

RCMRD BUSINESS SUSTAINABILITY FRAMEWORK

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RCMRD



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ACRONYMS

AARSE	African Association of Remote Sensing of the Environment
AFRIGIST	African Regional Institute for Geospatial Science and Technology
AGRA	Alliance for a Green Revolution in Africa
AGRHYMET	Agriculture, Hydrology, Meteorology Research Center
AU	African Union
CILSS	Comité permanent Inter-Etat de Lutte Contre la sécheresse dans le Sahel
CoM	Conference of Ministers
COMESA	Common Market for East and Central Africa
DRC	Democratic Republic of Congo
EAC	East African Community
EU	European Union
GC	Governing Council
GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit
ICPAC	IGAD Climate Prediction and Applications Centre
ICT	Information and Communication Technology
IEC	International Electrotechnical Commission
IGAD	Intergovernmental Authority on Development
IMF	International Monetary Fund
MOU	Memorandum of Understanding
NASA	National Aeronautics and Space Administration
NDMA	National Disaster Management Authority
NEPAD	New Partnership for Africa's Development
OSL	OutLook Solutions
OSS	Sahara & Sahel Observatory
RCMRD	Regional Centre for Mapping of Resources for Development
RECTAS	Regional Centre for Training in Aerospace Surveys
SADC	Southern African Development Community
TC	Technical Committee
UN	United Nations
UNECA	United Nations Economic Commission for Africa
UNEP	United Nations Environment Programme
UNFAO	United Nations Food and Agriculture Organization
USAID	United States Agency for International Development

EXECUTIVE SUMMARY

The Regional Centre for Mapping of Resources for Development (RCMRD), previously known as Regional Centre for Services in Surveying, Mapping and Remote Sensing (RCSSMRS) was established in Nairobi, Kenya in 1975 under the auspices of the United Nations Economic Commission for Africa (UNECA) and the then Organization of African Unity (OAU), now the African Union (AU).

It is mandated to provide services to the member States in the fields of surveying, mapping, remote sensing, Geographical Information System, Global Positioning System and in natural resources and environmental management. The Centre undertakes projects implementation, research & development, data dissemination, advisory services, training & capacity building, and calibration and maintenance of survey equipment.

RCMRD is committed to achieve customer/member States satisfaction by continually improving its processes, products and services to ensure they consistently meet its diverse and dynamic customers' needs and requirements.

This Business Sustainability Framework strives to carry the Centre beyond the operational approach to a holistic view of its work from policy conception through project implementation and internal operations management, providing a broader base of knowledge for smart decision-making. The framework seeks to build on the internationally agreed sustainability norms and principles by adapting the best practices in sustainability in line with the Africa Union (AU) vision 2063 and AUDP-NEPAD aspirations of Africa We Want in 2063 and Agenda 2030, the Sustainable Development Goals (SDGs).

The rationale for this framework stems from the understanding that the systematic use of sustainability framework would provide the Centre with an important opportunity to demonstrate leadership and enhance accountability for the financial, organizational and programmatic sustainability of the Centre.

This framework will therefore help identify opportunities to harness greater efficiencies and cost savings. Operational and technical performance will be measurably enhanced and more informed. Unforeseen political and socio-economic impacts and risks will be avoided and opportunities to leverage/maximize the positive impacts of policies, projects and operational activities more consistently harnessed.

Through this framework, the Centre will benefit from increased credibility; continued financial, organizational and programmatic sustainability; minimizing risks and maximizing opportunities; greater simplification and coherence of policies and procedures; and enhanced transparency.

1.0 INTRODUCTION

1.1 BACKGROUND OF RCMRD

The Regional Centre for Mapping of Resources for Development (RCMRD), previously known as the Regional Centre for Services in Surveying, Mapping and Remote Sensing (RCSSMRS) was established in Nairobi, Kenya in 1975 under the auspices of the United Nations Economic Commission for Africa (UNECA) and the then Organization of African Unity (OAU). RCMRD was set up as a sub-regional non-profit intergovernmental institution in the belief that substantial cost-effectiveness could be achieved by complementing common facilities and services in surveying, mapping and remote sensing with a view to enabling the member States to derive greater benefits.

The Centre's current contracting member States are Botswana, Burundi, Comoros, eSwatini, Ethiopia, Kenya, Lesotho, Malawi, Mauritius, Namibia, Rwanda, Seychelles, Somalia, South Africa, South Sudan, Sudan, Tanzania, Uganda, Zambia and Zimbabwe. The countries affiliated to the Centre are Angola, Djibouti, DRC, Eritrea, Madagascar, and Mozambique.¹

The Centre's mission is *"to Strengthen the Member States and our stakeholder's capacity through Generation, Application and Dissemination of Geo-information and Allied Technologies for sustainable development"*

The Centre's vision is *"to be a Premier Centre of Excellence in the provision of geo-information and allied technologies for Sustainable Development in the Member States and other stakeholders"*

The core values for RCMRD are as follows;

- i) **Team Work**; Driven by team spirit and a sense of belonging through the pursuit of collaborations and synergy.
- ii) **Customer Focus**; Committed to the effective and efficient delivery of quality and appropriate services/products to all our stakeholders.
- iii) **Stakeholders Engagement**; proactively and continuously engage our stakeholders and users for relevance and value proposition.

¹ Amended Establishment Agreement Approved in Nov 2012.

- iv) **Innovation and creativity:** Continuously improve our operations and add value to our stakeholders by embracing and pursuing innovative and creative solutions.
- v) **Accountability & Transparency;** Uphold professionalism, integrity, honesty, and ethical practices in all our programs and operations.
- vi) **Equity & Inclusiveness;** embracing value for people by treating our staff and our stakeholders with respect and dignity while appreciating their diversity.

In order to deliver on its mandate, the Centre undertakes ²projects implementation, research & development, data dissemination, advisory services, training & capacity building, and calibration and maintenance of survey equipment.

1.2 ASSIGNMENT OBJECTIVES

The main objective of RCMRD Business Sustainability Framework will be to improve RCMRD's financial stability and ensure efficient use of resources to maintain the institution's long-term viability. In addition, the framework identifies potential risks and defines strategies for eliminating or minimizing the impact of these risks, as well as the mechanisms to effectively monitor and evaluate them.

1.3 METHODOLOGY AND APPROACH

The methodology used for the preparation of this document was highly consultative to enable understand the salient issues regarding the Centre's situation and expectations through inputs obtained from key staff, management, and member States and other key stakeholders. The methodology employed interviews, consultations and discussions to get broad views and input.

A review of important background documents provided by the RCMRD enabled gain a deeper understanding of current sustainability strategies at the Centre to enable identify gaps and critical issues that the framework should address to enhance business continuity and ultimate survival of the Centre while aligning the strategies to the best sustainability practices for organizations similar to RCMRD in size and scope.

² Core functions in the RCMRD Strategic Plan 2019-2022 page 4

To guide the process of developing a Business Continuity Framework the following principles were applied;

- **Growth for the Centre;** Committing resources to sustainable programs; Leveraging on existing sustainability to reach new markets, managing existing programs to capture sustainability trends, New products & Innovation being pursued by the Centre
- **Risk Management;** Managing Centre's Reputation for Sustainability; Mitigating Operational Risks through risks management; Responding to regulatory constraints and opportunities through regulatory Management
- **Programmatic Sustainability** through managing impacts of programs through Sustainable Operations; Reducing Waste from Operations; Improving employee retention/or motivation through sustainable related activities
- **Integration of business sustainability** in key operations of the Centre, and management practices within the Centre.

2.0 CURRENT SUSTAINABILITY AND RISK MANAGEMENT FRAMEWORK

2.1 INTRODUCTION

The Centre in line with the Principal Agreement Establishing RCMRD (Revised 2010) relies on contributions made by the member States; internally generated funds from products and services; surplus generated from the Training Institute and donor funding from partners and donors implementing projects through the Centre.

2.2 CURRENT STRATEGIES

The following strategies have currently been put in place to enhance business sustainability at the Centre;

2.2.1 Resource Mobilization Strategy

The RMS guides resource mobilization for the development and improvement of its infrastructures such as Information Technology, training facilities and satellite data receivers. The main objective of the current RMS is to ensure RCMRD can adequately finance its operations and deliver its strategic objectives in line with the Centre's Strategic Plan

Currently, the Centre finances its operations through members contribution and internally generated income as annexed. The RMS is focused on the following result areas;

- a) **Member States Contribution;** Engagement of the Governing Council to lobby their governments and ensure annual contributions are remitted.
- b) **Development Partners;** Engagement of development partners through the following initiatives
 - Review the details of the past development partners and approach them to fund the current frozen projects
 - Seek assistance from the current donors and member States on approaching the new donors. Approach donors who fund through governments like AFDB, ARAB BANK, GIZ, JICA, UNDP, USAID, amongst others.
 - Hold regular meeting with the donors or their representatives and invite them to the various forums organized by RCMRD.
- c) **Partnership and Collaboration;** the Centre currently has partnerships and collaborations with the following;

- Member States Ministries of Land and Environment
- UN agencies such as UNECA, UNEP, UNFAO, UNHABITAT, UNOOSA, etc.
- International space agencies such as European Aeronautic Defense and Space Company (EADS), European Space Agency (ESA), Japan Aerospace Exploration Agency (JAEA), National Aeronautics and Space Administration (NASA).
- Regional Economic Organization such as IGAD, SADC,
- Universities in the region such as Addis Ababa University, Ardhi University, ITC Netherlands, Jomo Kenyatta University of Agriculture and Technology (JKUAT).
- Professional Organizations such as ICA, FIG, International Organization of Geodesy (IAG), ISPRS
- NGOs such as FewsNET, Gates Foundation, etc.
- The Centre undertakes design of products and services that meet the various partners' needs and objectives to attract partnerships and collaboration or joint proposals.

