Laid On Table on 30th May 2017

JUMUIYA YA AFRIKA MASHARIKI

EAST AFRICAN COMMUNITY
EAST AFRICAN LEGISLATIVE ASSEMBLY

REPORT OF THE COMMITTEE ON ACCOUNTS ON THE OVERSIGHT ACTIVITY OF THE TWO NEW EAC INSTITUTIONS: THE EAST AFRICAN SCIENCE AND TECHNOLOGY COMMISSION AND THE KISWAHILI COMMISSION

(26TH FEBRUARY - 2ND MARCH 2017, KIGALI AND ZANZIBAR)

Clerk's Chambers
3rd Floor, EALA Wing
EAC Headquarters' Building
Arusha, TANZANIA   **MARCH, 2017**

1.0   INTRODUCTION

Whereas the Committee on Accounts is particularly mandated to:-

i]   Carryout a post audit review and scrutiny of the expenditure incurred by the EAC Secretariat, the Organs and Institutions of the sums appropriated in annual budgets approved by the EALA upon presentation by the Chairperson of the Council of Ministers of the EAC;

ii]   Carryout out post audit review and scrutiny of the expenditure on the basis of an annual audit report of the Audit Commission, pursuant to provisions of Article 49(2) (c) and 134 of the Treaty for the Establishment of the EAC. This function is post budget and implementation of the budget by organs and institutions of the EAC;

iii]   Carryout post audit function that encompasses the need to monitor the implementation of the budget in a manner similar to internal audit, pursuant to Rule 72(1) that the Assembly shall monitor the implementation of the budget of the Community through the Committee responsible for budgetary control and other relevant Committees;

iv]   Carry out on-spot assessment on activities of the EAC and those of the donors; and

v]   Present a report with recommendations to the House for debate and adoption,

Pursuant to Article 49 of the Treaty and particularly 49 (2) (d) and in accordance with the EALA Approved Calendar of Activities (2016/2017), the Committee on Accounts undertook an oversight tour to the two newly established EAC Institutions; The East African Kiswahili Commission in Zanzibar (EAKC) and The East African Science and Technology Commission (EASTECO) in Kigali to appreciate the activities being undertaken and interacted with staff on matters pertaining to the institutions. In exercise of its mandate, the Committee on Accounts hereby presents the report with recommendations to the House for debate and adoption.

2.0   THE OBJECTIVE OF THE ACTIVITY

The Committee visited the institutions to discuss matters pertaining to the institutions and fulfill the mandate of monitoring the implementation of the budget in a manner similar to internal audit, pursuant to rule 74 (1). In this case, a plan was augmented and agreed upon in the annual legislative calendar to oversight the activities of the Institutions.

3.0   METHODOLOGY

The Committee sub divided itself into two to be able to visit the newly established Institutions concurrently. One sub Committee went to Kigali – Rwanda to engage with the EASTECO while the other sub Committee went to the United Republic of Tanzania in Zanzibar to engage with the EAKC.

4.0   THE EAST AFRICAN SCIENCE AND TECHNOLOGY COMMISSION

4.1   Background, Objectives and Organizational Structure

The EASTECO was established by the 5th Extra ordinary summit of the EAC Heads of State held on 18th June 2007 as an institute of the EAC in accordance with Chapter 16, Article 103 (a) of the Treaty, where Partner States undertake to promote cooperation in the development of Science and Technology within the Community, and as per the functions of the EASTECO as set out in the Protocol on the establishment of the East African Science and Technology Commission.

The development objective of EASTECO is to promote and coordinate the development, management and application of Science and Technology to support regional integration and socio – economic development.

The organizational structure of EASTECO is composed of the Governing Board and the Secretariat. The Governing Board in accordance with Article 8 of the protocol on the establishment of the East African Science and Technology Commission comprise:-

   (a)   One representative of science and technology councils or commission of each Partner State;
   (b)   One representative of ministries responsible for science and technology in each Partner State;
   (c)   The Secretary General of the East African Community or his or her representative;
   (d)   The Executive Secretary of the Inter-University Council for East Africa;
   (e)   One representative of the private sector from each Partner State nominated by the respective associations;
   (f)   One representative for all private universities in each Partner State nominated by the respective associations;
   (g)   One representative for all public universities in each Partner State nominated by the respective associations;
   (h)   One representative of the civil society from each Partner State nominated by national science and technology councils or commission of each Partner State; and
   (i)   One scientist from each Partner State nominated by national science and technology council or commission of each Partner State. A detailed organizational structure is attached as **Annex I**

4.2   MANDATE

The East African Science and Technology Commission (EASTECO) is mandated to coordinate and facilitate the activities of the Partner States and national science and technology institutions in promoting the development and application of science, technology and innovation in all its aspects, including policy development, skills development, resources mobilization and utilization, research and development, technological innovation and commercialization of Research & Development findings, programme and project development and implementation, and all matters integral and incidental thereto.

