

**EAST AFRICAN COMMUNITY  
EAST AFRICAN LEGISLATIVE ASSEMBLY**



**COMMITTEE ON GENERAL PURPOSE**

**REPORT OF THE COMMITTEE ON GENERAL PURPOSE ON THE  
EAST AFRICAN MONETARY INSTITUTE BILL, 2017  
12<sup>TH</sup> MARCH, 10<sup>TH</sup>, 12<sup>TH</sup> 16<sup>TH</sup> AND 18<sup>TH</sup> APRIL 2018  
DODOMA, UNITED REPUBLIC OF TANZANIA**

**Clerk's Chamber  
EAC Headquarters  
EALA Wing, 3<sup>rd</sup> Floor  
Arusha, TANZANIA**

**19<sup>th</sup> April 2018**

## **1.0 Functions of Committees**

**Rt. Hon. Speaker Sir;**

In accordance with Rule 79 and Rule 81 of the Rules of Procedure of the East African Legislative Assembly Standing Committees are the basis of the Committees to carry out their roles and functions. Standing Committees are mandated to carry out the following functions:-

- a. to examine, discuss and make recommendations on all Bills laid before the Assembly;
- b. to initiate any Bill within their respective mandate;
- c. to assess and evaluate activities of the Community
- d. to carry out relevant research in their respective mandate;
- e. to examine policy matters affecting their subject areas;
- f. to initiate or evaluate action programmes under those subject areas and to make appropriate recommendations thereon;
- g. to examine the Community's recurrent and capital budget estimates; and
- h. to report to the Assembly on their functions

Further, the mandate of the Committee on General Purpose revolves around the oversight of the progress made in the implementation of provisions in accordance with Annex 5 (F) of the provisions of the Rules of Procedure of the Assembly, addressing matters of general application on the EAC in relation to the roles and functions of the EALA and for the efficient discharge of its duties. The Committee initiates studies and investigations, calls for and receives reports of the work of bodies, programmes and projects on such matters. As the Committee may find appropriate, upon the receipt of reports from EAC and Sectoral Committees; they refer certain matters to such Committees for further study and reporting thereto. The Committee hinges on the oversight work of cooperation in the development of Human Resources, Science and Technology (Chapter 16 of the Treaty), Health, Social and Cultural Activities (Chapter 21 of the Treaty) and enhancing the Role of Women in socio-economic development, (Chapter 22 of the Treaty) and the Pre-Budget function.

## **2.0 Membership of the Committee**

1. Hon. Aden Omar Abdikadir	Chairperson
2. Hon. Ayason Mukulia Kennedy	Member
3. Hon. Dr. Kalinda Francois Xavier	Member
4. Hon. Dr. Makame Abdullah Hasnuu	Member
5. Hon. Duop Kim Gai	Member
6. Hon. Eng. Maassay Pamela Simon.	Member
7. Hon. Gasinzigwa Oda	Member
8. Hon. Gatkek Dut Thomas	Member
9. Hon. Karerwa Mo-Mamo	Member
10. Hon. Namara Dennis	Member
11. Hon. Nduwayo Christopher	Member
12. Hon. Nooru Adan Mohamed	Member
13. Hon. Nzeyimana Leontine	Member
14. Hon. Odongo George Stephen	Member
15. Hon. Opoka-Okumu Christopher	Member
16. Hon. Sergon Jematiah Florence	Member
17. Hon. Ussi Maryam Yahya	Member
18. Hon. Uwumukiza Francoise	Member

## **3.0 Introduction**

### **Rt. Hon. Speaker;**

In accordance with Article 59 of the Treaty for the Establishment of the East African Community and Rules of 61 (1) (2) as well as Rules 65 and 68 of the Rules of Procedure of the East African Legislative Assembly, the Committee on General Purpose considered the EAC Monetary Institute Bill, 2017. The Bill was introduced to the Assembly by the Council on 8<sup>th</sup> February 2018 in Kampala, Uganda during the 2<sup>nd</sup> Meeting of the 1<sup>st</sup> Session of the 4<sup>th</sup> Assembly. The House referred the Bill to the Committee of General Purpose for consideration.

The object of the Bill is to establish the East African Monetary Institute as an Institution of the Community responsible for the preparatory work for the East African Community Monetary Union in accordance with Article 23 of the Protocol on the Establishment of the East African Community Monetary Union to provide for the functions, governance, funding and Headquarters of the Institute; and to provide for other related matters.

#### **4.0 Justification for Bill**

##### **Rt. Hon. Speaker;**

Article 23 of the Protocol on the Establishment of the East African Community Monetary Union enjoins the Summit on the recommendation of the Council of Ministers to establish the East African Monetary Institute as an Institution of the Community responsible for the preparatory work for the East African Monetary Union. The Protocol envisages that the East African Monetary Institute shall undertake the preparatory work, which is necessary for the establishment of the East African Community Monetary Union, one of the four pillars of the integration.

The bill therefore seeks to give effect to Article 23 of the Protocol by providing for the establishment of the East African Monetary Institute as an Institution of the Community in accordance with Article 9 of the Treaty.

#### **5.0 Provisions of the Bill**

The Bill has twenty clauses divided into 5 parts as follows:

##### **PART I – PRELIMINARY**

1. Short title and commencement.
2. Interpretation.

##### **PART II – THE EAST AFRICAN MONETARY INSTITUTE**

3. The East African Monetary Institute
4. Functions of the Institute
5. Cooperation with the Partner States , Organs and Institutions of the Community
6. Cooperation with regional and International Organizations

7. Headquarters of the Institute
8. Independence of the Institute

### **PART III – GOVERNANCE OF THE INSTITUTE**

9. Governing Council
10. Committees of the Governing Council
11. Director General and Deputy Directors General
12. Organizational structure and staff of the institute

### **PART IV – FINANCIAL PROVISIONS**

13. Financial year
14. Funding and budget
15. Annual accounts and auditing

### **PART V – MISCELLANEOUS PROVISIONS**

16. Reporting obligations
17. Confidentiality
18. Power to make regulations and guidelines
19. Status, privileges and immunities
20. Dispute settlement

## **6.0 Methodology**

### **Rt. Hon. Speaker;**

On the 12<sup>th</sup> March 2018, the Committee met with; the Deputy Secretary General of The East African Community for Planning and Infrastructure, Eng. Steven Mlote, Dr. Pantaleo Joseph Kessy, Principal Economist at the Secretariat and Mr. Denis Kibirige, Principal Legislative Draftsman who presented the background and content of the bill. The interaction clarified issues and provided explanations to questions and concerns raised by the Committee.

The Committee also met with the Council of Ministers on Monday 16<sup>th</sup> April 2018. The Council of Ministers was represented by the Chairperson of the Council of Ministers, Hon. Julius Wandera Maganda, State Minister, Ministry for East African Community Affairs, Republic of Uganda, Hon. Peter Munya, Cabinet Secretary for East African Community Affairs and Northern Corridor, Republic of Kenya and Hon.

Olivier Nduhungirehe, Minister of State in the Ministry of Foreign Affairs, Cooperation and East African Community, Republic of Rwanda. The Secretariat was represented by Hon. Bazivamo Christophe, Deputy Secretary General of the East African Community, for Productive and Social Sectors and the Hon. Dr. Anthony Kafumbe, Counsel to the Community as well as Mr. Denis Kibirige, the Principal Legislative Draftsman.

As a result of extensive interactions with the Deputy Secretaries General and the Council of Ministers on the details of the Bill, the Committee made a number of observations and subsequent recommendations in form of amendments to the Bill.

**(Minutes of the Committee meetings are attached as Annex 2)**

## **7.0 Committee Observations**

The Committee made the following observations and recommendations:

7.1 The Committee observed that the year 2017 was not valid given the date of tabling of the Bill before the Assembly and its subsequent consideration. Therefore, the Committee recommended replacing it with the year **2018**.

7.2 The Committee observed that the Republic of South Sudan was not included under the definition as a Partner State in Clause 2. The Committee therefore amended the definition "Partner States" by adding. **The Republic of South Sudan.**

7.3 The Committee observed that the Bill does not provide for Transitional provisions that reflect the interim status and dissolution of the Institute whose mission will be completed as shown by the Roadmap for the realisation of the Monetary Union. The Committee therefore recommended that a new clause relating to dissolution and transitional provisions be added to the Bill.

7.4 The Committee made observations with regard to appointment of the Director General and Deputy Directors General with regard to the following:

7.4.1 The Committee observed that there was no clarity in the Bill on observance of Gender balance in the appointment of officers of the Institute. The Committee recommended that gender balance be taken into account in appointment of the

Director General and the two Deputy Directors General. The Committee recommended that Clause 11 be amended to that effect.

