



**annual  
report  
2013**



**africa trade fund**  
unlocking africa's trade potential



AFRICAN DEVELOPMENT BANK GROUP



1964 2014

50 YEARS SERVING AFRICA

# AfTra in brief

## overview

- **vision:** a competitive African economy that is regionally and globally integrated
- **supports low-income African countries through:** Regional Economic Communities, Regional Member Countries, private sector, NGOs, civil society and community-based organizations
- **four pillars in line with the Bank Group's ten-year Strategy:** facilitating trade; developing products and markets; building capacity for institutions; growing the Bank's knowledge to deliver
- **Bank's main financing facility for technical assistance on trade,** aiming to become the go-to vehicle for trade facilitation in Africa, with potential to scale up into a multi-donor trust fund

## oversight

- **current time horizon from 2013-2015** with Strategic Business Plan, Operational Guidelines, Results Framework, Resource Mobilization Strategy and work plan and budgets finalized
- **Bank-managed through the AfTra Secretariat** made up of a Fund Coordinator and Fund Coordination Team, including a full-time Task Manager and three Trade Experts
- **governance structure:** Board of Directors, Government of Canada/Donors, Technical Review Committee, Resource Mobilization & External Finance and Regional Integration & Trade Departments
- **guiding principles:** selectivity, country ownership, results-focused, private sector development, gender focus, environmental sustainability, complementarity and partnerships

## operations

- **Government of Canada** is giving CAD 15 million in seed capital to kick-start the Fund. The project cycle is set up to approve demand-driven proposals and achieve measurable results within three years
- **projects approved in 2013 include:** strengthening Liberia's trade institutions; COMESA's Trading for Peace project; developing Aid for Trade strategies for the EAC and Swaziland
- **call for proposals was launched continent-wide in 2013.** Over 200 applications received with requests totalling almost CAD 100 million – about six times current resources available
- **2014-2015 indicative pipeline of 34 projects cover areas of:** trade facilitation; customs and ports; agriculture value chains; one-stop border posts; SPS capacity; strategy development

**“ Africa is a global dynamo of opportunity, the world’s new growth pole, and the final development and investment frontier. ”**

**Donald Kaberuka**  
President, African Development Bank



**africa trade fund**  
unlocking africa’s trade potential

# foreword

**Africa's future is intertwined with its trade potential.** Looking at the continent today we can see growing economies, increased investment, greater competitiveness and a thriving private sector, all of which is giving more people the opportunity to engage in trade that boosts livelihoods.

Many of the Bank's Regional Member Countries alongside Africa's Regional Economic Communities are taking the bold measures needed to drive forward a sustainable growth action plan. The political will is growing. Yet with contexts of fragility, food security challenges and a women's economic empowerment deficit it means we need to strive harder. Plugging gaps on trade starts with knocking down barriers, building institutional capacity and getting partners to support existing regional and country trade and development strategies. Here, integration and infrastructure matters. Accountability and skills count. Getting the private sector to move center-stage is vital. This is what underpins the Bank Group's ten-year Strategy and its objectives on inclusive and green growth. And now the post-2015 development agenda is just around the corner.

The milestone Trade Facilitation Agreement at the WTO Ministerial in December 2013 emphasized greater support for low-income countries to ease the movement of goods across borders with widespread gains to be had for all. At the Eighth African Economic Conference in November 2013 the focus was on facilitating trade, goods and services and the role of the private sector in regional integration. The Fourth Global Review on Aid for Trade in July 2013 centered on how to connect low-income countries to global value chains. The Africa Trade Fund (AfTra) is working to translate this political and policy momentum into project outcomes on the ground.

In 2013 the tools AfTra needs to build its program have been put in place, together with valuable support from the Government of Canada. Cooperation has gone beyond Canada's provision of the seed capital to launch AfTra. In close collaboration we have developed AfTra's vision and identified priority projects for support. In 2013 the African Union recognized the value of AfTra and called for bilateral and multilateral donors to pledge more assistance. With AfTra being integrated into the Bank it benefits from our expertise in managing impact-focused funds. It also reaches out to international agencies as part of its development network. The idea behind AfTra is that trade is a vehicle for development - Aid for Trade from the viewpoint of the beneficiaries.

