Secretariat reviews the MTEF and annual operation plan to align them with approved strategic targets performance indicators.

A revised annual strategy was required by the committee and this was presented to the committee but still further improvements are required.

The procurement plan should be in the contract packages for the works, goods and services including consultancy services to be procured during the year with the procurement schedules. The procurement plan presented initially was actually a replica of the annual operational plans without the professionally prepared annual procurement plan monitoring of the annual operational plan is not possible.

In addition, the annual procurement plan may be used as a tool to cross check the capacity of the various departments utilising the allocated budget in a given period of time. The committee required a revised procurement plan which was given to the committee.

A prepared annual procurement plan should show all contracts that will be implemented during the year to implement the annual operation plan and should include the procurement packages of works, goods and services including consultancy services. The plan should also show procurement schedules with the timeframes for various categories of procurement. This would enable easy monitoring and evaluation of activities and at the same time be used to evaluate the workload and capacity of the organisation's institutions to consume the allocated funds.

The committee recommended that the annual procurement plan be rejected entirely and that the Secretariat should engage qualified staff in the procurement department. This is because the plan is not professionally prepared.

The Secretary General of the EAC presented a revised procurement plan and the committee considered the Assembly reviewing four issues that had been in the MTEF and not been reflected, namely: consideration of the completion of Competition Strategic Plan; instruments of the Common Market, that is, customs and trade; investment promotion as well as the verification and admission of South Sudan.

The committee recommends that professional staff be engaged to consistently prepare documents that are of the required standard. There is misguided or poor sequencing of activities. This is particularly with regards to the activities and targets that are geared towards, for example, a ratified protocol and scheduled out activities as well as consultative meetings documents such as draft Bills, strategies and policies. For example, the Development Strategy on Common Market targets, new institutional frameworks established by the Council with performance indicator of a Bill being enacted or Council decision to establish a new institutional framework. This chronology of activities is not appropriate, which is evident in the social sectors as well as a follow up activity on the said strategic instruments.

Despite the undertaking to realign the same, the committee recommends that consistency be maintained in budget preparation since improvements have not been consistent.

The need to streamline all revenue and expenditure of all organisations of the Community into the EAC Budget

While the committee appreciated the Secretary General's explanation that the CASSOA budget is approved by the Council, the committee recommends that the transparency and accountability of all organs and institutions should re-streamline their revenue and expenditures to the EAC Budget.

It note that funds expected by the Community needed to be appropriated by the Assembly in accordance with Articles 49 and 132 of the Treaty. Leaving out CASSOA would create gaps notwithstanding the fact that the expenses have to be audited.

The committee notes that IUCEA had sat in the Budget 2011/12 and Lake Victoria Fisheries Organisation had as well done the financial year 2012/13. The committee recommends to the Council of Ministers that this be done with all organs and institutions of the Community notwithstanding the conventions and founding regulations therein.

4.4 The failure to prioritise expenditure and reallocation leading to continued negligence of certain concerns

The committee notes with concern that there is persistent and absolute failure to fund strategic sectors like management of water resources, renewable energy, livestock development, agriculture, public hearings by EALA in all sectors and yet money is allocated to areas that raise questions as to the nature of our prioritisation. An example that has emerged in the last two years is found in the Council of Ministers report of the 24th Extra Ordinary Meeting of the Council of

Ministers where reallocation of \$ 7,000 was approved to re-advertise job positions because one of the Partner States thought that their adverts were not fair to her nationals.

Subjective matters on administration and management of staff should be the prerogative of the Executive and not a Partner State. With all due respect to the Council of Ministers, the committee finds that it has to dwell on this matter as it has done in its last three reports on the reports on the budget because it sets bad precedents whereby subjective matters which the Council informed the committee are political decisions and the cost of the integration are costing the Community dearly.

The committee has previously argued that the tendency of Partner States officials micromanaging the EAC in terms of matters of administration and management nurture a crisis in the huge cost in terms of re-advertisement, annulling the recruitment procedures and interviews. The Council report points out that these processes undergo vigorous scrutiny at the top level management and yet are still questioned and subjected to revision by the Committee on Finance and Administration from the Partner States. This causes delays and moreover they are against the background of recruitment ban and low absorption capacity to our departments.

Closely linked to this is the institutional review process and report that the Council of Ministers and the Secretariat have often referred to and is written yet in the budget as being referred to a consultant.

The institutional review report that had been in the pipeline for about four years and is always referred to as the solution and recruitment low capacity issues is to be subjected to another independent review. It is quite obvious that this review was in the first place very likely to be unsatisfactory.

Mr Speaker and hon. Members, the committee notes that there is unsubstantiated budgeting in anticipated funding for protocols and respective follow up activities of operation of protocols that are not fully ratified. This is particularly in the social and productive sectors of agriculture and food security, pastoralism and dry land frameworks as well as the Protocol on Environment and Natural Resources Management, to mention just a few.

The committee recommends that the Council presents to the Assembly the implications of the former which reflects both poor management by responsible officers to the Secretariat's departments as well as a negative a biased attitude towards Partner States officials particularly in the Finance and Administration Committee as a result of unwarranted suspicions, disregard and mistrust, which culminates in misused and wasted resources that could be put to better use.

The principle of consensus on administrative matters in the Community should not be applied to decide on such subjective matters.

In conclusion, Article 132 is not the mandate of F and A committees and should not be assumed to be.

Secondly, the Council of Ministers presents to the Assembly a research of the EAC Public Service Commission Act, which is envisaged to reduce the above mentioned incidents.

Thirdly, the committee recommends that the Council provide the Assembly with status reports of the institutional review report and a study on other financing options for the EAC as well as find an immediate solution to the shortage of the staff in specific departments especially those required to fulfil the expected achievement.

The committee recommends that incidences of budgeting in the event of unconcluded instruments be allocated to the other gender, community development and civil society activities to develop programmes for gender, women, youth as well as rural development, education, sports, culture, science and technology departments.

Over dependence on donors even on strategic and sensitive sectors particularly upsets not financing of incomplete activities

The committee with concern continues to note that the state of over dependence on development partners and donors is neither sustainable nor good for the integration process. This state of affairs is very evident in the social and productive sectors particularly in the sectors the region depends on like agriculture.

The committee takes note of other sectors that need other financing options of the budget of the EAC but also notes that this is an ordinarily long time. Seven years into the process we are still in a study.

The Council should urgently and assiduously consider the fact that this situation will one day create a serious problem of sustainability and over dependency now and for posterity related consequences. The Council of Ministers needs to consider financing from Partners States contributions to critical sectors like tourism, agriculture and industry and social sectors that are vital to the region's economic development but also assist the region maintain a semblance of self sustenance and independence in terms of ability to keep sensitive sectors operational.

Completion of all activities in 2012 that have not been funded

Mr Speaker and hon. members, the committee notes that activities to be completed by 2012 have not received any funding and would like to be presented with a list of completed projects and assured that the lack of continued funding denotes completion of projects given that many projects often continue past their expected date of completion.

The need for re-prioritisation and integration of activities after approval by Council

While the committee notes that the Finance and Administration Committee cut the budget, it is clear that EAC officials do not realign approved activities after the approval of the Council and this reflects in the partial nature of the budget documents excluding the University Council of East Africa and the Lake Victoria Fisheries Organisation.

The committee also notes that the perennial reason of cutting the finance and administration should not be a problem of realignment in order to prioritise activities and items that were not rationalised or done after the approval of the activity by the Council of Ministers.

The targets and accompanying activities can still be maintained but re-prioritised in respect of implementation by the sector even after rationalisation. As stated above, this is evident in the misalignment and sequencing of activities.

The committee recommends that realignment and integration of the budgets of institutions be done immediately after the approval of the budget by the Council of Ministers before presentation to the Assembly as well as presentation of approved activities of specific sectors and departments.

The need to conclude agreements, Memorandums of Understanding and use of fully and adoptable to the pace of the integration of then EAC

The committee acknowledges that the project of construction of the EAC Headquarters in Arusha, Tanzania was concluded several years ago but still should not mean that division clauses cannot be utilised. It is irreconcilable for modern buildings like the one we have not to be accessible by persons with disability. The new structure doesn't have provisions for people with disability.

The committee recommends that before handover, the EAC Headquarters' is made user friendly and accessible to all particularly the people living with disability. The explanation furnished that the agreement was concluded does not hold. If the availability cannot be financed by the donor, other options and adoptions should be sought and utilised.

Secondly, the committee recommends that financing agreements and MoUs and their content be tabled before the Assembly for consideration.

The need for a mid-term review to be presented to the Assembly

The committee notes that there is no specific tool or mechanism available to the committee and the House to review a major budget performance.

The Council of Ministers and Secretariat while explaining the absorption of funds pointed out that the staff's under performance was one of the other factors causing low absorption of funds and undertook to establish a mechanism in the form of medium term review that would assist the committee rate and determine performance.

In addition to that, it was explained that the performance contracts were also being institutionalised. The principle for a performance monitoring tool indicator was also agreed upon and the committee recommends that an appropriate mechanism be established with accompanying briefing on challenges and post strategies devised. It would take the form of a meter midterm review as appropriate to be provided periodically to the Assembly. I would now like to turn to specific sectors and departments as laid out in the budget.

The office of the Secretary General

The committee commends the office of the Secretary General for providing leadership to the EAC but notes that much needs to be done in the area of leadership and governance. The committee also notes that from its previous recommendations, there is still need for efforts geared towards the following areas:

(1) The need to build capacity to follow up and supervise the budget preparation process. The committee notes latent lack of coherence and consistence in strategic documents provided to the committee as pointed out in the general recommendations. It is clear that departments work singly and the language, style and consistence of the documents creates disconnect that should not occur in the first place with a strategic plan as the master document.

The committee recommends that the office of the Secretary General enhances the capacity to ensure that all strategic documents are consistent and adhere to the budgeting principles.

Appropriately handling litigation against the EAC

The office of the Secretary General should with the effort of the Executives and departments be able to foresee and forestall or at least prepare to forestall and appropriate handle litigation from within the region which have started to emerge.

The committee recommends that the Council of Ministers set aside funds to handle the said costs but more so capacity should be strengthened in the legal and judicial affairs department to be able to appropriately reduce the effects of the same. This is in reference to the particular cases against the EAC organs and institutions in Partner States. The committee doesn't see any provision of the same in the budget and reallocation should be effected.

Providing a strong link and command in the area of management

The committee commends the office of the Secretary General for the progress in this regard but in the areas of allowing interference and micromanagement by Partner States officials should be curtailed by reducing the causes by both the EAC management and weak links that allow mutual distrust and suspicions between Partner State officials and the EAC management. The cause has been stated in the general observations and recommendations.

The committee recommends that this be addressed including protecting the integrity and dignity of the Community with regard to Partner States officials some of whom the committee met during the oversight work on which a report was presented to the Assembly on those who are overly critical and neither recognise nor appreciate the hard work of the EAC officials in management.

(Applause)

The need to provide a contingency fund for the Community

The committee notes that as per previous recommendations in the context of corporate social responsibility and unforeseen occurrences, events and catastrophes, the office has not received any funds in this area. The office of the Secretary General is befitting in terms of image of the Community to have a fund to cater for the above. A case in point is the ferry disaster in Zanzibar to which the Community should have been able to contribute in order to emphasise and show solidarity with the bereaved.

The committee recommends that the reallocation be immediately effected to provide permanent contingency fund for the office of the Secretary General.

Notification and follow up activities upon passing of the Community Acts and instruments of operationalisation

The committee noted that the Assembly has passed several Bills at the time determined by the Council, and operationalisation of the Acts of the Assembly at the time determined by the Council, however, there is a significant delay in the said action to the extent that sometimes Acts are not operationalised for ordinally long periods of time. A case in point is the IUCA which in the year 2010 informed the committee that it had not operationalised the Act because it had not received notification from the Secretary General's office.

The committee recommends that within the confines of its mandate, the consistent manner, the Council sits and makes clear through the office of the Secretary General the necessary follow up and through strategic activities determination of dates for operationalisation of Acts, protocols and other instruments of the Community.

The need for enhancing capacity for innovation and dynamism

The committee notes that enhancement of the corporate image of the Community is still weak and there is need for synergies with the EAC Ministries. The committee notes that department of corporate communication still has to make an impact on the region due to lack of innovation with routine and inward looking traditional roles of the department.

Furthermore, a link should be established with the Partner States departments and media sectors in charge of publicity for the EAC together with the joint capacity building that disconnect is evident in the lack of budgetary provisions for outreach activities.

Mr Speaker and hon. Members, the committee recommends funding to be increased for the department to allow outreach activities jointly with the ministries of EAC to do innovative and modern publicity strategies and exploring areas of creating synergies with the EAC Partner States.

Deputy Secretary General productive and social sector

The synopsis below shows the over dependence on donor by strategic sectors which are alarming. It is a clear example of the over dependence cited in part 4.5 and failure to finance strategic areas. Hon. Members, the sector items are there for your information but the committee recommends that the Council of Ministers and Partner States consider the cost of in essence giving away these precious sectors to donors to do as they will. As cited in the general recommendations, it is very risky and dangerous state of affairs to give away the social sector for donor support.

Agriculture, food security and rural development

The committee established that funding in this area has been towards respective activities of protocols have not been ratified for the same. The committee does not agree with the principle of budgeting in anticipation when the Community has current urgent needs. The committee recommends that funding of yet to be ratified protocols and meetings related to this sector be allocated to the gender, community development and civil society sectors and an indicative budget go to the next financial year until ratification is complete.