Through member States missions, the Centre scouts for potential partnerships and collaborations.

However, it is noted that the Centre has not attracted significant participation from Central and Southern African regions, trade blocks and organizations.

d) Internally Generated Income; RCMRD internally generates revenue from projects and services in remote sensing & GIS, survey and mapping, RCTI, calibration and repair of survey equipment, amongst others accounting to over 50% of RCMRD revenue.

2.2.2 Visibility, Communication & Marketing

Centre's publicity is critical to its sustainability. The Centre has established a Business Development & Marketing; and Communication & Outreach sections to spearhead its visibility, communication and marketing initiatives.

Some of the key initiatives the Centre has pursued include;

- **Events;** RIC Conference, AFREF Seminar, SPACE Challenge, school visits, mentorship forums
- **Publications;** Branded merchandise, newsletters, reports

- **member States missions;** courtesy calls, project update meetings,
- **CSR;** donations, tree planting
- **Website and social media**

2.2.3 Management Systems and Internal Controls

To enhance its sustainability, the Centre has established monitoring and evaluation; and internal audit sections which are charged with the responsibility of monitoring and evaluation of the strategic plan implementation, workplans and projects; and to enhance governance and risk management at the Centre respectively.

The Centre has invested in elaborate systems, policies and procedures in all its operations and processes. RCMRD is ISO 9001:2015 Certified and has embraced ISO standards in all its operations.³

2.3 CURRENT CHALLENGES

Despite the many opportunities, RCMRD faces numerous challenges in its operations. Being an intergovernmental institution with the unique governance structure and operational framework, some of which are as highlighted below;

- Uncertain political realignment due to change of regimes and government policies in member States governments
- Reduced remittances and support from members States
- Increased competition nationally, regionally and globally on geospatial solutions and interventions
- Restrictive development partners conditions.
- The risk of RCMRD losing key technical staff, which may have a negative impact on projects.

The new RCMRD Business Sustainability Framework seeks to build up on the existing strategies being pursued by the Centre as well as make new recommendations that the Centre should be able to pursue both in short and long term to enhance growth and sustainability.

³ RCMRD Quality Policy of 2nd July 2018

3.0 RCMRD BUSINESS SUSTAINABILITY FRAMEWORK

3.1 INTRODUCTION

Sustainability is a measure of an organization's ability to fulfil its mission and serve its stakeholders over time. This framework is designed for the Centre to enhance its sources of funding and its ability to deliver products and services to meet dynamic and diverse stakeholders' needs and requirements.

Sustainability is a process, and not an end. An organization does not "become" sustainable and then rest on its success. Sustainability involves all the elements and functions of an organization, and every major decision made within the organization from human resources to finances to service delivery. Many factors influence the sustainability of an organization, including the operating environment, national and local politics and policy, the activities of other organizations, the availability of skilled personnel, and more. Understanding the nature and impact of these influences on the Centre is critical because it better prepares it to anticipate and respond to changes in its external environment in order to generate sufficient resources to consistently meet its stakeholders' needs. However, it is also important to differentiate between those factors the Centre can control and those it cannot.

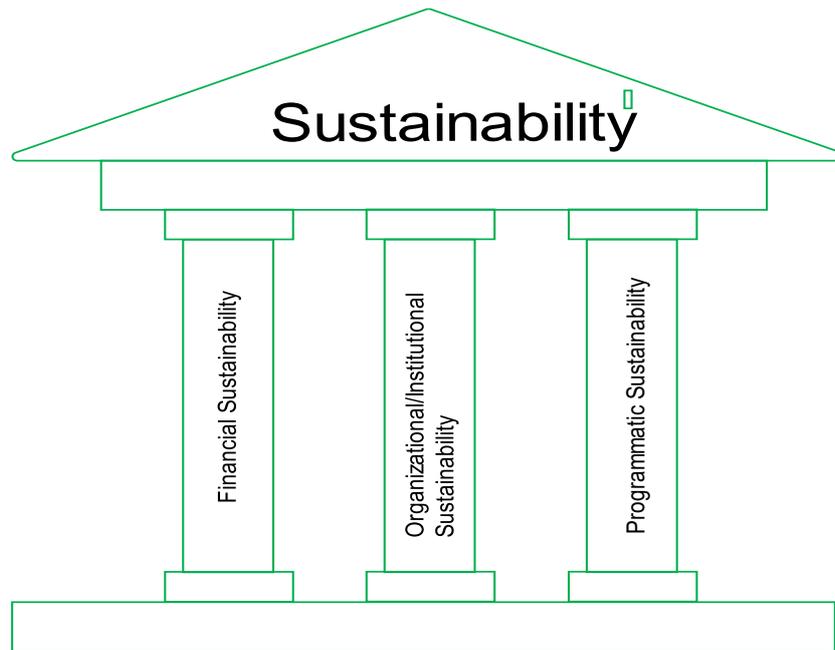
This framework's main objective is to assist the Centre's management identify and focus on key sustainability pillars both in the short term and long term. The framework will also help the Centre develop diversified sources of institutional and financial support; minimize financial vulnerability; Improve institutional capacity to continue its programmes and projects; attract more partnership and collaborations; and continue providing impactful products and services that are responsive to the dynamic and diverse needs and requirements of member States and other key stakeholders.

The sustainability framework recommended for the Centre takes a holistic approach toward sustainability by focusing on the development of three pillars namely;

- i. **Financial sustainability:** It refers to ensuring a steady flow of funds and generating revenue for maintaining and continuing the Centre's operations in line with its mandate.

- ii. **Institutional/ Organizational Sustainability:** It refers to ensuring proper working of the Centre.
- iii. **Programmatic Sustainability:** It means to continue the Centre’s projects and programmes in the long run.

Figure 1: RCMRD Sustainability



This framework will not only enhance the Centre’s ability to define and follow sound sustainable strategies but will act as reference for key policies and practices within the Centre. The Sustainability pillars and inherent strategies are outlined in the sections that follow.

3.2 FINANCIAL SUSTAINABILITY FOR THE CENTRE

For any organization, financial stability and long-term sustainability are critical for its growth and ultimate survival. Financial sustainability describes a condition where the organization is supposed to perform smoothly and meet all its financial obligations both in the long and short-term.

RCMRD financial sustainability both in the short run and the long run will depend on establishment of a strong financial base to fund Centre's activities and operations driven by various revenue streams which will supplement member States contributions. To enhance its financial sustainability, the Centre should consider and implement various strategies and interventions that will not only expand its revenue streams but develop the capacity to retain, attract and grow its revenue base.

The strategies recommended for the Centre are as follows;

3.2 .1 Members Contribution⁴

In-line with the Principal Agreement Establishing RCMRD, the Centre shall continue to lobby for consistent and timely remittances and contribution from member States and Associate Members. Members contribution are critical for the Centre's financial sustainability.

3.2.1.1 *Member States Contribution*

To enhance financial sustainability of the Centre, through the GC should consider the following;

- a. **Timely and consistent contributions;** Engagement of the Governing Council to lobby their governments and ensure annual contributions are remitted in a timely and consistent manner.
- b. **Collection of arrears;** Lobby with the GC to compel member States in arrears to clear outstanding subscriptions. The Centre through the GC may consider payment plans, incentives and restrictions to the member States in arrears.
- c. **Review of contribution subscription;** The GC to review upwards and ratify member States subscriptions based on the following considerations;

⁴ Amended Establishment Agreement Approved in Nov 2012

Through the approval and ratification of the GC, member States contribution may be reviewed based on the following member States contribution review matrix;

Member States	Base Contribution*	Variable Contribution*			Total Contribution
		GDP	Population	Geographical Coverage (Area in KM ²)	

Table 1: Member States Contribution Review Matrix

Note;

Base Contribution*- The regressed amount the GC approve as the membership subscription at the point of entry.

Variable contribution* is the regressed adjustable amount to the base contribution* based on the member State’s regressed economic variables. The variable contribution* will be reviewed every 10 years or as may be recommended by the GC.

Total contribution will be the sum of base contribution and the variable contribution*.

The multivariate linear regression model is annexed.

The review of the member States contribution will be determined using a regression multivariate model taking into consideration the following regressed variables; the GDP, Population and the Area of the respective member States.

Newly recruited contracting member States joining the Centre, their annual contribution will be determined using the above member States Contribution review matrix.