At the Bank AfTra is our main financing facility for technical assistance on trade. We hope that AfTra will soon be the continent's foremost facility in this area going forward. With our wealth of experience and by how AfTra has been welcomed, the added value it brings to the table is clear. The lessons we learn will add to the Bank's knowledge hub for us to strive to innovate, focusing on quality and sustainability. It has the potential to scale up into a multi-donor trust fund as AfTra starts its resource mobilization efforts. Against the Bali backdrop, AfTra can play a critical role as the go-to vehicle for trade facilitation in Africa. As we move ahead in partnership we must ensure that no region, country or community is left behind.

**Gilbert Mbesherusu**

Vice President

Infrastructure, Private Sector and Regional Integration

African Development Bank

## abbreviations

<b>AfDB</b>	African Development Bank Group
<b>AfTra</b>	Africa Trade Fund
<b>COMESA</b>	Common Market for Eastern and Southern Africa
<b>COSP</b>	Strategy and Operational Policies Department (AfDB)
<b>EAC</b>	East African Community
<b>ECOWAS</b>	Economic Community of West African States
<b>EIF</b>	Enhanced Integrated Framework
<b>FFCO</b>	Accounts and Disbursement Department (AfDB)
<b>FRMB</b>	Resource Mobilization and External Finance Department (AfDB)
<b>GDP</b>	Gross domestic product
<b>GECL</b>	General Counsel and Legal Services Department (AfDB)
<b>KfW</b>	German Bank for Development Financing
<b>IT</b>	Information Technology
<b>M&amp;E</b>	Monitoring and Evaluation
<b>NEPAD</b>	New Partnership for Africa's Development
<b>NGO</b>	Non-governmental organization
<b>OECD</b>	Organisation for Economic Co-operation and Development
<b>ONRI</b>	NEPAD, Regional Integration and Trade Department (AfDB)
<b>ONRI.2</b>	Regional Integration and Trade Division (ONRI, AfDB)
<b>ORPF</b>	Procurement and Financial Management Department (AfDB)
<b>PATSIL</b>	Program of Assistance to Trade Support Institutions in Liberia
<b>REC</b>	Regional Economic Community
<b>RMC</b>	Regional Member Country (of AfDB)
<b>RMF</b>	Results measurement framework
<b>SME</b>	Small and medium-sized enterprise
<b>SPS</b>	Sanitary and phyto-sanitary
<b>TRC</b>	Technical Review Committee
<b>UA</b>	Unit of Account
<b>UNCTAD</b>	United Nations Conference on Trade and Development
<b>USAID</b>	United States Agency for International Development
<b>WB</b>	World Bank
<b>WTO</b>	World Trade Organization

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**Moono Mupotola**  
**Africa Trade Fund Coordinator**

**“ AfTra’s flexible way of operating is about getting support to Africa’s traders and businessmen and women to make an impact fast. Its oversight structure makes it accountable and transparent and supports development partners to contribute to the continent’s prosperity with equity. ”**

# preface

**The Africa Trade Fund (AfTra)'s 2013 annual report** takes a look at gearing up for results and the initial activities behind a new trade facility. AfTra's first year of operations has been a busy one. This report walks us through AfTra's set-up and systems. Future reports will then provide more detail on delivery and implementation against its results framework in place.

AfTra's slogan 'unlocking Africa's trade potential' captures its big ambition. An ambition matched by the partnership that has come together since its launch. It is the result of the hard work of the AfTra Secretariat and various Bank Divisions alongside the valued exchange with the Government of Canada, the Bank's Regional Member Countries and the Regional Economic Communities. 2013 has been about kick-starting AfTra's operations, building cooperation among our networks to drive momentum and catalyzing AfTra's project potential for the future.

AfTra's flexible way of operating is about getting support to Africa's traders and businessmen and women to make an impact fast. Its oversight structure makes it accountable and transparent and supports development partners to contribute to the continent's prosperity with equity. AfTra is going to help Liberia to strengthen its institutional capacity to deliver services that boost business. COMESA is getting help to support vulnerable traders in the Great Lakes border areas.

Enabling competitiveness, connecting Africa to global markets, focusing on soft infrastructure, trade facilitation, developing value chains, opening up access to trade data and skills take concerted efforts. AfTra's successful first call for proposals demonstrates that the time has come for AfTra to plug these gaps. At the end of 2013 AfTra received over 200 applications continent-wide with a demand for close to CAD 100 million, nearly six times AfTra's current resources. With AfTra support proposals can come to life that give farmers help to boost standards and quality of produce. At the same time, women working at the border will be able to trade under better conditions. And young people will get training to aim high as Africa's future entrepreneurs.