Energy

The committee finds no financing or investment in the region in the energy sector alarming. There is no funding for development in the energy sector. As the committee has often recommended, there is no way the region will industrialise without investment in the energy sector. The present energy crisis being faced by the region should be a clear indicator to this. The committee further notes that only one meeting on the strategy studies is in the pipeline with no cost of materials or implementation tools yet the energy is a key to development. This is despite the fact that the Secretary General is announcing priorities of the next financial year, citing joint energy development initiative as a priority but the corresponding activities are not significant.

The committee recommends that investment into energy development be considered as a priority and complimentary funds be secured for this sector.

Environment and natural resources

The committee notes that more effort needs to be applied towards managing water as a resource. The committee recommends that the Council of Ministers urgently considers and sensitise the Partner States on the urgent need to ratify the Protocol on Environment and Natural Resources Management which was signed in 2006.

Tourism and wildlife development

The committee acknowledges the proposal provide by officials of Secretariat for the need for a Bill on mechanisms of operations of tourism and wildlife management because of the differences between the EAC Tourism and Wildlife Bill, 2011 on account of mechanisms of cooperation and the scope of the Bill in the context of the protocol.

The committee further notes that there is poor sequencing of activities in the sector with regard to drafting institutional and review instruments.

The committee not being satisfied with the explanations furnished on the difference between the Bill proposed to formulate mechanisms in wildlife management and the EAC Tourism and Wildlife Bill, 2011 recommends that such a duplication be avoided and perceived differences be integrated into the cited Act and be introduced as substantive amendments to the Act.

The committee further recommends that activities in this sector between the protocols, the harmonisation of the national laws and the drafting of the regional Bills, which are not properly sequenced be properly sequenced before implementation.

Under development of the single tourist visa, the committee notes that there is need for more sophisticated technology system to monitor tourist entries between the Partner States and recommends that this be urgently financed and be effected.

Industrial development

Industrial development is highly dependent on secure, reliable and independent agricultural products and yet the productivity component is not budgeted for, for example in irrigation.

The committee reiterates once again that there is obviously no way industrial development for the region will be possible without development and investment in energy and the component sectors and, therefore, urges the Council of Ministers to take serious and urgent note of the fact that it is failure to plan concurrently for the interlinked sectors that causes failure to implement maximally and achieve multi sectoral linked benefits.

The committee recommends that the Council of Ministers considers urging the EAC Partner States to invest in requisite conditions in interlinked sectors to facilitate industrial development.

Gender, community development and civil society

The committee appreciated that this sector is funded by GIZ and has activities under civil societies, youth, data based development as well mainstreaming of all categories of youth, people with disabilities and women into the EAC policies and programmes. The committee would, however, like to emphasise that social cohesion in the region is largely based on this sector particularly the youth and elderly. No funding has been given to the youth to reduce youth unemployment, to provide, for example gainful and appropriate interactions within the region.

The committee recommends that in line with undertaking of the Secretary General to source funding for this sector, the Council of Ministers urgently consider funding to optimally utilise and engage the youth in the region.

Health department

The committee noted that though the department is partly receiving new staff and expanding, it had underutilised its budget.

The committee recommends that the department re-energises itself with a view of utilising maximally the abundant funds that are at its disposal given that the perpetual excuse of lack of staff is now being solved.

Office of the Deputy Secretary General, Political Affairs

The committee notes that the request by the office for fund for elections observation for the Republic of Kenya was rejected by Finance and Administration Committee. The committee note of the anomaly that this happened and recommends that the funds be immediately allocated for this purpose without further discussion. It doesn't make sense to selectively carry out election observation missions in some countries and not in others. The committee would like to remind the Council of Ministers that this is a mission that is core to the integration and cohesion of the EAC.

International relations

The committee notes that the EAC common foreign policy would hasten the realisation of the strategic plan towards the sharing of visa and consular services by Partner States on behalf of each other- one stop diplomatic mission.

The committee recommends that the Council of Ministers fast track both the EAC common foreign policy and realisation of a mechanism for the mentioned visa and consular services.

The East African Court of Justice

The committee notes with appreciation that the residence of the Judge President and Principle Judge of East African Court of Justice in Arusha was approved by the Council and will take effect from July, 2012.

The same applies to the operation of sub registries in the Partner States for which funds have been allocated and approved.

The committee also notes that consideration is being given to expanding the jurisdiction of the Court and recommends that it should be given priority.

The East African Legislative Assembly

The committee note that the critical areas involving the core work of EALA were not budgeted for due to budget ceilings; Partner State funding for Nanyuki Series activities, operationalise the East African Parliamentary Institute, the Partner States funding for public hearings. It is high time the Council and the Secretary General consider budgeting for these items without subjecting them to EALA ceiling. Their certainty under donor funding cannot be guaranteed and, therefore, this is a matter of urgent attention.

The committee recommends that the Partner States should directly fund the three core activities since they are matters of the Treaty.

Inter University Council for East Africa

The committee notes that the explanation given by the DSG F& A on the challenges faced by the IUCA particularly in regard to arrears owed to it by Partner States but would like to emphasise that there is need for the IUCEA despite its challenges to take up its reviewed mandate in the Inter University Council for East Africa Bill, 2010.

The committee further acknowledges and appreciated the Council's report in the 24th Extra Ordinary Meeting of the Council of Ministers which met and considered the matter and urged Partner States to honour their commitments.

Against the background of the fact that the committee in its oversight function discovered it upon its routine visit to the IUCEA that it had not yet operationalised the IUCEA, 2008 Act.

The committee notes the commendable effort of the IUCEA to harness and promote research on regional basis.

The committee recommends that the IUCEA takes appropriate follow up activities towards operationalisation of their amendment and builds capacity to among others grant regional accreditation.

It is also recommended that the IUCEA strengthens the research dimension in the region by harnessing existing potentials and collaborating with notable institutions for the purpose. The IUCEA has all the universities at its disposal and should make optimal use of the opportunity.

The Lake Victoria Fisheries Organisation

The committee commends Lake Victoria Fisheries Organisation for streamlining its budget to the EAC budget as per the Assembly's recommendations and Council directives. However, the committee also notes that the insistence that the Lake Victoria Fisheries Organisation is premised on a convention and difficulties in implementing all the five Partner States may be slowed down by the fact that the convention was between the founding Partner States should not hold at this time.

The committee, therefore, recommends that the convention be amended and ratified to ensure implementation of activities to allow Lake Victoria Fisheries Organisation deliver on its mandate.

Conclusion

Mr Speaker, Sir, the committee in general notes with appreciation the improvements in the overall budgeting process over the last three years and all the Council of Ministers and Secretariat's efforts in this respect. The committee, therefore, presents this report and recommendations to this august House for consideration and debate and moves that the House approves the proposals by the Council of Ministers for the budget for the East African Community for the financial year 2012/13 while taking into consideration the proposed amendments by the committee and adjustments made by the budget speech presented by hon. Musa Sirma, Minister for East African Affairs, Kenya on the 24th May, 2012. I beg to move.

(Applause)

The Speaker: Hon. Members, debate is open.

Mr. Gervase Akhaabi (Tanzania): Thank you very much, Mr Speaker. I wish to thank the Chair, Council of Ministers for the policy statement that he delivered in this Assembly last week. More important Mr Speaker, I wish to thank the committee for the thoroughness with which they have gone about in considering the budget proposals that have been presented to this Assembly.

Mr Speaker, Sir, the EAC is an integration community about which every person living in East Africa should be proud of. It is an integration process that distinguishes us in this region and indeed the whole of Africa as a people focused on holistic development of our people; of our economies; of our systems.

Mr Speaker, Sir, from the policy statement exposition by the Chair of the Council of Ministers, it is clear that the East African Community integration process has led to tangible benefits to the people of East Africa. Both the volume and value of trade –intra East African Community trade has increased and this has translated, hopefully, into better welfare of the people of East Africa as a whole. In other words, we are on the path to economic development that is autochthonous in the sense that it is home-grown and that may not be shaken by what happens elsewhere in the world.

Mr Speaker, Sir, you do recall and Members know that in the last three or so years, the world has faced enormous stress and strain. The economies and financial sectors in Europe, the US, Japan and elsewhere have been strained tremendously. We are lucky in this region that the very obnoxious effects of this stress have not been much felt, which may be attributable largely to the

fact that we have relied on the increased intra East African trade and we should as a matter of serious course of action increase this trade.

When you look at what is happening in Spain and Greece, you get a distinct feeling that in the very near future, the donor funds from Europe may not be easily available to us. These Europeans may not have these funds to give us because they are faced with probably much more serious problems than we are facing. Therefore, it is important for us to look at ourselves and realise what we can do in East Africa. What can we do in the South-South Economic linkages rather than looking at the South North; looking to Europe?

It is, however, a disturbing fact that we in East Africa do not seem to appreciate the potential benefit that the East African Community offers to our people and ourselves. And it is this lack of appreciation that informs the minimal funding that we give to the Community. That is why we would rather that the donors, or as we prefer calling them, the development partners, fund our activities. It is like giving birth to a child and expect that your neighbour or someone from another village is going to feed your child. This is ridiculous. We should take the first responsibility to fund our activities. And it is no excuse to say that even in the Partner States, we are funded by donors. It is laughable; it is ridiculous. We should take the responsibility of funding our core activities in the Community.

Secondly, we should take it upon ourselves as the owners of this integration process the responsibility of developing institutions that are going to help the Community to move into deeper integration.

I am pleased to note that at long last, the Council of Ministers has seen it fit to have the Judge President of the East African Court of Justice and the Deputy Judge President to be residents in the Arusha. This is a very good development, which will help us to position this court as an East African institution that will help us to solve our disputes including those like the ones hon. Kabourou would say, "ICC."

I wish to thank the Members of this Assembly for the resolution that they made in Nairobi with regard to the extension of the jurisdiction of the East African Court of Justice. It was an ingenious resolution that I am very sure is going to result in the extension of the jurisdiction of this court beyond what was stated in that resolution and that will also please my friend, the hon. CTC who has also been very keen on the extension of the jurisdiction of this court.

So, Mr Speaker the institutions of the East African Community must be developed and the fact that a decision has been made to establish East African Community as a single customs territory must be followed immediately with establishment of the East African Customs Authority. And there is no point to start fidgeting about this and procrastinating about it because it is the natural thing to do.

It is going to address many of the problems that we are having on NTBs if we have this single authority so that the goods that the people in Rwanda or Burundi – a few months ago when I was in Burundi, the ordinary citizens there said they were better off in terms of the price of goods before they joined the Community than when they are in the Community. You wonder why. It is because these NTBs make the cost of doing business extremely unbearable. If these NTBs were removed, the goods out there in Burundi would be manageable in terms of price.

The work plan has been noted by the committee. However, there is no work plan that has ever been presented by the Council of Ministers to this Assembly. We cannot work without a work plan. Could the Council of Ministers take it upon itself and ensure that there is a work plan for the Community so that even budgeting can be targeted towards the achievement of that work plan.

There is the issue of micromanaging the Community by Partner States. We agree that this is an intergovernmental organisation for now. But for heaven sake Mr Speaker, the East African Community has provisions in the Treaty where you find that a professional in the East African Community is to be employed; the Partner States determine who should be employed. And this goes on to contradict the provisions of the Treaty with regard to the loyalty or allegiance of those in the employment of the Community to the Partner States from which these employees come.

It is important and the Council of Ministers, if they are serious about growing this Community should immediately have the East African Community Service Commission Act operationalised without further delay. Delay in operationalising this Act is contributing a lot to the inertia where Partner States continue to operate within the Community and to forestall further development towards deeper integration.

When you look at Article 132 of the Treaty for the establishment of the East African Community, it provides that: *“The budget of the Community shall be prepared by the Secretary General and approved by the Council of Ministers and the East African Legislative Assembly.”* Where does this animal called “Finance and Administration” come in? It doesn’t come in; it doesn’t feature. And it is, therefore, in my very humble view that a subversion of the Treaty for this octopus called “F and A” to continue strangling the operations of the Community. This has also been noted by the committee.

So, whereas I support this proposed budget and thank the Minister, I think that what the committee has proposed should be critically looked at by the Council of Ministers and the recommendations adopted and implemented by the Council of Ministers without further delay. Mr Speaker, I beg to support.

(Applause)

Mr. Dan Ogalo(Uganda): Thank you, Mr Speaker for giving me the opportunity to contribute to this motion. I wish to thank the Chairman, Council of Ministers and the committee for the budget and the report respectively.

Mr Speaker, I intend to speak on only one issue and that issue arises out of the fact that throughout the committee report, there are recommendations to the Council of Ministers. In some areas the committee is expressing some disquiet; some not being very comfortable with the level and the rate at which things are being done. So, it is clear from the committee’s report that the Council of Ministers has a central role to play in the integration process.

It is for that reason, Sir that I wish to refer to Article 14 (2) of the Treaty, which requires the Council of Ministers to monitor and keep under constant review; the operative words are “Keep under constant review” the implementation of the programmes of the Community. The Article goes further to say that: *“The Council shall ensure proper functioning and development of the Community.”*

Under Article 15 of the Treaty, the Council of Ministers meets twice a year and it is a large body comprising an average of 25 ministers. Accordingly, this large body meeting twice a year is not capable of keeping the implementation of monitoring and keeping under constant review the implementation of the programmes of the Community.

Mr Speaker and hon. Members, fortunately we have a Sectoral Council of East African Affairs which comprises our ministers here whose decision under the Treaty is taken to be at par to the Council of Ministers. So, our Sectoral Council can actually keep under constant review the implementation of the programmes of the Community.

