|  |  |
| --- | --- |
| **Name of Donor** | **Name of Project** |
| World Bank Group | Great Lakes Trade Facilitation Project (GLTFP) |
| **Grant start date**:  | 1st January,2015 |
| **Grant End date:** | 31st December,2020 |
| **Grant Amount:** | USD 5,000,000 |
| **Disbursed before current year:** (2019) | USD 2,788,559 |
| **Balance:** | USD 2,211,441 |
| **Disbursed in 2019**:  | USD 780,272 |
| **Balance yet to be disbursed:** | USD 1,431,169 |

1. **Brief about the programme**

The Great Lakes Trade Facilitation Project (GLTFP) 2020 work programme is based on COMESA Medium Term Strategic Plan for the period 2016 to 2020 which is a road map for deepening the COMESA integration process through the consolidation of its Free Trade Area, development of its cross border economic infrastructure, development of agriculture and industry, enhancement of peace and security, mainstreaming of the gender agenda, climate change adaptation and mitigation, establishment off the Customs Union, the Common Market and Monetary Union among others.

One of the strategic objectives of the COMESA 2016-2020 Medium Term Strategic Plan is to strengthen market integration so as to ensure trade facilitation through simplification and harmonisation of documents and procedures. This objective will entail lowering the cost of cross border trade through removal of trade barriers in line with the Tripartite Agreement (COMESA-EAC-SADC). Market is a practical way of addressing the small size of the markets of individual countries.

The International Development Association (IDA), an agency of the World Bank Group and the Common Market for Eastern and Southern Africa (COMESA) signed a Financing Agreement on 19th November 2015 for a grant to the amount of Special Drawing Rights (DSR) – 3.6 million (US Dollar- 5 million equivalent) to facilitate implementation of the Great Lakes Trade Facilitation Project (GLTFP) over a period of five years.

The rationale of the project is to facilitate cross-border trade by increasing the capacity for commerce and reducing the costs faced by traders, especially small-scale and women traders, at targeted borderland locations in Democratic Republic of Congo (DRC), Uganda and Rwanda. The project supports regional peace and stability through programs to improve livelihoods in border areas, promote cross-border trade, and strengthen economic interdependence.

The beneficiaries of the COMESA components of the GLTFP are primarily cross-border traders, especially women, and border agency officials. Vulnerable families in borderland areas are secondary beneficiaries as incomes of cross-border traders ’will increase. The government of DRC, Uganda and Rwanda will also be secondary beneficiaries through increased revenue collection of trade taxes, the benefits of which should filter down to the general populations of these countries.

The project will benefit COMESA through implementing regulations and procedures for the treatment of small-scale border traders, such as a toll-free complaint hotline, simplified immigration and health-related procedures, streamlined access to airfreight and duty-free entry for eligible goods.

The GLTFP objective is to facilitate cross-border trade by increasing the capacity for commerce and reducing the costs faced by traders, especially small-scale and women traders, at targeted locations in the borderlands. The total project amount is USD79 million distributed as follows: Rwanda USD 34 million (loan), DR Congo USD 30 million (loan), Uganda USD 10 million (loan) and COMESA Secretariat $5 million (grant). The project consists of components that are executed at the national level while others are executed at the regional level to provide for sharing experiences and best practices.

 Key components of the project include:

1. Improving core trade infrastructure and facilities in the border areas;
2. Implementation of policy and procedural reforms and capacity building to facilitate cross-border trade in goods and services;
3. Performance based management in cross border administration; and
4. Implementation support, communication, monitoring and evaluation.

The GLTFP Implementation Manual clearly states the role of COMESA Secretariat which is to coordinate and facilitate the implementation of Component 2- Implementation of policy and reforms and capacity building to facilitate cross –border trade in goods and services and Component 4 – Implementation support, communication, monitoring and evaluation.

In particular, COMESA Secretariat should: -

* Implement the COMESA Regulations on the Minimum Standards for Treatment of Small-Scale Cross-Border Traders;
* Provide a comprehensive programme of training for officials at the border, including a border management procedures, rules and regulations, basic customer management, conflict resolution and gender awareness raising;
* Provide support for dissemination and application of the COMESA Regulations and the STR through the Trade Information Desks Officers (TIDOs);
* Be involve in the functional review of institutional effectiveness and efficiency at the Customs and Immigration Offices at each selected border posts in the three countries;
* Be involve in the development and use of Performance Based Management ( PBM) as a mechanism for enforcing the application of border management rules and regulations;
* Recruit international and local technical experts in project management, financial management, procurement and accountancy among other critical functions for effective implementation at the central and local levels;
* Be involved in developing a robust system of project monitoring and evaluation as well as capacity building of government agencies, to capture progress in improving conditions for cross – border trade.
1. **Overview of 2019 programme and expenditure implementation**

The approved operational plan and budget estimates of GLTFP for 2019 is US$ 1,666,000.