The strong demand for AfTra support is an indication of its significance and its accessibility by people who need help the most. But it shows that much still needs to be done. We are particularly grateful to the Government of Canada for their commitment and engagement. I would like to recognize the valuable support of the Bank Senior Management who spearheaded AfTra and in particular the Resource Mobilization and External Finance Department, the Legal Department, the Procurement Department, members of the Technical Review Committee and Field Offices. Sincere appreciation goes to the dedicated efforts of the AfTra team including the Task Manager, Mr Jean-Guy Afrika, together with Mr Inye Briggs and Mrs Bokang Rosemary Mokati-Sunkutu. Kind thanks for the development of AfTra's first annual report go to Mr Michael Mah'moud, Mr Olumide Abimbola and Ms Elena von Essen. We are getting down to business. The year ahead will be about driving delivery and tracking results, mobilizing resources and bringing on board new partners. Together we are building Africa's trading future today.

**Moono Mupotola**

Africa Trade Fund Coordinator

Division Manager, Regional Integration and Trade

African Development Bank



## **i. africa trade fund today**

# facilitating trade openings continent-wide

**The Africa Trade Fund (AfTra)** was set up in March 2012 at the African Development Bank. It completed its first year of operations in 2013 - the period covered in AfTra's first annual report. 2013 marked an active period with AfTra building cooperation and catalyzing its project potential. In brief, AfTra has been facilitating trade openings for Africa in a fresh way.

In 2013, AfTra was able to get its range of instruments and systems up and running, from its Strategic Business Plan and Operational Guidelines to its Secretariat and governance structure (see pp. 17-19). The year saw AfTra develop a Results Framework (see pp. 38) and provide web-based information for its wider network. AfTra took a stride forward in its move to delivery with five projects launched supporting Regional Member Countries (RMCs) and Regional Economic Communities (RECs) (see p. 23). AfTra ended the year with a successful continent-wide call for proposals, resulting in an indicative pipeline of 34 projects to be taken forward in 2014-15 on priority trade areas covering all regions and target beneficiary groups (see p. 32).

AfTra was established with initial seed funding from the Government of Canada totalling CAD 15 million. In 2013 a Resource Mobilization Strategy was developed to support AfTra to scale up into a multi-donor trust fund. AfTra is already the Bank's number one facility on technical assistance on trade and aims to be the continent's foremost facility in this area. At the same time following on from the Bali Agreement on Trade Facilitation of December 2013, AfTra is gearing up to be the go-to vehicle for donors looking to expand their support for trade facilitation in Africa.



AfTra was set up in March 2012 as an accessible and responsive technical assistance facility for the Bank's Regional Member Countries and Africa's Regional Economic Communities to support trade development.

The trade and development backdrop to AfTra's growing operations in 2013 was a promising one. At the global level, there were renewed efforts focusing on the global economic recovery and fresh impetus given to multilateral trade negotiations. The Bali Agreement on Trade Facilitation strongly prioritizes support for developing countries to overcome trade bottlenecks, focusing on existing channels and highlighting the importance of Aid for Trade. Donors significantly increased Aid for Trade contributions in recent years with assistance going to helping goods and services reach untapped markets and take advantage of lower tariffs.

## **Trade facilitation moves ahead**

The Bali Trade Facilitation Agreement of December 2013 focused on the support needed to address key areas to facilitate trade. This includes a closer look at: information, transparency, release, clearance and movement of goods, border agency cooperation and that of customs agencies. This is particularly relevant for Africa. Nearly a third of Africa's population live in landlocked countries; around 80% of the population live more than 100km from the coast and 19 countries have fewer than 5 million people. That means high transport costs and small domestic markets.

The figures add up. The World Bank's 2012 Logistics Performance Index shows sub-Saharan Africa at the lowest end of regional comparisons, with an overall 2.46 scorecard across all indicators covering: customs, infrastructure, international shipments, logistics competence, tracking and tracing and timelines. The World Bank's 2014 *Doing Business* rankings puts sub-Saharan Africa in 6 out of 10 areas as furthest from the frontier including on starting a business, getting electricity, paying taxes, trading across borders, protecting investors and resolving insolvency. AfTra aims to tackle these issues through its primary pillar on trade facilitation.

# **AfTra: unlocking Africa's trade potential**

## **Plugging into global value chains**

The Fourth Global Review on Aid for Trade in July 2013 centred on the importance for low-income countries to be able to plug into global value chains. The shifting dynamics of world trade point to wider geographical participation and global supply chain production. At the same time, Africa needs to make greater inroads into taking full advantage of current trade openings.