7.4.2 The Committee further observed that the number of the Deputy Directors General should reflect representation of all Partner States. However, on the Committee's proposal of appointing six Deputy Directors General each representing a Partner State, the Committee was informed by the Council of Ministers that the scope of activities of the Institute were not enough to merit such a number of officers and would also be costly for the Community. Additionally, the Council noted that there was need to reflect the position of the East African Community Heads of State Directive during the 19<sup>th</sup> Ordinary Session of the EAC Heads of State Summit held on 23<sup>rd</sup> February 2018 in Kampala, Uganda that the Deputy Secretaries General of the Community be two in number. The necessary restructuring was being implemented in the East African Community. The Committee agreed with the explanation and position presented by Council on this matter.

7.4.3 The Committee observed that there was no clarity on the modalities of holding office for the Director General and the two Deputy Directors General. The Committee therefore recommends that the Office of the Director General and Deputy Directors General are held on **rotational basis**.

7.4.4 The Committee observed that with regard to the position of the Director General, the requisite qualifications of a Master's degree in Economics, Banking and Finance was limiting and there was need to expand the fields of study to open up opportunities for qualified applicants in related fields. In this regard, the Committee recommends that it should include management, business administration, law and "any other related field" as per the amendment.

7.4.5 In earlier discussions with Deputy Secretaries General for Planning and Infrastructure, the Committee was of the view that a "**fit and proper person**" as listed among the requirements for the Office bearers under Clause 11 (5) (b) and 11 (6) (b) was an improper and ambiguous description that should be deleted. However, Members of the Committee revisited the Article during the subsequent meetings and agreed that this was a legal term that denotes among others, all aspects of character, integrity and soundness of mind that could be considered



before appointment of the Officers. It was therefore agreed that the terms "fit and proper person" be maintained.

**Rt. Hon. Speaker;**

7.4.6 The Committee observed that the Bill only specified a job title of one Deputy Director General for Finance and Administration without specifying the other. The Committee further observed that while there was no clarity between the function of the two Deputy Directors General, there was a function of Monetary and Fiscal Policies for the Institute under Clause 4 of the draft Bill. The Committee therefore recommends that the title for the Second Deputy Director General to be for "**monetary and fiscal policies**". This proposal was also accepted and agreed to by the Council.

7.4.7 With regard to qualifications, the Committee observed that the requirement under Clause 11 (6) (c) was more comprehensive with a wider scope of qualifications in addition to banking, economics and finance and "**any other relevant field**". Therefore, sub Clause (6) (c) was adopted and maintained providing separately but uniformly for the positions of the two Deputy Directors General.

7.4.8 The Committee observed that there was need to reduce the requisite years of experience for the position under 11 (5) (d) Clause 11 (6) (d) from 15 to 10 years.

In the meeting with the Council of Ministers, the Council explained to the Committee that given the fact that the Deputy Directors General were expected to interact with high profile executives such as Governors of Central Banks and that it was necessary for the person to be able to engage with them exhibiting competence, expertise and appropriate demeanour.

The Council further informed the Committee that during the stakeholder engagements on the bill, the professional bodies proposed the minimum of 15 years of experience as a requirement for the Director General and the Deputy Directors General. The Committee was also informed that the standard is also applied in the EAC Secretariat at the level of Director and therefore, it would not be tenable to reduce the requisite experience to 10 years only as was strongly proposed by the Committee with intention of giving a chance to the youthful East



Africans who may apply for the positions. After lengthy deliberations on the matter with Council, the Committee accepted to retain 15 years' experience with 5 being at relevant managerial level as was proposed by the Council in the Bill.

## **7.5 The range of stakeholder consultations on the Bill**

### **Rt. Hon. Speaker;**

The Committee was informed by the Council of Ministers that the following stakeholders were identified as important stakeholders and consulted during the stakeholder engagements:

1. Ministers responsible for Finance,
2. Central Banks,
3. National Statistics Offices,
4. Ministers responsible for EAC Affairs,
5. Capital Market Authorities,
6. Insurance Regulatory Authorities
7. Pensions Regulatory Authorities
8. Attorneys General Chambers
9. Banker's Association, and
10. Private Sector.

The Committee was informed that the draft Bill was approved by the Sectoral Council on Finance and Economic Affairs and forwarded to the Sectoral Council on Legal and Judicial Affairs who reviewed the Bill and recommended it for adoption by Council of Ministers. The Council considered and approved the Bill and forwarded it to the Assembly for consideration and enactment.

### **Rt. Hon. Speaker;**

While the Committee was generally satisfied with the range of stakeholders that were consulted, it however noted that the Civil Society, the East African Business Council and the general public were not consulted.

In this regard, the Committee was of the view that an important section of stakeholders were left out of the consultations thus raising concerns about how comprehensive and representative the consultations had been. The Committee expressed serious concerns at the omission and emphasised the fact that given

time, the Committee would ideally have carried out Public Hearings to ascertain, among others, that all the major stakeholders had been adequately consulted.

With regard to the Committee's proposal to carry out Public Hearings, the Council of Ministers informed the Committee that the Bankers Association as well as the Private Sector had been consulted but the East African Business Council and Civil Society were not consulted. The Council of Ministers added that since the Bankers Association and the Private Sector had been consulted during the negotiations, the Committee could still consult the East African Business Council during the consideration of the Bill. The Council of Ministers urged the Committee to consider that the consultations had been as comprehensive as possible during the drafting of the Bill.

The Committee undertook to seek the views of the East African Business Council which was deemed to be an important stakeholder. A letter was written to the Chief Executive Officer on Monday 16<sup>th</sup> April 2018. Subsequently, the Committee received written comments in a letter dated 18<sup>th</sup> April 2018. The Chief Executive Officer, Ms. Lillian Awinja expressed appreciation for the opportunity to contribute to the Bill and congratulated EALA on the ongoing work toward establishment of key Institutions for the EAC Monetary Union. Ms. Awinja urged the Assembly and the EAC to expedite implementation which was long overdue as it should have been in place by 2015. It was pointed out that the functions could be expanded to include, among others, attainment of macroeconomic convergence criteria and determination of conversion rates and design of the single currency. **(Attached as Annex 3)**

The Council of Ministers informed the Committee that while it understood the Committee's position, there were neither funds nor adequate time available to undertake Public Hearings. The Council further reminded the Members that it was not the usual practice for the Assembly to undertake Public Hearings on Council Bills because it was considered that adequate consultations are carried out before the drafting of the Bills.

While the Committee understood the explanations provided, it was recommended that in future consultations be carried out as comprehensively as possible to ensure all stakeholders are consulted.

7.6 The Committee expressed regret at the fact that the Council submitted the Bill late before the Assembly which undermines the Assembly's duty to carry out due diligence on the Bill. The Committee considered it unacceptable as it undermines the spirit of public participation.

The Council of Ministers acknowledged that the Bill was indeed late since the negotiations and signing of the EAC Monetary Union had concluded after two years and came into force in 2013. However the Council expressed confidence that going forward, after consideration by the Assembly, it would be able to fast track implementation as per the Directive of the 19<sup>th</sup> Ordinary Session of the EAC Heads of State held on 23<sup>rd</sup> February 2018 in Kampala, Uganda. The Heads of State in the Communique issued after the meeting, directed the Council to expedite the establishment of the Monetary Institute and other Institutions according to the roadmap of the East African Monetary Union.

The Committee informed the Council of Ministers that on the issue of the tabling of the report late was highly irregular and although the Committee received the explanations given, it was still considered unacceptable and did not facilitate comprehensive consideration of the Bill. It was therefore strongly recommended that in future, all Council Bills be tabled in time to give ample time for the Assembly to fulfil its mandate.


## **8.0 Resolution**


**The Committee therefore presents its report to the Assembly and recommends that the report with the schedule of amendments (herein Annexed) be adopted.**





**REPORT OF THE COMMITTEE ON GENERAL PURPOSE ON THE EAST AFRICAN  
MONETARY INSTITUTE BILL, 2017**

1. Hon. Aden Omar Abdikadir
2. Hon. Ayason Mukulia Kennedy
3. Hon. Dr. Kalinda Francois Xavier
4. Hon. Dr. Makame Abdullah Hasnuu
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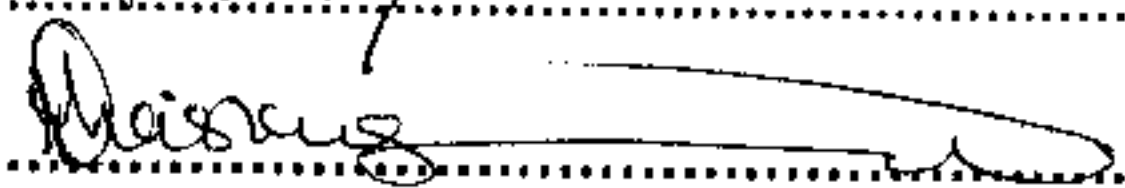
  
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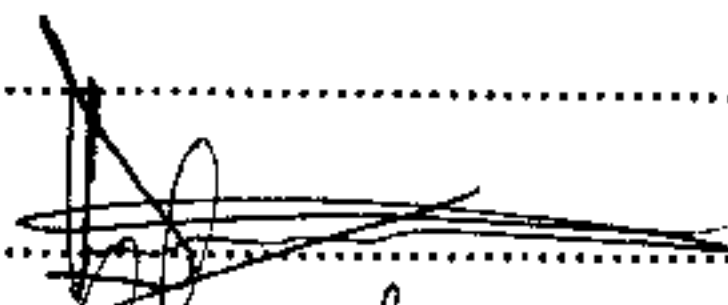
  