In my humble view, hon. Members, the Sectoral Council is not facilitated well enough, doesn't have sufficient time to keep under constant review the programmes of the Community. So, yesterday, I did circulate a paper in which I show that with a figure \$ 369, 937 we can be able to create an office of the Council of Ministers with a secretariat to enable that office monitor and keep constant review of the implementations of the programmes. In that paper, what I suggested was that the sitting Minister, the Chairman would have to come here for a maximum of 120 working days. He need not be permanently here but I made provisions for 120 official working days.

Mr Speaker, as I stated last week, you should give that time to the integration process, we would move faster. I know that presently the Ministers of East African Affairs and our Sectoral Council of Ministers are also ministers in Cabinet in their Partner States. So, I am not seeking to have the chairperson permanently here but simply for 120 days. And I believe these hon. gentlemen and ladies believe so much in East Africa that they can find these 120 days. I will indeed plead with them to do so.

Now, Mr Speaker, Sir, how do we find this money because it is not in the budget? I was looking at this annex to the East African budget for financial year 2012/13 to see even if this US \$ 300,000 is not available, are we as an Assembly able to find it in this budget? And within a very short time I went through this and found that it is possible. I just wish to give some examples that when I went through this big budget book which I am told was availed to the Committee on Budget, but maybe the copies were few and not all of us got; at page 117 there is a proposed budget of \$ 225,000 for officials from Partner States to have meetings here. And they are having 15 meetings. If we just take away 70,000, they can still come and work. It means they will have fewer meetings; instead of 15, they will have 10.

Then at page 148, there is a budget for a consultant to prepare a study on cross border investment and he is going to be paid \$ 41,000. I am suggesting that we leave him with \$ 30,000 and take away \$ 11,000.

At page 113, there is also another expert – consultant who will make a study to harmonise exchange rates and his budget is at \$ 137, 500. I am saying, let us be fair to him and allow him 100,000 thereby taking away on 37,500.

Then Mr Speaker, at page 50 there is a budget of 108,000 for the Secretariat to print publications about integration and distribute them. We really need this to be done but since we also need the ministers to do work here, I am saying, let us allow them \$ 54,000 and take away the other 54,000.

Then Mr Speaker, at page 23 I think the Secretary General will be travelling to Turkey a Turkey/Africa Annual Forum for \$ 13,500. I propose that we take away the whole of that because this Turkey/Africa thing we could attend later since it is not a very serious matter.

(Laughter)

And if you go through the whole thing, at page 173, there are officials from Partner States who will have two meetings here to design and validate a food security programme at a cost of \$ 56,000. I think that instead of two meetings, let them have one and we take half of that.

For just those five areas, which I quickly went through here, and the question of consultants and studies which are recurring in this book, you would find that we would be able to save \$ 200,000. And in the paper I circulated yesterday, from the Secretariat we would need only \$ 182,000. So, just those five areas would be able to save money for us to have a fully functional office of Chairman, Council of Ministers. I think that this can be done and should be done.

Mr Speaker, Sir, in that paper I presented yesterday, I did provide for a Chef de Cabinet- a high officer to be in charge of this office high enough to assist the chairman because the chairman won't be here full time. And I think that this would be able to ensure that what the committee has said about these recommendations to the Council of Ministers, there is an office to ensure that these are carried out; there is an office to coordinate with the Partner States because the Chairman, Council can be here. We know that there is a problem; they come two days before the meeting and leave after that. That is not sufficient time to give to East Africans.

So, Mr Speaker, Sir, I believe that looking through the budget we can find this \$ 300,000 without hurting the activities of the other organs. Right now I know that if you go- somebody had that in mind because in this same building on the Seventh Floor there are offices, though small cubicles labelled "EA Minister." So, in somebody's mind long ago there was envisaged that necessity for that presence. If that presence was not necessary, why are those offices there?

The only problem is that they don't have a secretariat to service them. When hon. Kategaya goes, he locks the office and goes away until when he comes back and opens. But if at least there is a secretariat, they will be open all the time. He need not pocket the key.

(Applause)

So, Mr Speaker, I think that what I am saying was in the minds of the Council of Ministers themselves and the Secretariat. They already thought about it except that they didn't develop it the full way. Let us just expand what is there now and make a secretariat for the Council of Ministers.

Lastly, I believe that this will be the logical follow up to the fight by the First Assembly that there must be ministers responsible for only matters for East Africa. We will just be logically following that to say, now that we have them let us have at least their presence in Arusha. Not all of them but whoever is Chair; I know it rotates. Whoever is Chair will be able to execute those functions.

Mr Speaker and hon. Members, this afternoon I will have a full category of areas of cutting from other areas to raise the \$ 300,000 and I will be counting hon. Members on your support at Committee Stage when I move for the reduction of this. I thank you.

(Applause)

Mr. Yves Nsabimana (Burundi): Thank you Rt hon. Speaker for giving me the opportunity to make my contribution to the budget. The budget we were called upon to study and comment on requires that all of us parliamentarians understand that the budget is one of the most important mechanisms we have in answering to our respective population.

If I look at the budget explanatory notes for the year 2012/13 on page 8, I find that what we may call investments among the priority of the Community take a very small place. We have cooperation in cross border infrastructure 10 percent; we have implementation of critical activities of the EAC foods security and the climate change master plan 2.3 percent and 91.8 percent provided by development partners. This is to say that the future of our community is in the hands of development partners.

I would like to take some of the issues raised by the local communities during our visits which don't have answers in the budget. You know that most our people hungry. They don't have sufficient food and even those whom have food its quality is very poor. They cannot afford the cost of selected seeds, chemicals or manual fertilisers and pesticides. In short our deliberations on the budget must consider agricultural issues. The amount in the budget is less than 2 percent of the total budget.

The issue of decent housing; most of our citizens live in makeshift houses and even those having an average income cannot build or buy decent houses due to lack of long-term credit and the rate of interest charged by commercial banks which stand in the way to the realisation of that great wish. No budget is provided for these matters.

There is the youth employment problem. Mr Speaker and hon. members, due to lack of investment by our Community, as earlier said, there is a big problem of job creation. The youth completing studies in our universities come to swell the number of unemployed people. This is another concern that hasn't found an answer in our budget.

(Applause)

The issue of lack of infrastructure; let us start with the energy. The Almighty God has endowed our region with much water. He also gave us the sun and gas; he gave household refuse which can become sources of energy. But the only small unit of production such as garages, ginneries etcetera are complaining of lack of electricity to allow them pursue their businesses. We have less than 10 percent of our budget provided for that. This is very low. Ten percent of the budget is shared between roads and energy infrastructure.

We have the problem of the health of mothers and their children. The issue of communicable and tropical diseases is ravaging our people.

We have the problem of the quality of education provided to our children.

We have the4 problem of disaster, floods, soil degradation and lake pollution prevention. Generally climate change remains a big challenge if less that 2 percent of the budget is allocated to that.

Mr Speaker, Sir, all these problems should be envisaged in our search for global; solutions through an investment budget or in a programme of lasting development for the Community.

The issues which try to find a very special place in the budget presented to us depend to a large extent more than 91 percent on external donors. The financing, which is very detrimental to us, is remitted by donors and which may be interrupted any time thus putting our citizens in very insecure condition.

Whenever we submit these issues to some decision makers the answer is partial as we have in all heard our answers given by the Chairperson of the Council of Ministers on 20th May and 1st June, 2012 as given to hon. Lotodo or there are no internal resources and, therefore, we should continue to look for donations, assistance and sometimes external credit to the Community. I am not convinced by that answer.

Rt hon. Speaker and hon. Members, we have plenty on internal resources within the Community which require to be collected and allocated to give answers to the concerns of our citizens. If you ask our citizens to stand together and contribute towards financing of a PPP for investment and we make ensure that we mobilise large sums of money.

Supposing that for those who drink beer, spirits or lemonade, on each bottle of beer or lemonade, we put Kenya Shs 1, in Burundi we can collect Kenya Shs 2,500,000 per day.

(Applause)

In Kenya, the figures I have for 2009, show that we can collect more than Kshs 11 million a day. I don't have figures for Uganda, Rwanda and Tanzania but I think it is within the same range.

Let us go to the telecommunications sector; if we charge one minute of airtime one Kenya Shilling, in Burundi we can collect 500,000 Kenya Shillings a day; I don't have figures from Kenya but it must be important and Rwanda it can be also a source of financing this.

We could for the tobacco sector which you can charge 1 Kenya Shilling per packet of cigarettes. You can still realise a lot of money from there as well.

We can go to the bank and insurance sector and take between 2 or 3 percent of the income before tax; we can have a very big amount.

We could also look at air transport. Imagine if we charge US \$ 10 per air ticket, we can have sufficient money.

The National Revenue Authority as proposed by the; if we charge 1 or 2 percent we could also have US \$ 45 million.

With this political will, we would be able to mobilise more than US \$ 5,000,000,000 per year coming to finance this budget. I believe, Rt hon. Speaker and Members that this amount is

important and can allow the Community to respond to the problems of the citizens and in addition to this external donors will come as shareholders or money lenders and not as financiers.

Consequently, it is for all these reasons that I call upon this House to request the Council of Ministers to allow a budget enabling the financing of establishment of a fund to run the Community's mechanisms. It is with this request that I support the budget. Thank you.

Dr. Aman Kabourou (Tanzania): Thank you, Rt hon. Speaker. Let me begin by congratulating the General Purpose Committee for this report, which has been very clear on what we really should be considering in here.

One of the writers on economic and other issues in this world said that: "Africa is poor because of bad choices by leaders and advice from donors." For that reason, I would like to support hon. Ogalo and his contentions that really we are making bad choices and we have to rectify that.

I know the whole purpose of having a government or even a community is basically to give people material benefits. Human beings need to live well. I have heard a Member here suggesting that in East Africa we are lucky because we haven't been caught up by the so called economic crisis that seems to contend the Europeans at the moment. But really, we only have \$ 510 billion out of the \$ 61 trillion in the world economy. Who are we? We are just a periphery and, therefore, really nothing can happen to us.

Mr Speaker, Sir, if you go to any of the five Partner States, people are suffering. Prices of commodities have gone up so high; we have people running on the streets burning cars. It is amazing. How can you fall when you are already seated? We are already down there at the bottom. There is nowhere else to go but up. So, I don't believe that we are doing very well. We have nowhere else to go.

Rt hon. Speaker, agriculture is still our common pursuit, that is, we are still agricultural countries in the East African region and yet we don't even care yet we have hunger and suffering of our people. The prices are just beyond our people to consume adequately. So, we end up with citizens whom can only eat once a day and we think that is good. I don't think so.

It is horrible that some of these difficulties are based on taking bad advice from the donors. Now these donors as you have seen in the speech have decided to fund over 90 percent of our activities in the region. And these are the same people trying to advise us on how best to handle our wellbeing.

Now, hon. Ogalo has suggested that we could take monies and perhaps have the Chairperson of the Council of Ministers be resident in Arusha. I agree that will be a good way to go because we need people to supervise here. But we may want to know we are talking about is given to us by donors and they are the ones who want their people to get this money; they are the ones who decide who should be paid and how much. So, I doubt that they will accept that. They will say, "Okay if you won't allow these people have \$ 60,000, we don't have the money." And they have said this before.

Mr. Ogalo: The information I wish to give is that the examples I gave were specifically from contributions of Partner States because I was aware of exactly what you are saying. I didn't touch their money.

Dr. Kabourou: Thank you for that information, hon. Ogalo. I think that is good for me to note too otherwise we would be talking up in air and we wouldn't have any realistic assumptions.

Mr Speaker, we talk about improving our trade in the region and that Non Tariff Barriers are a terrible thing. I agree; I wouldn't like to be paying bribes to all the Police and Customs officials on the way that certainly makes it very difficult for our people because they have to pay a higher price. If you take bribes from these traders, then they just pass on the burden to the consumers and, therefore, it increases the prices.

But we can also begin from our own shortcoming, that is, here we have a budget that says nothing about infrastructure; very little if any. And we know, for example that it is much cheaper to transport a 40 tonne container from Mombasa to London, which is at a cost of \$ 1,000, I stand to be corrected if I am wrong, than it is to transport the same container to Kigali, Rwanda, which is \$ 5,000 and yet our budget says nothing about taking care of this. What are these NTBs? They are probably only a quarter of this \$ 5,000 price. So, why don't you first deal with the block in your own eyes and then worry about the specks in the others?

We have to have infrastructure; it is very expensive to carry things. In China carrying something from the port to the inland is only \$ 80 and in Africa it is \$ 5,000 and yet our budget doesn't say anything about this.

We have energy. In the committee's speech there is nothing said about energy and yet we have been told that we have an East African Energy Master Plan. Our people are the lowest energy consumers in the world. Only 15 percent of our people can access electricity and nobody seems to care about that. So, what I am saying Rt hon. Speaker is that these are bad choices but we could have made better choices by rejecting some of the advice from our so called development partners who now seem to finance what we think is ours.

They finance 50 percent of our industrial development; they finance up to 96 percent of our environment concerns and yet these same development partners are the ones who arm our governments. Now there is a much bigger military spending in any of the Partner States than the amount of money they contribute to the Community's wellbeing and nobody cares. Yes, a lot of these arms are also given to us "free"- (*Interjection*) - okay, on some kind of arrangement but basically it is free and they almost obsolete.

I am very much concerned that perhaps we are just continuing what the Europeans had started back in the 19th Century, which is, claiming states or territories and then just deciding for us. Of course when we got independence then the OAU took up the role because they didn't want to bother with the so called established boundaries. They were not supposed to interfere and after that we have the donors who are coming in and giving us a lot of money. Really how can you?