The data shows that the continent has yet to up its performance on exports, with its share of world exports staying at around 3.5% since 2008. In addition, the roads to connect to regional and global value chains to lock in trade across the continent have fallen short. Regional integration has not been as impressive as hoped with intra-African trade estimated at between 12-16%, though growing informal cross-border trade is not captured in the data. Getting products up to standard costs Africa between 1-3% of the value of related trade flows. Women are hardest hit, making up 60-90% in many export sectors, namely agriculture, food processing and textiles. AfTra aims to promote Africa's participation in regional and global value chains through its pillars on developing products and markets and building capacity for institutions.

## **Laying Africa's trade foundations**

Issues shaping global trade as set out in the WTO World Trade Report 2013 range from: technology, investment, energy and natural resources, transport to demographics, institutions, socio-economic factors and the environment. It is a broad set of interlocking themes and opportunities. Across the African continent, progress is being made on a range of fronts.

Eight regional economic groupings are linked to the African Union framework. Every country is a member of at least one REC. A Continental Free Trade Area is planned by 2017. Domestic economic reforms have made an impact. Sub-Saharan Africa is home to 9 of 20 economies that narrowed the regulatory gap the most since 2009. The region has improved business start-up processes the most in the last five years and made the biggest reductions in time to trade across borders. Trade is mainstreamed in 22 African Least Developed Countries' national development plans, with more budgetary resources going to trade. AfTra aims to build on these areas working closely with RMCs and RECs' own strategies to further unlock the continent's trade potential.

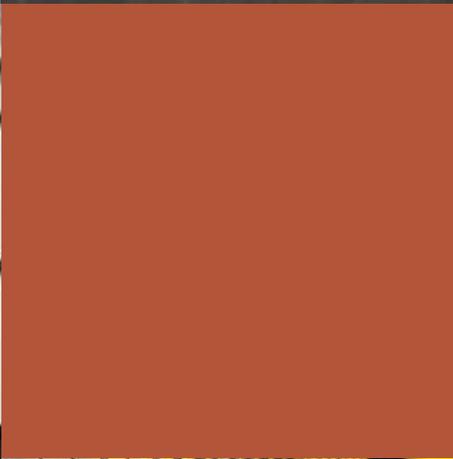
**Yet, Africa still faces significant challenges** to boost trade across the continent and beyond. In regional and global discussions leading to the Bali Ministerial Conference, AfTra was viewed as an integral part of the solution to these challenges. At the Eighth Ordinary Session of the African Union's Ministers of Trade in May and the Fourth Global Review on Aid for Trade in July 2013, AfTra was seen as playing a critical role in helping Africa to fully unlock its trading potential. This view was reaffirmed in November 2013 at the Liberia and COMESA AfTra project launches. Here, partners from the Ministry of Commerce and Industry of Liberia, COMESA and the Government of Canada praised AfTra for supporting RMC and RECs' trade strategies that are about delivering meaningful results.

## AfTra guiding principles

Selection and prioritization of projects are guided by principles of effective development cooperation and draw upon relevant lessons from the Bank's experience in managing impact-focused funds, including:



- **selectivity:**  
areas where the Bank demonstrates comparative advantage and value addition
- **country ownership:**  
aligned to RECs and RMCs' trade strategies and development plans
- **results-focused:**  
strive for tangible results, focus on M&E and timely technical support
- **private sector development:**  
develop and promote business as an engine of growth
- **gender focus:**  
mainstream removal of barriers for women in trade and measure change
- **environmental sustainability:**  
address trade and environment including biodiversity
- **complementarity and partnerships:**  
leverage resources and build knowledge exchange



The Ninth Ministerial Session of WTO members in Bali, Indonesia reached an historic milestone agreement on Trade Facilitation on 7 December 2013. The Agreement's two sections are:

- **section I covering effective cooperation on trade facilitation and customs compliance issues** with technical areas including: information, transparency, release, clearance and movement of goods, border agency cooperation and that of customs agencies
- **section II covering special and differential treatment for developing countries and Least Developed Countries** and enhanced donor assistance on capacity building

## **AfTra** and the Bali Trade Facilitation Agreement

AfTra has a pivotal role to play in supporting the Agreement's implementation in Africa, in particular given AfTra's focus on assisting low-income countries across the continent. Two of AfTra's four pillars directly relate to the Agreement's two sections:

- **pillar i.: facilitating trade** (making customs, ports, one-stop border posts more open and accessible and easing movement across trade corridors)
- **pillar iii.: building capacity for institutions** (collecting market data, analyzing trade gaps, adding value along the chain and supporting negotiations)