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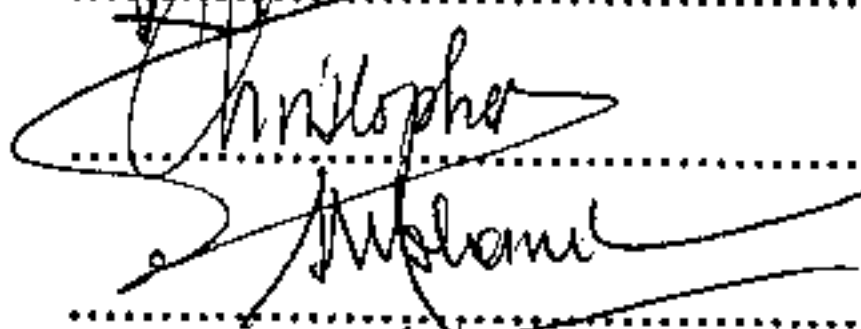
  
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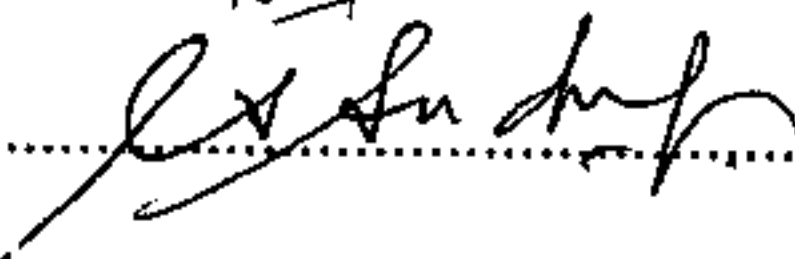
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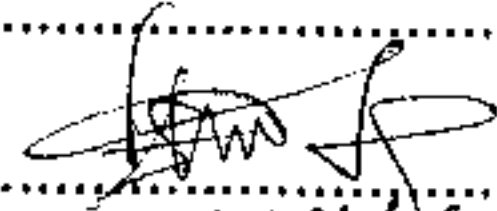
  
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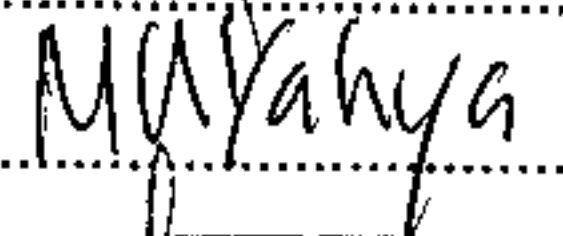
  
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ANNEX 1

SCHEDULE

AMENDMENTS PROPOSED TO THE EAST AFRICAN MONETARY INSTITUTE BILL, 2017 BY THE GENERAL PURPOSE COMMITTEE.

1. Clause 1(1), pg. 3.

DELETE the year "2017" and insert "2018"

JUSTIFICATION

To provide for the correct year in the short title to the Bill.

2. Clause 2, pg. 4

(a) Immediately after the definition of "East African Central Bank", INSERT the following definition-

"fit and proper" means possessing all the attributes to be taken into account in determining the suitability of a person to be appointed as Director General or Deputy Director General, including the person's general probity, competence and soundness of judgement for the fulfilment of the responsibilities of the office;"

JUSTIFICATION

To remove the definition of fit and proper from clause 11 (7) and include it with the rest of the definitions in clause 2.

(b) In the definition of "Partner State", insert "the Republic of South Sudan" immediately after "the Republic of Rwanda"

JUSTIFICATION

To include the Republic of South Sudan which is one of the Partner States in the definition.

3. Clause 11 (1), page 9

Insert immediately after the words "Deputy Directors General", the words "*one in charge of finance and administration and one in charge of monetary and fiscal policies,*"

## JUSTIFICATION

To separate the functions of the two Deputy Directors General with one Deputy Director General handling technical and monetary policy matters while the other Deputy Director handles operational administrative matters.

### **4. Clause 11 (2), page 9**

**DELETE** clause 11(2) and **insert** the following:

“(2) The Director General and Deputy Directors General shall be appointed by the Summit on the recommendation of the Council in accordance with the EAC Staff Rules and Regulations, following a competitive recruitment process.”

## JUSTIFICATION

To merge subclause (2) with subclause (4) which are providing for similar matters and remove the duplication and repetition of the appointment process from the two provisions.

### **5. Clause 11, page 9**

Immediately after subclause (2), **insert** the following -

“(2a) The Summit shall consider gender balance when appointing the Director General and Deputy Directors General.”

## JUSTIFICATION

To provide for gender balance in the top management of the Institute.

### **6. Clause 11(4)**

**DELETE** subclause (4)

## JUSTIFICATION

Consequential amendment to the proposal in 4 (above)

### **7. Clause 11(5), page 10**

(a) Delete the words “or a Deputy Director General”;

## JUSTIFICATION

To remove the reference to Deputy Director General since the qualifications of the Deputy Director General are provided for in sub clause (6);

(b) **DELETE** paragraph (c) and **INSERT** the following:

“(c) holds at least a Masters degree in the field of economics, management, business administration, finance, banking, law or any other relevant field from a university recognised by a competent authority in a Partner State; and”

## JUSTIFICATION

To broaden the fields from which candidates may be sought for appointment as Director General.

8. **Clause 11(6) , page 10**

**DELETE** paragraph (c) and **INSERT** the following

“(c) holds at least a Masters degree in the field of economics, management, business administration, finance, banking, law or any other relevant field from a university recognised by a competent authority in a Partner State; and”

## JUSTIFICATION

To broaden the fields from which candidates may be sought for appointment as Deputy Director General.

9. **Clause 11, page 10**

Immediately after subclause (6), **INSERT** the following new subclause -

(6a) A person is qualified for appointment as a Deputy Director General in charge of in charge of monetary and fiscal policies if that person—

- (a) is a national of a Partner State;
- (b) is a fit and proper person of recognised professional standing in the Partner States;

- (c) holds at least a Masters degree in the field of economics, management, business administration, finance banking or any other relevant field from a university recognised by a competent authority in a Partner State; and
- (d) has at least 15 years' experience in the fields specified in paragraph (c), five of which shall be at management level."

JUSTIFICATION

To provide for the qualifications of the Deputy Director General in charge of monetary and fiscal policies.

**10. Clause 11 (7), page 11**

DELETE subclause (7)

JUSTIFICATION

Consequential amendment. The definition has been proposed to be included in clause 2 which provides for definitions.

**11. Clause 11 (10) , page 11**

DELETE subclause (10) and INSERT the following:

"(10) The Director General and Deputy Directors General shall be appointed from different Partner States on a rotational basis."

JUSTIFICATION

To provide for the Director General and Deputy Directors General to originate from different Partner States and to hold office on a rotational basis in accordance with the recruitment policies of the Community that are aimed at providing representation of all the Partner States in the staff of the Community.

12. Clause 12 (2), page 12

INSERT immediately after the word "Institute", the following –

*"in accordance with the EAC Staff Rules and Regulations"*

#### JUSTIFICATION

To ensure that the recruitment of staff is done in accordance with Regulation 20 of the EAC Staff Rules and Regulations which provides for competition, representation of Partner States, gender balance, need to secure the highest standards of efficiency and competence as well as complying with other principles and rules governing the recruitment of staff in the Community.

#### **13. Insertion of new clause 19A**

Immediately after clause 19, INSERT a new clause as follows:

##### ***"19A. Dissolution of Institute***

- (1) The Institute shall stand dissolved upon the establishment of the East African Central Bank.*
- (2) All assets and liabilities of the Institute at the time of dissolution of the Institute shall vest in the East African Central Bank."*

#### JUSTIFICATION

To reconcile the Bill with Article 23 of the Protocol on the Establishment of the East African Community by providing for the transitional nature of the Institute since it is intended that after doing the preparatory work, for the Monetary Union, the Institute will be transformed into the East African Central Bank.