3.2.1.2 Associate Members⁵contribution

The Centre will continuously and aggressively recruit associate members. The Associate Members will make financial contribution ⁶to the Centre of annual subscription amounts as will be determined by the GC.

⁵ Amended Establishment Agreement Approved in Nov 2012, Article XIII, recognizes and allows the Centre to admit Associate Members

⁶ The financial contributions have been proposed in the Contracting Member States and Associate Members Engagement Framework Article 2.2.5

3.2.3 Internally Generated Income ⁷

The Centre shall always endeavour to have a robust and efficient internal income generation streams to supplement external sources of income and members contributions.

To ensure financial sustainability, the Centre internally generated income will be apportioned based on the historical recurrent expenditure and the CAPEX of the two major core Centres; the Centre and Regional Centre Training Institute captured in Annex 1.

Additionally, when the Centre renders services, a 17% of the indirect costs shall be levied to ensure the financial sustainability of the Centre.⁸

3.2.3.1 Capital Development Fund ⁹

The Centre has developed a capital development fund (1% of the member States contribution). To enhance business sustainability, the percentage should be reviewed by the GC from 1% to 5%, to enhance the Centre's future growth.

3.2.3.2 RCMRD Liaison Persons/Consultant

For the Centre to grow and align itself with dynamic needs and requirements of its stakeholders, there is need to identify and develop a profile of liaison persons/ consultants in member States. Their main role will be to identify unique opportunities that the Centre can pursue intervention and growth through actively engaging different stakeholders on various products and services being offered by the Centre.

To enhance the Centre's profile and to tap into emerging opportunities the Centre will engage liaison persons as third-party consultants as RCMRD agents to identify business opportunities and engagements that can enhance Centre's competitiveness in the sector and in line with the Centre mandate.

The key responsibilities of the Liaison persons/ consultants shall be as follows;

- Identify and lobby for prospective opportunities for Centre's programs, products and services in the member states
- Help raise RCMRD visibility in the member States through identification of important engagement forums which the Centre would benefit from.

⁷ Financial Report 2018

⁸ RCMRD Financial Rules and Regulations

⁹ Strategic Plan 2019-2022

- Promote the Centre’s activities by engaging institutions interested in geo-spatial information and solutions.
- Provide ongoing feedback on delivery of services and products offered by the Centre to facilitate effective service delivery.
- Provide the Centre with any vital information to enhance service delivery and implementation of its projects and programs.
- Participate in the Centre’s meetings and contribute opinions, suggestions and expertise as may be felt necessary.

The Liaison Persons/consultants shall be head hunted and appointed by the DG. Appointment and terms of engagement will be the responsibility of the DG.

The Liaison Persons/consultants shall be individuals with good networking skills and outstanding personality. They shall be required to hold the Centre in high esteem and cannot transact nor enter into any agreements without the authority of the DG.

The DG will negotiate engagement terms and conditions in consultation with the management team. The engagement terms and conditions will be based on the scope and complexity of the individual opportunities and prospects being pursued.

They will be competitive negotiated commission based on the Scope and Complexity of successful engagements to reward their efforts

The Centre may sponsor them to attend key meetings, conferences and forums that will be identified for prospecting of opportunities for future engagement by the Centre.

3.2.3.3 Products and Services:

The Centre will continue to develop innovative products and services which will meet the diverse needs of our stakeholders. Noting that the Centre is a non-profit making organization, its pricing policy will ensure that all inherent and administration costs associated with the product are covered with a marginal surplus for future Research & Development needs.

When setting prices for various products, services and tools developed by the Centre, the pricing model must take into consideration the inherent costs borne by the Centre.

However, while setting prices, it important to consider the following:

- What prices others are charging for similar services.

- The ability and willingness of stakeholders to pay for services:
- Government or other controls
- conduct a cost-benefit analysis

The Centre shall regularly review its pricing list and guidelines from time to time to ensure they are competitive enough.

Staff Performance, Innovation & Creativity

To enhance the staff performance, innovation and creativity amongst the staff, in its endeavour to develop unique products and solutions that meet unique needs and requirements of its stakeholder's, the Centre will invest in staff innovation and creativity.

In line with RCMRD Staff Reward & Motivation Policy 2018, the Centre will continuously reward staff with innovations leading to impactful transformation of the Centre. The Centre will feature Innovation week as part of its calendar of events to enhance culture of creativity and innovation amongst its staff. Outstanding innovations and creative solutions, and products and other initiatives resulting in business opportunities of significant contribution or cost avoidance will be rewarded both in monetary terms and in kind. The management through the relevant staff committee will determine based on merit the monetary value and in-kind rewards to be feted to the individual staff and the team or department.

Call for Proposals

To alleviate its technical capacity to address emerging needs and requirements from diverse stakeholders and to tap into a wide pool of expertise and unique skills in the sector, the Centre will pursue "Call for Proposals" as one of its key strategy to cross any technical gaps identified. The Call for Proposals framework will comprise of a tracking system to monitor all proposals and tenders the Centre has participated in or intends to submit in pursuit of future engagement prospects.

The Centre will use the Proposal tracker to identify and investigate reasons attributed to unsuccessful bids and proposals submitted in the past, in order to devise strategies to counter such challenges in future bids and proposals.

The strategy will be used to identify and understand unique needs and priorities in member States and as a basis for proposing projects and program in respective member State.

To enhance the Call for Proposal strategy, the Centre shall continually develop creative applications and tools that will be used to prompt feedback from the general public to inform identification of topical and contemporary issues that the Centre needs to focus.

3.2.3.4 Accreditation

The Centre will engage development partners and other key stakeholders interested in geospatial information and allied technologies for accreditation as an implementing agent.

To support projects implementation, the Centre shall continuously seek accreditation as implementing agencies in geo-spatial information and allied technologies within the member States and the region. This can be achieved through actively engaging international development partners and non-African countries, UN Specialized agencies interested in the implementation of UN-SDGs programs on Land, Natural Resources and Environment to sign MOU's with the Centre as their Implementing Agency for Geo-Spatial programmes and projects within the Member States and the Region.

RCMRD will seek to enter into accreditation agreements that are aligned to the Africa Union (AU) vision 2063 and AUDP-NEPAD aspirations of Africa We Want in 2063 and Agenda 2030, the Sustainable Development Goals, etc.

To enhance delivery of engineering services in calibration and repair of survey equipment, the Centre shall seek accreditation and appointment as authorized agents of key strategic manufacturers and suppliers of Survey, GIS and Remote Sensing Equipment and Technologies.

The Centre will seek accreditation by KENAS and recognition by AFRAC as a regional calibration Centre for Survey equipment. Through the GC, the Centre will lobby for adoption of Centre Calibration Standards in member States and use of RCMRD Sticker after inspection and calibration. The RCMRD calibration sticker will be issued at a fee as approved by the GC.

3.2.3.5 Use and Application of Continuously Observing Reference Systems (CORS)

To enhance relevance and value proposition for member States, the Centre will promote establishment, use and application of Continuously Observing Reference Systems (CORS) to promote sustainable development in member States and the region.

3.2.3.5 GIT tools and Techniques

To aid the Centre in meeting diverse stakeholder's needs, the Centre will continuously invest in emerging GIT tools and technique such as Unmanned Aerial Vehicles -Drone technology in remote sensing and mapping of resourcing and to capture high-resolution images in projects being implemented by the Centre.

The Centre will use GIT as the frontier to drive innovative tools and solutions that are tailored to respond to demands and emerging needs requiring smart solutions e.g. Dashboard reporting and project tracking, Smartphone real-time data solutions etc.

3.2.3.6 Events and Conferences:

Currently, the Centre has conferencing facilities which can continue to be used to generate revenue by the Centre hosting events such as RIC conference, AFREF seminar, workshops and seminars.

3.2.3.7 New Office Block (Offices, Hotel & Hostels):

The new office block under construction offers the Centre a unique opportunity to expand its revenue stream. Once opened it will have extra office space, a restaurant as well as a fully equipped business Centre and Conferencing facilities.

The location, ample parking and security present an attractive formation that Centre can use to attract niche clientele and patrons for its facilities especially from UN-Agencies looking for office space and other amenities to operate from at the prevailing market rates.

RCMRD Hotel at the new office block will offer catering and hospitality services including conferencing facilities that can generate extra income for the Centre. The Hotel will also feature a hostel wing for long stays and international students willing to be hosted at the Centre.

3.2.3.8 Hosting of Telecommunications Masts

The Centre shall endeavor to ensure renewal of contracts with the existing service providers who have erected telecommunication masts within its premises.

3.2.4 Funding from Development Partners

The Centre shall continue to engage development partners so as to increase their funding of various projects that meet the diverse and dynamic needs of its stakeholders. The Centre shall also continue to develop innovative and impactful products and services which are in congruence with donor's interests.

- **Partnership & Collaborations:** The Centre will continue to seek for donors and partners to fund its programmes and projects through MOUs, collaborations and partnerships.
- **Resource Mobilization:** Resource Mobilization is important for ensuring the financial sustainability of the organization and should be based on a sound fundraising strategy. The purpose of fundraising is to secure funds to meet organizational goals and objectives. Fundraising, or obtaining funds from external sources, is required when a new program is initiated or when a current grant or contract ends.