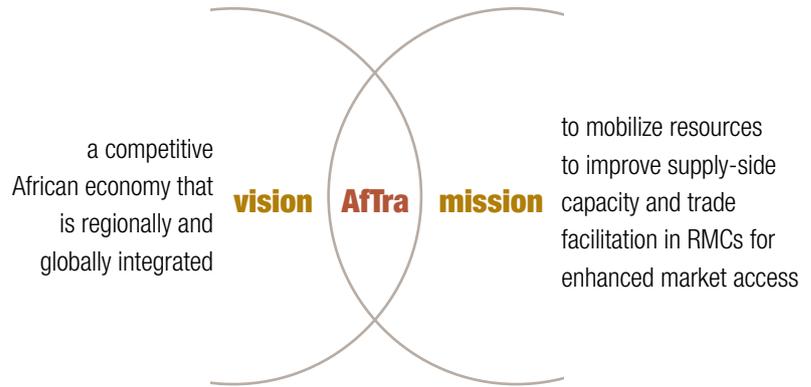
AfTra's vision is a 'competitive African economy that is regionally and globally integrated.' Against this backdrop AfTra is looking to scale up into a multi-donor trust fund, bringing on board new donors to meet the growing demand for trade facilitation assistance. Importantly, AfTra's guiding principles on effective development cooperation (see p. 11) are fully in line with the Trade Facilitation Agreement's framework for donors to support implementation, which include:

- **promoting regional and sub-regional integration**
- **working within the development framework of countries and regions**
- **plugging in the private sector**
- **strengthening coordination**

A close-up photograph of two women. The woman on the left is wearing a colorful patterned headwrap and a pink shawl, looking intently at a smartphone held by the woman on the right. The woman on the right is wearing a dark brown top and glasses, also looking at the phone. The background is slightly blurred, suggesting an indoor setting.

## ii. getting the africa trade fund up and running

# promoting innovative approaches to delivery



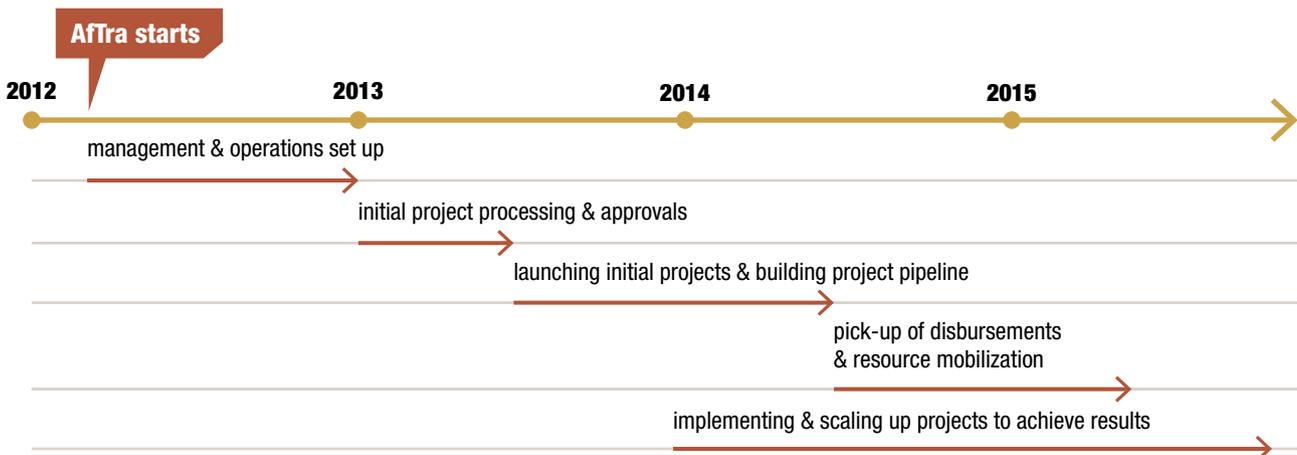
To achieve this, AfTra will support the delivery of Aid for Trade to RMCs, especially low-income countries, aimed at improving supply-side capacity of producers and traders.

## Since 2013 the Africa Trade Fund (AfTra) is open for business.

Tackling the hard blockages to trade with soft infrastructure means AfTra needs to be able to respond in a fresh way. To do so, it has been putting in place the right instruments and procedures to make an impact – and fast. That has meant innovating on tools and approaches. AfTra’s operational delivery toolkit follows.

