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| **Name of Donor** | **Name of Project** |
| European Union | COMESA Small Scale Cross Border Trade Initiative Programme |
| **Grant start date**:  | 7 May 2018 |
| **Grant End date:** | 6 May 2022 |
| **Grant Amount:** | USD 14,887,400 (Euro13,534,000) |
| **Disbursed before current year:** (2019) | USD 2,839,650 (Euro EUR2,581,500) |
| **Balance:** | USD 12,047,750 (Euro 10,952,500) |
| **Disbursed in 2019**:  | Nil |
| **Balance yet to be disbursed:** | USD 12,047,750 (Euro 10,952,500) |

1. **Brief about the programme**

The initiative is funded by the European Commission under the 11th European Development Fund and is being implemented over a period of four years, with a total budget of EUR 13,534,000 To this end, the overall budget for the first approved workplan is a total of EUR2,594,000 for all the three organisations. COMESA budget for implementation of the planned activities under this first work plan amounted to 1,487,465. ITC co-delegated activities amounts to EUR2,165,671 and the first pre-financing for implementation of the first year work plan planned activities under the agreement was a total of EUR 556,711, while for the action to be implemented by IOM, it is EUR 1,837,954.00 and a total of EUR 548,637.00 was pre-financed to IOM to implement activities planned for the approved first work plan of the programme.

**Overall objective**

The programme, ‘**The COMESA Cross Border Trade Initiative: *Facilitating small –scale trade across the borders’*** aims at increasing formal small-scale cross-border trade flows in the COMESA/tripartite region, leading to higher revenue collection for governments at the borders as well as increased security and higher incomes for small-scale cross-border traders.

**Specific objective**

The specific objective of the programme is to facilitate small-scale cross border trade flows between targeted countries through effective policy and government reforms, institutional capacity building, improved border infrastructure and better data collection and monitoring.

**Specific result areas**

**Result 1:** Specific trade facilitation instruments for small-scale traders are designed and effectively implemented at selected border areas and in the COMESA/tripartite region

**Result 2:** The extent of corruption, bribery and harassment (including gender-based harassment) experienced by small-scale traders is significantly reduced at selected border areas

**Result 3:** Cross-Border Traders Associations (CBTAs) (and similar business associations) in targeted countries have their capacities reinforced in a sustainable way, so to effectively defend the interests of their members and deliver good quality support services

**Result 4:** Gender disaggregated statistical data and analyses on small-scale cross-border trade are systematically collected, compiled, harmonised and disseminated, so to increase evidence-based knowledge on the topic and inform better trade policy-making processes at national and regional level.

**Result 5:** Adequate and gender sensitive border infrastructures for small-scale traders are built/upgraded at selected border areas

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

#### Result 1: Specific trade facilitation instruments for small-scale traders are designed and effectively implemented **at selected border areas and in the COMESA/tripartite region (COMESA and IOM)**

1. The Secretariat team undertook a national sensitization and policy dialogue workshop in Asmara (Eritrea) to enhance awareness on the COMESA trade facilitation instruments and policy reforms for small-scale cross-border traders and formally adopt the STR in Eritrea with its neighbouring countries.
2. A desk review and field assessment missions were carried out to review the implementation of the STR at four border posts (Mwami/Mchinji, Chirundu, Nakonde/Tunduma and Kasumbalesa border posts).
3. National sensitization workshops were held in Ethiopia and Sudan, where participants were assisted to draft national road map and action plans to implement the COMESA STR programme with their neighbouring countries for consideration by Senior management in their respective ministries, institutions and administration as well as the Secretariat.
4. A consultant was engaged to support the review and roll out of the COMESA Green Pass at four targeted border posts.
5. Successful engagements with immigration and border management authorities, cross border traders’ associations and small-scale traders at Chirundu, Mwami, Mchinji, Kasumbalesa, Nakonde and Tunduma border posts to sensitize them on the programme in general and the broader trade-mobility dimensions of this project, in particular as part of setting the scene for implementation of programme activities.
6. A baseline mission was conducted to Chipata and Mwami – Mchinji border post to sensitize the stakeholders, including immigration management and border management authorities, customs authorities, small scale cross border traders, cross border traders’ association, and to establish the situation on the ground with regards to the migration and trade contexts on the ground as well as to collect baseline information.
7. A stakeholder and sensitization mission to engage with strategic central level, provincial and border level migration and border management authorities on the pilot e-Jeton system to be introduced at Kasumbalesa border post was undertaken to Kinshasa, Lubumbashi and Kasumbalesa.
8. Finalisation for engagement of a consultants to undertake a review of existing mechanisms to facilitate cross border movement of traders in the COMESA region and conduct a technical assessment for the introduction of the e-Jeton system at Kasumbalesa in coordination with all relevant partners.
9. In preparation for the deployment of the MIDAS border management information system at Mchinji border post, IOM conducted a MIDAS assessment under a complimentary IOM funded project.

