|  |  |
| --- | --- |
| **Name of Donor** | **Name of Project** |
| European Union | Regional Integration Support Mechanism( RISM) 10EDF |
| **Grant start date**:  | 2014 |
| **Grant End date:** | 24th November 2020 |
| **Grant Amount:** | Euro 33,400,000 |
| **Expensed before current year:** (2019) | Euro 14,331,038 |
| **Balance:** | Euro 19,108,962 |
| **Project( PIU) Expense 30.9.2019** | Euro 590,930 |
| **Disbursed in 2019**: (Note these Country Project Expenses are expensed after end of year Audits. Here they are still treated as advances to the Projects) | Euro 4,773,380 |
| **Balance yet to be disbursed:** |  |

1. **Background to RISM**

The COMESA Adjustment Facility (CAF) was one of two windows created under the COMESA Fund in 2002. Its objective was to support the adjustment process of member States in the process of regional integration. Created as a grant funded mechanism, the CAF was operationalized through the 9th European Development Fund (EDF) through the Regional Integration Support Mechanism (RISM) in 2007 with a funding of €78million. Additional funding of €33.4 million was secured under the 10th EDF bringing the total funding to over €111m. Initial focus was on revenue loss support. However, this was widened to cover improved implementation of regional programmes covering the regional policy and regulatory environment for trade and private sector development as well as support for building the productive capacity of the private sector. This is aligned to the COMESA Adjustment Facility areas of focus and the Aid for Trade Strategy.

The support is currently provided to Sixteen (16) countries who are full Members of the COMESA Fund. Eleven (11) workplans have been implemented from 2008 to 2018. The 12 workplan, which is being implemented in 2019, is ongoing.

1. **2019 overview of progress**

In 2019, the 10th EDF programme was extended to November 2020 by the European Union. This was to provide additional time for project implementation. The extension period includes the closure period for projects.

With the extension of the 8th Call for Submissions to 30th June 2018, the RISM Management Committee (RMC) approved an additional €2.4 million to Eswatini, Madagascar and Zambia. Further, in 2019, the EU approved an additional € 895,630 to Zimbabwe under the 8th Call for submissions following clarifications on the sources of verification. This brings the total approved funds under the programme to € 99,875,252. A total of € 90,022,283 has been disbursed as at 30th September 2019 as shown in the table below. Disbursements for Eswatini (€509,000) and Sudan (€200,000) is in process.

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| ***Table 1* Detailed Disbursement Table**  |
| **COUNTRY** | **9TH EDF** | **10TH EDF** | **TOTAL** |
|  | **APPROVED FUNDS** | **DISBURSED FUNDS** | **BALANCE** | **APPROVED FUNDS** | **DISBURSED FUNDS** | **BALANCE** | **APPROVED FUNDS** | **DISBURSED FUNDS** | **BALANCE** |
| BURUNDI | 15,543,821  | 15,270,883 | 272,938 | 439,384  | 219,692 | 219,692 | 15,983,205 | 15,490,575 | 492,630 |
| COMOROS | 1,692,553  | 1,677,905 | 14,648 | 1,515,782  | 1,338,268 | 177,514 | 3,208,335 | 3,016,174 | 192,162 |
| DJIBOUTI | 692,557  | 689,446  | 3,111  | -  | -  |  -  | 692,557 | 689,446 | 3,111 |
| D R CONGO | 1,372,168  | 1,372,168  | -  | 1,100,877 | 899,847 | 201,031 | 2,473,046 | 2,272,015 | 201,031 |
| ESWATINI | 1,832,801  | 1,832,801  | -  | 1,185,899  | 840,246\*\* | 345,653 | 3,018,701 | 2,673,047 | 345,653 |
| ETHIOPIA |  1,144,090  | 1,144,090  | -  | 1,166,519  | 1,166,519  |  -  | 2,310,609 | 2,310,609 | - |
| KENYA | 6,119,221  | 6,119,221  | -  | 5,101,633  | 5,101,633  |  -  | 11,220,854 | 11,220,854 | - |
| MADAGASCAR | 1,002,981  | 1,002,981  | -  | 1,338,795  | 294,368  | 1,044,427 | 2,341,776 | 1,297,349 | 1,044,427 |
| MALAWI | 1,498,200  | 1,498,200  | -  | 1,408,109  | 1,131,181 | 276,928 | 2,906,309 | 2,629,380 | 276,928 |
| MAURITIUS | 2,875,633  | 2,875,633  | -  | 2,509,934  | 2,509,934  | -  | 5,385,567 | 5,385,567 | - |
| RWANDA | 25,443,821  | 25,443,821  | -  | 1,271,999  | 1,271,999  | -  | 26,715,820 | 26,715,820 | - |
| SEYCHELLES | 2,128,505  | 2,128,505  | -  | 567,045  |  567,045  | -  | 2,695,550 | 2,695,550 | - |
| SUDAN | 1,249,922  | 1,249,922  |  -  | 2,201,700  |  200,000\*\* | 2,001,700  | 3,451,622 | 1,449,922 | 2,001,700 |
| UGANDA | 2,825,879  | 2,825,879  | -  | 2,766,945  | 843,846  | 1,923,099 | 5,592,824 | 3,669,725 | 1,923,099 |
| ZAMBIA | 3,747,380  | 3,724,796  | 22,584  | 2,105,529  | 1,008,460 | 1,097,069 | 5,852,909 | 4,733,256 | 1,119,653 |
| ZIMBABWE | 4,234,308  | 4,142,359  | 91,949  | 1,791,259 | 339,634  | 1,451,626 | 6,025,567 | 4,481,993 | 1,543,575 |
| **TOTAL** | **73,403,842**  | **72,998,612**  |  **405,230**  | **26,471,410** | **17,732,671** | **8,738,739** | **99,875,252** | **90,931,283** | **8,943,969** |