The Centre's resource mobilization strategies will continue to be undertaken only for programs or activities that are in line with the mandate and the strategic objective of the Centre. Resource Mobilization requires time and staff dedication. Successful fundraising depends on an innovative, thorough, and carefully prepared proposal that addresses a demonstrated need and responds to stakeholder priorities. The Centre will continue to integrate resource mobilization with all its programs and key activities and the responsibilities will be shared and cross cutting within the organization.

- **Grants and donations:** The Centre will solicit for grants and donations both in-kind and monetary in line with its mandate.

3.3 FINANCIAL SUSTAINABILITY FOR THE REGIONAL CENTRE TRAINING INSTITUTE

The RCTI was started in the year 2000 as a source of income to the Regional Centre for Mapping of Resources for Development (RCMRD) to supplement the organizational financial sources due to financial constraints of non-remittance of annual contribution by some of the member states.

RCTI is TVETA accredited and offers KNEC examined training programs at Certificate and Diploma level and short courses. Currently, RCTI has a student population of 432 students comprising of 410 full-time students and 22 part-time students attending evening classes. The staffing level at the Training Centre is currently standing at three (3) contract staff - Training Coordinator, IT Trainer and Administrative Assistant; and fifty (50) part-time lecturers against a 432 students' population.

The distribution of the students based on past and projected enrolment is as shown in the table below;

Students' population per Course	2016	2017	2018	2019	2020	2021	2022
Diploma in land survey	30	128	205	231	220	280	320
Diploma in Cartographic & GIS	30	44	72	62	100	150	200
Diploma in Photogrammetric and remote sensing	-	20	29	17	50	75	100
Certificate in Land survey	-	45	85	94	120	180	200
Diploma in IT	-	-	24	23	50	75	100
Certificate in IT	-	-	17	10	60	80	100
ICDL				104	80	90	100
Short Courses				30			
Total students	60	237	432	571	680	930	1120

Table 2: RCTI students' enrolment

The Training Institute has grown over time and is currently been set up to provide training as part of the Centre's endeavour to meet its mandate in capacity building. The Training Institute is expected to be self-sustaining and supplement RCMRD revenue stream.

3.3.1 Regional Centre Training Institute Strategies

3.3.1.1 Curriculum Development

As a commercial wing of the Centre, the training institute will continue to offer relevant academic programs in Geo-Spatial Information and Allied technologies. To ensure the programs are sustainable, the Training Institute shall develop a detailed Curriculum program for all its program.

To ensure relevance and wider acceptance, the Curriculum will be developed in collaboration with various TVETs in the member States and benchmarked with other learning institutions such as ITC, AFRIGIST among others.

3.3.1.2 TVET Accreditation

Through the GC the Centre will lobby for the endorsement of the RCTI Training Curriculum and accreditation with TVETs in their respective countries. The Training Institute will position itself to offer competitive academic short term and long-term programs in the sector for member States as an institution of choice. In this endeavour, the Training Institute will benchmark with AFRIGIST and ESAMI and any other institution of learning in the region.

3.3.1.3 RCMRD Ngong Satellite Campus

The Centre has an unutilised piece of land measuring about 10 acres. To promote sustainability and open up growth opportunities, we propose that the Centre establishes a satellite campus. The Campus will be developed to become a Centre of Excellence in Geo-Information and Allied Technologies in the region.

The Ngong campus will seek recognition to a fully-fledged technical learning institution with the status of a polytechnic.

3.3.1.4 Collaboration & Partnership

To broaden its scope, the Training Institute will seek collaborations and Partnership with other learning institutions such as AFRIGIST, ITC amongst others for RCTI Student's advancement opportunities of their academic programmes in those institutions.

The Training Institute will seek recognition of its programs by other institutions through identifying strategic affiliations and registrations of the Training Institute with recognized institutions and registration bodies.

3.3.1.5 Education fairs & Exhibitions.

To market the institution, the Training Institute will participate in strategic Education Fairs and Exhibitions to market its programs and facilities

3.4 FINANCIAL MANAGEMENT PRACTICES

Financial systems play a critical role in an organization. They enable the facilitation of all activities of the organization. The Centre will continue adhering to the existing guidelines and policies as laid in RCMRD Financial Regulations and best practices.

3.4.1 Financial Accounting

A primary responsibility of management is to ensure the financial health of the Centre. This requires an understanding of fundamental financial concepts, financial reports, and some key tools for analyzing financial data. The proper presentation of financial accounting data can greatly facilitate both the preparation of management accounting information and the fulfilment of external reporting requirements. Given their limited resources, it is particularly important for not-for-profit organizations to adopt a business-like attitude toward their financial operations and the way they present financial information to stakeholders.

Financial accounting is critical to the success of the Centre. In this respect, the Centre shall continue adopting business-like accounting systems to generate reliable information for decision-making. The Centre shall continue putting in place an up-to-date system capable of storing and analyzing critical information that can be used for setting goals for cost control, establishing trends for budget expenditures, and empowering the management of the Centre to make better decisions about future activities.

3.4.1.1 Financial Statements

The Centre shall continue keeping up-to-date financial statements prepared in accordance with international accounting standards. Financial statements will be used to summarize information contained in the accounting records and used as an important tool for monitoring the Centre's activities and performance.

Management shall continue tracking performance through periodic financial reports (monthly, quarterly) that compare planned activities with actual performance.

Preparation of regular, accurate, timely, and useful financial statements is essential for improving the sustainability of the Centre because it enables management to evaluate the Centre's performance and take timely action to correct problems.

3.4.2 Management Accounting

In order for any organization to be sustainable, it must be competently managed.

RCMRD will continue adopting a proactive management approach focused on creating an environment in which resources can be used to their best advantage to realize the organization's goals. The management process shall revolve around decision-making, involving choosing between alternatives in order to achieve an objective anchored on feedback that allows the consequences of management action to be evaluated.

The Centre shall continue using the available accounting information systems that can provide feedback to management decisions.

Management accounting will be used to provide useful information when making decisions on the following;

- Budgeting, including planning and forecasting
- Pricing of products and services
- Measurement of the Centre's performance and staff productivity
- Cost control
- Investment and divestment decisions, for example, whether to invest in a new service or to discontinue an existing service/program/project that no longer receives donor funding.

(Note: Management accounting emphasizes the use of information for management decision-making, while cost accounting addresses the specific processing and evaluation methods used to create meaningful management accounting information. In practice, however, the two terms, management and cost accounting, are used interchangeably.)

3.4.2.1 Management Accounting Strategies

The Centre shall continue employing the following strategies;

- **Cost Control**

Cost Control will facilitate the analysis of costs. Such analysis enables management to exercise closer control over costs by reducing inefficiencies and focusing on cost-effective ways of

service delivery. When confronted by escalating costs the management will endeavor to reduce inefficiencies and focus on cost-effective ways of delivering services.

- **The 80/20 Rule (The Pareto Principle)**

In an endeavour to contain costs, the Centre shall adopt the 80/20 rule approach that holds that 80 per cent of an organization's resources is generally spent on just 20 per cent of its activities. By focusing on the activities of the Centre that consume the most resources and to identify areas for potential cost savings.

Concentrating on the most significant costs follows what is called the 80/20 rule, a rule of thumb that 80 per cent of an organization's resources is generally spent on just 20 per cent of its activities. The 80/20 rule will help the Centre focus on areas that use most resources.

- **Service Delivery Methods/Protocols**

To ensure optimal utilization of resources, the Centre shall continue to focus on eliminating waste by avoiding repeated or unnecessary and overlapping efforts - that is, doing the right things at the right times, and doing things right the first time. For example, uncoordinated missions to States leading to duplication efforts.

- **Budgeting**

Management accounting information can facilitate the preparation of meaningful budgets, which in turn provide useful measures for monitoring financial performance. Management accounting information will allow the Centre to do the following:

- Review historical data and use it to forecast future financial transactions.
- Focus on key cost items, such as recurrent expenditure and CAPEX which typically consume the majority of financial resources.
- Encourage variance reporting and analysis, which makes the budget a useful tool for monitoring expenditure.

- **Staff Emoluments**

The Centre shall endeavour to adhere to the best practices in financial management by capping the 35% staff emolument of total recurrent expenditure.

3.5 INSTITUTIONAL SUSTAINABILITY

Institution sustainability is the ability of the organization to secure and manage sufficient resources internally to enable it to fulfil its mission effectively and consistently over time. Developing institution capabilities through creating a critical mass of right skills and competencies engaged workforce will be a critical element of enhancing institution sustainability.

The Centre will pursue the following strategies as part of institution sustainability strategies;

3.5.1 Centre's Corporate Visibility

The Centre shall endeavour to enhance its image through corporate branding initiatives. The GC shall be the Centre's Brand Ambassador's in their respective States and shall at all times market, lobby, and communicate the Centre's products, services, programmes and projects.

The Centre shall utilize opportunities available to it to raise its visibility and public standing to all its stakeholders.