In discharge of its mandate, EASTECO shall work in collaboration with relevant institutions from the Partner States including the Ministries responsible for Science and Technology, the National Science and Technology Commissions/Councils, Universities, Research and development Institutions, academia, Civil Society, and the Private Sector among others, to implement regionally agreed priorities.

4.3   PRESENTATIONS

4.3.1 Programmatic Priorities, Achievements and Challenges

Programmatic Priorities

In compliance with Financial year 2016/17 annual operational plan and approved budget, EASTECO programmatic activities covered the following priority areas and targets:-

   i)   Regional Science and Technology policy development;
   ii)   Strengthening the Institutional Framework; and
   iii)   Support to industrial development and technological innovation.

Achievements

   i)   The first EASTECO Stakeholder Workshop was held in Kigali (21st – 22nd August 2016), finalized and adopted by Sectoral Council of Education, Science and Technology, Culture and Sports and has been submitted for consideration and approval by the EAC Council of Ministers (35th Meeting).

   Participants included EAC Partner States Science and Technology Institutions (STI) stakeholders (ministries responsible of science and technology, national commission/Council of Science and Technology; National industrial Research and Development (R&D) institutions, delegates from national academies of Science, Civil Society, New Partnership for Africa's Development (NEPAD) and Development Partners of International Development Research Centre (IDRC), National Research Foundation (NRF) and Department for International

Development (DFID) and identified regional STI policy priorities with domains of cooperation in STI between EAC Partner States and priority areas for STI.

ii)   The 2nd extraordinary meeting of the Sectoral Council of Education, Science and Technology, Culture and Sports was convened and made proposals to amend EASTECO protocol and submitted to the 34th Council in September 2016. The amendment proposal was sent to the EAC Secretary General through the Counsel to the Community to solicit comments from Partner States.

iii)   A plan is in place to assess the existing knowledge and technology transfer institutions in the EAC region, and identification of potential regional centers of excellence.

Challenges

In accordance with Article 4 of the EASTECO Protocol, the Commission is a semi-autonomous institution of the Community with perpetual succession, and with a common seal and may acquire, hold and dispose movable and immovable property, sue and be sued in its corporate name, and do all other things as a body corporate may lawfully do.

However, EASTECO has been faced with the following challenges: -

i)   **Inadequate budget.**
        EASTECO approved budget for FY 2016/17 was inadequate to cover major activities; programmatic activities initially included in the 2016/17 Annual Operation Plan. The affected activities are:-
        • Evaluation of Technologies for Agricultural Products;
        • Establishment of a regional journal of scientific research and technologies; and
        • Convening annual youth innovation forum.

ii)   **Delayed constitution of the governing board**.
        Delay in constitution of governing board has stalled the functioning of the Commission.

iii)   **Delay in recruitment.**
        Lack of technical (professional) staff to execute programmatic activities. This has stalled the achievement of EASTECO objectives.

4.4   PLENARY DISCUSSIONS

The Sub Committee with EASTECO held plenary discussions.

4.4.1 Findings and Recommendations

4.4.1.1 Lack of funding

The Committee noted that on top of underfunding, EASTECO contributions are not timely remitted leading to non-performance of its core activities.

With a total budget of USD 1,196, 138 comprising of USD 676,076 from Partner States and USD 520,066 from General Reserves, the Commission received total contributions of USD 524,623 equivalent to 44% of its total FY2016/17 budget mentioned above.

By February 2017, only USD 424,623 had been received from P/States, and USD 100,000 had been received from EAC General Reserves. The total expenses during the period of July and December 2016 amounted to USD 384,863 against a half annual budget of USD 640,241 which is equivalent to 60%. Salary and employee benefits absorbed 64%, administrative expenses 25%, programmatic expenses 8% while other expenses consumed 3% of the FY 2016/17 total budget.