# **ANNEX 2**



**EAST AFRICAN COMMUNITY  
EAST AFRICAN LEGISLATIVE ASSEMBLY**



**MINUTES OF THE THIRD MEETING OF THE COMMITTEE ON GENERAL PURPOSE  
HELD ON MONDAY 12<sup>th</sup> MARCH 2018 IN COMMITTEE ROOM 1307, EAC  
HEADQUARTERS, ARUSHA, UNITED REPUBLIC OF TANZANIA**

**Present:**

- |                                     |             |
|-------------------------------------|-------------|
| 1. Hon. Aden Omar Abdikadir         | Chairperson |
| 2. Hon. Ayason Mukulia Kennedy      | Member      |
| 3. Hon. Dr. Kalinda Francois Xavier | Member      |
| 4. Hon. Dr. Makame Abdullah Hasnuu  | Member      |
| 5. Hon. Eng. Maassay Pamela Simon   | Member      |
| 6. Hon. Gasinzigwa Oda              | Member      |
| 7. Hon. Gatkek Dut Thomas           | Member      |
| 8. Hon. Karerwa Mo-Mamo             | Member      |
| 9. Hon. Namara Dennis               | Member      |
| 10. Hon. Nduwayo Christopher        | Member      |
| 11. Hon. Nooru Adan Mohamed         | Member      |
| 12. Hon. Odongo George Stephen      | Member      |
| 13. Hon. Sergon Jematiah Florence   | Member      |
| 14. Hon. Uwumukiza Francoise        | Member      |

**Absent with apology:**

- |                                 |        |
|---------------------------------|--------|
| 1. Hon. Duop Kim Gai Ruot       | Member |
| 2. Hon. Nzeyimana Leontine      | Member |
| 3. Hon. Opoka-Okumu Christopher | Member |
| 4. Hon. Maryam Ussi Yahya       | Member |

**In attendance:**

- |                              |                                 |
|------------------------------|---------------------------------|
| 1. Eng. Steven Mlote,        | DSG P&I                         |
| 2. Dr. Pantaleo Joseph Kessy | Principal Economist             |
| 3. Mr. Denis Kibirige        | Principal Legislative Draftsman |
| 4. Mr. Tugume Alfred         | SCA Taking Minutes              |
| 5. Ms. Olivia Nantaba        | Committee Assistant             |

**Agenda was:**

1. Prayer
2. Communication from the Chair
3. Consideration of previous minutes
4. Consideration of the EAC Monetary Institute Bill, 2017
5. Any Other Business

**MIN. 12/GP/ARU/MAR/2018: OPENING OF THE MEETING**

The Chairperson, Hon. Aden Omar Abdikadir called meeting to order at 14:47pm, and the opening prayer was led by Hon. Dr. Kalinda Francois Xavier.

**MIN.13/GP/ARU/MAR/2018: COMMUNICATION FROM THE CHAIR**

In his communication, the Chair;

- a) welcomed Members to the meeting.
- b) noted that the purpose of the meeting was to consider the EAC Monetary Institute Bill, 2017.

**MIN.14/GP/ARU/MAR/2018: BRIEFING BY THE DEPUTY SECRETARY  
PLANNING AND INFRASTRUCTURE**

The Deputy Secretary General Eng. Steven Mlote introduced the two Officers working in the Directorate of Planning and Infrastructure (P&I) who had accompanied him to attend the meeting – Dr. Pantaleo Joseph Kessy the Principal Economist and Mr. Denis Kibirige the Principal Legislative Draftsman. Eng. Steven Mlote briefed the Members about the Bill. He

noted that the Bill provides for the establishment of the EAC Monetary Institute responsible for the preparatory work of the EAC Monetary Union, and further provides for the functions, governance, funding and headquarters of the Institute, among others.

He made a presentation highlighting the different Clauses in the Bill.

**MIN.15/GP/ARU/MAR/2018: SUBMISSION BY MEMBERS OF THE COMMITTEE  
ON THE EAC MONETARY INSTITUTE BILL, 2017**

The Committee observed that the title of the Bill in its current form reads as the "East African Monetary Union Institute Bill 2017", therefore they asked whether the title will be changed to reflect the year when the Bill was enacted. The Committee further wanted to know upon which basis the name East African Monetary Institute was proposed.

The Committee noted that there was no Clause in the Bill which indicated that the East African Monetary Institute is intended to be an interim body, whose mission will be completed at the latest when EAMU starts. In this regard, the Committee highlighted the need to include a clause to reflect the timeframe (lifespan) for the Institute and the fate of the management and staff of the Institute at the time of its dissolution. In addition to this, the transitional aspect of EAMI should also be included.

Members were also concerned about how best the Institute would be financed and how harmonization of currencies in Partner states would be done at the time of conversion to the new East African Single Currency.

With regards equal representation by all Partner States, Members observed that it was necessary to have six deputies as opposed the two who are mentioned in the Bill. The Committee noted the need to add a clause which indicates that the offices of both the Director General and Deputy Directors General shall be held on rotational basis and the rotation should have a mechanism of competency.

In Clause 9(2) the Committee noted that there is no legal representation on the governing Council of the Institute yet their decisions have far reaching legal implications on the community therefore there is need to have the counsel to the Community on the Governing Council as an Ex-Officio Member.

The Committee noted that the current Bill had no clause mentioning the gender balance aspect especially when it comes to issues of staffing in the Institute. She mentioned that the gender aspect was very important and a Clause on gender should be included in the Bill.

The Committee noted that both Clause 11(2) and 11(4) mentioned about appointment of the Director General and Deputy Directors General however there was no specification on who would do the recruitment of these Directors. Further still, there was no clause in the Bill that provides for the fact that the Office of the Director General and that of Deputy Directors General shall be held on rotational basis.

Under Clause 5(b), Members asked for further clarification of a "fit" and "proper" person as referred to in the Bill. Clause 11(5) (c) should be replaced with Clause 11(6) because universities did not offer Masters' degrees in banking.

The Committee suggested that in Clause 11(6) which provides for qualifications of the Deputy Director General responsible for Finance and Administration. The words "Finance and Administration" should be deleted because qualifications for the other Deputy Director General are not provided for in the Bill.

The Committee suggested that the required working experience for someone to qualify as a Deputy Director General should be reduced to 10 years in order to allow young professionals to take advantage of these positions. To ensure that staff are recruited fairly and on a competitive basis, the words "competitively and fairly" should be added in Clause 12(2) of the Bill.

#### **MIN.16/GP/ARU/MAR/2018: RESPONSES PROVIDED BY DSG P & I AND PLD**

The Deputy Secretary General and officials responded by proposing that the number of Deputy Directors would be maintained as the two proposed for the following reasons;

- i. The limited scope of activities undertaken by the Institute and all these activities did not require that number of offices. Additionally, the activities would not be performed at the same time



- ii. The 19<sup>th</sup> Ordinary Summit of the EAC heads of States which decided that there shall only be two Deputy Secretaries General at the EAC Secretariat who shall be recruited competitively on rotational basis.

In response to the question of how proper harmonisation of currencies would be done, Secretariat referred the Committee to Article 19 of the East African Monetary Union Protocol states that, "the Council shall, before the single currency becomes the legal tender of the single currency area, fix irrevocable conversion rates at which the single currency shall replace the currencies of the Partner States".

On the issue of gender balance and financing of the Institute, the Secretariat mentioned that Clause 11 would be amended to provide for gender balance and Part IV, Clause 14(1) of the current Bill provides that the Institute shall be funded in accordance with Article 132 of the EAC Treaty.

On the question of whether the title of the Bill would be amended to reflect the year in which it was enacted, the Principal Legislative Draftsman mentioned that titles of Bills usually change to reflect years when they are enacted. In response to the issue of the proposed name of the Institute, Secretariat responded by saying that the name is derived directly from Article 23 of the East African Monetary Union Protocol where the East African Monetary Institute shall be established and it will be tasked with the responsibility of doing the preparatory work for the Monetary Union.

When clarifying on the definitions of "fit and proper" person, they said these two words may be deleted from the Bill to remove the ambiguity they create and Clause 11 (5) (a) and 11(6) (a) would be amended accordingly.

In response to the question of whether stakeholders were consulted in the course of developing this Bill, the Committee was informed that the Council of Ministers consulted and got the inputs of key stakeholders like Partner State Ministries of Finance, Central Banks, National Statistics offices, Ministries responsible for EAC Affairs, Capital Market Authorities, Insurance Regulatory Authorities, Pensions Regulatory Authorities, and Attorneys General

Chambers, it is advisable that the Committee undertakes public hearings on the Bill to satisfy itself that the stakeholders' views were incorporated.

The DSG was requested to make detailed written responses to the issues raised by Members and also furnish the Committee with a Roadmap to the realisation of the Monetary Union.

**MIN. 17 /GP/ARU/MAR/2018: CONSIDERATION OF PREVIOUS MINUTES**

Members considered and adopted the minutes of the meetings held on 30<sup>th</sup> January 2018 and 5<sup>th</sup> February 2018 respectively.

**MIN.18/GP/ARU/MAR/2018: ANY OTHER BUSINESS**

The Chairperson informed Members that he had received a request from the East African Trade Union Confederation (EATUC) for a meeting with the committee on 23<sup>rd</sup> March 2018 over the East African Community Social Security Portability Bill, 2018 which was introduced in the Third Assembly but was never finalised.

It was resolved that due to time constraint, the meeting with East African Trade Union Confederation be deferred to a later date preferably, during the next plenary sitting in April 2018.

The Committee instructed that EATUC avail Members a copy of the Bill and the comments made by the previous Assembly to enable Members acquaint themselves with it.