Some of the key initiatives the Centre can pursue include;

- **Embassies Engagement Forums**

The Centre shall continue to engage embassies and business consular of different governments resident in Kenya. The engagement forums will aim at not only raising the profile of the Centre but to identify strategic partnerships that can be established in the respective countries in offering solutions within the Centre's mandate.

- **Events:**

Events are a good opportunity to market the Centre's products and service and also to showcase the Centre's expertise in various fields. Events such as RIC Conference can be enhanced and published so as to attract more participants and sponsors. The Centre should also initiate new conferences and seminars that target identified unique needs of various stakeholders. These events will be hosted on a rotational method as may be determined by the Centre. The thematic focus of the conference must be aligned with the national agenda of the member States for easy buy-in and support. RCMRD shall establish a RIC Conference academic Journal for peer reviews.

SPACE Challenge, School visits and RCMRD mentorship forums can be utilized to increase the visibility and public standing of the Centre. These conferences and seminars will provide the Centre with an opportunity to solicit for sponsors, hire out exhibition space, sell the conference publications, sell branded merchandise and charge participants registration fees thus becoming self-sustaining.

The liaison person/consultant identified by the Centre will use such events to identify and pitch for strategic partnerships and opportunities for future engagement by the Centre.

– **Publications:**

The Centre should generate publications (e.g. newsletters, reports, conference proceedings, research papers etc.) in its various core areas so as to disseminate knowledge and information to stakeholders. This will raise the profile of the Centre and its employees making it easier to attract funding for projects, programmes and research. These publications could sell advertising space and stakeholders asked to subscribe thus becoming self-sustaining. The Business Development & Marketing in liaison with Communication and Outreach, and Finance sections to work closely with the PR Agency/ and or management to generate an attractive rate card for the RCMRD's publications and journal.

– **Branded merchandise:**

The RCMRD should sell various brand merchandise that will extend its brand reach and increase its visibility across the region e.g. Cups, T-shirts, Caps, travel bags, notebook, thumb drives, pens, jackets, water bottles, umbrellas etc.

– **Member States missions:**

The Centre should undertake market surveys in the member states so as to identify their respective unique needs. On understanding the member state needs courtesy calls and project update meetings should be planned and coordinated with other sections so as to reduce overlaps and duplicated efforts.

– **Corporate Social Investment (CSI), donations and sponsorships:**

the Centre should undertake CSI, donations and sponsorship activities that can enhance the profile and public standing of the Centre e.g. training,

– **Website, social media other internet platforms:**

RCMRD should utilize new media to expand its communication reach. Platforms such as YouTube, Twitter, GIT hub, Observatories and Repositories etc. should be used to communicate the Centre's activities, programmes and projects to various stakeholders through establishment of an online community.

3.5.2 Communication Strategy

To effectively communicate with its stakeholders, the Centre shall develop and implement a communication strategy that meets the diverse and complex information needs of its stakeholders. This communication strategy shall take into consideration the use of various communication channels and platforms that ensures wide and personalized dissemination of the information.

The Centre has a communication and outreach section, however, there is need to enhance it taking into consideration the need for broad-spectrum communication skills and the 24-hour news cycle.

To ensure proper and consistent communication, the Centre shall adopt the best practice of allocating at least 3% of the total corporate recurrent expenditure. The Centre shall engage services of a PR Agency to aid in development and implementation of the Communication Strategy. The PR Agency will be used to continuously review and re-align various communication strategies of the Centre including the Brand manual. The Agency operations costs will be managed within the budget allocation and will be used to organize, market and solicit for sponsors of Centre's major events.

3.5.3 Marketing and Business Development

The Centre will endeavour to utilize the full array of product and service marketing tools to attract prospective customers, retain current customers and build customer loyalty. RCMRD shall develop and implement a robust marketing plan that guides the marketing of all the Centre's products and services and integrates the marketing tools into the Centre's operations.

To sustain its continuous marketing endeavours, RCMRD will need to strengthen the Business Development and Marketing section. The Centre shall also adopt the best practices

in marketing by developing products and services specific to emerging stakeholders' needs and requirements.

Through member States missions and other stakeholder's engagement initiatives, the Centre shall seek for potential partnerships and collaborations both in member States and other regions and trade blocks.

3.5.4 Stakeholders Engagement

Stakeholder engagement is an important tool by which organizations can interact in an open manner with their various stakeholders. During these interactions, the organization is able to consult, communicate, negotiate and build mutually beneficial relationships with its stakeholders.

Stakeholder engagement enables the organization to;

- Gain stakeholder approval and support
- Anticipate risks and opportunities that may arise
- Effective planning and execution of projects
- Offers stakeholders to voice their opinion
- Demonstrate clarity and shared vision amongst its stakeholders

The Centre will develop a stakeholder engagement strategy as a key component of its management practice. The strategy will guide the Centre in the identification of key stakeholders, their interests and expectations, and build collaborative partnerships and new relationships that generate value.

The Centre will proactively seek new partnerships through pursuit of well-informed stakeholder engagements activities and interventions. Along with investing resources including time and finances on developing new partnerships the Centre will manage and strengthen existing relations with donors, partners and other stakeholders.

3.5.5 Human Resources Strategies

3.5.5.1 Leadership and management practices.

Like any other organization, leadership and management practices are key to success for any organization. The Centre shall endeavour to build institutional capacity to manage and steer

Centre's operations and activities through effective leadership and management practices. Emphasis will be made on the following aspects;

- i. the importance of both tangible and intangible leadership and management skills that drives the Centre to long-term sustainability.
- ii. Practices that encourage the Centre to identify and articulate its strengths and work on its weaknesses.
- iii. Creativity and innovation through creating a conducive environment that encourages a culture of creativity and innovation.
- iv. Recognizes staff as a key resource to drive sustainability and growth through enhanced employee relations, recognition of performance, teamwork and conducive work environment.

3.5.5.2 Staff Engagement

To enhance staff loyalty, commitment and engagement with the Centre, the Centre will undertake to continuously improve work conditions of its staff to be in line with the industry practice.

The Centre will continue to undertake Job Evaluations to align itself with the changes and dynamics in the labour market. Different aspects of job positions will be analyzed and taken into consideration to ensure equity and right remuneration of all staff to enhance staff engagement with the Centre.

The Centre will invest in different interventions focused on enhancing staff engagement and involvement such as Staff reward and recognition, team building, review of performance management framework, etc.

3.5.5.3 Staff Development and Training

Incorporating the employee development and training concept into the sustainability plan provides a win-win solution for both the organization and its staff. By utilizing the basic principles of staff development, the organization is able to increase staff retention rate because it has satisfied employees, saving time and money hiring new employees and increasing staff productivity and morale.

RCMRD will endeavour to continuously develop communication, decision-making, leadership and technical skills of its employees.

The Centre recognizes the importance of enhancing staff loyalty and growth by addressing diverse staff needs. RCMRD has established a staff development fund to assist staff develop themselves in various ways outside the work environment. This fund will enable staff borrow funds at a reasonable rate as approved by the GC from time to time. RCMRD shall operationalize Staff Development Fund by investing USD 100,000 annually.

3.5.5.4 Volunteer engagement/Secondment

The Centre recognizes the need to strengthen its technical capacity to deliver unique solutions and services to diverse and dynamic stakeholders needs and requirements. Implementation of some programs and projects may require soliciting for volunteers with unique skills and competencies lacking at the Centre. The Centre will work closely with the Governing Council to identify key resource persons in member States with the specialized expertise required by the Centre.

3.5.5.5 Change Management

The way business is conducted has changed rapidly in recent years, which presents a constant challenge. The Centre must deal with change in their external environment (social, technological, ecological, economic, political) as well as with change from within (changing employee perceptions and expectations).

Coping with change requires a flexible management process. The Centre must constantly reexamine the way it does business and operates and must be willing to change with the times. In short, the Centre will not succeed if it adopts the attitude of “business as usual,” and will continuously invest in change management programmes to prepare it to adapt to the changing dynamics.

3.5.5.6 Coaching and Mentorship

The Centre recognizes knowledge transfer and effective knowledge management as critical as a tool for enhancing staff skills and competencies required at the Centre. Unique and specialized skills will be nurtured through structured coaching and mentorship programs. Every section head will spearhead coaching and mentorship of staff in their sections as part

of their performance output which will be integrated in the annual performance management practice.

3.5.5.7 Management Systems and Technologies

The Centre shall endeavor to invest in up-to-date quality management systems that are appropriate to its operations such as ISO standards. RCMRD being technology-driven shall continuously invest in modern technologies.

The Centre will develop and implement a corporate strategic plan and workplans that are focused on long-term sustainability in line with the mandate and objectives of the Centre as defined in the Principal Agreement establishing the Centre and embrace good governance practices in all its operations as outlined in the Corporate Governance Guidelines.

