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| **Name of Donor** | **Name of Project** |
| **European Union** | COMESA 11th EDF Technical Cooperation Facility (TCF) |
| **Grant start date**: | 8th August,2016 |
| **Grant End date:** | August,2020 |
| **Grant Amount:** | USD 2,456,388 (Euro 2,233,080) |
| **Disbursed before current year:** (2019) | USD 2,017,569 (Euro 1,834,153.) |
| **Balance:** | USD 594,151 (Euro 540,137) |
| **Disbursed in 2019**: | USD 155,332 (Euro 141,211) |
| **Balance yet to be disbursed:** | USD438,819 (Euro 398,926) |

1. **Brief about the programme**

The COMESA 11th EDF Technical Cooperation Facility (TCF) is intended to contribute to the effective implementation of the COMESA sub-envelope under the 11th EDF Eastern Africa, Southern Africa and Indian Ocean (EA-SA-IO) Regional Indicative Programme (RIP). This facility is for the identification and formulation of actions, facilitation of Programme development, sector surveys, pilot initiatives, stakeholder consultations, policy dialogue, monitoring and evaluation and similar activities. It also supports the attendance of COMESA at meetings of the High-Level Group (HLG), which is the RIP (Regional Indicative Programme) steering committee comprised of Duly Mandated Regional Organisations (DMROs) and EU representatives.

COMESA is one of the five Regional Economic Community (REC) alongside with the East African Community (EAC), Inter – Governmental Authority for Development (IGAD), Indian Ocean Commission (IOC) and Southern African Development Community (SADC) that signed with the EU on 5th June 2015, the 11th EDF RIP for the EA-SA-IO region for a total amount of Eur 1.322 billion. Under this RIP, COMESA has a specific allocation of Eur 85 million to further advance economic integration among its member states. The support under the 11th EDF has been used to help COMESA in achieving the following specific objectives:

* Objective 1: Reduced cost of cross-border trade, through removal of internal barriers in line with tripartite agreements (Trade Facilitation Programme EUR 53 million; Small Scale Cross Border Trade EUR 15 million);
* Objective 2: Increased private sector participation in regional and global value chains, through improved investment/business climate and enhanced competitiveness and productive or innovation capacity (€10 million); and
* Objective 3: Enhanced capacity of COMESA Secretariat and COMESA Member States, including the Private Sector (€7 million).

**Programme Overview**

The Programme provides two types of Technical Cooperation (TC) which includes:

* *The preparatory TC:* Ad hoc expert advice, feasibility and preparatory studies, facilitation of Programme development, specific sector surveys and assessment; ex-post evaluation of pilot initiatives, relevant to the formulation of future Programme, stakeholder consultations etc. this is also applicable in the context of multi-donor harmonized activities.
* *Policy and Advisory TC:* Ad hoc short-term expert advice on specific aspects related to the identification, formulation and execution of Regional Indicative Programme actions, and broader regional integration issues. This includes the provision of analytical work for aid effectiveness, facilitation of dialogues between the EU, DMROs and partners, process facilitation and brokering, support to the negotiation of trade and other arrangements.

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

*Result Area 1: Identification, formulation and implementation of COMESA 11EDF envelop is supported*

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

* Finalised the delegation agreement for the trade facilitation programme.
* Ongoing work on formulating the RECAMP Objective 2
* Identification of consultant to undertake consultancy under Objective 3, consultant engaged, and work undertaken

*Result Area 2:* Coordination between the EU and the DMRO’s as well as policy dialogue and participants in trade negotiation

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

* Held the Inter DMRO’s technical officials meeting in Brussels
* Held the High-Level Group meetings
* Held National sensitization workshops for parliamentarians in Malawi, Zambia, Zimbabwe and Lesotho.
* Meeting chaired by Inter – DMRO held in Nairobi and another in Lusaka.

*Result Area 3:* Communication /Visibility of EU funded projects enhanced.

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

* COMESA staff and Institutions trained on sub delegation and grant manuals.
* Signing ceremony for RECAMP and Capacity building programmes, agreements signed, and implementation commenced.

*Result Area 4:APSA Staff Supported*

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

* Payment of salaries to APSA staff working on various Peace and Security programmes.

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** | Result 1; Identification, formulation and implementation of the 11th EDF EA-SA-IO | 216,986 | 35,750 | 9,471 | 0 |  | 26 | 0 | 0 |
| **2** | Result 2: Coordination between the EU and the DMROs | 312,550 | 170,070 | 69,221 | 180,757 | 249,978 | 41 | 145 | 249,978 |
| **3** | Result 3: Communication/visibility of EU funded activities is enhanced | 21,319 | 97,000 | 3,086 | 38,682 | 41,768 | 3 | 43 | 41,768 |
| **4** | APSA programme supported | 600,197 | 405,439 | 133,125 | 110,952 | 244,077 | 33 | 60 | 244,077 |
|  | **Total** | **1,151,052** | **708,259** | **214,903** | **330,390** | **535,823** | **30** | **76** | **535,823** |

As reflected in the above table, budget utilisation during the first half of the year was USD 214,903 representing 30% of the 2019 budget. The low absorption is mainly because the budget was for a 12 months period from August,2018 to July,2019, while the expenditure relates to January 2019 to June 2019.

Further the project’s budget outturn is expected to be 76% due to the overlap in the financial years for the budget and expenditure analysis.

1. **Risk Management**

Major risks faced by the programme include;

1. Non identified as the programme was meant to contribute to the effective implementation of the COMESA sub-envelope under the 11th EDF Eastern Africa, Southern Africa and Indian Ocean (EA-SA-IO) Regional Indicative Programme (RIP). And to date a number of implementation and financing agreements have been signed with the EU.
2. **Recommendation**

Based on the fact that the grant agreement comes to an end in 2020, and that the programme has been funded by over 85%, management has no recommendations to make.