Hon. Akhaabi said it is a terrible thing to have a child that eventually has to be fed by your neighbour but this is what we are doing and I don't know whether to reject this budget or accept it. I guess we have no choice but just to go ahead with it. But really, what is the budget saying?

(Laughter)

What is it saying about us except for these consultancies and big guys plus conferences about Turkey? I used to know the turkey as a big bird but now it is another country that we have to go

and spend out \$ 17,000 to sit there and listen to them. If Turkey wants to work with Africa, that is fine with me. This is the Ottoman Empire; they have been here before but why do they want East Africa? Why don't they go to the AU and ask people from there to go and talk to them? Why do you want to spend our little money that we have contributed from Tanzania or Burundi?

Mr Speaker, I don't know, I will support this budget because it is already here because we really don't have any choice and we don't even finance it. So, I support it but I am very sorry to say that if we continue with this kind of mentality, then I don't when we as Africans will assure our people of their material wellbeing and independence. Thank you, Sir.

Ms. Janet Mmari (Tanzania): Thank you, Rt hon. Speaker for allowing to make some comments on the financial year 2012/13 Budget. I am starting from a point that the Committee of General Purpose has done a lot of work on this budget because they have held consultations since last year. In fact they held consultations even before the strategic plan was approved. This may be reason why we have this problem of alignment of what has been recommended in this budget with what is in the strategic plan.

This leads me to ask one very important question because even when the representative of the Chair of the committee was reading the report was very specific that there was misalignment between the strategic plan and the recommendations that were read and what the minister's reports is talking about. My question here is when is this misalignment going to be corrected?

Mr Speaker, from the report of the committee, it was mentioned time and again that the performance of the budget last year wasn't what we would have expected. On page 8 of that report, if I may read, they are very specific and gave the reasons which they were given by management that: *"The supplementary budget which accounts for a substantial percentage of the budget was not approved until February."* They went on to give reasons of financial migration data which means that our systems are not working as they should.

They talked of delays of recruitment of key staff due to a moratorium on recruitment; they went on to talk of a work plan which is skewed and delayed disbursement of funds. What we have not been told hon. Speaker, is what has been done to mitigate these problems so that at least we are sure that the budget that we are about to pass now will not go through or experience the same problems that were experienced by the budget that we approved last year. And they are saying that it didn't perform but there is nowhere we are told how the level of non-performance was. Let us see those figures which in normal circumstances we have been given to see the performance. So, that is a question that I should expect the Council of Ministers to answer as to how much it didn't perform and how they are going to mitigate those problems.

Mr Speaker, a number of people have talked about donor funding, which I find to be very interesting because we are talking of 71 percent of the total budget if you looked at the summary that we have been given on highlights. But what is sad is that the most important sectors have been left to donor funding and is I were to turn to this budget booklet now, I have some very interesting observations to make.

On page 18, one of the donors funding us is the EU. Last week we were discussing EPAs and the problems that have led us not to be able to sign. We have had these problems for over five years but we are now asking them to fund us and they are deciding on the areas where they would like

to fund. What is interesting is that as EAC, we have an ultimate objective, which is political federation.

We have other things that we take very seriously like peace and security and if you check our budget, agriculture and food security, yes they have given us some \$ 201,000; political affairs-zero; peace and security we were given 2million last year but this time round zero; civil aviation they gave us \$ 1.26 last year but this time zero; health- they gave us \$ 1.206 last year and this time 546. So, in total, they budget they allocated us last year was 6.6 million but this year they are giving us 2.7 million. So, you wonder what this person who is supposed to be a very good person clapping for Partnership funding is given only in areas that are of low strategic use to you and we are continuing to clap. So, where is the ultimate objective that we had?

We are looking at donors but must we take everything that they give us or only in that area where they decide to fund? I would say, yes we may be beggars but sometimes when you are given money to put in an area that is not important, you can negotiate but if the person you are negotiation with doesn't want to give it to you, or put it in an area where you think it is important like we are talking of food security or peace and security, you may be compelled to say, "No thank you, I am not going to take it this year. I could wait until later on."

We had people who used to fund us like ACBF, which I will look at when it comes to EALA but this time it has gone down seriously and I was wondering what is happening. So, we are crying of too much donor dependency but at the same time the money that we are given by donors but we never ask whether this is the area in which we would like to utilise that money.

Mr Speaker, Sir, I would like to draw your attention to page 23 of the budget booklet. We have a minister seated in front of us from Burundi. I remember very clearly last year when we were holding the Nanyuki Series, she stood up and said they she didn't know anything about East Africa – when we talk of people meeting, where our offices are and what we do- and the meeting was taking place in Burundi, which means East Africa has never put funds aside to ensure that the people of East Africa know what is happening within East Africa. She is right there and so I am talking of a fact. So, how much have we set aside? Probably she was brought here in order to come out with strategies to ensure that next time round, every East African knows what, East Africa is all about.

(Laughter)

Mr Speaker, when you look at that page, we are talking of sensitisation programme on the EAC integration. How much is it? \$ 175,400 that is a very small amount as compared to what we are asking to set aside an office for the Chair, Council of Ministers so that he can give political direction to this institution, are we serious? Sensitisation is something that we have been talking about for the last five years that I have been sitting in this House. Mr Speaker, how can we today put in \$ 175,400 only for a whole year? This is one item that is going to lead me to say, I am not going to support this budget.

Tanzania is a very big land mass; it is a land that has over 50 million people, for example, and out of those, there are very few people, we are talking of 5 million that live in Dar- es-Salaam and probably a few who know that there are meetings that take place in Arusha. This one \$ 175,400 how is it going to be divided to ensure that the people of East Africa know that there is

something called the East Africa, leave alone EALA; leave alone some of the very good jobs that are done by several other sectors in the productive section.

I have already said that I am not going to support this budget because of that figure. If it can be increased or if the Council of Ministers can explain what else is going to be done to ensure that the people of East Africa are sensitised to take up some of these opportunities that exist in East Africa and that East Africa is a good place and that the East African Community is good to further their interests, then I am going to support it. Otherwise, I do not support this budget until and after I have seen that budget enhanced.

I wish, however, Mr Speaker, Sir, to take this opportunity to thank the Secretariat for having ensured that they have put in mechanisms so that people may stop travelling as they used to travel because they are putting in place over \$ 2million to ensure that they can use teleconferencing. There are many times when you look for somebody either in the Secretariat or in EALA or a number of other places and you cannot find them because they are travelling to attend meetings. In fact there is a certain book that says, when you have just too many meetings, or this is part of the challenges that we have a head of us. When you have too many meetings, they lead to many others. Means that those meetings are more important than what we have discussed here in Arusha.

When the Minister was making his presentation, he referred to the state of East Africa 2012 which refers to a richer Community with more people. This time we are talking of 140 million, I am told, but what are the effects? When you analyse East Africa, we are saying that as far as growth in the past decade was concerned, every economy in the Partner States grew faster than its population, which was a good sign. But the distribution of people living below the poverty line has now risen from 44 million to 53 million. How do we explain it simply because when we plan, we simply plan to make ourselves poorer? There are no results that are tangible in the plans that we make. That again goes to what was attributed bad leadership of which we should count ourselves to be one of those by the two hon. Members who spoke before me.

We talked of the interest rate which rose from 2.2 billion in 2005 to 4 billion in 2010. Mr Speaker that means that whatever plans that we have here in this budget that we are about to pass must ensure that our interest rate is encouraged, the NTBs are over, they will not be there and people can move freely but will can this really happen with the kind of money that we have put in strategic places- the nonalignment that exists between what we are saying we have put aside and what is actually in these figures?

That leads to one of the biggest problems the oil consumption that rose from 96,000 in 2003 to 144, 000 BPD in 2010. This is of course because we are using 95 percent of our transportation to be on lorries, the trains are not functioning and all we are talking about is studies and meetings that lead to other studies and meetings but with no tangible results. We were supposed to have changed it. I am sure they never used ten or 12 years just moving from one meeting to another leading to another study.

What I am saying, hon. Speaker is that as the minister responds to the budget that has been brought here, I want him to tell us the tangible results that we should expect to have in the coming year and not results of other meetings leading to other meetings. I do not support the budget, hon. Speaker. I thank you.

Ms. Kate Kamba (Tanzania): Mr. Speaker, Sir, thank you very much for allowing me to add my voice to the deliberations of this budget. First of all, I would like to thank God that maybe this is my last speech in this House after serving this Parliament for ten years. I thank God that I managed to save my people but I do not know whether I have added any value to East Africans. That is the big question.

Mr Speaker, Sir, there might be a lot of repetition because we have almost the same inclination. We think for our people and most of the people we are thinking about are the farmers. Looking at the budget, there is no justice to why we are together. There is no justice done to our farmers, to the peasants the majority of our people. This makes the questions, why are Africans poor? When you look at for example Korea in the '50s, we are the same as Ghanaians in terms of the per capita. Their per capita was almost \$ 200 but now as we are standing here, Ghanaians are left behind and the Koreans are high up with their per capita income of each Korean of more than \$ 10,000 while Ghana might have something like 10 percent of that.

East Africans notwithstanding, you know our per capita income that is very, very low. Why is this? I came across some missionary and we had an argument and he was saying, you know why you Africans are poor? Because there are pro-urban buyers in all that you do and we forget about the rural. And now when you re-collect and listen and even if you look at the budget, it is pro-urban. All our thinking is pro-urban. If we change our mind set and be pro-rural, we would not be where we are.

He kept on saying that if you look at the EU and why for example we are together here as an Inter-governmental East African Community. Why are we together? We want to develop our people. Why did Europe also come together? They wanted to help their people and this is a testimony because the Europeans have always loved their farmers hence the EPAs. They will never allow Africans to dump their crops there. They are protective of their farmers.

Over 50 percent of the European Union budget goes to the farmers. I stand to be corrected. What do you expect? That is why countries like Ireland, Portugal, and Spain who were very poor, after joining the EU are up there. Their economies have- and all this money goes to the farmers, the peasants. Pro-rural. This is the opposite with our countries in Africa. We are pro-urban, we look at the big hospitals at Mbili and they are provided for but when you look at the dispensaries in the rural areas, there are no medicines. When these people in the urban areas do not have running water in their taps, it is politics so that people come and fix for the well to do. Nobody thinks of people who do not even have a bucket of water in the villages. That is pro-urban versus pro-rural.

Mr Speaker Sir, we need to re-think as Africans and East Africans for a change of mind set. Let us concentrate on our rural people. These are the ones who are going to tickle our economies. Short of that, we will be shouting that we are poor. We have resources. For example, Tanzania can be proud, it has I don't know how many millions of hectares- Over 50 million hectares of arable land but do you see any improvement in the rural areas? No.

Why? Because of the pro-urban. We look into the urban, we are not looking at the- Our policies should reflect the need to develop our people. I remember the last Mwalimu Nyerere used to say, if you want to develop, we need land which we have, people which we have and policies.

If you will allow me Mr Speaker, it sounds nice in Kiswahili: *Kama unataka tuendelee, tunahitaji vitu vingi. Watu, ardhi, siasa safi na uongozi bora.*

This is where the Europeans are tricking us. In Europe, they are bringing aid here in Africa. Now I am going to look at the leadership aspect of it and the policies which reflect the leadership. If you look at the Euneka African governance report of 2005 page 148, the Addis Ababa Ethiopia and Africa governance report 2009- You know in Africa \$ 148 billion disappears and goes back to the far countries. I am not mentioning them.

We are sending money from our people to hide in Europe. This is sad. 50 percent of our collections disappear in corruption that is a report. Even the little money that the *wazungu* are bringing 30 percent of it also disappears with their collaboration back to their places. So I am saying, Mr Speaker Sir that we need to change our mind set. Africa is our home. If anything, we should use the scarce resources for our people.

Now the sad story is this budget. 71 percent is coming from development partners. We should not be allowing this to continue. We are so resource rich to keep on begging. We should try to put up a mechanism whereby we are going to collect money, tax our people to run this organization and not relying on money from the donors. Our people are rich and if they knew as ever, they would actually add a shilling to each coca cola and beer they are drinking to salvage this situation. We do not tell them but if they knew, as hon. Mmari was saying that we do not have time to go and tell them that this is what we are doing, these people are the ones who are funding us- It is a bad story.

Mr Speaker Sir, I keep on saying the EAC came because it needed each other. Now we should reflect the seriousness of our coming together. The challenges were mentioned by somebody here. I have been here for ten years as a Member of the East African Legislative Assembly but I am leaving in a richer Community with very poor people. Over 54 million are below the poverty line. There is growth registered in all countries but the distribution leaves much to be desired. People do not see the growth being reflected in their daily lives. The prices are going up and you do not see the way forward for these people. That is one.

We consume and import more- Our imports are on the increase \$ 25.9 billion. Why? We import and this is because a lot of money like this one. The 71 percent is coming from the donors. They will put dollars here but that does not reflect that there is growth. They... our exports to Europe and other places outside East Africa are only \$ 11.1 billion. It is very serious and this is a very big imbalance and yet our farmers are yet to be liberated.

Our development partners are our main benefactors. They bring their Euros but if you look at their common agricultural policy which I referred to earlier, over 50 percent of their income goes to their farmers. We should also tell them that they are coming to help the poor so their money- Let us convert development aid to farm aid and we will see the difference.

Fertiliser per capita. The use of fertilizer for the First World. Holland for example uses almost 577 kilograms per hectare and for Tanzania and I think for the rest, it is only eight kilograms per hectare. Look at the disparity? Because these people are pumping money to their farmers and the farmers are the ones who are controlling the economies of their countries and it is the contrary

with us. Let us love our farmers. Let us embrace our farmers. Let us look into the problems of our farmers and we will make a difference.