3.6 PROGRAMMATIC SUSTAINABILITY

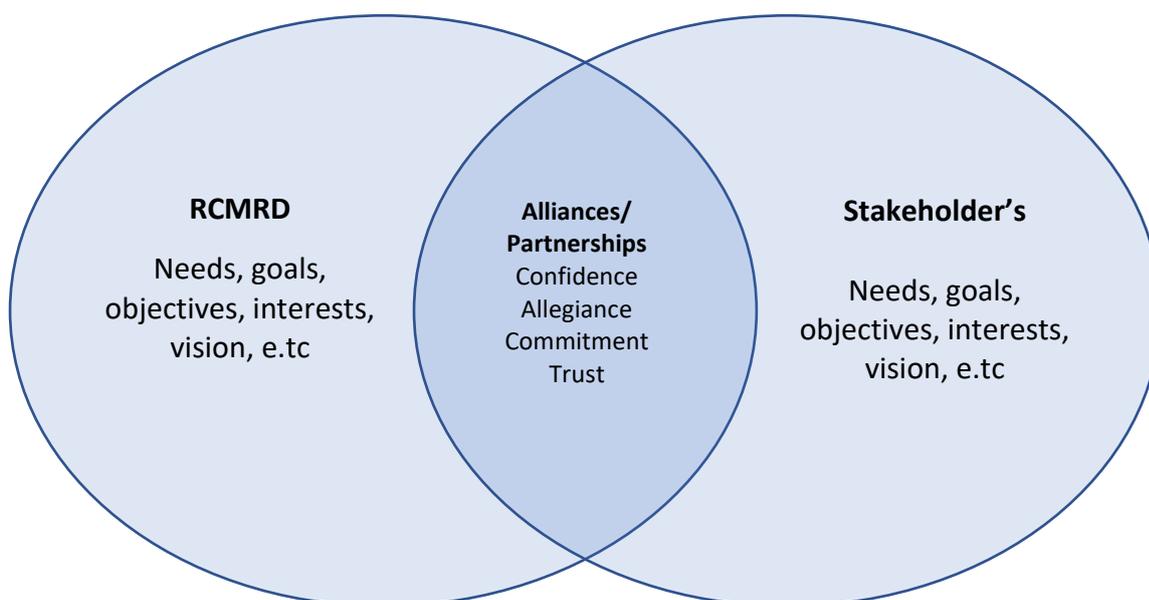
Programmatic sustainability efforts will be focused on maintaining and improving quality of products, services and programmes through creating a sustained value proposition to clients, project beneficiaries and other key stakeholders.

The Centre has multiple stakeholders, including member States, associate members, partners, employees, service providers, and the general public. Understanding their needs and expectations, accurately assessing the relative priority and addressing their unique needs and requirements is critical for long term sustainability of the Centre.

The Centre recognizes that its stakeholders and their' needs and requirements may change over time, and the Centre must consciously change and adapt as needed. The Centre will continuously assess stakeholders needs and requirements to ensure their priorities and interests are taken into consideration and form the centerpiece for programmes/products/service design.

The Centre shall continuously ensure that needs, goals and interests converge and are in sync with those of the stakeholders. For sustainability, the harmonized interests (the overlap) shall be enhanced through constructive stakeholder engagement focused on building alliances, confidence, allegiance, commitment and mutual trust.

Figure 2: Programmatic Sustainability



The Centre will position all its programmes, projects and services to enhance relevance and confidence amongst all its stakeholders as a key player and industry shaper in the region

Involving key stakeholders is the key to have long term impacts from any projects. The Centre shall ensure it involves and takes into consideration its stakeholders views about various aspects of its products, programs, services and activities at various stages to enhance ownership, impact and successful implementation.

Where communities will be impacted by Centre Projects, the Centre shall endeavour to create harmonious relationships through public participation and sensitization of the project benefits to ensure smooth implementation and to safeguard the image of the Centre.

To enhance programmatic sustainability, the Centre will pursue the following initiatives and interventions;

3.6.1 Knowledge Management

The Centre shall continue adopting a participatory approach in the implementation of its program and projects. The skills and knowledge acquired by the project/program team will be transferred and replicated in other programmes/projects.

The Centre will endeavor to always maintain and update institution memory to enhance knowledge management. The Centre will create an up to date documentary to capture critical historical events and activities shaping the Centre. The Centre should create a repository in the library system with documentation of critical documents being generated by the Centre. The Repository should have a section of past proposals and expression of interests being generated by the Centre, which can be used in developing future proposals.

To enhance Knowledge management at the Centre, the Centre will enlarge the role of PHRAO to capture knowledge management and institute mentorship programs that encourage the transfer of critical skills and competencies from senior members of staff to new members of staff joining the Centre.

The Centre shall implement an effective M, E& L system to track implementation success, challenges and impact of various projects and programmes being implemented by RCMRD. Key lessons learnt and implementation challenges will be used to inform and improve design and implementation of other projects.

3.6.2 Partnerships and Collaboration

The Centre, appreciating the critical role played by projects partners shall continuously engage them so as to improve the implementation and management of its various projects. RCMRD will invest in nurturing the close and mutually beneficial relationships with all its projects partners. In this endeavour, the Centre shall continuously consult and communicate with its partners so as to meet the various partners' needs and attract more partnerships and collaborations.

The Centre shall continuously lobby with the member states for support in implementation of its projects and programs through active engagement of the Governing Council by sharing Centre's work plans and implementation challenges requiring intervention of the GC.

The Centre shall proactively engage member States through the Governing Council to ensure contributions are made in a consistent and timely manner to support implementation of its programs and projects.

To enhance programmes/projects relevance and value proposition, the Centre shall seek the support of the respective member States where Projects are being implemented for sustainability.

3.6.3 Specialized Skills and Competencies

The Centre recognizes the need to attract and retain specialized skills and competencies for future sustainability. RCMRD will invest in deliberate staff engagement, training & development, and retention initiatives and strategies aimed at creating a skilled and competent workforce for effective implementation of its programmes and projects, and as a competitive advantage in the sector.

4.0 RISK MANAGEMENT & INTERNAL CONTROL

4.1 INTRODUCTION

Risk is the main cause of uncertainty in any organization. Thus, organizations are increasingly focusing more on identifying risks and managing them before they affect their business operations. Effective risk management will aid organizations to act more confidently on future business decisions and their knowledge of the risks they are facing and various options on how to deal with potential risks.

The Centre shall continue to proactively enhance the existing risk management and mitigation framework. The existing governance structure will continue to be enhanced to cushion the Centre from any unforeseen risks, with appropriate corrective actions identified and implemented when such risks occur.

The Centre will adopt strategies to manage threats (uncertainties with negative consequences) typically include avoiding the threat, reducing the negative effect or probability of the threat, transferring all or part of the threat to another party, and even retaining some or all of the potential or actual consequences of a particular threat, and the opposites for opportunities (uncertain future states with benefits).

RCMRD shall continue to maintain an up-to-date risk register identifying all the risks which will be used as a tool in risk management within the Centre. The risk register includes all information about each identified risk, such as the nature of that risk, level of risk, who owns it and what are the mitigation measures in place to respond to it.

The Centre recognizes that risks can come from both internal and external sources. The external risks are those that are not in direct control of the Centre and may include political issues, exchange rates, interest rates, and so on, while internal risks will include non-compliance or information breaches, among others.

4.2 RISK MANAGEMENT FRAMEWORK & PROCESS

The Centre will enhance the existing ISO and Risk management framework to ensure that risks are continuously identified and mitigation measures put in place. As a bare minimum, the framework will be used in the following process;

- i) Identifying current and emerging risks;

- ii) Developing risk assessment and measurement systems;
- iii) Establishing policies, practices and other control mechanisms to manage risks;
- iv) Developing risk tolerance limits;
- v) Monitoring and reporting risks status against approved risk tolerance limits.

To institute an effective risk management system, the Centre shall adopt the following process;

Step 1: Risk Identification. Risk identification should be a continuing process and risk should be understood at both at operational and organization-wide. Risks identified will be documented in the Centre's Risk Register.

Step 2: Risk Measurement: Once the risks associated with a particular activity have been identified, the next step is to measure the significance of each risk. Each risk should be viewed in terms of its three dimensions: size, duration and probability of adverse occurrences. Accurate and timely measurement of risk is essential to effective risk management systems.

Risks identified will be analyzed for likelihood and consequence to understand the nature of the risk and its potential impact on RCMRD goals and objectives. This information will be captured in the Risk Register.

Step 3: Evaluate or Rank the Risk. Risks will be evaluated and ranked to determine the risk magnitude, which is the combination of likelihood and consequence. The management will make decisions about whether the risk(s) is acceptable or whether it is serious enough to warrant treatment. These risk rankings will be added to the Risk Register.

Step 4: Risk Control: During this step, you assess your highest ranked risks and set out a plan to treat or modify these risks to achieve acceptable risk levels.

The management will make decisions on how to minimize the probability of negative risks, and institute risk mitigation strategies, preventive plans and contingency plans. The risk control measures will be captured in the Risk Register.

Step 5: Monitor and Review the risk: Monitoring risks will entail developing a risk reporting system that will identify adverse changes in the risk profiles of the Centre and monitor changes in controls that have been put in place to minimize adverse consequences.

4.3 INTERNAL CONTROLS

The Centre shall endeavour to create a conducive environment that will involve the entire organization and create awareness of the importance of internal controls¹⁰ and the extent to which their individual actions provide a sense of organizational discipline and structure to the control system.