 Notes: \*\* means disbursements in process

Implementation in 2019 focused on project formulation and implementation under the 10th EDF funding. As at September, 7 project documents for Comoros (7th and 8th Calls), DR Congo (8th Call), Madagascar (8th Call), Malawi (8th Call), Uganda (8th Call), Zambia (8th Call) and Zimbabwe (8th Call) were finalized and signed. Project set up and implementation has commenced on all these projected. Total disbursement in 2019 amount to over €4 million to Member States for project countries. The only outstanding formulation is for the additional approved funds. This is expected to be finalized and signed in November 2019.

Closure activities continued to be undertaken for all the 12 projects under the 9th EDF following the end of implementation period in December 2018. For 10th EDF, the Malawi (6th Call) project also ended and is under closure. Final external audits for nine (9) projects have been undertaken and almost finalised while audits for two projects (Burundi and Sudan) have been initiated. The external audits have so far highlighted some ineligible costs under the projects, which are being recovered from affected Countries. The audit for the Malawi project has been initiated.

Secretariat continued to provide technical support to all the countries for project formulation, implementation and closure. The support was also cognisant of the changes in PIU structures across almost all projects.

The remaining period will focus on technical support, disbursements to respective countries, monitoring of project implementation and closure, commence preparations for the evaluation of support at national and regional level, visibility which will include production and distribution of visibility materials as well as organizing various visibility events.

1. Challenges

The following are some of the challenges faced during the implementation of the programme.

1. slow setup and implementation of projects under the 10th EDF programme as most Member States focused on closure of the 9th EDF funded projects;
2. Changes in PIU staffing and structures which affected the pace of implementation and an increased risk of ineligible expenditures due to procedural issues; and
3. Proposals on changes to intervention areas during project formulation phase which posed a risk in achieving consolidated outputs with high impact;
4. Recommendations

Based on the information above, the following are proposed recommendations on the way forward;

1. Review the COMESA Adjustment Facility operational framework to expand support for member States;
2. No cost extensions for projects in line with the overall extension given under the programme;
3. Continued technical support to Member States to fast track the implementation of projects.
4. **2019 Expenditure review**

**Analysis of expenditure performance**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **Budget Period** | **2019** |  | **2019 BUDGET** | **JAN- SEPT 2019** | **COMMITMENTS** | **TOTAL** | **Balance** |
| **Organization** | **COMESA** |   |  **1O EDF**  |  |  |  |  |
| **Division/Unit** | **COMAid** |   |  **EUR**  |  **EUR**  |  **EUR**  |  **EUR**  |  **EUR**  |
| **Funding Source** |  |   |  |   |   |  -  |   |
|   |   |   |  |   |  |  -  |   |
|   |   |   |  |   |   |  -  |   |
| **BL Code** |   | **Budget Line Name** |  |   |   |  -  |   |
|   |   | Adjustment Support to member States  |  **6,500,000**  | 4,773,380 |  |  | 1,726,620 |
| **23** |   | Technical Support and Capacity Building including RAC and RMC Meetings and activities |  **1,000,000**  |  539,911  |  |  |  460,089  |
|  |   | Communication, visibility Monitoring and Evaluation |  **505,800**  |  46,021  |  |  |  459,779  |
|  |   | Finance Charges |  **35,000**  |  4,998  |  |  |  30,002  |
| **39** |   | Audit Fees |  **28,000**  | -  |  |  | 28,000  |
|   |   | Contingencies |  | - |  |  |  |
|  |  | COMESA Contribution | **30,000** | - |  |  | 30,000 |
|  |  | **Totals** | **8,098,800** | 5,364,310 |  |  | 2,734,490 |