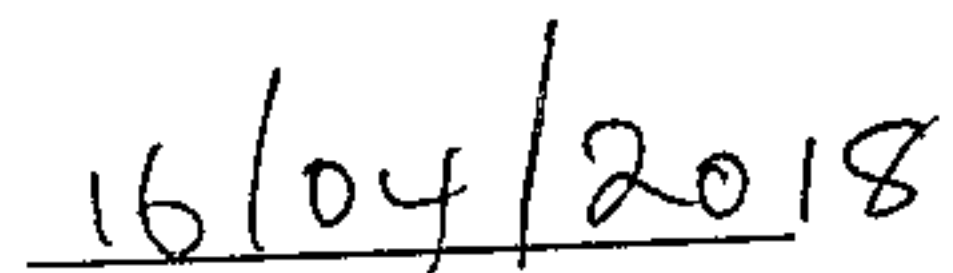
**MIN.19/GP/ARU/MAR/2018: ADJOURNMENT**

The meeting was adjourned at 5:40 pm sine die.

**Confirmed:**



**Hon. Aden Omar Abdikadir  
CHAIRPERSON**



**Date**

**EAST AFRICAN COMMUNITY  
EAST AFRICAN LEGISLATIVE ASSEMBLY**



**MINUTES OF THE FOURTH MEETING OF THE COMMITTEE ON GENERAL  
PURPOSE HELD ON TUESDAY 10<sup>th</sup> APRIL 2018 IN COMMITTEE ROOM "A",  
PARLIAMENT OF TANZANIA, DODOMA**

**Present:**

1. Hon. Aden Omar Abdikadir	Chairperson
2. Hon. Dr. Kalinda Francois Xavier	Member
3. Hon. Dr. Makame Abdullah Hasnuu	Member
4. Hon. Eng. Maassay Pamela Simon	Member
5. Hon. Gasinzigwa Oda	Member
6. Hon. Karerwa Mo-Mamo	Member
7. Hon. Leontine Nzeyimana	Member
8. Hon. Nduwayo Christopher	Member
9. Hon. Nooru Adan Mohamed	Member
10. Hon. Odongo George Stephen	Member
11. Hon. Opoka Okumu Christopher	Member
12. Hon. Sergon Jematiah Florence	Member
13. Hon. Uwumukiza Françoise	Member

**Absent with apology:**

1. Hon. Deng Dut Gatkek Thomas	Member
2. Hon. Maryam Ussi Yahya	Member
3. Hon. Ayason Mukulia Kennedy	Member
4. Hon. Duop Kim Gai Ruot	Member
5. Hon. Namara Dennis	Member

**In attendance:**

- |                              |                     |
|------------------------------|---------------------|
| 1. Hon. Garang Alaak Gabriel | Member              |
| 2. Hon. Deng Gai Nhail       | Member              |
| 3. Mr. Denis Kibirige        | PLD                 |
| 4. Ms. Elizabeth Barinda     | SCA Taking Minutes  |
| 5. Ms. Olivia Nantaba        | Committee Assistant |

**Agenda was:**

1. Prayer
2. Communication from the Chair
3. Consideration of the EAC Monetary Institute Bill, 2017
4. Any Other Business

**MIN. 20/GP/DOD/APRIL/2018: COMMENCEMENT OF THE MEETING**

The meeting was called to order by the Chairperson of the Committee Hon. Aden Omar Abdikadir at 10:35 am. He welcomed the Members to Dodoma and thanked them for attending the meeting. The opening prayer was led by Hon. Eng. Pamela Maassay Simon.

**MIN.21/GP/DOD/APRIL/2018: COMMUNICATION FROM THE CHAIR**

The Chairperson, in his communication, briefly outlined the work the Committee had to accomplish during the Fourth meeting of the First session pointing out that the Committee is to consider the East African Community Monetary Institute Bill, 2017.

In response to the communication, Members pointed out the fact that consideration of previous minutes was the standard procedure for Committee meetings and this should be followed. The Committee Clerk was instructed to abide by the procedure and include the item on the agenda of every meeting.

**MIN.22/GP/DOD/APRIL/2018: CONSIDERATION OF THE EAC MONETARY INSTITUTE BILL, 2017**

The Chairperson informed the Committee that as requested written responses to the issues and questions raised by the Committee in the last meeting had been availed by the officers from the EAC Secretariat and the meeting would begin with the consideration of the responses provided.

The Committee noted that it was necessary for the Officers who had interacted with the Committee to be present to elaborate where necessary on their responses. The Committee was informed by the Committee Clerk that the Officers were not yet in Dodoma but would be available at subsequent meetings.

The Committee considered the responses provided by the EAC Secretariat and made the following observations;

1. The Republic of South Sudan needed to be named in the definitions under the EAC Partner States.
2. With regard to the fact that there was no clause in the Bill that showed the transitional phase of the institute when its mandate ended and the fate of the staff who would be affected by the transfer, the Committee considered the response that had proposed inclusion of a new clause as follows;
  - i. **The East African Monetary Institute shall stand dissolved upon establishment of the East African Central Bank**
  - ii. **All the assets and liabilities of the Institute at the time of the dissolution of the Institute shall rest in the East African Central Bank**
  - iii. **Employees of the institute whose services are transferred to the East African Central Bank shall transfer on the similar or better terms that those enjoyed by those employees before the transfer.**

The Committee agreed to the insertion of a new Clause.

3. With regard to the Committees submission that there was need to appoint a number of Deputy Directors General reflecting the number of Partner States, the explanation given was that the scope of activities to be undertaken by the Deputy Directors General was not wide enough as to merit appointment of six Deputies and this was also costly for the Community. Secondly, the 19<sup>th</sup> Ordinary Summit of the EAC Heads of State had decided that there shall be two Deputy Secretaries General recruited competitively to serve on a rational basis. It was therefore advisable to maintain two Directors General in line with the thinking of the EAC Heads of State.

The Committee was satisfied with the explanation provided.

4. On the question raised as to whether the harmonization of the EAC Partner States currencies would be done at the same time of the conversion to the new East African Single currency, the Committee considered the response provided which was as follows;

Article 19 of the East African Monetary Union Protocol states that;

**“The Council shall before the single currency becomes the legal tender of the single currency area, fix irrevocable conversion rates at which the single currency shall replace the currencies of the Partner States.** The Committee was satisfied with the explanation provided by the Secretariat.

5. With regards to the question raised on the need for gender balance in the staffing of the institute, the response provided agreed with the Committee and therefore clause 12 was amended as follows;

**“The Summit shall take gender balance into account in the appointment of the Director General and Deputy Directors General”.**

6. On the question with regard to the necessity to place emphasis on the modality of funding for the Institute, the response concurred with the proposal since the



for the Institute was in accordance with Article 132 of the EAC Treaty which was the same for all EAC Organs and Institutions.

7. The Committee with reference to the name of the Institute, observed that it rather reflected the function of training and noted that this did not adequately reflect its functions. The response furnished by the EAC Secretariat explained that the name was derived from Article 23 of the EAMU Protocol, which states that: **"the Summit shall, on recommendation of the Council establish an Institution to be known as the East African Monetary Institute, which shall be responsible for the preparatory work for the Monetary Union.** The Committee was satisfied with the explanation provided.
8. The Committee, with regard to qualifications for the Deputy Directors General for Economic and Financial Policies, observed that the requirement for possessing a degree in Banking was tenable since it was one that was not commonly offered at universities. Secondly, the specification of the Deputy Director General of Finance and Administration could be deleted since the second Deputy Directors functions were not specified.

The response provided proposed the insertion of the specific function of each Deputy Director General as Economic and Financial Policies and Finance and Administration respectively. Secondly, it was proposed that Banking as a requisite qualification be maintained since the course was offered in some universities for the position.

Additionally, the Committee noted that the words "fit and proper person" used to describe a requirement for qualification for Deputy Directors General be deleted since it was ambiguous and not clear. The Committee required that the required number of years of experience be reduced from 15 to 10 years.

The Committee considered the response provided and did not agree with the submission. The Committee amended Clause 11(5) (c) and adopted 6 (c) as the requirement for Deputy Directors General positions by adding "Banking "after finance and other relevant field" after law for both.

9. The Committee observed that recruitment should be done “competitively and fairly from among Partner States”. The Principal Legislative Draftsman clarified that Regulation 20 of the EAC Staff Rules and Regulations provides for among others, competition, representation of Partner States, gender balance, need to secure the highest standards of efficiency and competence as well as complying with other principles governing the recruitment of staff in the Community. Therefore, reference to the EAC Rules and Regulations would suffice in this case. The Committee agreed with the proposal.

10. With regard to the range of stakeholders consulted in the Bill by the High Level Task Force, the Committee considered the list as follows:

- Ministers responsible for Finance.
- Central Banks
- National Statistics Offices
- Ministries responsible for EAC Affairs
- Capital Markets Authorities
- Insurance Regulatory Authorities
- Pensions Regulatory Authorities; and
- Attorneys General Chambers.

The Committee observed that major stakeholders including the Banker’s Association, the Private Sector, the East African Business Council as well as Civil Society were not consulted during the process. The Committee emphasised the fact that given time, the Committee would have liked to carry out public hearings to ascertain that the consultations had been comprehensively done. Members of the Committee were of the view that public hearings required more time for adequate consultations.