The Centre will put into place policies and procedures that will be designed to ensure that:

- Assets are safeguarded.
- Fraud and errors are prevented and detected.
- Centre's operations are efficient and cost-effective.
- Accounting records are complete and accurate.
- Management information is timely and reliable.
- Staff are protected.
- Clients and stakeholders are protected from dishonest or unethical staff.
- Centre's resources are used to benefit of its stakeholders.
- Encourage adherence to prescribed policies.

The Centre recognizes the independence of the office of the internal auditor in ensuring adherence to set out policies and procedures to enhance internal control.

To strengthen the internal controls, RCMRD shall engage an external auditor approved by GC to provide an independent opinion. All audit queries shall be addressed in a timely manner.

To ensure the Centre has a favourable and supportive control environment, it shall endeavour to have the following in place:

- Documented policies and procedures
- management corrective actions whenever there are departures from policy.
- An independent internal audit section that can conduct periodic independent audits
- Employees receive training to improve their competence in carrying out their duties.

¹⁰ Quality Policy February 2018

- Staff performance management system
- Sensitization of staff and other stakeholders of the Centre’s control mechanisms
- Segregation of duties so that the work of one person is checked by another.

4.4 GENERAL INTERNAL CONTROL GUIDELINES

The Centre shall follow the following main guidelines when establishing internal controls.

- Establish a **system for authorizing transactions** and activities through a written policy that has approval by management.
- Segregate (separate) duties** by assigning different people responsibility for authorizing transactions and holding custody of assets. This reduces the opportunity for anyone person to perpetrate fraud or conceal errors or irregularities.
- Maintain **documents and records** to help ensure that transactions and events are properly recorded. Controls should be put in writing whenever possible.
- Establish adequate **safeguards** over access to and use of assets and records.
- Carry out **independent checks** on the internal control process(es). Also, perform periodic validation through auditing to ensure the accuracy of records and to strengthen the internal control system.

ANNEXES

ANNEX 1: RESOURCE MOBILIZATION WITH PROJECTIONS

Member States Contribution													
Years	2018* Base	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Contribution (USD)	979,000	1,166,000	1,221,000	1,379,000	1,454,000	1,512,160	1,572,646	1,635,552	1,700,974	1,769,013	1,839,774	1,913,365	1,989,899
Internally Generated Income													
RCMRD	3,358,806	1,166,000	1,221,000	1,379,000	1,454,000	1,512,160	1,572,646	1,635,552	1,700,974	1,769,013	1,839,774	1,913,365	1,989,899
RCTI	431,114	410,000	707,000	996,000	1,198,000	1,245,920	1,295,757	1,347,587	1,401,491	1,457,550	1,515,852	1,576,486	1,639,546
Total Internally generated	3,789,920	1,576,000	1,928,000	2,375,000	2,652,000	2,758,080	2,868,403	2,983,139	3,102,465	3,226,563	3,355,626	3,489,851	3,629,445
Total Revenue	4,768,920	2,742,000	3,149,000	3,754,000	4,106,000	4,270,240	4,441,050	4,618,692	4,803,439	4,995,577	5,195,400	5,403,216	5,619,345
Members Contribution %	21%	43%	39%	37%	35%	35%	35%	35%	35%	35%	35%	35%	35%
	Past Performance ¹¹	Projected in the Strategic Plan ¹²				Projected growth after 2022-*Growth estimated @4%, by IMF ¹³							

¹¹ Financial Statements 2014-2018

¹² Strategic Plan 2019-2022

¹³ World Economic Outlook April 2019 by IMF

ANNEX 2: REVIEW OF MEMBERSHIP CONTRIBUTION

Introduction

The review of the contribution formula stems from the continued variation in the economy of the African region. Consequently, these proposed scenarios have taken into consideration the GDP, Population and the Area of the member States.

The methodology has applied a multivariate linear regression model in consideration of the nature of the mentioned variables

$$Y = a + b_1 * X_1 + b_2 * X_2 + b_3 * X_3$$

Where Y= Expected Contribution

a= Intercept (Minimum Contribution)

b₁=coefficient of GDP

b₂=Coefficient of Population

b₃=Coefficient of Area

X₁=GDP

X₂= Population

X₃= Area

Explanation for the Regression Model

The correlation co-efficient **R** indicates that:

+0.30. A weak uphill (positive) linear relationship

+0.50. A moderate uphill (positive) relationship

+0.70. A strong uphill (positive) linear relationship

Exactly +1. A perfect uphill (positive) linear relationship

R² measures proportion of variance for dependent variable that is explained by the independent variables in a regression model. **R²** of 100% means that all movements of dependent variables are completely explained by movements in the independent variables.

The **adjusted R²** compares the explanatory power of regression models that contain different numbers of predictors. The adjusted R-squared is a modified version of R-squared that has been adjusted for the number of predictors in the model. The adjusted R-squared increases

only if the new term improves the model more than would be expected by chance. It decreases when a predictor improves the model by less than expected by chance. The adjusted R-squared can be negative, but it's usually not. It is always lower than the R-squared. R-Squared is intended for a simple linear regression model with one explanatory variable. With a multiple regression made up of several independent variables, the R-Squared must be adjusted. The adjusted R-squared compares the descriptive power of regression models that include diverse numbers of predictors. Every predictor added to a model increases R-squared and never decreases it. Thus, a model with more terms may seem to have a better fit just for the fact that it has more terms, while the adjusted R-squared compensates for the addition of variables.

Standard Error of the Estimate is a measure of the accuracy of predictions. The regression line is the line that minimizes the sum of squared deviations of prediction (also called the sum of squares error), and the standard error of the estimate is the square root of the average squared deviation.

Unstandardized coefficients are 'raw' coefficients produced by regression analysis when the analysis is performed on original, unstandardized variables. Unlike **standardized coefficients**, which are normalized unit-less coefficients, an unstandardized coefficient has units and a 'real life' scale.

An unstandardized coefficient represents the amount of change in a dependent variable Y due to a change of 1 unit of independent variable X.

Sum of squares is the sum of the square of variation, where variation is defined as the spread between each individual value and the mean. To determine the sum of squares, the distance between each data point and the line of best fit is squared and then summed up.

Degrees of freedom are the number of independent values that a statistical analysis can estimate. Degrees of freedom is a combination of how much data you have and how many parameters you need to estimate. It indicates how much independent information goes into a parameter estimate.

An **F statistic/test** is a value you get when you run an ANOVA test or a regression analysis to find out if the means between two populations are significantly different. Simply put, if you

have significant result, it means that your results likely did not happen by chance. If you don't have statistically significant results, you throw your test data out; in other words, you can't reject the null hypothesis.

T-test examines the relationship between a nominal (or ordinal) variable with two categories that is an independent variable, and a dependent variable that is measured at the interval/ratio level. For the t-test there is an associated significance level. If the significance level is 0.05, then the difference in means is statistically significant.

The **significance level**, also denoted as alpha, is a measure of the strength of the evidence that must be present in your sample before rejecting the null.

The equation has been applied on different instances to come up with the following Scenarios;

Scenario 1: Review of Contributions Considering the Contributing Member States

This scenario takes into consideration the 2019 member States contributions made to determine the expected contribution with the independent variables identified (i.e. Geographical Area, Population and GDP).

The $Y = a + b_1 * X_1 + b_2 * X_2 + b_3 * X_3$ regression model has been applied as follows;

Step 1: Variables Entered

Variables Entered/Removed			
	Variables Entered	Variables Removed	Method
1	GDP of country, Population of Country, Area of country	.	Enter
a. Dependent Variable: Contribution by Member States			
b. All requested variables entered.			

The table above indicates that dependent variable is the Contribution by Member States.

Independent variables are 3; GDP, Population and Area of a country

Step 2: The Model Summary

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.938	.880	.835	16666.095
a. Predictors: (Constant), GDP of country, Population of Country, Area of country				

The model indicates a strong positive linear relationship of 93.8% between the dependent and independent variables.

An R² of 88.0% indicates that Member States contributions moves relatively in line with the independent variables. A high R² indicates a more useful and reliable beta/ coefficient figure.

The adjusted R² in this case indicates that 83.5% of independent variables explain the dependent variables.

Step 3: ANOVA Statistics

ANOVA						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	16280846913.650	3	5426948971.217	19.538	.000
	Residual	2222069753.017	8	277758719.127		
	Total	18502916666.667	11			

a. Dependent Variable: Contribution by Member States

b. Predictors: (Constant), GDP of country, Population of Country, Area of country

Degrees of freedom is the number of observations less 1 (N-1), hence 12-1=11 df

Step 4: Beta Coefficients

Coefficients						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	51457.791	7201.485		7.145	.000
	Area of country	.004	.018	.048	.241	.816
	Population of Country	.000	.000	.338	1.974	.084
	GDP of country	.260	.063	.683	4.116	.003

a. Dependent Variable: Contribution by Member States

With the formulae applied in consideration of only the currently contributing member States, the following equation was derived;

Expected Contribution (USD) =51,457.79+ 0.26(GDP)+ 0.0004(Population)+ 0.004(Area)

- USD 51,457.79 will be the base contribution or intercept.