The Commission is constrained to the extent that in addition to untimely remittances, the Commission is subjected to zero increment of budget. Always paying salaries and administrative expenses without activities to achieve the objectives defeats the purpose for which the institutions were established.

COMMITTEE RECOMMENDATION

The Committee recommends to the Assembly to urge the EAC Council of Ministers to ensure timely remittances of funds to EAC new Institutions, foster alternative funding and scrap off the zero-budget increment policy.

4.4.1.2 Lack of Technical (Professional) Staff to execute programmatic activities.

The Committee observed that the Commission lack technical staff to execute its mandate. Only five out of twenty-two are engaged at EASTECO and only one staff is professional. EASTECO being technical in nature, lack of technical staff has stalled the achievement of the Institution objectives. Resorting to consultants as is the case now at EASTECO may not be sustainable.

COMMITTEE RECOMMENDATION

The Committee recommends to the Assembly to urge the EAC Council of Ministers to ensure proper staffing at EASTECO by September 2017. EASTECO management should also ensure achievement of the Institution objective, the issue of lean or few staff notwithstanding. Staff at the regional level should always be able to perform as consultants.

4.4.1.3 Recruitment of Staff.

The Committee was informed that the Commission does not have powers or influence to cause recruitment of their own staff. They rely and wait for meetings of Council and the Ad hoc Service Commission whose timely convening is impaired by lack of funds.

COMMITTEE RECOMMENDATION

The Committee recommends to the Assembly to urge the EAC Council of Ministers to avail funds for enabling the ad hoc service commission to recruit staff for the Commission and revise financing model to allow direct remittances to the EASTECO.

4.4.1.4 Delay in constitution of Governing Board has stalled the functioning of the Commission.

The Committee was informed that the Republic of Rwanda and the United Republic of Tanzania have not appointed members to the Governing Board rendering composition of the Board of the Commission incomplete.

The Committee observed that the Governing Board is huge (37) in number. Convening such a big meeting and decision making of such a big number may be a challenge. It was also noted that the Commission had observed the difficulty of a big governing board and recommended amendment of the Protocol establishing EASTECO.

COMMITTEE RECOMMENDATION

The Committee recommends to the Assembly to urge the EAC Council of Ministers to:-

> *i)   direct the EAC Secretary General to follow up the appointment of the Governing Board members from the Republic of Rwanda and the United Republic of Tanzania;*

> *ii)   study and examine the feasibility and functioning of the board for purposes amending the protocol to achieve an operational Governing Board.*

4.4.1.5 Overlapping Protocols of EASTECO and IUCEA

The Committee was informed that the protocols of the two institutions overlap in areas of research. The two institutions however synergize by sharing information, attend each other's meetings and prepare joint meetings. The Committee however observed that the synergy is courtesy of the good leadership of the two institutions.

COMMITTEE RECOMMENDATION

The Committee recommends to the Assembly to urge the EAC Council of Ministers to:-

  i)   *ensure continuity of the synergy by documenting collaboration guidelines of the two institutions;*
  ii) *put in place an MoU between the two institutions detailing collaboration guidelines;*
  iii) *harmonise the protocols to ensure that EASTECO implements research accomplished by IUCEA including the patenting of research work.*

4.4.1.6   Inconsistences in the Headquarters Agreements

The Committee observed that certain provisions on privileges of staff from the host Partner States differ. This has been caused by lack of harmonization of provisions of the Headquarters Agreements.

The Committee further noted that the Commission was not given land to set up its permanent premises.

COMMITTEE RECOMMENDATION

The Committee recommends to the Assembly to urge the EAC Council of Ministers to direct the EAC Secretariat to ensure harmonization of all Headquarters Agreements on treatment of staff and premises.

4.5   Visit to Knowledge Laboratory (K LAB)

In accordance with the program, the Committee visited K Lab a 24/7 open innovation space located in telecom house,6th floor, Kacyiru, Kigali-Rwanda for young entrepreneurs, students and fresh graduates. The Committee was informed that K lab was opened in 2012 and helps its members to turn their ideas into viable businesses by providing free space, free mentorship and free internet. K Lab has more than 1,400 members of two types; mentors and tenants. Tenants are those with business ideas while mentors help tenants to turn their ideas into business. The objective of K lab is turning ideas into viable businesses only in technology.