With these remarks, Mr Speaker Sir, I really feel obliged to support this budget. I do not think we have an alternative.

Thank you, Mr Speaker Sir.

Mr. Christophe Bazivamo (Rwanda): Thank you, Mr Speaker Sir. I rise to specifically emphasise the fact that East African Community activities have to be financed mainly from its own sources. It is important to plan towards this achievement. Actually, it seems that East African Community does not have a clear vision for the long term and this budget does not reflect this. Our countries cannot be independent and East Africa cannot be independent if it stays so dependent on donor funds. Everyone knows that donors do not work towards this idea to be achieved.

Mr Speaker Sir, the Council of Ministers should think about an East African Community vision let us say Vision 2030, 2040 or 2050 to be a developed zone. This vision can be phased if needed but it is important to make sure that the East African Community has one operational vision to become a donor non-dependant region in accordance with Article 5 of the Treaty.

This can only be possible with investment and our planning has to consider this issue of investment. This vision should be developed in this financial year so that future budgets can be aligned to it. It is when there is a common shared vision with a practical and operational road map that we can easily mobilise our internal resources and year per year, have an appropriate internally financed budget. With that, it will be possible to move forward in liberating our region from dependency and I think it is possible.

Mr Speaker Sir, I urge for a clear common East African Community vision to be fought in this financial year and I support. Thank you.

Mr. Otieono Karan (Kenya): Thank you, Mr Speaker for giving me this opportunity to support this motion for the purpose of continuity. Let me start from the positive side according to how I look at it but before I go to that, let me also thank the Committee of General Purpose for doing a thorough job.

I want to commend the Council of Ministers on the issue of non-tariff barriers. They have worked so hard and are trying to remove them and I want to say that there was a developing non-tariff barrier at Namanga in the name of Yellow Fever and in the last time when we were reading last year's budget, I happened to have passed there and I was almost being injected despite the fact that I had certificate and I had just forgotten it.

But the other weekend I passed there and I am happy to note that they were not available. I don't know whether they were on sick leave or they have been removed by the Council of Ministers, Mr Speaker but if the Council of Ministers managed to remove them, I would urge them to move to Kilimanjaro also because this matter is like revenue head which has been permanently developed there to stop people of East Africa from moving.

Mr Speaker, the other point which I want to talk about is on the issue of the new East African headquarters. We are pleased that we have new headquarters but when I went to the new headquarters the other week; I noticed that the Assembly section does not reflect what the Assembly should be. Why do we have a building in the 21st Century with an Assembly that you cannot be proud of and that does not include all the facilities required? This is due to lack of consultations between the Secretariat and the people who know what the Assembly should look like.

This matter should have been addressed because if we talk that we have a new building and you come to this old chamber and check it with the other one, you will find that this old chamber is better positioned and designed than what we have in the new building.

I cannot fail to talk about agriculture. If you look at the minister's speech, agriculture and food security, he started by saying that agriculture development and food security remains a key challenge for the region. Why would it stop being a challenge if you only allocate two percent of your budget for agriculture?

I think we must be serious in what we are trying to do in this region because this is lack of commitment on agriculture and that is why we are allocating very minimal finds that cannot be able to see this sector develop. I think the way that we are moving as Partner States of East African Community by preferring allocation of land to foreigners of direct foreign investment is not going to help us, Mr Speaker because you find even in this arrangement that the agreement between these foreign investors are not very clear. One day we will find that one of the requirements in the agreement is that the food produced in those farms is for export only and East Africans will find themselves importing food grown on their own land and taken to foreign countries and then you import them while we would have stopped this practice, Mr Speaker.

I think this is laziness because they have money but they allocate money to different issues instead of putting money in agriculture which can enable people to develop in the rural areas of our Partner States. I would like to urge our Partner States to be serious about issues of agriculture, be able to implement the Maputo declaration and then we can talk about it being a challenge if there are other factors affecting it after allocating enough revenue for it.

Finally, I want to say that I will support hon. Ogalo on his proposal of having an office for the Chair, Council of Ministers but this is not the first time that this thing is going to come before the House because even last year there was some kind of recommendation.

Our Partner States will consider having Ministers of East African Community among Members of the Parliament of the East African Community because these are the people committed to the development of East Africa instead of bringing ministers that later on go out to oppose what they have passed in this House.

Mr Speaker, you can remember there was a time in Kenya that even if you had put a comma on the President's speech, you dare not talk about it. And I remember Prof. Uma Monga who was the Assistant Minister in the Ministry of Environment who boasted of having written a speech to the former President Moi and by evening he had no job.

(Laughter)

Mr Speaker, anybody who claims to have advised the President should not really be on the job and I think, Mr Speaker that we must be serious. With those few remarks, I support this motion as a matter of cause and for continuity purposes. Thank you, Mr Speaker.

The Speaker: Hon. Members, to give the Council time to go and prepare themselves for this afternoon to answer those questions, I will suspend the House until 2.30 p.m. and I request that the ministers also meet the General Purpose Committee because I think they brought a Bill for First Reading in terms of the Appropriation Bill so that at least they can work out everything and make everything smooth in the afternoon. I suspend the House until 2.30 p.m.

(The House was suspended. On resumption, the Speaker presiding_)

The Speaker: Hon. Members, before I call the minister to reply, I would like to recognise the presence of the Deputy Minister from Norway Mr Arvin Gad Gill, if you could please stand up.

(Applause)

He is accompanied by the Norwegian Ambassador Her Excellency Ingunn Klepsvik, the Assistant Director General for Multi-Lateral Agencies Miss Ingrid Glad, Miss Uki Ranbald Senior Adviser Multi-lateral section and Mr Navy Solheim, Senior Adviser Secretariat of the Ministry.

Hon. Members, it is befitting that they are here when we are finishing our Second Assembly even though I can see hon. Akhaabi laughing because I murdered those names but I would like to say that Norway was the first donor who supported EALA.

(Applause)

I think for the first three years what the Partners States should have been doing was being done by Norway at that time because they are the ones who supported our committees and all activities of the Assembly other than plenary. So I would like to say thank you very much.

(Applause)

I am glad they are still interested in the Assembly and they will bring more for the Assembly to continue.

(Laughter)

I call the hon. Minister to reply to the questions.

Mr. Munya: Thank you, Mr Speaker. I would like to take this opportunity on behalf of Council to thank all the Members who have contributed to the budget and specifically I would like to thank especially the Committee of General Purpose for giving very useful recommendations and insight. They have been doing this every year and it has been helping in improving the budget every year.

I would like to thank the Chair of the committee in absentia, hon. Sebtuu and thank those who deputised her very ably; hon. Bilal and hon. Lydia Wanyoto and of course the other members of the committee.

Mr Speaker, I would also like to thank the following Members for their contributions that have also gone a long way in giving very useful suggestions to the Council that are going to be incorporated to make the next budget better; hon. Akhaabi, hon. Ogalo, hon. Nsabimana, hon. Dr Aman Kabourou, hon. Janet Mmari, hon. Kate Kamba, hon. Christophe Bazivamo, and hon. Karan Otieno.

Mr Speaker, Sir, allow me to react briefly on some of the issues that were brought out in the debate. One of the key issues is the one of donor dependency. This is a very vexing issue not just to the Assembly but also to the Council. Whereas we appreciate donors and the support they give us, we want to agree with the House that it is not fair for us to rely on more than 50 percent of our budget from donors.

The Council is engaged on this matter and we are looking for an alternative way of funding the affairs of the Community. We are looking at other options. Instead of this direct equal contribution from Partner States, we are looking at other funding options that will bring in more resources in the Community to fund the Community projects. So I want to assure the House that the Council is aware of this matter and is taking the House' recommendation very seriously.

The other issue of providing a permanent office for the Chair of the Council is also a very useful recommendation. Indeed if the Chair was here, the Chair would be able to do a lot of leg work in terms of trying to make sure that the Council decisions are implemented. The only issue is that this is a policy issue that can be implemented only with the approval of the full Council. And therefore, we will forward this to the Council for deliberation and once approved then it can be implemented.

Mr Speaker, the issue of the money of course is important but without a policy decision backing the money, the money alone would not be able to do much. I remember there is another issue we had committed ourselves to as a Council; the issue of enhancing the Office of the Clerk and the Office of the CTC but it is also a policy matter again that we will have to present to the Council and persuade the Council to approve because those are policy matters.

There are staff rules that also require to be amended and again the Council would have to be involved in passing it as a policy matter and then the issue of budget now comes thereafter for us to implement.

Mr Speaker, Sir, there was also the issue raised about a Single Customs Authority by one of the Members. I wanted to assure the House that the Council is again engaged on this matter. Indeed a decision was already made and approved by a Summit and a model was adopted in the last Summit where we agreed to adopt a destination model where revenue collected on goods and due to the Partner States where the goods are consumed.

So the Council had adopted that model of revenue collection and what we are waiting for now is there is a high level task force working on operationalisation but the model is already passed by the Council and adopted by the Summit.

Mr Speaker, there was also an issue raised on the status of the Public Service Commission. The East African Community Service Commission Bill, 2011 was passed by EALA with full support of the Council of Ministers. The Council remains committed to implementing this Act once assented to by the Partner States.

The issue of institutional review is another issue that has engaged this House for quite a while and the Council wants to agree with the House that it has taken too long to finalise this matter and we are taking your concerns on this matter very seriously and we also take those concerns to the full Council so that this matter is dealt with once and for all. We cannot deal with one issue that keeps delaying many other issues forever.

So we have to bring closure to this issue of institutional review and therefore we are directing the consultant who is supposed to do the objective review to do his job very quickly so that this matter can also be finalised and so that the Council can look at the recommendations and then make a final decision on that matter.

Mr Speaker, the issue also of the new headquarters facilities not being friendly to people with disabilities- The facilities of people with disabilities in the new building are also being worked on and we are taking the concerns raised by the Members seriously. A ramp has already been installed, and lifts and user friendly toilets will also be installed. Arrangements are being made to have user friendly toilets installed before we occupy the new building. So Mr Speaker, everything is being done to make sure that people with disabilities are not inconvenienced in the new building.

There was also a Member who wanted certain documents; MOUs availed and we are undertaking to avail whatever documents that this House may require from us. So we are directing the Secretariat to provide whatever document that this House or any committee may require because all these are public documents and for you to be able to carry out your oversight responsibility, you cannot do it without access to documents. So we are directing that these MOUs and any other documents that the House may require should be provided as soon as possible.

Somebody raised the issue of extension of the jurisdiction of the Court of Justice. The Council of Ministers is fully aware of the extension of jurisdiction of the EACJ and it is obvious that as the Community grows, also the mandate of the Court must be expanded to include those newer areas where the Community is expanding into. Therefore the Court must also be empowered to handle cases that may arise from these newer areas so Mr Speaker, again the Council is fully aware of this matter.

In fact there were meetings that were supposed to take place; a Sectoral Council on Legal and Judicial was supposed to meet to consider one proposal already of providing extended jurisdiction to the Court in one area. The meeting did not take place but I am sure it has been re-scheduled to take place again so I think by June that particular area will be dealt with to give the Court a bigger mandate.

This is being done with the recommendation of this House because it is this House that passed the resolution for the Court to be given a mandate to deal with crimes against humanity and following the resolution of this House, the Summit passed that and directed the Council to work on it and the Council has done so. It is only that that meeting never took place as quickly as it was supposed to because some of the NGOs were not available but it is already re-scheduled to meet to deal with the matter.

The issue was already raised of the Inter University Council Act. Mr Speaker, I wanted to give the correct position that the Act is operational. It is in place and operational and indeed I

remember Members were reviewing the Act. There was an amendment to review this Act because the Act is in place and even the Inter University Council itself has also been working on a review of this same Act. So it is an Act that is already in place and it has been implemented since May 2010.

There was also a big issue that was being raised over the aligning of operational plans and MTEF. Mr Speaker, I cannot repeat all the areas that were raised. It suffices to say that we are agreeing and undertaking that operational plans will be aligned with MTEF before the end of this financial year. We have taken the recommendations of the House very seriously.

An issue was also raised over food insecurity and why we have not put enough money to deal with food insecurity yet the Community is entirely an agricultural region. Mr Speaker, the basic issue for me to say here is that the Community really drove the Community's coordination. The actual implementation is usually left to the Partner States so we coordinate at the regional level for the activities and agriculture.

However, \$ 2 billion is expected to be factored into Partner States budget for the same activities so the money that you see provided for at the Community level is the coordination aspect but the actual activities at the Partner State level and \$ 2 billion is going to be put into the Partner States budget for that work on food security so you can see we are very alive and we are moving in that area.

Mr Speaker, Sir, on the Energy Sector, the small percentage allocated to the Energy Sector is justified by activities to be implemented at the regional level which are mainly coordinating, supervising and monitoring the projects. Again, the actual project money and implementation I sat the national level.

The other issue that was also raised was the one of sensitisation. The Council of Minister reiterates the importance of sensitisation of citizens on integration issues. In this budget, a total of \$ 1.3 million has been allocated specifically for sensitisation activities. \$ 175,000 pointed out by the hon. Member is Partner States contribution to this activity.

It is also important to point out that Partner States Ministries of EAC are also factoring in sensitisation activities in their annual work plans to supplement the efforts of the Secretariat. So of course the budgets of Partner States Ministries for sensitisation are not reflected here but it is money that each ministry on the East African Community is obliged to do and put money in it.