The Committee agreed that the next meeting would consider the draft report of the Committee on the Bill and the proposed schedule of amendments. Subsequently, the Committee would interact with the Council of Ministers on the Bill on Monday 16<sup>th</sup> April 2018.

**MIN.23/GP/DOD/APRIL/2018: ADJOURNMENT OF MEETING**

There being no other business, the meeting was adjourned at 12.45 p.m.

**Confirmed:**



**Hon. Aden Omar Abdikadir  
CHAIRPERSON**

16/04/2018  
**Date**



**EAST AFRICAN COMMUNITY  
EAST AFRICAN LEGISLATIVE ASSEMBLY**



**MINUTES OF THE SIXTH MEETING OF THE COMMITTEE ON GENERAL  
PURPOSE HELD ON MONDAY 16<sup>th</sup> APRIL 2018 IN COMMITTEE ROOM "B",  
PARLIAMENT OF TANZANIA, DODOMA**

**Present:**

- |                                     |             |
|-------------------------------------|-------------|
| 1. Hon. Aden Omar Abdikadir         | Chairperson |
| 2. Hon. Dr. Kalinda Francois Xavier | Member      |
| 3. Hon. Dr. Makame Abdullah Hasnuu  | Member      |
| 4. Hon. Eng. Maassay Pamela Simon   | Member      |
| 5. Hon. Gasinzigwa Oda              | Member      |
| 6. Hon. Karerwa Mo-Mamo             | Member      |
| 7. Hon. Nzeyimana Leontine          | Member      |
| 8. Hon. Ussi Maryam Yahya           | Member      |
| 9. Hon. Nduwayo Christopher         | Member      |
| 10. Hon. Nooru Adan Mohamed         | Member      |
| 11. Hon. Namara Dennis              | Member      |
| 12. Hon. Odongo George Stephen      | Member      |
| 13. Hon. Sergon Jematiah Florence   | Member      |
| 14. Hon. Deng Thomas Dut Gatkek     | Member      |
| 15. Hon. Uwumukiza Francoise        | Member      |
| 16. Hon. Ayason Mukulia Kennedy     | Member      |

**Absent with Apology**

- |                                 |        |
|---------------------------------|--------|
| 1. Hon. Opoka Okumu Christopher | Member |
| 2. Hon. Duop Kim Gai            | Member |

### **In attendance**

- |                                       |   |
|---------------------------------------|---|
| 1. Hon. Julius Wandera Maganda        | State Minister, Minister for EAC Affairs<br>Republic of Uganda  |
| 2. Hon. Peter Munya                   | Cabinet Secretary, Ministry of East<br>African Community and Northern<br>Corridor, Republic of Kenya                      |
| 3. Hon. Amb.Olivier Jean Nduhungirehe | Minister of State in the Ministry of<br>Foreign Affairs, Cooperation and East<br>African Community, Republic of<br>Rwanda |
| 4. Hon. Fatuma Ibrahim Ali            | Member  |
| 5. Hon. Akol Rose Okullu              | Member  |
| 6. Hon. Dr. Anthony Kafumbe           | Counsel to the Community  |
| 7. Hon. Christophe Bazivamo           | Deputy Secretary General Productive<br>and Social Sectors   |
| 8. Mr. Denis Kibirige                 | Principal Legislative Draftsman   |
| 9. Ms. Barinda Elizabeth              | Senior Clerk Assistant  |
| 10. Ms. Olivia Nantaba                | Committee Assistant   |

### **The adopted agenda was:**

1. Prayer;
2. Communication from the Chair;
3. Confirmation of previous minutes;
4. Matters Arising
5. Consultative meeting between the Committee Members and the Ministers responsible for EAC Affairs on the East African Monetary Institute Bill, 2017; and
6. Any Other Business

### **MIN. 29/GP/DOD/APRIL/2018: COMMENCEMENT OF MEETING**

The Chairperson of the Committee, Hon. Aden Abdikadir called the meeting to order at 10:45 am and welcomed Members to the Meeting. Hon Kalinda Francois Xavier led

the opening prayer. The Chairperson sought for proposal for adoption of the agenda and the proposal was made by Hon. Dr. Makame seconded by Hon. Eng. Pamela Maassay.

**MIN. 30/GP/DOD/APRIL/2018: COMMUNICATION FROM THE CHAIR**

In his communication, the Chairperson informed the Committee that three Council of Ministers had confirmed they were attending the Meeting. In the meantime, the Committee would go through the amendments and issues to raise with the Council of Ministers.

**MIN. 31/GP/DOD/APRIL/2018: CONFIRMATION OF PREVIOUS MINUTES**

The Committee considered, confirmed and adopted with the amendments, the Minutes of the Committee Meetings held on 12<sup>th</sup> April 2018 in Dodoma, Tanzania. The Chairperson sought for a proposer for the adoption of the minutes. Hon. Dr. Makame proposed for adoption and was seconded by Hon. Nzeyimana Leontine.

**MIN.32/DOD/APRIL/2018: CONSIDERATION OF DRAFT AMENDMENTS ON  
THE EAC MONETARY INSTITUTE BILL, 2017**

The Committee went ahead to consider the amendments arising from the previous meetings. The year 2017 was not valid given that the Bill was tabled on 8<sup>th</sup> February 2018. Therefore the year would be amended.

The Committee agreed that the words "a fit and proper person" should not be deleted in the Bill. This was due to the fact that the words denote all aspects of character including probity, integrity and soundness of mind which are considerations for the appointment to the offices

The Committee agreed that Clause 11(7) should be deleted in the clause and be transferred to Clause 2 under Definitions.

On the amendment to insert a new Clause 19A, the Committee agreed that the new clause 19A sub Clause (3) which stated that the "Employees of the Institute whose services are required by the East African Central Bank shall transfer to the East African

Central Bank on terms of determined by Council” as earlier amended should be deleted.

The Council of Ministers were ushered into the Committee room and therefore consideration would continue together with the Council after introductions were made.

### **MIN.33/GP/DOD/APRIL/2018: INTERACTIVE SESSION BETWEEN COUNCIL OF MINISTERS AND THE COMMITTEE**

The Chairperson of the Council requested Members to introduce themselves. The Chairperson Council of Ministers, Hon. Julius Wandera Maganda begun by thanking the Committee for inviting them to the meeting. He asked the Ministers who were present to introduce themselves. They included;

Hon. Olivier Jean Nduhungirehe, Minister of State in the Ministry of Foreign Affairs, Cooperation and East African Community- Republic of Rwanda, Hon. Peter Munya, Cabinet Secretary, Ministry of East African Community and Northern Corridor, Republic of Kenya. Hon. Julius Maganda noted that the East African Monetary Institute Bill was very important to the Community and urged the Committee to consider it with urgency.

The Chairperson of the Committee went on to outline the proposed amendments to the Bill.

The Council of Ministers agreed with the amendments in Clause 1(1) where the year 2017 would be deleted and replaced with 2018. Under Clause 11(1), Clause 11(2), clause 11, which provides for the gender aspect in top management, Clause 11(4). Both Council and Committee agree that the words “a fit and proper “should be maintained but should be properly defined.

The Committee was of the view that the 15 years of experience required for appointment as a Deputy Director General be reduced to 10 years in order to accommodate the youth who have the ability and knowledge to qualify for these positions.



In response, Chairperson of the Council highlighted that the position of Deputy Director General is a highly technical position that requires a person to actively steer the transitioning process of the Institute into the Central Bank. The officers were expected to engage with high level executives such as Central Bank Governors and needed to be of high calibre.

Secondly, before setting the 15 years' experience, the Council put in place a high level Task Force across all Partner States and it had an opportunity to consult, interact and compare the standards followed by other professional bodies in Partner States and at the East African Community. He added that the issue is not that the youth are denied opportunities for as long as they have the required working experience. The Council of Ministers added that the Committee should also maintain 5 years of which is at relevant Management level.

The Committee agreed that the 15 years working experience be maintained as it is in the original Bill with five years at management level. However, some Members did not agree to maintain the 15 years requirement and stated that they would find a way to address their concerns by way of the Rules of Procedure.

With regard to the observation by the Committee that a section of stakeholders were not consulted during the negotiations process, the Council of Ministers informed the Committee that the Bankers Associations and Private Sector had been consulted and the Committee could consult them during the consideration of the Bill. The Committee Clerk was instructed to draft a letter to the EABC to that effect.

The Committee was informed that the Protocol came into force in 2013 after 2 years of High Level Task Force negotiations. The Task Force came up with a list of Institutions to be consulted before the drafting of the Bill. The process had therefore been as comprehensive as possible although the civil society had not been consulted.

The Committee informed the Council of Ministers that it was not fully satisfied with the level of consultations and would have liked to carry out public hearings on the Bill.

The Council of Ministers further informed the Committee that for public hearings to be undertaken, funds had to be appropriated and there were no funds.

