|  |  |
| --- | --- |
| **Name of Donor** | **Name of Project** |
| European Union | African Peace Security Architecture Programme (APSA) |
| **Grant start date**: | 1st January,2016 |
| **Grant End date:** | 31st December,2019 |
| **Grant Amount:** | USD 3,321,998 (Euro 3,019,999) |
| **Disbursed before current year:** (2019) | USD 2,299,141 (Euro 2,090,129) |
| **Balance:** | USD 1,022,857 (Euro 929,870) |
| **Disbursed in 2019**: | USD 826,210 (Euro 751,100) |
| **Balance yet to be disbursed:** | USD196,647 (Euro 178,770) |

1. **Brief about the programme**

COMESA is one of the eight RECs benefiting from the resources towards supporting the African Peace and Security Architecture. In this regard, COMESA has been operationalizing a conflict early warning system, COMWARN which is a part of the Continental Early warning system. COMESA is also supporting mediation support through its committee of Elders. In addition, the programme has set up a Liaison office in Addis Ababa to ensure a smooth flow of information and to enhance collaboration.

Implemented under the Strategic Objective 8 that addresses regional and secretariat readiness, the programme has the following result areas/objectives;

**Result Area 1:** conflict prevention, one of the initiatives involves the development of mechanisms and tools to address conflict, insecurity and instability in the COMESA region. The expected outcome for this is enhanced peace, security and stability in the region. The implementation is measurable from the full operationalization of the COMESA Early Warning System, COMWARN.

A second initiative relates to assisting member states to consolidate democracy and good governance. This is intended to improve the democratic space and it is measured by the number of pre-election assessment missions undertaken by the COMESA Committee of Elders.

**Result Area 2:** Under Crisis Management the initiatives relate to the utilization of COMESA Committee of Elders to support the prevention, mitigation and resolution of conflict. This is intended to enhance peace, security and stability and it is measured by the number of preventive diplomacy initiatives by the COMESA Committee of Elders. Also, under crisis management, tools will be developed to support the work of the elders, including development of a mediation strategy.

**Result Area 3**: On Post Conflict Reconstruction and Development, the initiatives relate to enhancing coherence on the AU PCRD policy. The focus is on the third pillar of the Policy, which relates to improved socio-economic reconstruction at the border areas of countries in the Great Lakes Region through targeted capacity building programmes

1. **Overview of 2019 (Jan – June,2019) programme and expenditure implementation**

*Result Area 1:* Conflict Prevention and Early Warning

***[List activities carried out, Jan – June 2019]***

* Assessment missions on elections undertaken in Comoros and Malawi
* Training of Trainers workshop for evaluators in Early warning held in Zambia

*Result Area 2:* Crisis management: African Standby Force

***[List activities carried out, Jan – June 2019]***

* Regional dissemination of mediation strategies targeting elders, selected eminent persons held in Uganda
* Missions and meetings to support Increased collaboration of COMESA Policy Organs with AU PSC/ and REC events held in Nairobi, Kenya

*Result Area 3:* Post-Conflict Reconstruction and Development (PCRD)

***[List activities carried out, Jan – June 2019]***

* Sensitization workshops for border communities and officials on STR held in Zambia and Uganda
* Training workshops for border communities on minimum standards for treating cross border traders STR held in Zambia and Uganda
* Trade information offices supported through payment of allowances to the TIDO’s

Table 1, below presents expenditure incurred in the period in implementing the above activities

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **No.** | **Budget Line Description [as in grant contract]** | **2018** | **2019** | | | | | |  |
| **Actual** | **Original Budget** | **Actual: Six months** | **Forecast: Six months** | **Revised Forecast** | **% Budget Utilisation achieved** | **% Forecast Budget Utilisation** | **Proposed budget revision** |
| **12 months** | **12 months** | **Jan - June** | **July-Dec** | **Jan - Dec: 12 months** | **Jan - June** | **Jan - Dec: 12 months** |  |
| Col 1 | Col 2 | **Col 3** | **Col 4** | **Col 5** | **Col 6** | **Col 7=5+6** | **Col 8=5/4** | **Col 9=7/4** |  |
|  |  |  |  |  |  |  |  |  |  |
| **1** | **Conflict Prevention: Early Warning** | 361,589 | 402,435 | 111,787 | 190,540 | 302,327 | 30 | 75 | 302,327 |
| **2** | **Crisis management: African Standby Force** | 0 | 286,847 | 72,577 | 120,220 | 192,797 | 25 | 66 | 192,797 |
| **3** | **Post-Conflict Reconstruction and Development (PCRD)** | 126,714 | 269,209 | 122,697 | 146,512 | 269,209 | 46 | 1 | 269,209 |
| **4** | **Coordination and Partnership** | 28,180.20 | 55,187 | 12,418 | 49,458 | 61,876 | 23 | 85 | 61,876 |
|  | **Total** | **516,483** | **1,013,677** | **319,479** | **506,730** | **826,209** | **32** | **82** | **826,209** |

As reflected in the above table, budget utilisation during the first half of the year was USD 319,479 representing 32% of the 2019 budget. The low absorption is mainly because COMESA received funds for the no cost extension (NCE) in January 2019 and that triggered the commencement of 2019 activities (note that unlike the previous years which were a carry-over from previous years, preparation as well as implementation of 2019 activities had to commence with the receipt of funds).  Secondly most of the high cost activities were contingent on completion of studies which commenced during the second quarter.  The national multi-stakeholder consultations were dependent on preparedness of the member state.  COMESA had identified Malawi and started discussions with Malawi with the intention of holding the consultations in end May after the elections but unfortunately the environment over the disputed elections caused us to seek an alternative country and fortunately Kenya was prepared to hold a multi-stakeholder consultation.  This was scheduled for October.  Other high cost activities relate to regional and national event to test the mediation strategy.  It took some time to engage some of the consultants.  These were recruited and the two events are programmed to take place in November 2019.  It should be noted that the Gant chart for the 2019 NCE anticipated that the bulk of the activities would be implemented in the 2nd half of the year.

Further the project’s budget outturn is expected to be 82% due to the expected non disbursement of funds by the African Union.

1. **Risk Management**

Major risks faced by the programme include;

1. Actual disbursement of funds by the AU not aligned to submitted workplans, this negatively impacts planning and organisation of activities leading to lower absorption of funds.
2. Prior APSA grant contracts catered for institutional capacity and support for REC’s including COMESA, since APSA III, the grants do not make provision for institutional capacity and support. This situation has exacerbated in COMESA as it is the only REC that is yet to establish its own APSA structural capacity and support.
3. Delayed finalisation of successor grant contract will likely have a negative impact on continuity of APSA activities
4. **Recommendation**

Based on the budget out turn analysis and risk, management proposes the following;

1. Budget revision from USD 1,013,677 to USD 826,209 which represents an 18% reduction; and
2. A need for COMESA to establish structural capacity, as well as staffing to enable it to access the APSA grant.