The Committee appreciated the good practice and was further informed that more than 60 companies where born out of k Lab and 4 of them are leading on the market. K lab has trained more than 14,000 children aged between seven to twelve years in 2016 about coding/programming, introduced e-umuganda, a program of using technology to do the community service where Kigali was mapped, translated Firefox in Kinyarwanda, hosted 51,600 people at kLab premises in 2016 and innovated 7 editions of Face the Gorillas, a platform where 5 entrepreneurs are given a chance to pitch their ideas to investors.

COMMITTEE RECOMMENDATION

The Committee recommends to the Assembly to urge the EAC Council of Ministers to;-

 i) *direct the Secretary General to secure platforms for expansion of K lab to regional cities and find space for many young people to train;*

 ii) *direct the Commission to undertake a study on the k lab services with a view of replicating the same in the region.*

5.0 THE EAST AFRICAN KISWAHILI COMMISSION

5.1 Visit to the EAKC Headquarters

Prof. Simala, the Commission Executive Secretary welcomed Members to the East African Kiswahili Commission (EAKC). He appreciated EALA's continued crusade towards promotion of Kiswahili as one of the official languages in the EAC. He said that the EAKC is established under a Protocol ratified by all the EAC Partner States. Article 137 provides that Kiswahili shall be developed as the lingua franca for the Community. The EAKC became operational in July 2015 at the EAC Headquarters in Arusha and later relocated to Zanzibar in March 2016.

He said that the majority of the EAC citizens are not aware of the EAC integration due to lack of Kiswahili. Kiswahili stakeholders are important because they help in making the EAC agenda understood (Customs Union, Common Market, Monetary Union and Political Federation). They create awareness of the challenges and opportunities that come along with integration.

5.2 MANDATE

The EAKC's mandate is advisory in role, with the aim of promoting wider communication within and beyond the EAC Partner States through research, teaching, learning, policy formulation, knowledge generation, curriculum review and standardization of terminologies in Kiswahili.

5.3 OBJECTIVES

The objectives of the Commission are: -

i) Use Kiswahili to enhance political, economic and social unity within the EAC Partner States;

ii) Encourage and develop mutually beneficial collaboration the Kiswahili Councils, Governments and other organizations both public and private;

iii) Meet local and regional development needs;

iv) Resolve issues in every appropriate sector of Kiswahili usage in EAC;

v) Develop human resource capacity in EAC and beyond;

vi) Support and facilitate institutions involved in Kiswahili research and training.

5.4   PRESENTATIONS

The Committee was informed that in the short period of its existence, the EAKC has held consultative meetings with stakeholders in Partner States such as German Exchange Scholarship Programme (DAAD), Nation Media Group (NMG) all based in Nairobi. The partnership has helped the Commission to develop its Strategic Plan which was validated by the DAAD and sent to Borne, Germany for approval of funding.

Despite thin staff capacity, the EAKC was able to develop its annual work plan 2016/2017 and 2017/2018. The Commission further developed its Strategic Plan (2017–2022) which was validated by stakeholders and considered by the Sectoral Council on Education, Science, Technology, Sports, Culture and Arts awaiting approval by Council.

The Committee was briefed that the supplementary budget of USD. 85,000 approved by the 33rd Council for renovation of **Phase 1** of the old structures currently housing the Commission was not sufficient. Besides, the Stone Town construction laws do not permit any modification to the Kiswahili historical structures, making it more expensive in terms of renovation.

It was reported that the EAKC in its short existence has established two regional associations namely; *Chama cha Wanahabaro wa Kiswahili Africa Mashariki* and *Chama cha idara za Kiswahili za Vyuo Vikuu vya Africa Mashariki*. The Commission has further streamlined operations of two other regional Kiswahili Associations namely; *Chakama* and *Chawakama.*

The presentation outlined the collaboration between the EAKC and key Kiswahili stakeholders such as the Baraza la Kiswahili Zanzibar (BAKIZA), the State University of Zanzibar (SUZA). The partnership brings together all Kiswahili teachers, students and the media across the EAC Partner States to engage on a wide range of issues such as the curriculum review and development, exchange programmes etc. Since Uganda and Rwanda took interest in Kiswahili, EAKC has been able to work with them in development of Kiswahili policies in the respective countries.

According to statistics provided by Baraza La Kiswahili Zanzibar (BAKIZA), Zanzibar has not less than 5000 kiswahili teachers. If well-coordinated with EAKC they can be able to provide teaching services to all EAC Partner States.