Secondly, there was an issue of lack of time since public hearings required ample time. Last but not least, it was not a practice for the Assembly to carry out public hearings on Council Bills because ample consultations are carried out by the Council.

The Committee submitted by raising concern at the omission of Civil Society during the consultations that were being undertaken. They noted that legislation is for the people therefore eliminating a certain sector creates diversion in legislation.

The Committee requested that a report on the negotiation of the Protocol be availed to the Committee.

In conclusion, Hon. Maganda urged the Committee to accommodate the Bill in its current form. He assured Members of the Committee that the Council of Ministers intend to fast track the implementation of the Bill after it is passed by the Assembly.

Under Clause 18, where the Council on recommendation of the governing Council, make regulations or issue directives for the better carrying into effect the provisions of this Act, the Committee wondered if the regulations should not be tabled before the Assembly with a time frame.

The Committee observed that in the same context of regulations, there were rules and regulations that contradict Acts of the Community and as an example, the EAC Financial Rules and Regulations contradict the EAC Budget Act 2008. This was unacceptable and the Assembly intended to ensure that this did not prevail.

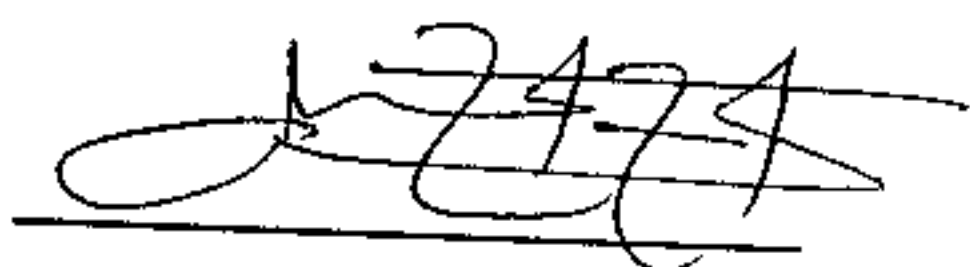
The Council of Ministers expressed appreciation for the Committee observation and noted that this was true but it was the only instance of such contradiction. The process to harmonise the financial rules to the Budget Act had already started. The Counsel to the Community added that the contradiction was due to the fact that the Sectoral Council on Legal and Judicial Affairs had not properly consulted all other existing laws adequately while drafting the regulations.

The Committee urged Council to harmonise the Acts and regulations without any further delays.

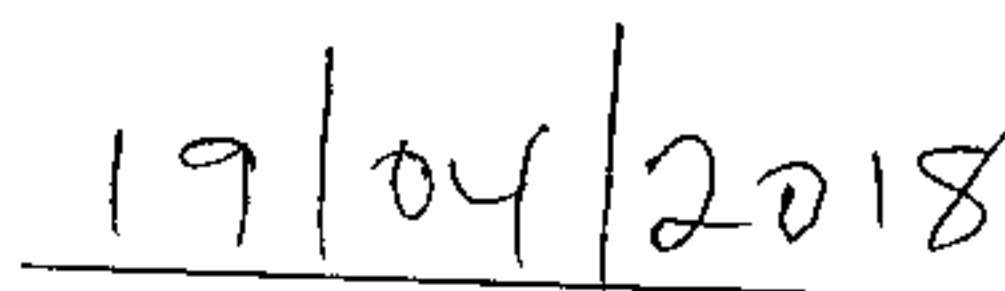
**MIN.34/GP/DOD/APRIL/2018: ADJOURNMENT OF THE MEETING**

There being no Any Other Business, the meeting was adjourned at 2:30pm until 18<sup>th</sup> April 2018 at 9:30 a.m.

**Confirmed:**



**Hon. Aden Omar Abdikadir  
CHAIRPERSON**



**Date**



**EAST AFRICAN COMMUNITY  
EAST AFRICAN LEGISLATIVE ASSEMBLY**



**MINUTES OF THE SEVENTH MEETING OF THE COMMITTEE ON GENERAL  
PURPOSE HELD ON WEDNESDAY 18<sup>TH</sup> APRIL 2018 IN COMMITTEE ROOM  
"A", PARLIAMENT OF TANZANIA, DODOMA**

**Present:**

- |                                     |             |
|-------------------------------------|-------------|
| 1. Hon. Aden Omar Abdikadir         | Chairperson |
| 2. Hon. Dr. Kalinda Francois Xavier | Member      |
| 3. Hon. Eng. Maassay Pamela Simon   | Member      |
| 4. Hon. Gasinzigwa Oda              | Member      |
| 5. Hon. Leontine Nzeyimana          | Member      |
| 6. Hon. Maryam Ussi Yahya           | Member      |
| 7. Hon. Nduwayo Christopher         | Member      |
| 8. Hon. Nooru Adan Mohamed          | Member      |
| 9. Hon. Namara Dennis               | Member      |
| 10. Hon. Odongo George Stephen      | Member      |
| 11. Hon. Deng Thomas Dut Gatkek     | Member      |
| 12. Hon. Uwumukiza Francoise        | Member      |
| 13. Hon. Ayason Mukulia Kennedy     | Member      |

**Absent with Apology**

- |                                    |        |
|------------------------------------|--------|
| 1. Hon. Mo- Mamo Karerwa           | Member |
| 2. Hon. Kim Gai Duop               | Member |
| 3. Hon. Dr. Makame Abdullah Hasnuu | Member |
| 4. Hon. Opoka-Okumu Christopher    | Member |
| 5. Hon. Sergon Florence Jematiah   | Member |

**In attendance**

- |                            |        |
|----------------------------|--------|
| 1. Hon. Akol Rose Okullu   | Member |
| 2. Hon. Fatuma Ibrahim Ali | Member |

- |                          |                            |
|--------------------------|----------------------------|
| 3. Hon. Kasamba Mathias  | Member                     |
| 4. Hon. Jesca Eriyo      | DSG F & A, EAC Secretariat |
| 5. Ms. Barinda Elizabeth | SCA, taking minutes        |
| 6. Ms. Olivia Nantaba    | Committee Assistant        |

The Committee also welcomed the following from the Kenya National Assembly and the Muranga County Assembly.

**Kenya National Assembly**

- |                        |        |
|------------------------|--------|
| 1. Hon. Abdi Ibrahim   | Member |
| 2. Hon. Nasri Sahal    | Member |
| 3. Hon. Geoffrey Omuse | Member |
| 4. Hon. Ndindi Nyoro   | Member |
| 5. Hon. Gideon Ochanda | Member |
| 6. Hon. Mathias Robi   | Member |
| 7. Dr. Kefa Omati      | Staff  |
| 8. Ms. Mary Lemerelle  | Staff  |

**Muranga County Assembly**

- |                        |       |
|------------------------|-------|
| 1. Hon. Lilian Kabaya  | MCA   |
| 2. Hon. Morris Thuku   | MCA   |
| 3. Hon. Duncan Muturi  | MCA   |
| 4. Hon. Sospeter Nyoko | MCA   |
| 5. Hon. James Kabera   | MCA   |
| 6. Hon. Peter Githuka  | MCA   |
| 7. Mr. Joel            | Clerk |

**Agenda:**

1. Prayer;
2. Communication from the Chair;
3. Consideration and confirmation of previous minutes;
4. Consideration of the Draft Report on the East African Monetary Institute Bill, 2017; and
5. Any Other Business.

The Chairperson of the Committee Hon. Abdikadir called the meeting to order at 9.50 a.m. and thanked the Members for being in attendance. The opening prayer was led by Hon. Ayason Mukulia Kennedy. The Chairperson warmly welcomed the guests from the Kenya National Assembly and the Muranga County Assembly and asked them to introduce themselves to the Committee.

**MIN.36/GP/DOD/APRIL/2018: COMMUNICATION FROM THE CHAIR**

In his communication, the Chairperson informed the Committee that Hon. Karerwa Mo-Mamo and Hon. Kim Gai Duop as well as Hon. Maryam Ussi Yahya had all lost loved ones and were excused. The Chairperson, on behalf of the Committee expressed condolences to the Members and their families at this trying moment. He called on for a proposer for adoption of the agenda. Hon. Nzeyimana Leontine proposed for adoption of the agenda and was seconded by Hon. Nooru Mohamed.

**MIN.37/DOD/APRIL/2018: CONSIDERATION AND CONFIRMATION OF PREVIOUS MINUTES**

The Committee considered the Minutes of the Meeting of the Committee held on 16<sup>th</sup> April 2018 and made the respective amendments. The Committee considered matters arising out of minutes including the contradiction between the EAC Budget Act 2008 and the EAC Staff Rules and Regulations on the aspect of transmission of the EAC Budget Estimates for Revenue and Expenditure to the Assembly for consideration by the Council of Ministers by April 1 of each year.

The Committee was of the view that although the Council had informed the Committee that the process of proposing an amendment to the Act was in the process, it was necessary for the Committee to pursue the matter to its conclusion. The Committee unanimously agreed that the amendment be followed up as a matter of urgency.