Mr Speaker, again the Community does more of coordination at this level and then the Partner States Ministries do the actual activities on the ground on sensitisation. So Mr Speaker, those are the main issues that were raised by the Members and even those that I may not have mentioned, we have noted them and we undertake into consideration all the recommendations that the Members raised in the debate. I thank you, Mr Speaker.

The Speaker: Hon. Members, I now put the question that this Assembly do resolve itself into:

- (a) A Committee of ways and means to consider and approve the financial statement for the Financial Year 2012-2013 and

(b) A Committee of Supply to consider and approve the estimated of expenditure for the Financial Year 2012-2013.

(Question put and agreed to.)

COMMITTEE OF WAYS AND MEANS AND COMMITTEE OF SUPPLY

Mr Munya: Mr Chairman, I beg to move that in accordance with the provisions of Article 132(5) of the Treaty and Rule 7(4) of the Rules of Procedure, the Committee of Ways and Means do consider and approve the financial statements.

The Chairman: Seconded. Hon. Members, the proposal on the floor is that the financial statements for the Financial Year 2012-2013 be approved. I now put the question.

(Question put and agreed to.)

CONSIDERATION OF THE VOTES

Vote 001

The Chairman: Hon. Members, I propose the question that a total sum of USD 68,399,098 under Vote 001 be provided for the expenses of the East African Community Secretariat including the Defence Liaison Office and the Director of Customs for the Financial Year 2012-2013.

Mr. Ogalo: Thank you, Mr Chairman. In his answers, the minister did hint on the proposal I had put forward about having the Office of the Chairperson, Council of Ministers here in Arusha and I had provided to the Chairperson and to the Secretariat of the Assembly the areas in which I had sought reduction which would come to \$ 421,555.

Mr Chairman, the minister in his answer also raised another issue of the offices of the Registrar of Court, the CTC and the Clerk to the Assembly and said that these are also commitments they have.

Mr Chairman Sir, the minister has reminded me of what hon. Muntu said some time ago; a story he told us about a hyena which was moving then it came across a stone. Now the stone was hot but the hyena did not know. The same stone was coated with very nice sizzling fat. So it swallowed the stone. When the stone got into the throat, it started burning it so it did not know whether to swallow and enjoy the fats or to spit out the hot stone and lose the fats.

The Chairman, Council of Ministers has put me in a similar position of two areas which are very dear to me and I am the one who raised the question of CTC Registrar and the Clerk. So Mr Chairman Sir, after due consideration of the two areas, I think I would opt for the latter which is less money, that is the one of the Registrar of the CTC and the Clerk to the Assembly.

I have also passed the same figures to the minister and it comes to a total of \$ 138,078. I therefore move that a total sum of \$ 138,078-

The Chairman: Hon. Ogalo, I think you have a proposal here that you have put on the floor and the minister has said something else. Before we bring it to vote, can you tell us where this money is going to come from so that the Members can know how you are proposing to get this money.

Mr Ogalo: Yes, Mr Chairman Sir. This money will come from a reduction in the following areas. The first one is a reduction on consultancy fees on milestone M3 performance activity P104-C01 C06, which are consultancy fees to harmonise exchange rates. The amount, which is provided under that Vote is \$137,500 and I am proposing a reduction of \$37,500 so that we leave \$ 100,000 for the consultant.

The second area is Milestone M2 performance activity P105-B01 C07. It is a study on investment authority in which that study for consultancy fees had been put at \$59,500 and I am proposing a reduction of \$19,500.

Mr Chairman and hon. Members, the next reduction is on Milestone Code M2 performance activity P105-B01 C09 where the consultancy fee is \$41,000 and I am proposing to reduce it by \$11,000 so that we have \$11,000 for this activity.

Mr Chairman Sir, the next activity I propose for reduction is to be found in Milestone M1 which is for two regional meetings on negotiations between East African Community and United States of America Trade Agreement in which \$63,720 are provided for. I am proposing to reduce it and remove from there \$23,720.

The next one is Milestone M2 which will be a Kiswahili Symposium to be held in Kampala. Its purpose is to share information on the current status of Kiswahili- (*Interruption*)

Dr. Nyiramilimo: Thank you, Mr Chairman and thank you hon. Ogalo for giving me way to give information. I am a member of the General Purpose Committee and we have been examining all these numbers that hon. Ogalo is citing. We would wish that we do not deduct from this money allocated but we support the proposal given by the minister.

The Chairman: Honourable, that is your own proposal. Hon. Ogalo is giving a proposal and you can talk about it once he has finished. You are not giving information but debating now.

Mr. Ogalo: Thank you, Mr Chairman. This Kiswahili Symposium will be held in Kampala and it has been put at \$ 52,300. In my view, a symposium of one day, if we press ourselves we can make reductions and I am proposing a reduction of \$ 22,300.

Mr Chairman, Sir and hon. Members, Milestone M2 again on the essay writing competition in Partner States. There is a competition which takes place annually in Partner States and provision has been made for \$79,050 for managing the competition. I propose that a sum of \$29,050 be reduced from that \$79,050 to leave it with \$50,000 which in my view could cater for that.

Mr Chairman Sir, again Milestone Code M2 there is a meeting of livestock experts from the Partner States. These are officials coming from the Partner States for three days and the total is \$54,350. I propose that if instead of three days they do two days, we will have savings of \$18,120.

Also on Milestone Code M2, there is a three day meeting on harmonisation of dairy and if the people reduce this to two days and compress the work in two days, we will have a saving of \$18,120.

Mr Chairman Sir, lastly under Milestone M2 again, there is a three day planning meeting by Partner States. Officials will come for three days from the Partner States to do planning and a provision has been made for \$110,353 for these officials when they are here. Again I argue that if they reduce this into two days, there would be a saving of \$35,000.

Mr Chairman Sir, I think if my additions are correct, this should be sufficient to raise the \$138,078 which is required. I beg to move.

Dr. Ndahiro: Thank you, Mr Chairman. I would like to plead with hon. Dan Ogalo on the first Milestone. It is this House in Bujumbura that requested the Council and the Secretariat to provide funds for the harmonisation of exchange rates after a clear- I think from the Private Sector and the people we met during different tours that we embarked on as committees. We pleaded with them that the Private Sector people are complaining that cross border trade and particularly in financial instruments is hampered by exchange rates risks that they incur.

We pleaded in that sitting in Bujumbura for these funds and I am grateful that the funds were provided and as you know, we have an undertaking to accomplish the negotiations on the Monetary Union by 2012. It should not be this House that will be referred to as having delayed the Monetary Union. I am appealing that we can get other areas to deduct from but leave this particular one alone. Thank you.

Mr. Ogalo: I take the point by hon. Ndahiro. That will reduce the amount. I will agree that we leave it there. I will go to Milestone M4 activity DU1 C01. The activity is laying a foundation for Political Federation. The total amount which has been put there is \$316,645. As you go through, most of these are conferences and workshops so the deficit can come from one of those.

Dr. Sezibera: Thank you, Mr Chairman Sir and I want to thank hon. Ogalo for this concern of making sure that these three Offices of the Registrar, Office of Council to the Community and Office to the Clerk receive a level that they should be.

Since I have taken the floor, I also wish to recognise the hard work that my colleagues at the Secretariat and the institutions have put in in getting us to where we are. They have spent sleepless nights and have not asked for time off or payment in lieu of time off and I really wish to pay tribute to them.

I also wish to pay tribute- And this work has been on going since October last year. I also wish to pay tribute to the General Purpose Committee-(*applause*) and this House that have worked so hard over the last many months to get us to where we are.

I wish to say that the issue of funds- I have listened to hon. Ogalo going through very painful gymnastics of trying to find where we can find \$ 137,000; very painful, which is a reflection of the passion he has for this matter and which passion we share. But I wish to inform the House that the issue here is not really the money. The issue is the policy as the hon. Chair of the Council said. Once there is a policy decision, I can promise the House that we will work and the

Council will be able to find the money in a less painful manner than we are doing now. The money can be found as long as we have the policy decision.

Secondly, some of the areas- (*Interruption*)

Mr. Akhaabi: Thank you, Mr Chairman for the permission. Listening to the hon. SG, he says once a policy decision is made on the matters raised by hon. Ogalo which to the best of my knowledge have been raised ever since I came to this Assembly in 2007, he is saying he will be able to get the money and we are looking for this money here and it is not there. Where does the hon. SG propose to get this money in the course of this financial year when we do not have it? Hon. Ogalo is looking for it like looking for a needle in a haystack.

Dr. Sezibera: Mr Chairman Sir, the money- As you know, this House has passed supplementaries before and if the policy decision was taken, we would do the way we did it when the policy decision was taken that the judge president be resident in Arusha, that the Principal Judge be resident in Arusha- Once that decision was taken, now you will have before you, hon. Members provision for that to happen within the budget.

This financial year as I said, there is a provision for a supplementary budget by this House and we would work with all the Members with Council I am sure we would find the resources that would come to this House to operationalise that policy decision.

Secondly, Mr Chair as I was saying, some of the areas identified for reduction I am not quite sure whether this is possible. One of the areas is this study on exchange rate mechanisms. I think hon. Ndahiro has clearly spoken about it. Some of these funds are funds within a project that are going to carry out this activity and it is also important that this activity be carried out.

The other areas of livestock experts- This is an area, which we have identified a real need. We do not have a livestock policy and within the Agriculture Security Action Plan, this is an area where we really need a lot of work as the debates in this House showed for those who visited the pastoralist communities.

Now to take away the money- This particular meeting was originally scheduled for six days but through negotiations and through prioritisation and coming down to cutting our cloth we can wear, it is now only three days. Reducing it by an extra day, I am not sure we will be able to get what we are looking for and it could go through the rest of the list where the Kiswahili Symposium – We are establishing a Kiswahili Commission, the decision has been taken to host it in Zanzibar- So hon. Chairperson, I would beg my colleague, hon. Ogalo to allow the Council make the policy and we will then look for the resources to operationalize that policy instead of doing it the other way round. I thank you, Sir.

Gen. Muntu: Thank you, Mr Chairman. I rise in support of the proposal from hon. Ogalo. I understand the concerns of the Council of Ministers but also understand the situation that this Parliament has been going through vis-à-vis the Council. This upgrade has been shelved for the last several years, about eight years I think from 2004.

The Council of Ministers has been sitting for all those seven or eight years, not considering taking that policy position, the Assembly has humbly waited. Now there is a time when you have got to push to make those who either are sitting or asleep to wake up.

I am sorry to use these words. Set the precedent as the Second Assembly so that the Third Assembly can take a cue therefrom. If we do not take this position now as an Assembly and simply reallocate- If they find there are shortages in those areas where money had been provided, let them go and look for a supplementary for those areas but as an Assembly, let us take a position on this.

We earn allowances, we get money and try to do things that need to be done and therefore we should take these issues seriously. You cannot let an issue stand for eight years without any movement and now this day when we are debating a budget that is when you are asking for the reconsideration. I would like to request the Second Assembly to take a position on that. Thank you, Mr Chairman.

Mr. Ogalo: Thank you, Mr Chairman. I would wish to refer to Article 132 clause 5 of the Treaty. It reads, "The resources of the Community (that is the budget) shall be utilised to finance activities of the Community as shall be determined by the Assembly on the recommendations of the Council."

Therefore, what the Council has brought here to us is a recommendation. It is this House to make a final decision on how this money shall finance and what activities.

Mr Chairman and hon. Members, these offices are there. Is upgrading them really a policy issue? In my humble view, since the offices are there, upgrading is like a promotion, simply coming from one grade to another. It is different like when you are saying let the Principal Judge and the President of the Judge be resident because there has been no residence at all. You are beginning afresh but in a situation where the offices are there and you are simply upgrading them, it is just a promotion and I don't see that it is such a big thing especially if this Assembly has consistently not only this one but the First Assembly has consistently said let these offices be upgraded.

Mr Chairman and hon. Members, I was careful because the Secretary General did hint that maybe these are some projects. I was careful. The deductions which I have talked about and which I have proposed are not from projects and they are not from the donors. They are strictly funding from Partner States. I have been very careful with that and I hope now that I have said that, the Secretary General will come my way.

Like the Secretary General said, it is painful. Precisely, that is what this House has to make-painful decisions and it has to weigh something which has been pending since 2004 as against some money \$ 138,000 which can actually be got as hon. Muntu said, through supplementary. I plead for your support, hon. Members.

Mr. Munya: Mr Chairman, you know there is no serious disagreement between what we are saying and what hon. Ogalo is saying in terms of what needs to be done. The only disagreement is the manner; the way to do it. We are all agreeing that we need to do it but we are saying we need to wait for the policy and we have undertaken to forward that policy to the full Council for approval and then as the SG said, this could be done in a supplementary budget.

Mr Chairman, if you look at the proposal hon. Ogalo has made, most of these items are actually- When they are being budgeted and this is what I have been informed, they were costed. So they were looked at specifically and costed. Once you reduce, you are basically saying that activity will not take off because they were costed from what I have been told by the officers.

If you reduce for example a study on investment from \$59,000 to \$ 19,000, I don't know what kind of study you will do. I think you would just stop doing the study.

Mr. Ogalo: Clarification. The \$ 19,000 is what we propose to remove and the \$ 50,000 is what remains. We are removing the smaller amount.

Mr. Munya: Mr Chairman, I am also looking at the printing of materials for sensitisation. If you reduce from \$81,000 to \$ 21,000, it is very difficult to do it.

The Chairman: I think there is a mistake here. It is reduced to, it is reduced by.