5.5   PLENARY DISCUSSIONS

5.5.1 Findings and Recommendations

The Committee observed that despite the above progress, the Commission is haggling with significant constraints that may hinder further development if not urgently attended to.

5.5.1.1   Zero Budget Increment Policy

The Committee observed that the Kiswahili Commission is obliged to operate at 0% budget increase for FY 2017/2018. This makes it impossible to undertake any planned activities or recruit core staff needed to implement the Commission's Strategic Plan and also execute its key functions. The freeze on the budget has similarly affected recruitment of staff, making it impossible to access funds from development Partners.

COMMITTEE RECOMMENDATION

The Committee recommends to the Assembly to urge the EAC Council of Ministers to waive zero budget increment policy.

5.5.1.2   Resource Mobilization

The Committee noted variation between the Secretariat and the newly established EAC Institutions in resource mobilization and fundraising strategy. The EAC Secretariat organizes and attends Donor Conferences without inviting Institutions for participation and inputs. This is further evident in the manner the EAC Secretariat and the EAKC approached the Nation Media Group (NMG) for partnership in the Kiswahili programmes at different times.

COMMITTEE RECOMMENDATION

The Committee recommends to the Assembly to urge the EAC Council of Ministers to direct the EAC Secretary General to synchronize and coordinate resource mobilization and share the strategy with the Kiswahili Commission.

5.5.1.3   Legal and Governance Matters

The Committee observed gaps in the EAKC Protocol which should also be supplemented with an EAKC Act to ease governance and implementation of programs. The current protocol provides for (12 x 6 = 72) membership which is rather huge. The protocol is also silent on staff settlement allowance. The Committee noted that proposals for amendment were submitted to the office of the Counsel to the Community and the Secretary General for transmission to Partner States for inclusion of Board of Management and the EAKC membership categories.

COMMITTEE RECOMMENDATION

The Committee recommends to the Assembly to urge the EAC Council of Ministers to:-

    i)   *Follow up and ensure that the EAKC Protocol is expeditiously amended to provide for a reasonable Board of Management.*
    ii)   *Hasten the drafting of the EAKC Bill for enactment to enable the EAKC execute its mandate.*
    iii)   *Guide the Commission on Settlement Allowance for staff in Zanzibar.*

5.5.1.4 Lack of Space

The Committee observed lack of sufficient space for use at the EAKC. There are only 6 offices, 1 Board room and 2 Restrooms for all staff. The Commission plans to renovate an adjacent old block to provide more space for office, research work, resource Centre, common room, pantry, erection of additional restrooms etc. The matter was highlighted in the supplementary budget and the current budget but rejected by Council.

COMMITTEE RECOMMENDATION

The Committee recommends to the Assembly to urge the EAC Council of Ministers to ensure infrastructural development at the Commission are enhanced through renovation, security installation and provision of basic amenities like restrooms.

5.5.1.5 Lack of Water for Sanitation

The Committee noted that the Zanzibar water authority declined to allow the Commission to tap water from the nearby borehole and advised it to sink its own borehole for fresh water. The Commission buys water for daily use which is quite expensive and perhaps not safe for use.

COMMITTEE RECOMMENDATION

The Committee recommends to the Assembly to urge the EAC Council of Ministers to allocate funds for the Commission to sink its own borehole for fresh and safe water.

5.5.1.6 Procurement Matters

The Committee observed that due to the absence of Board of Management as well as delays in the procurement process at the EAC Secretariat, the EAKC is compelled to use the pre-qualified service providers for the Government of Zanzibar to procure its services.

COMMITTEE RECOMMENDATION

The Committee recommends to the Assembly to urge the EAC Council of Ministers to ensure that a procurement unit is established to enable services at the Commission for efficient operations.

5.5.1.7 Fraud at the Kiswahili Commission

The Committee noted that the Commission faced fraud on its account. Two irregular transactions of $6,000 dated 10/3/2016 under description "Chq Encashment CHQ000022 SHAMIRA R. MASIKA AT-TZZ" and $32,000 on 11/3/2016 under description "AT-LUMTZ4614 TRANSFER TPDC FT16071343H" were made respectively. It was further noted that the manager KCB Zanzibar was not willing to cooperate with the Executive Secretary but insisted that he was dealing with the EAC Secretariat. Although the money was later returned, the Commission should demand to know who brought it back, when it was brought back, who approved the transactions and for what activity.