#### **Result 2: Reduce corruption, bribery and harassment experienced by small scale traders at 5 selected border posts (with focus on gender-based harassment (IOM and ITC)**

1. The rapid assessment at four border posts (Mwami/Mchinji, Chirundu, Nakonde/Tunduma and Kasumbalesa) targeted under the project to ascertain the extent to which existing measures on cross border trade are enabling or impending trade and mobility of small-scale cross border traders was completed.
2. A questionnaire was administered to small-scale traders, officials and CBTAs representatives on both side of each border to have a comprehensive understanding of the challenges faced by the different types of stakeholders (public, traders, associations) in each country (i.e. Zambia, Democratic Republic of the Congo, Malawi, Tanzania and Zimbabwe).

#### **Result 3: Enhance the capacity of the CBTAs and other similar organisations at targeted border posts to effectively defend the interest of their members (IOM and ITC)**

1. One National CBTA and two sub-national CBTAs in Zambia have been assessed for identification of key managerial and operational weaknesses and service delivery effectiveness, as part of the comprehensive study of the CBTAs and similar associations operating in the seven countries.

***Result 4: Collection of data, information and monitoring of activities at selected border posts (COMESA)***

1. SSCBT scoping/fact finding missions to Kenya NBS, Ethiopia CSA, Tanzania NBS, Kasumbalesa, Mwami/Mchinji, Chirundu and Tunduma/Nakonde borders were conducted. Missions to the borders were to establish the status quo at the borders i.e. identify routes for traders hence the possible data collection points for enumerators and corresponding number of enumerators to be deployed, the selection/recruitment criteria to use, number of tablets/desktops to procure, data transmission procedures and training plans for enumerators and supervisors.
2. A harmonised data collection manual for SSCBT was developed and validated during the Regional Workshop on Development of SSCBT held in Lusaka.

***Result 5: Adequate and Gender sensitive basic Border Infrastructures for Small Scale Traders are built/upgraded at selected border areas (COMESA)***

1. Ground work for undertaking the assessments of border infrastructure commenced during the reporting period.
2. Launch of work on Mini labs held in Luwangwa

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## STAFF AND PROGRAMME MANAGEMENT

1. 4 programme staff recruited.
2. Co-delegation agreements with ITC and IOM were developed, negotiated and signed.
3. Both IOM and ITC in line with co-delegation agreement have respectively recruited programme staff.
4. Three (3) technical working group meetings have been held.

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

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| --- | --- | --- | --- | --- |
| **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: Trade Facilitation policies and instruments for small scale traders are designed and effectively implemented at selected border areas and in the COMESA region |  30,538  |  827,597  |  43,096  |  784,501  |  827,597  | 5% | 100% |  |
| **2** | Result 2: Reduce corruption, bribery and harassment experienced by small-scale traders at 5 selected border posts (with focus on gender based harassment) |  |  588,033  |  46,316  |  541,717  |  588,033  | 8% | 100% |  |
| **3** | Result 3: Enhance the capacity of the CBTAs and other similar organisations at targeted border posts to effectively defend the interests of their members  |  |  193,417  |  -  |  193,417  |  193,417  | 0% | 100% |  |
| **4** | Result 4: Collection of data, information and monitoring of activities at selected border posts |  69,867  |  371,513  |  58,235  |  313,279  |  371,513  | 16% | 100% |  |
| **5** | Result 5: Construction of physical infrastructure for small scale trades and at selected border areas |  42,820  |  313,747  |  48,856  |  264,892  |  313,747  | 16% | 100% |  |
| **6** | STAFF and project management costs |  |  208,582  |  15,954  |  192,628  |  208,582  | 8% | 100% |  |
| **7** | Remuneration 7% (of the overall budget and 7% to the respective org from the 7% of the COMESA budget) |  6,422  |  685,439  |  167,523  |  517,916  |  685,439  | 24% | 100% |  |
|  | **Total** |  149,647  |  3,188,329  |  379,979  |  2,808,350  |  3,188,329  | 12% | 100% |  |

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**

No Major reportable risks materialised during the implementation period.

1. **Recommendation**

During the remaining part of FY 2019, the project will complete those activities that are already on-going and commence implementation of those that are planned to start during the last half of the year.