Mr. Munya: Oh, it is reduced by that. I remember Kiswahili for example as a competition. The costing usually is to assist even the young winners to be able to- Because previously they were coming here by bus and you see young people- You are exciting them and you want them to see the Community and then you put them in the buses. So it was increased to allow them to also have an air ticket to arrive so if you reduce it-

Mr Chairman, all we are saying is that really a delay that will give us time to do this thing in the right way and in a less messy way does not interfere with anything because it is already agreed, the House has spoken loudly. If we can be given the opportunity to do it in a less messy way, it would be more preferred than interfering with the costed estimates. Thank you, Mr Chairman.

The Chairman: Hon. Ogalo before I put to vote your proposal, are you happy with what the minister has said or-

Mr. Ogalo: Mr Chairman and hon. Members, I still stand by my position. I think that the minister has misunderstood my argument on the question of reduction. It is not doing away with the activity. If the Assembly is supposed to sit for 12 days and then you say the Assembly should only sit for ten days, it means that the Assembly will have to find a way to compact the work of the 12 days into ten days. This is all I have done. That you compact it. You don't abolish the-

How can something on your desk from 2004- How can somebody still be appealing for more time? I oppose what the minister is saying.

The Chairman: Hon. Members, I will put the question to hon. Ogalo's proposal so if you agree with the proposal you will say aye. If you are against you will say no.

(Question put and agreed to.)

The Chairman: Hon. Ogalo, I know hon. Karan has another proposal but before I go to him I think you should start telling us the amounts because we have to deduct these amounts- \$68 million and deduct \$132,000, is it? Add up the calculations and you have to know that this will be spread out between the three Organs so you have to know how to do it. It is not only in one Organ.

Mr. Karan: Thank you, Mr Chairman for giving me the opportunity to move on an issue which I believe was an oversight on the part of the Secretariat and the Council of Ministers.

This Community has always participated in election observations and some Partner States will be moving for elections; Kenya is going for elections next year and I think it would be ridiculous

for East African Community's presence not to be felt in the Partner States while you have EU and other foreign organisations like African Union coming as observers for these elections in our Partner States.

Mr Chairman, this has given the Community an opportunity to understand the Partner States and find out where the problems are so that it helps in making decisions in case there are some conflicts arising out of elections.

I think this matter has been very popular. The members of the Summit have spoken about it, the Council of Ministers have also supported it and everybody has supported it in this Community, Mr Chairman. I do believe that it was an oversight on the part of the Council of Ministers and the Secretariat not to have considered this as a Vote so that we can participate in these elections.

We may be looking upon the donors to be able to finance this but once you have made a practice and you believe in that practice, you must put your money there even if you put it as a token so that when you move to the donors and ask for funding, they will agree that it is something you believe in. But to completely leave it without any decision means we are saying that we are not interested in election observation in our Partner States, which gives us an opportunity to see what is happening.

All the Partner States where we have moved; Burundi, Rwanda, Uganda, Kenya to observe the elections have been taken very kindly and very well and I think on one occasion the Summit pronounced itself by supporting the East African Community for ensuring that they observe elections in Partner States.

That is why I said that it was an oversight and what I am merely doing is to remind the Council that we should be able to do something at this particular stage to be able to include election observation and have it with a token budget. I know what I am proposing may not be enough but it should go a long way to prove to the people we will be going to for funds to be able to hold other observations to the fact that we as a Community believe in election observation.

Mr Chairman, I intend to request that a total of about \$173,500 be found from this budget to be given to this Vote so as to be able to be operational. I know the Secretary General said that money is not an issue, it is always there and I am moving on an area that does not require policy and I believe I would put it to rest if he comes out and gives the same undertaking that immediately after accepting this as a principle then he will be able to get funds for that one.

I know these areas which we are mentioning have been budgeted for but we have been considerate. When I was going through this document, I came to realise that most of the funds which are financing these things are not from Partner States. You find Partner States- And the Secretary General rightly said painfully trying to see what you can take out of that fund and I do believe, Mr Chairman that is my intention. I want to move that we allocate some funds from some activities to be able to take care of election observation in East African Community.

Mr. Munya: Well, Mr Chairman nobody would say election observation in a Partner State is not an important activity. It is certainly a very important activity. The trouble Mr Chairman is that I am told the circumstances under which this budget was made were very constraining; very little resources and too much to do. So it is under that background that they arrived at this budget, Mr Chairman.

As I said from the beginning, there is logic to a budget and items are usually costed. When they arrive at a figure, it is not out of nothing, it is out of analysis and looking at the costs and also looking at- Because the cost is not static, it keeps going so they project on what it will cost at that particular time.

So when you remove from that activity, it becomes very difficult to undertake that activity or the quality of the activity. The quality is also compromised or if it is a service, the quality of the work you get is also compromised. As even as we do this, we need to also look at that aspect of the quality of the outcome because that also matters. Thank you, Mr Chairman.

Mr. Karan: Mr Chairman, we are in agreement with the minister that this is a very important activity and normally it comes once in Partner States and we would not want not to participate in election observations that are forthcoming in our Partner States.

I think what the minister has said is that we should just be careful when reducing some Vote heads so that we do not affect the much and that we must be able to- (*Interruption*)

Mr. Munya: Mr Chairman, I just forgot. I wanted to inform hon. Karan that the Kenyan elections are likely to come on the 4th March, which is the election date and looking at the constitutional structure, that date is not likely to change. Supplementary budgets I am informed is in January, so the SG tells me. So we can commit ourselves to put money in the supplementary budget for election observation for Kenya. So the Council is giving that undertaking. That is the information I wanted to provide.

Mr. Karan: Mr Chairman, normally supplementary budgets take care of unforeseen situations which are not there at the time of budgeting. But now if we want to regularise that some of our activities we leave to supplementary budget, I think that is bad practice which you must stop.

We have a budget now and I think it would be prudent for us to be able to allocate it unless we are in agreement that you forgot about it and you are appealing but there must be some firm commitment like the one the Secretary General was giving when he was replying hon. Ogalo that funds are not a problem, the problem is policy.

We have now come up with an issue which does not require policy but is very important to the people of East Africa and I need that commitment before I consider any other thing otherwise, Mr Chairman, let us not talk about supplementary budget on issues that are before us at the time of the main budget.

Dr. Sezibera: Thank you, Mr Chairman-

The Chairman: I think before the SG comes, I think the Committee of General Purpose when I read their report they state, "The committee notes that the request by the Office for funds for election observations by the Republic of Kenya was rejected by Finance and Administration."

Their recommendation was, "The committee took note of the anomaly that this happened and recommends that the funds be immediately, without further discussions, allocated for the purpose. It does not sense to selectively carry out election observation mission in some countries and not others. The committee would like to remind the Council of Ministers that this is a mission that is a core to the integration and cohesion of the EAC"

That is what we have. It is not about an omission but it is more that F&A has refused. That I think is what came from the response in terms of this issue.

Dr. Sezibera: Thank you, Mr Chairperson. I wanted to say that since hon. Karan has mentioned the SG twice, I think it is appropriate that I intervene on this matter.

The Secretariat did not omit this matter of funding for the election observer mission. Indeed during the discussions, a number of requests- Originally the budget that we began with had about 75 percent increase over the budget of last year but hon. Members you know the socio-economic condition under which the Partner States are operating, the environment that the hon. Chair of the Council raised in his budget speech.

Negotiations and discussions led to a point at which funds for this particular issue were not included in the current budget, not by the F&A. It is not F&A which makes the decisions, it is the Council of Ministers. They made the decision that this particular issue not be funded from the Partner States, informed by the fact that negotiations are on-going with some of our partners and we have a good indication that we will be able to get resources for this particular activity with our Partners.

Therefore, Mr Chairman, it is not an omission, it is because we know that the negotiations we are having with our partners give us confidence that we will be able to fund the election observer mission and there is some time.

The hon. Chair of Council was talking about a supplementary in January. This is in view of the fact that all funds which we source for and get come to the House for approval. We cannot bring before the House indications of support although we have a number of indications for support on this and other areas. So those indications of support cannot come before the House until we actually have a signed agreement and then at that point we can then table these matters before the House.

That is the reason you do not see this particular area in the budget. It is not because it was omitted certainly by the Secretariat but as I said, there are good indications that with our partners, we will be able to fund this particular activity.

I wish to also say, Mr Chairman that the Republic of Kenya has officially invited the East African Community to send an observer mission to observe the elections in Kenya and I wish to applaud the openness and pro-activeness of the Republic of Kenya in this matter. I thank you, Sir.

Mr. Munya: Mr Chairman, I want to first apologise for not saying this early. I am looking at Article 132 sub article 3 of the Treaty and it says, "All expenditures of the Community in respect of each financial year shall be considered and approved by the Council and it shall be met from the budget."

So Mr Chairman, what that means is that no expenditure can be undertaken before the Council approves it.

The Chairman: Why don't you read 5 as well?

Mr. Munya: 5 is okay, Mr Chairman. I have no problem. 5, “The resources of the Community shall be utilised to finance activities of the Community as shall be determined by the Assembly on the recommendations of the Council.”

The Chairman: So you have recommended and now the Assembly is determining how you do it.

Mr. Munya: The only problem is 3, Mr Chairman.

The Chairman: No, 5 takes care of 3. If you doubt, hon. Kategaya, you can go to the East African Court of Justice and get an interpretation. You are allowed to. And this is not the first time this Assembly is doing this, it has happened over the years so I don't see why Council suddenly sees 3 and not 5.

Can I say something? If you people are here taking part in the debate, you can be removed from here. I think it is these people who are supposed to be taking part in the debate. Where were we? Hon. Ogallo? Hon. Karan. I don't know why I am forgetting him today, he is usually the one who protects me but now I can see him.

Mr. Karan: Mr Chairman, before the Chair, Council of Ministers spoke, I was becoming sympathetic but after he has spoken then I now want to believe that there is commitment that can come from the Council of Ministers because he is looking for all the reasons to be able to stop this thing and all the powers that can be able to stop the Assembly from-

Originally I thought they were sincere, they were saying they are going to allocate money in the month of January and I was thinking that since we have slashed some of the funds in that proposal of hon. Ogallo, I wanted to give way but now that I have realised that there are no commitments here, Mr Chairman, let us go ahead and do what the Assembly is supposed to do.

The Chairman: So what do you want now?

Mr. Karan: Mr Chairman, I will read both of my proposals but I broke my reading glasses a few minutes ago and some of the things are not legible. In my proposal I am not even accepting the Assembly, I will take some money from the Assembly committees to be able to finance this but from this particular Vote head, I may not be very clear but there is a section where they want to hold a meeting for four delegates from each Partner State to manage EPA implementation where they want to use \$ 16,000. I am only taking half because they can handle this with the reduced number of delegates and that can be accommodated.

The other area, Mr Chairman is that they are mostly sensitisation workshops where they want to convene for two days to- Who can lend me their spectacles?

Mr Chairman, I can look at them and give the proposals. There are some Vote head areas but I broke my reading glasses before and this one is more or less going to spoil my eyes. Can I ask someone to read for me?

The Chairman: I think while you are looking for your glasses, the SG wants to say something. Hon. Muntu wants to blind you.

Dr. Sezibera: Thank you, Mr Chairman. Being a medical doctor, I am very sympathetic to the pain hon. Karan is going through and since at some point he was thinking of giving way, I wish to state before this House in no uncertain terms that the money for election observation mission will be sourced for and found. I want to make that very firm commitment. We will source for it, we will find it and transmit it to Council and I hope Council will then approve it.

Mr. Munya: Mr Chairman, the Council had heard what the SG has said and we will take him for his word so we will make sure that he has met the obligation she has undertaken and the Council also supports that obligation.

Mr. Karan: Mr Chairman, I can now see a bit of seriousness and arising from the clapping I have heard from the Members, we want to give then a second trial to be able to find funds in the next observation mission. Mr Chairman, I beg to give way.

The Chairman: Hon. Minister and hon. SG, you know these records are permanent; it is on the *Hansard* so I hope you will keep your word and I hope- Luckily most of the Members- Anything else? I think now I will put the question but hold on. Hon. Ogalo, can we have your figures, please?

...78 which will be shared out with the Secretariat, EALA and the EACJ. In essence there will be a deduction of \$ 92,052 from the Secretariat budget which now comes up to \$ 68,247,046. Hon. Members, I now put the question that the total sum of \$ 68,247,046 under Vote 001 be provided for the expenses of the East African Community Secretariat including the Defence Liaison Office and the Directorate of Customs for the Year 2012-2013.

(Question put and agreed to.)

Vote 002

The Chairman: Hon. Members, I now propose that a total sum of \$ 12,557,798 under Vote 002 be provided for the expenses of the East African Legislative Assembly for the Financial Year 2012-2013. It is an increase of \$46,026. Secretary General, you look lost. It is the first budget under the Westminster system but- You want to ask something?

Dr. Sezibera: Yes, Mr Chairman. If you could kindly repeat, I am a bit lost. The original figure for the Secretariat, as I understood it was \$ 68,339,098. I heard a figure which-

The Chairman: That we passed. Now we are on the Assembly and the figure was \$ 12,511,772. With hon. Ogalo's amendment, which he adds \$ 46,026 which was deducted from the Secretariat; it comes up to \$ 12,557,798.

Dr. Sezibera: Oh, I was under the impression that this money was coming from the Vote of the Legislative Assembly. I thought it was being shared out- Chair, in your summation between the Secretariat, the Assembly and the Court. That was the impression I got. That was the ruling.

The Chairman: The original Vote he gave was this one but when he was reading out the Vote in terms of deducting, he only deducted from you. When you were saying, aye you should have asked those things. So in essence the Vote of the Secretariat has been reduced by close to \$

92,000 average. Something like that. SG, have you got it? I know money is no issue; \$ 92,000 is nothing.