The Committee also learned that at the time of fraud, the mobile number for the ES also signatory to the said account, had been diverted by Vodacom to some unknown number such that when the bank called the ES for verification, the unknown person confirmed the transactions. Despite various correspondences to KCB Zanzibar, Bank of Tanzania, Police, EAC Ministry in Tanzania, no substantial feedback has been given.

COMMITTEE RECOMMENDATION

The Committee recommends to the Assembly to urge the EAC Council of Ministers to ensure that: -

i)   *the KCB bank headquarters provides a proper explanation on the matter;*

ii)   *the matter is properly audited by the Audit Commission.*

5.5.1.8   Visa Restrictions

The Committee noted that on many occasions, students from the EAC Partner States who are invited to EAKC conferences have faced visa restrictions.

COMMITTEE RECOMMENDATION

The Committee recommends to the Assembly to urge the EAC Council of Ministers to address the issues of visa restrictions affecting citizens of EAC Partner States.

6.0   CONCLUSION

The Committee had fruitful meetings with the EAC newly established institutions. The meeting discussed several issues affecting the institutions and the Committee recorded its observations as above and has recommended appropriately.

The Committee wishes to thank the Rt. Hon. Speaker, the Clerk and the entire Management of EALA for the excellent facilitation accorded to it while executing its mandate.
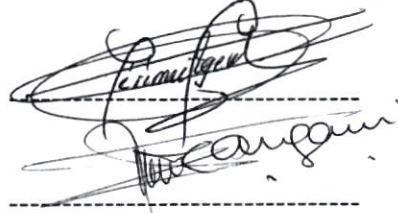
MEMBERS OF THE COMMITTEE ON ACCOUNTS

Oversight on newly established EAC Institutions (EASTECO and EAKC)

FEB 26TH – MARCH 2ND 2017, RWANDA AND ZANZIBAR

1. Hon. Amb. Jeremie Ngendakumana   -
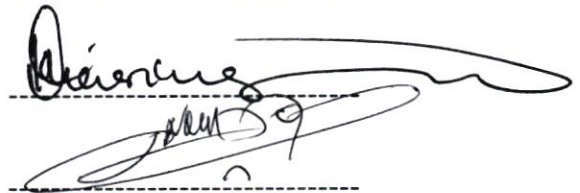
2. Hon. Bernard Mulengani   -

3. Hon. Bernard Murunya   -
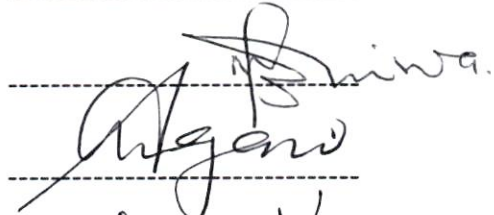
4. Hon. Oda Gasinzigwa   -
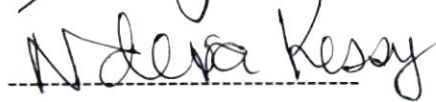
5. Hon. Emmanuel Nengo   -