- The slope of GDP was determined at 0.26. This means that a unit change in GDP will result in an increase in expected contribution by 0.26.
- The slope of Population was determined at 0.0004. It denotes that a unit change in population will result in an increase in the expected contribution by 0.0004.
- The slope of Area was determined at 0.004; a unit change in Area will result in an increase in the expected contribution by 0.004

Step 5: Expected Member States Contributions

From the equation, the contribution schedules will be as follows;

Country	Current Contributions	Area	2019 Population	GDP (IMF)	Expected Contributions
Botswana	66,000.00	581,726	2,303,697	19,268	59,861.92
Eswatini	55,000.00	17,364	1,148,130	4,644	53,340.01
Ethiopia	132,000.00	1,104,300	112,078,730	89,727	124,181.57
Kenya	132,000.00	580,367	52,573,973	95,803	99,863.70
Lesotho	55,000.00	30,355	2,125,268	3,062	53,371.51
Malawi	55,000.00	118,484	18,628,747	7,024	61,355.53
Mauritius	55,000.00	2,040	1,269,668	14,217	55,816.31
Namibia	66,000.00	825,418	2,494,530	14,071	59,561.80
Rwanda	55,000.00	26,798	12,626,950	10,532	59,500.15
South Africa	176,000.00	1,221,037	58,558,270	386,853	180,493.10
Tanzania	66,000.00	945,203	58,005,463	61,660	94,618.46
Uganda	66,000.00	236,040	44,269,594	29,690	77,975.26
Total Contributions	979,000.00				979,939.32

Table 3: Reviewed Contribution Schedule Considering only the Contributing Member States

From this scenario, only Uganda, Tanzania, South Africa, Rwanda, Mauritius and Malawi contributions can be reviewed upwards. Considering this scenario, the total expected contribution will increase by 0.096%.

Scenario 2: Review of Contributions Considering both Contributing and Non-Contributing Member States

This scenario takes into consideration the 2019 consideration both Contributing and Non-Contributing Member States to determine the expected contribution with the independent variables identified (i.e. Geographical Area, Population and GDP).

The $Y = a + b_1 * X_1 + b_2 * X_2 + b_3 * X_3$ regression model has been applied as follows;

Step 1: Variables Entered

Variables Entered/Removed			
	Variables Entered	Variables Removed	Method
1	GDP of country, Population of Country, Area of country	.	Enter
a. Dependent Variable: Contribution by Member States			
b. All requested variables entered.			

The table above indicates that dependent variable is the Contribution by Member States.

Independent variables are 3; GDP, Population and Area of a country

Step 2: The Model Summary

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.907	.822	.784	19537.180
a. Predictors: (Constant), GDP of country, Population of Country, Area of country				

The model indicates a strong positive linear relationship of 90.7% between the dependent and independent variables.

An R^2 of 82.2% indicates that Member States contributions moves relatively in line with the independent variables. A high R^2 indicates a more useful and reliable beta/ coefficient figure.

The adjusted R^2 in this case indicates that 78.4% of independent variables explain the dependent variables.

Step 3: ANOVA Statistics

ANOVA						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	24664180378.968	3	8221393459.656	21.539	.000
	Residual	5343819621.032	14	381701401.502		
	Total	30008000000.000	17			
a. Dependent Variable: Contribution by Member States						
b. Predictors: (Constant), GDP of country, Population of Country, Area of country						

Degrees of freedom is the number of observations less 1 (N-1), hence 18-1=17 df

Step 4: Beta Coefficients

Coefficients						
Model		Unstandardized coefficients		Standardized coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	45778.424	6764.868		6.767	.000
	Area of country	.037	.012	.460	3.073	.008
	Population of Country	.000	.000	.162	1.093	.293
	GDP of country	.205	.066	.440	3.096	.008
a. Dependent Variable: Contribution by Member States						

With the formulae applied in consideration of contribution schedules for both contributing and non-contributing member States as described above, the following equation was derived;

$$\text{Expected Contribution (USD)} = 45,778.42 + 0.21(\text{GDP}) + 0.0002(\text{Population}) + 0.04(\text{Area})$$

- USD 45,778.42 will be the base contribution or intercept.
- The slope for GDP was determined at 0.21; a unit change in GDP will result in an increase in expected contribution by 0.21.
- The slope for Population was determined at 0.0002; a unit change in Population will result in an increase in expected contribution by 0.0002.
- The slope for Area was determined at 0.04; a unit change in Area will result in an increase in expected contribution by 0.04.

Step 5: Expected Member States Contributions

From the equation, the contribution schedules will be as follows;

Member States-2019	Contributions-2019	Area (KM ²)	2019 Population	GDP (IMF)	Expected Contributions
Botswana	66000	581,726	2,303,697	19,268	73,554.48
Burundi	55000	27,830	11,530,580	4,526	50,148.20
Eswatini	55000	17,364	1,148,130	4,644	47,677.85
Ethiopia	132000	1,104,300	112,078,730	89,727	131,208.84
Kenya	132,000.00	580,367	52,573,973	95,803	99,626.52
Lesotho	55,000.00	30,355	2,125,268	3,062	48,060.69
Malawi	55,000.00	118,484	18,628,747	7,024	55,718.57
Mauritius	55,000.00	2,040	1,269,668	14,217	49,099.52
Namibia	66,000.00	825,418	2,494,530	14,071	82,248.96
Rwanda	55,000.00	26,798	12,626,950	10,532	51,587.45
Seychelles	55,000.00	451	97,739	1,659	46,164.40
South Africa	176,000.00	1,221,037	58,558,270	386,853	187,570.68
South Sudan	66,000.00	644,329	11,062,113	2,807	74,353.47
Sudan	176,000.00	1,861,484	42,813,238	82,887	146,206.70
Tanzania	66,000.00	945,203	58,005,463	61,660	108,136.23
Uganda	66,000.00	236,040	44,269,594	29,690	70,308.84
Zambia	55,000.00	752,614	17,861,030	27,217	85,170.76
Zimbabwe	66,000.00	390,757	14,645,468	21,067	68,761.86
Total contributions	1,452,000.00				1,475,604.02

Table 4: Reviewed Contribution Schedule Considering Both Contributing and Non-Contributing Member States

Considering this scenario, the total expected contribution will increase by 1.63%.

*Somalia and Comoros have not been taken into consideration since they have not been captured in the 2019 contribution schedules.

Scenario 3: Review of Contributions Considering the GDP Growth Rate per Country

Expected member contribution will be determined by adding the rate of GDP growth rate for that specific member State to its current contribution. GDP growth rate to be considered in this case will be ≥ 0 . This means that a decline in the GDP growth rate will not be considered. In case of a decline in GDP growth, then the previous member contribution amount remains unchanged.

Consequently, the equation for this scenario is;

$$Y = a * (100 + X) / 100$$

Where Y = Expected Contribution

a = Current Contribution

X = Specific GDP Growth Rate

The table below illustrates the results when the equation is applied;

Member States- 2019 ¹⁴	Contributions- 2019	Real GDP Growth rates ¹⁵ (April 2019 Annual %)	Expected Contributions
Botswana	66,000	3.90	68,574
Eswatini	55,000	-0.40	54,780
Ethiopia	132,000	7.70	142,164
Kenya	132,000	5.80	139,656
Lesotho	55,000	3.90	57,145
Malawi	55,000	4.00	57,200
Mauritius	55,000	3.90	57,145
Namibia	66,000	1.40	66,924
Rwanda	55,000	7.80	59,290
South Africa	176,000	1.20	178,112
Tanzania	66,000	4.00	68,640
Uganda	66,000	6.30	70,158
Total Contributions	979,000		1,019,788

Table 5: Reviewed Contribution Schedule Considering GDP Growth per Country

Considering the real GDP growth rates, the total contribution will increase by 4.17%.

¹⁴ Currently contributing member States

¹⁵ World Economic Outlook April 2019 by IMF

Scenario 4: Considering the overall GDP growth rate for Africa (Currently Projected at 4%)

According to the African Development Bank, the African economy has been projected to grow by 4% by 2019 and 4.1% by 2020. The expected contributions will therefore be calculated by adding a 4% growth rate to the current contributions of individual member States.

Consequently, the equation for this scenario is;

$$Y = a * (100 + X) / 100$$

Where Y = Expected Contribution

a = Current Contribution

X = Specific GDP Growth Rate (projected at 4%)

Therefore, Expected Contribution (USD) = $a * (100 + 4) / 100$

The table below illustrates the results when the equation is applied;

Member States- 2019 ¹⁶	Contributions- 2019	Expected Contributions (4% GDP growth rate)
Botswana	66,000	68,640
Eswatini	55,000	57,200
Ethiopia	132,000	137,280
Kenya	132,000	137,280
Lesotho	55,000	57,200
Malawi	55,000	57,200
Mauritius	55,000	57,200
Namibia	66,000	68,640
Rwanda	55,000	57,200
South Africa	176,000	183,040
Tanzania	66,000	68,640
Uganda	66,000	68,640
Total Contributions	979,000	1,018,160

Table 6: Reviewed Contribution Schedule Considering 4% GDP Growth

¹⁶ Currently contributing member States

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