During the period under review ( January to June 2019), an amount of US$ 1,085,900 was earmarked for the implementation of activities namely conduct training and STR awareness creation workshops, convene meeting of STR Experts, conduct impact assessment on STR implementation at project, conduct 3rd Training of Trainers workshop in Member States, conduct TIDOs training workshop, editing and translation of Training Manuals into border languages, conduct study on sustainability of TIDs Office, conduct analytical study of STR at borders, hire of consultant to develop GLTFP communication and advocacy strategy, implementation of recommendations of communication strategy, conduct meetings with stakeholders in project countries to harmonise and improve SSCBT data collection, convene bilateral mirror exercise workshop, recruitment of full time Monitoring & Evaluation Expert, participation of M&E Expert in cross border surveys, conduct focused group discussions workshops, conduct of assessment mission to borders , servicing of Regional Coordination Meeting, enhancing capacity of project staff by training, payment of salaries for project staff

 Implementation of Component 2 - Implementation of policy and reforms and capacity building to facilitate cross –border trade in goods and services.

An amount of US$ 546,600 was budgeted for implementation of Component 2 during the six months of 2019 namely conduct training and STR awareness creation workshops, convene meeting of STR Experts, conduct impact assessment on STR implementation at project, conduct 3rd Training of Trainers workshop in Member States, conduct TIDOs training workshop, editing and translation of Training Manuals into border languages, conduct study on sustainability of TIDs Office and conduct analytical study of STR at borders.

During the period under review a total amount of US$ 371,456 was spent on conduct training and STR awareness creation workshops, convene meeting of STR Experts, conduct impact assessment on STR implementation at project, conduct 3rd Training of Trainers workshop in Member States and conduct TIDOs training workshop.

Implementation of Component 4 - Implementation support, communication, monitoring and evaluation.

An amount of US$ 539,300 budgeted for implementation of Component 4 during the six months of 2019 namely hire of consultant to develop GLTFP communication and advocacy strategy, implementation of recommendations of communication strategy, conduct meetings with stakeholders in project countries to harmonise and improve SSCBT data collection, convene bilateral mirror exercise workshop, recruitment of full time Monitoring & Evaluation Expert, participation of M&E Expert in cross border surveys, conduct focused group discussions workshops, conduct of assessment mission to borders , servicing of Regional Coordination Meeting, enhancing capacity of project staff by training, and payment of salaries for project staff.

During the period under review, a total amount of US$ 258,369 was spent on implementation of planned activities.

The achievements for the first six months of 2019 can thus been summarised as follows:

* Conduct of training and awareness workshop on STR at project borders;
* Convening Meeting of STR Experts;
* Conduct impact assessment of implementation of STR at borders;
* Conduct 3rd Training of Trainers Workshops in project countries;
* Convene Bilateral Mirror Exercise Workshop between Rwanda and Uganda.

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** | Component 2 - Implementation of policy and reforms and capacity building to facilitate cross –border trades in goods and services. | 859,199 | 737,900 | 371,456 | 366,444 | 737,900 | 50 | 50 | NIL |
| **2** | Component 4 - Implementation support, communication, monitoring and evaluation. | 565,926 | 928,100 | 258,369 | 669,731 | 928,100 | 28 | 72 | NIL |
|  | **Total** | **1,425,125** | **1,666,000** | **629,825** | **1,036,175** | **1,666,000** | **38** | **62** | **NIL** |

As reflected in the above table, budget utilisation during the first half of the year was USD 629,825 representing 38% of the 2019 budget. The low absorption can be explained as follows: -

1. A huge amount of 2019 budget pertains to implementation of GLTFP Communication and Advocacy Strategy. A consultancy firm will be recruited during the last quarter of 2019 for the implementation of the strategy;
2. Activities relating to monitoring and evaluation of the project was delayed because a fulltime M&E Expert is yet to be recruited. The staff is expected to be onboard in July 2019 who will then implement planned activities for 2019.
3. **Risk Management**

Major risks faced by the programme include: -

1. Delay in the implementation of planned activities due to the procurement process.
2. **Recommendation**

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

1. A need for COMESA to establish structural capacity, as well as staffing to enable fast track implementation of planned activities.