The Chairperson sought a proposer for the adoption of Minutes and Hon. Ussi Maryam Yahya proposed for the same and was seconded by Hon. Thomas Gatkek. The Chairperson once again took the opportunity to welcome other Members of the visiting delegations from the National Assembly of Kenya and the County Assembly of Muranga. He informed the Committee that the Members from the Muranga County Assembly were from the County where the late Hon. Kenneth Matiba who had recently passed away was from on behalf of the Committee, he extended deep felt condolences to the people of Murang'a County Assembly and requested the delegation to convey the condolences when they returned home.

**MIN. 38/DOD/APRIL/2018: CONSIDERATION OF THE DRAFT REPORT ON THE EAC MONETARY INSTITUTE BILL, 2017**

The Committee considered the Draft Report of the Committee on the EA Monetary Institute Bill, 2017 and made the following corrections:

The mandate of the Committee and functions of the Committee on General Purpose were made clearer and the corresponding Articles in the Rules of Procedure of the Assembly cited as Rules 79 and 81 respectively. The numbering and arrangement sub-headings to the observations and recommendations were corrected to ensure coherence and organization of the paragraphs of the Report. Part 8 of the draft Report was deleted and the relevant ideas merged into Part 7 of the Report. All omissions and typographical errors in the report were corrected to align the report of the schedule of amendments.

The Chairperson informed the Members that all corrections would be incorporated into the draft report. He went on to add that in addition to the schedule of amendments, the annexes would comprise the written comments that were expected from the East African Business Council as well as all minutes of the Committee during the meetings that considered the Bill.

For the next meeting of the Committee which was scheduled for Tuesday 24<sup>th</sup> April 2018, in case the meeting was not affected by the Special Sitting of the House, it



was proposed that the mover of the EAC Youth Council Bill introduces the Bill to the Committee.

**MIN.39/GP/DOD/APRIL/2018: ANY OTHER BUSINESS**

Under Any Other Business, Hon. Gasinzigwa Oda brought to the attention of the Committee the fact that in addition to the Bills the Committee was considering, it was necessary to have parallel discussions on other areas of the mandate of the Committee. Given that the Committee has a wide scope of areas to cover, it was important to seek for resources to fund activities in addition to the ones the Committee was planning to undertake. The Committee agreed that time would be set aside for the discussion on modalities of funding in the subsequent meeting.

In addition, it was necessary to explore and discuss modalities for creating linkages with National Assemblies in specific areas such as budgeting in order to have interactions with Budget Committees of Partner States Parliaments.

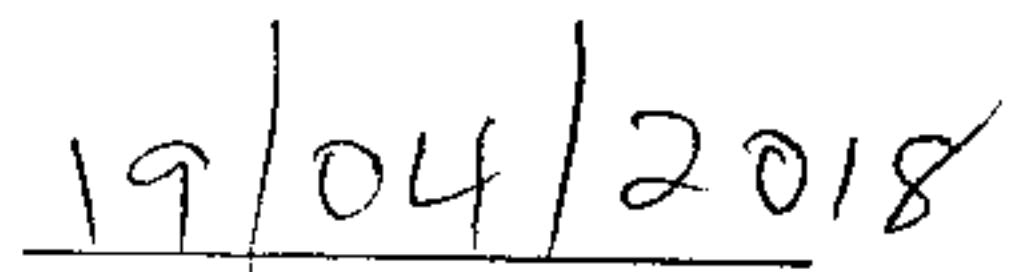
**MIN.40/GP/DOD/APRIL/2018: ADJOURNMENT OF THE MEETING**

There being no Any Other Business, the Chairperson adjourned the meeting at 1:18 p.m. until Tuesday 24<sup>th</sup> April 2018.

**Confirmed:**



**Hon. Aden Omar Abdikadir  
CHAIRPERSON**



**Date**





# EAST AFRICAN BUSINESS COUNCIL

Regional Body of the Private Sector Associations and Corporates  
in Burundi, Kenya, Rwanda, South Sudan, Tanzania & Uganda

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Our Ref: EABC/ED/VOL 4/2018/000  
18<sup>TH</sup> April 2018

Hon Kenneth Madete  
Clerk of the Assembly  
East African Legislative Assembly  
Arusha, Tanzania

*Dear Hon Madete,*

**RE: PRIVATE SECTOR COMMENTS ON THE EAST AFRICAN MONETARY UNION INSTITUTE BILL, 2017**

Receive warm greetings from the East African Business Council Secretariat in Arusha, Tanzania.

On behalf of the Membership of the East African Business Council, we wish to congratulate the East African Legislative Assembly for the ongoing work towards a legislative framework to support the establishment of key institutions for the EAC Monetary Union. Further we also appreciate the Assembly for requesting the input of stakeholders to the EAC Monetary Institute Bill 2017 and in particular the EAC private sector input.

The establishment of the East African Monetary Institute is long overdue as it was supposed to have been put in place by the year 2015 according to the Schedule of the Road Map for the Realization of the Monetary Union, an important annex to the protocol. For that reason we request EALA and the other Community Organs to expedite the process in order to further support the establishment of the East African Monetary Union as an important Pillar of the EAC Integration process.

EABC would like to raise a few comments on the current East African Monetary Institute Bill 2017 as follows:-

**Under Article 4: Functions of the Institute:-**

1. We think the functions of the Institute should be in line with Article 5 of the Protocol of the Establishment of the East African Community Monetary Union- (Pre-requisites for the Monetary Union). eg The institute should take a lead on the functions indicated as pre-requisites for realization of the EAC Monetary Union by the Partner States. Some of the functions have not been included eg Under Article 5 1(d)
  - (d) Adopt common principles and rules of payment and settlement.
  - (g) Introduce bands and gradually fix their bilateral exchange rates to facilitate conversion of the currencies of the Partner States to the East African Currency Unit...; etc
2. Also the functions of the Institute should take into consideration the activities enumerated in the SCHEDULE OF THE ROADMAP FOR THE REALIZATION OF THE MONETARY UNION, which is an Annex of the Monetary Union Protocol and where the Institute has been clearly assigned to take responsibility. Eg

- **Activity 3- Establishment of the following institutions**
  - (a) Institution responsible for surveillance, compliance and enforcement
  - (b) Institution responsible for statistics
  - (c) Institution responsible for financial services
- **Activity 10- Phase out any outstanding central bank lending public entities**
  - (a) Prepare a timetable for progressively phasing out of overdraft facility.
  - (b) Establish a mechanism to bridge temporary liquidity gaps.
- **Activity 11-Attainment of Macroeconomic convergence criteria**
  - (a) Develop a framework for monitoring compliance to macroeconomic convergence criteria.
  - (b) Each Partner State to design a medium term convergence program
- **Activity 14- Design and Implement a common exchange rate mechanism**
  - (b) Implement a phase of convergence during which Partner States shall implement managed float exchange rate regimes.
  - (c) Implement a phase of conversion of the exchange rates during which the Council of Ministers shall irrevocably fix the exchange rates among the Partner States.
  - (d) Convert Partner States' currencies into a single EAC Currency on a date to be announced that shall not be more than six months from the date of irrevocable fixing of exchange rates.
- **Activity 15- Determination of Conversion rates and design of a single currency.**
  - (a) Develop legal instruments to irrevocably fix:-
    - the Exchange rates among currencies of the Partner States
    - The conversion rates at which the single currency will replace the currencies of the Partner States.
  - (b) Irrevocably set up the parities at which the national currencies will exchange for an East African Currency Unit (EACU) at the conversion phase;
  - (c ) Develop and adopt a methodology for computing the EACU as a weighted basket of the Partner States Exchange rate vis a vis a suitable external reference currency.
  - (d) Identify name and design of single currency through a competitive process.
- **Activity 16- Conversion and redenomination of existing legal instruments**
  - Establish rules for the redenomination of existing legal instruments and all other measures necessary for the transition to the single currency.

**NB/ We believe the Institute should take a lead on the above mentioned activities.**

- 3. Further we are also of the opinion that under Article 11 subsections 2 and 4 should be merged with an addition on subsection 2 to read as follows:-**

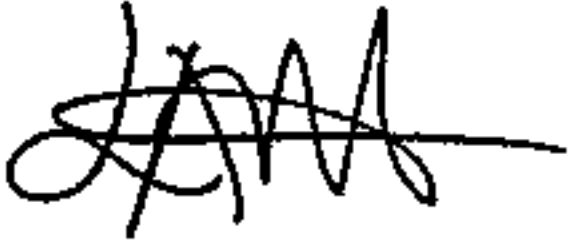
**" (2) The Director General and the Deputy Director Generals shall be appointed by the Summit on recommendation of the Council following a competitive recruitment process and in accordance with EAC Staff rules and regulations.**

- 4. In article 11 the Bill mentions two Deputy Director Generals where in subsection 6 one will be responsible for Finance and Administration matters, However, it is not specified what will be the role of the other Deputy Director General and the requisite qualifications.**

We wish to submit the above comments for your consideration.

Please receive the Assurance of our highest consideration.

With Kind Regards



**Ms. Lilian Awinja  
Executive Director**