6. Rt. Hon. Margaret Nantongo Zziwa   -

7. Hon. Mumbi A. Ng'aru   -
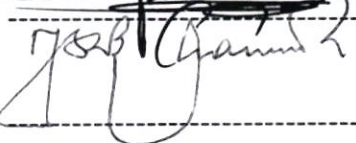
8. Hon. Nderakindo P. Kessy   -

9. Hon. Peter Mathuki   -

10. Rt. Hon. Pierre-Celestin Rwigema   -

11. Hon. Saoli Ole Nkanae   -

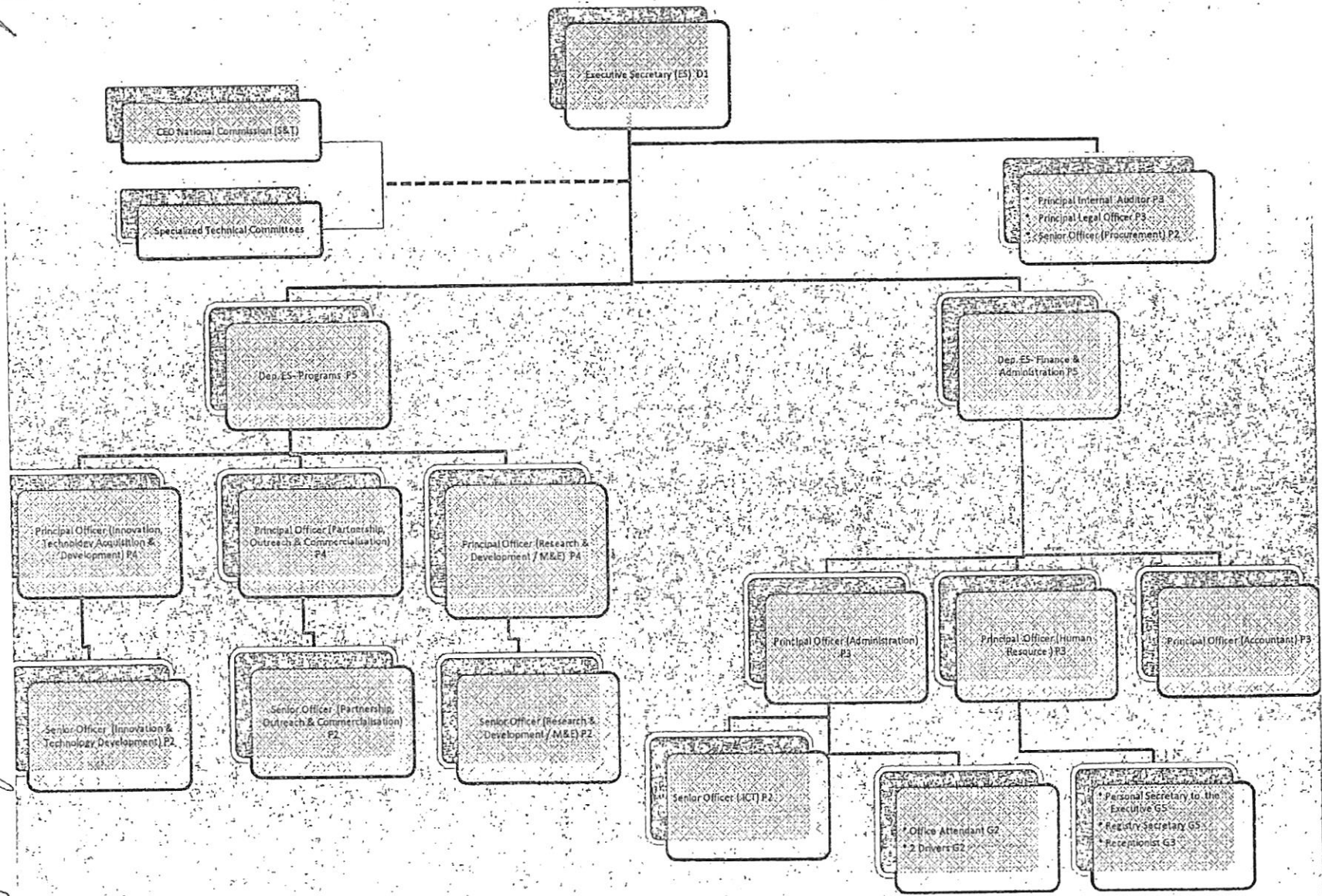12. Hon. Shy-Rose Bhanji   -

13. Hon. Straton Ndikuryayo   -

14. Hon. Nusura Tiperu   -

15. Hon. Yves Nsabimana   -

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EASTECO- PROPOSED ORGANOGRAM

- Executive Secretary (ES) D1
- CEO National Commission (S&T)
- Specialized Technical Committees
- Principal Internal Auditor P3
- Principal Legal Officer P3
- Senior Officer (Procurement) P2
- Dep. ES- Programs P5
- Dep. ES- Finance & Administration P5
- Principal Officer (Innovation, Technology Acquisition & Development) P4
- Principal Officer (Partnership, Outreach & Commercialisation) P4
- Principal Officer (Research & Development / M&E) P4
- Principal Officer (Administration) P3
- Principal Officer (Human Resource) P3
- Principal Officer (Accountant) P3
- Senior Officer (Innovation & Technology Development) P2
- Senior Officer (Partnership, Outreach & Commercialisation) P2
- Senior Officer (Research & Development / M&E) P2
- Senior Officer (ICT) P2
- Office Attendant G2
- 2 Drivers G2
- Personal Secretary to the Executive G5
- Registry Secretary G5
- Receptionist G3