Hon. Members, I now put the question that the total sum of \$ 12,557,798 under Vote 002 be provided for the expenses of the East African Legislative Assembly for the Year 2012-2013.

(Question put and agreed to.)

Vote 003

The Chairman: Hon. Members, I now propose the question that the total sum of \$ 4,163,236 under Vote 003 be provided for the expenses of the East African Court of Justice for the Financial Year 2012-2013.

Again it is the same issue. It has been increased by \$ 46,026.

I now put the question that a total sum of \$ 4,163,236 under Vote 003 be provided for the expenses for the East African Court of Justice for the Financial Year 2012-2013.

(Question put and agreed to.)

Vote 004

The Chairman: Hon. Members, I propose the question that the total sum of \$ 40,039,716 under Vote 004 be provided for the expenses of the Lake Victoria Basin Commission for the Financial Year 2012-2013.

Hon. Members, I now put the question that a total sum of \$ 40,039,716 under Vote 004 be provided for the expenses of the Lake Victoria Basin Commission for the Financial Year 2012-2013.

(Question put and agreed to.)

Vote 005

The Chairman: Hon. Members, I propose the question that the total sum of \$ 10,105,618 under Vote 005 be provided for the expenses of the Inter University Council of East Africa for the Financial Year 2012-2013.

Hon. Members, I now put the question that a total sum of \$ 10,105,618 under Vote 005 be provided for the expenses of the Inter University Council of East Africa for the Financial Year 2012-2013.

(Question put and agreed to.)

Vote 006

The Chairman: Hon. Members, I propose the question that the total sum of \$ 3,203,041 under Vote 006 be provided for the expenses for the Lake Victoria Fisheries Organisation for the Financial Year 2012-2013.

Hon. Members, I now put the question that a total sum of \$ 3,203,041 under Vote 006 be provided for the expenses for the Lake Victoria Fisheries Organisation for the Financial Year 2012-2013.

(Question put and agreed to.)

MOTION FOR THE HOUSE TO RESUME

Mr. Munya: Mr Chairman, I beg to move that the House do resume and the Committee of Supply and the Committee of Ways and Means report thereto.

The Chairman: Seconded. Hon. Members, I now put the question that the House do resume.

(Question put and agreed to.)

REPORT OF THE COMMITTEE OF WAYS AND MEANS AND THE COMMITTEE OF SUPPLY

Mr. Munya: Mr Speaker Sir, I beg to report of the Committee of Ways and Means has considered and approved the financial statements and the Committee of Supply has considered and approved the budget for the East African Community totalling \$ 138,316,455 for the Financial Year 2012-2013.

MOTION FOR ADOPTION OF THE REPORT OF THE COMMITTEE

Mr. Munya: Mr Speaker Sir, I beg to move that the report of the Committee of Ways and Means and the Committee of Supply be adopted.

The Speaker: Seconded. Hon. Members, I now put the question that the report of the Committee of the Whole House be adopted.

(Question put and agreed to.)

The Speaker: I would like to say hon. Munya by name because I think he is the only minister who has passed two budgets in this House. *(Applause)* I can see his dedication to this House because last year he was the Chairperson of Council and this year he is also again the Chairperson of Council.

(Applause)

We wish him well. I can see the dedication he has for EAC so whatever he is going to do, I think some of us will not be here but wherever he goes, we wish him well in what he is looking for. But as a House I think we want to thank you for your dedication to this Assembly.

THE EAST AFRICAN COMMUNITY APPROPRIATION BILL, 2012

BILLS'

SECOND READING BY WAY OF MOTION

Mr. Munya: Mr Speaker, I beg to move that the East African Community Appropriation Bill number 2012 be read for the Second Time.

The Speaker: Seconded.

Mr. Munya: Mr Speaker, this is a Bill to make provision for the appropriation out of the budget of the East African Community of specified amounts of money for the services and purposes of the Community for the Financial Year ending 30th June 2013.

The Speaker: Hon. Members, the proposal on the floor is that the East African Community Appropriations Bill, 2012 be read for the Second Time. Debate is open.

Dr. Masha Lwanyatika (Tanzania): Mr Speaker, I rise to support the motion and to use this opportunity to make a few remarks about the five years that I have been a Member of this Assembly.

It has been a wonderful period in my life, I made a lot of new friends, I learnt a lot about East Africa and I hope together we have made a contribution however humble towards the realisation of a dream long held by our people and leaders of a federated East Africa. I will always cherish these years as a fitting full stop to my political career.

I thank the United Democratic Party and the Parliament of Tanzania for having given me this unique opportunity to save our people.

Mr Speaker, I wish to pay tribute to you personally. You have always been kind and helpful to me but more important, you have given the Assembly a very high profile in East Africa and abroad.

(Applause)

You have my prayers and high expectations in your new endeavours. For those who will continue as well as the incoming Members, I wish you the best. Together with the other organs under the Treaty, you have a mission to take us to a federal East Africa. You will need the cooperation of all to get us there and beyond.

It is important to realise that we are engaged in multi-lateral negotiations albeit at a regional level, which will result in fundamental changes for our governments and our people. Protocols, laws, agreements etc. will be negotiated instruments and these will require patience and tolerance among all the parties to ensure that whatever we pass has a solid foundation of acceptance by all the governments and the people of East Africa.

Mr Speaker, every time I have travelled in our five countries, the most appalling discovery has been how uninformed most East Africans are about the on-going integration process and the intended goal of a political federation.

The acceptance of integration will depend to a large extent on a very aggressive public information program. Yes, I have heard of branding, corporate communication etc. These are not

doing the job. I call upon the Council of Ministers to establish a small panel of public information specialists to propose an appropriate public information strategy and program.

I know we have passed legislation covering different subjects. Sometimes I have wondered whether the topics we legislate on would in a federal structure be matters requiring federal laws, state laws or municipal laws. I submit that some Bills have been on issues which might ultimately be reserved to state legislatures. I appeal to the Summit to direct the drafting of a federal constitution because this could clarify matters over which EALA can appropriately legislate.

As we move to a Monetary Union and a single currency, the dream of a federal East Africa will start to become real to all East Africans. We shall have crossed the rubicle so to say to a new era of a one people, one destiny.

The people of East Africa are anxiously waiting and I hope that I can live to see this dream come true.

Finally, Mr Speaker, as we pursue East African Political Federation, we must leave the door open for the eventual realisation of a higher Pan-African dream, a dream to rid ourselves of the legacy of centuries of humiliation of African peoples and the plunder of our continent, a dream that seeks strength in the unity of Africa, leading ultimately, hopefully to a continental government.

Mr Speaker, I thank you and God bless all of you.

(Applause)

The Speaker: Hon. Members, I don't see anybody else who wants to say something. Those are kind words and thank you for them. I now put the question that the East African Community Appropriation Bill, 2012 be read for the Second Time.

(Question put and agreed to.)

BILLS'

SECOND READING

THE EAST AFRICAN COMMUNITY APPROPRIATION BILL, 2012

BILLS'

COMMITTEE STAGE

Clause 1

The Chairman: Hon. Members, I propose that Clause 1 be part of the Bill. Hon. Members, I now put the question that Clause 1 be part of the Bill.

(Question put and agreed to.)

Clause 2

The Chairman: Hon. Members, I propose that Clause 2 be part of the Bill.

Mr. Munya: Thank you, Mr Chairman. I wanted to move an amendment on Clause 2 so that the Clause 2 is amended by replacing the words, “One hundred and thirty seven million, seven hundred and twenty three thousand, one hundred and three” with the new words “one hundred and thirty eight million, three hundred and sixteen thousand, four hundred and fifty five.”

Mr Chairman, this is an amendment that was already done in the main budget. Therefore, we have to amend the Appropriation Bill to reflect the correct position.

The Chairman: Hon. Members, I now put the question that Clause 2, as amended, be part of the Bill.

(Question put and agreed to.)

Clause 3

The Chairman: Hon. Members, I propose that Clause 3 be part of the Bill. Hon. Members, I put the question that Clause 3 be part of the Bill.

(Question put and agreed to.)

Clause 4

The Chairman: Hon. Members, I propose that Clause 4 be part of the Bill. Hon. Members, I put the question that Clause 4 be part of the Bill.

(Question put and agreed to.)

The Schedule

The Chairman: Hon. Members, I propose that the Schedule be part of the Bill.

Mr. Munya: Mr Chairman, even if I start, my amendments will not make sense because you will still have to make a case on mine so it will be an exercise in futility.

Mr. Ogalo: To the Schedule, Mr Chairman I wish to point out because of the amendments, which were made, I wish to point out those areas and the amounts of figures. The first one is Milestone M2 performance activity P105 B01 C07 with the sum of \$ 19,500.

The second is Milestone M2 performance activity P105 B01 C09 with a reduction from there of \$ 11,000.

The third one is Milestone M2 that is the one of the meeting on the livestock experts from Partner States with a reduction of \$ 18,120.

The next Milestone M2 essay writing competition \$ 29,050.

Lastly Mr Chairman Sir and hon. Members, the Kiswahili Symposium a reduction of \$ 17,788. This will bring a total of \$ 138,078.

The Chairman: So give us the figures that will come under the different Votes.

Mr. Ogalo: The figures which will come will be: the Secretariat is now \$ 68,247,046. The one for the East African Legislative Assembly is \$ 12,557,798 and the one for the East African Court of Justice of \$ 4,163,336.

The Chairman: The total?

Mr. Ogalo: Mr Chairman, the total- I think that is what the minister came up with. He added the 130-

The Chairman: I think the minister will help you in that one.

Mr. Munya: Mr Chairman, I would like to move this amendment on the total for the total. Instead of reading \$ 137,723,103, the new figure should read \$ 138,316,455.

The Chairman: Hon. Members, I now put the question that the Schedule as amended be part of the Bill.

(Question put and agreed to.)

The Title

The Chairman: Hon. Members, I propose that the Title be part of the Bill. Hon. Members, I put the question that the Title be part of the Bill.

(Question put and agreed to.)

MOTION FOR THE HOUSE TO RESUME

Mr. Munya: Mr Chairman, I beg to move that the House do resume and the Committee of the Whole House reports thereto.

The Chairman: Seconded. Hon. Members, I now put the question that the House do resume.

(Question put and agreed to.)

REPORT FROM THE COMMITTEE OF THE WHOLE HOUSE

Mr. Munya: Mr Speaker, I beg to report that the Committee of the Whole House has considered the Bill entitled the East African Community Appropriation Bill, 2012 and passed it with amendments.

MOTION FOR ADOPTION OF THE REPORT OF THE COMMITTEE OF THE WHOLE HOUSE

Mr. Munya: Mr Speaker, I beg to move that the Report of the Committee of the Whole House be adopted.

The Speaker: Seconded. Hon. Members, I now put the question that the report of the Committee of the Whole House be adopted.

(Question put and agreed to.)

THE EAST AFRICAN COMMUNITY APPROPRIATION BILL, 2012

BILLS'

THIRD READING BY WAY OF MOTION

Mr. Munya: Mr Speaker, I beg to move that the East African Community Appropriations Bill, 2012 be read for the Third Time and do pass.

The Speaker: Seconded. Hon. Members, I put the question that the East African Community Appropriations Bill, 2012 be read for the Third Time and do pass.

(Question put and agreed to.)

THIRD READING OF THE BILL

A BILL FOR AN ACT ENTITLED THE EAST AFRICAN COMMUNITY APPROPRIATION ACT, 2012

The Speaker: Hon. Members, we have come to the end of business today. I would like to congratulate the Council. I think this time it was much easier than many years in terms of passing the budget. I congratulate you and the Secretary General and all the staff of the Community for the good job they have done.

Usually during this period it becomes very difficult but I think this time it is much easier because I can even see members of the EAC Secretariat staff smiling, which means things were not so bad. I would like to congratulate them for a job well done in this particular budget.

I would also like to congratulate the General Purpose Committee for being vigilant over the years and for the good job they have done in terms of making sure what should have been done is done. So I would like to congratulate the committee. I can see the CTC smiling as well today.

I think we are seeing the promised land and I hope the minister who actually brought this suggestion will make sure that as Council, they are going to put this policy- You know usually when they say policy, they say there is no money. They do not talk of policy. Now the money is there and it is only them now. We don't blame F&A or anybody. So I think now the Council has given us their undertaking on this floor to push that agenda and hopefully after eight years, this will happen.

I would also like to say that the Council and Secretary General have invited us to a cocktail tomorrow evening in honour of hon. Members of the Second Assembly. This will take place at Mt Meru Hotel at 1900. I think you have already got your invitations. You are getting it now.

(Laughter)

You are expected to be at Mt Meru. They are not happy to see us off, they are just happy to have been with us for the last five years. So let us come and enjoy ourselves tomorrow evening and we thank them for the invitation. *Asanteni sana.*

(Applause)

Finally hon. Members, as you are aware, the East African Parliamentary Institute was assented to. *(Applause)* It is something we have fought for a very long time and even though we had a lot of hurdles, the Summit saw it in its wisdom to assent to the Bill so the East African Parliamentary Institute- So as we leave, one of the legacies we are leaving as an Assembly is not just the law but we are launching it tomorrow as well. So we will have a brief ceremony just before the plenary tomorrow at 2.00 p.m. so as to launch it and we can leave something behind. You are all invited.

Hon. Members, with those few remarks, I would like to say that House business tomorrow morning at 9.00 a.m. It is not 10.00 a.m. so we will be meeting at 9.00 a.m. tomorrow.

With those few remarks, I would like to adjourn the House until tomorrow 2.30 p.m.

(The House rose atand adjourned until Thursday, 31 May 2012 at 2.30 p.m.)