It is AfTra’s vision, mission, beneficiaries and four pillars that lay its strong foundation. AfTra’s vision on regional and global integration and competitiveness fits into the global policy dialogue on what is still needed to close the trade gap across the continent, in particular for low-income countries. AfTra’s mission responds to the recent agreement on trade facilitation and consensus around building regional and global value chains that give everyone from SMEs upwards a chance to be part of the global trading space. Importantly, AfTra’s wide-ranging beneficiary groups are about building inclusive growth for trade to make an impact from the grassroots up.

### AfTra current time horizon



## AfTra four pillars

### **pillar i. facilitating trade**

making customs, ports, one-stop border posts more open and accessible and easing movement across trade corridors

### **pillar ii. developing products and markets**

getting goods up to SPS standard, stamping quality on products and crossing over to new markets

### **pillar iii. building capacity for institutions**

collecting market data, analyzing trade gaps, adding value along the chain and supporting negotiations

### **pillar iv. growing the Bank's knowledge to deliver**

creating stronger trade statistics and research in the Bank and providing quality advisory services

## AfTra, the Bank Group's Strategy and Aid for Trade priorities

AfTra's four pillars target priority interventions to plug existing trade and development gaps. Pillar one on trade facilitation and pillar three on building institutional capacity directly respond to the recent Trade Facilitation Agreement's focus on implementation going forward (see p. 13).

Importantly, with its vision, mission and four pillars AfTra works in support of the Bank Group's ten-year Strategy *At the Center of Africa's Transformation: Strategy for 2013–2022*. In particular, AfTra is helping to make inroads into the five core operational priorities: infrastructure development, regional economic integration, private sector development, governance and accountability, and skills and technology. The three areas of special emphasis for the Strategy - fragile states, agriculture and food security and gender - are also priorities for AfTra operations.

The Bank has responded to calls from the WTO and OECD to mobilize additional support for Aid for Trade delivery in the region. Now AfTra is looking to play a catalytic role in leveraging resources while complementing existing operations and instruments on trade. AfTra's four pillars respond directly to the new priorities for Aid for Trade identified in the WTO/OECD *Aid for Trade at a Glance 2013: Connecting to Global Value Chains* on: trade facilitation, value chains, competitiveness, export diversification, trade policy activities, network infrastructure, cross-border infrastructure, other transportation, regional integration and adjustment costs.

It is against this backdrop that AfTra comes into its own. Low-income countries stand to benefit the most from this renewed global commitment, which has the potential to lift more people out of poverty. While the tools countries and regions need to unlock trade may not be new, what is different is AfTra's approach.



## AfTra beneficiaries

- **Regional Economic Communities**, regional institutions and agencies concerned with trade development
- **Regional Member Countries** of the Bank, political subdivisions or agencies (including bodies of the central or local Government) that are concerned with trade development
- **private sector organizations** such as industry associations, business organizations, growers' associations, Chambers of Commerce
- **non-governmental organizations** at country or regional level
- **civil society and community-based organizations** with a track record in trade development, environmental protection and gender advocacy

AfTra has been created so that trade and development sit side by side. With AfTra it is the beneficiaries who identify their trade challenges. In that way, AfTra can cover a host of issues that are priorities for its partners. It can empower countries to unlock their productive capacities. It can promote Africa's participation in regional and global value chains. AfTra's inter-disciplinary model is new with expertise brought in from across the Bank's Divisions. Across the portfolio, gender, the environment, fragile states and existing trade corridors are cross-cutting areas. Moving beyond 2013 AfTra can work to help trade reach more communities, acting as a stepping-stone on the continent's path to greater prosperity.

## getting AfTra up and running

During AfTra's first year of implementation in 2013 all the key operational procedures were developed. That has included the Strategic Business Plan, Operational Guidelines and 2013 annual work plan alongside the Resource Mobilization Strategy and information materials.

AfTra activities have been mainstreamed into the Regional Integration and Trade Division over 2013. AfTra is designed to be an integral part of the Bank's operations. The professional team put in place to lead AfTra has been assigned to work on regions and cover thematic areas based on expertise. They are supported by experts in NEPAD, Regional Integration and Trade Department and across the Bank, including in Field Offices in processing and monitoring projects (see p. 36). Between 2014-2016, six trade experts within the Division are expected to allocate at least 30% of their time to the implementation of AfTra-related projects.

The AfTra Secretariat and their key roles and responsibilities are set out above.

AfTra's streamlined governance structure provides an important strategic oversight function for the Fund drawing upon the expertise of a number of Bank Divisions alongside the Government of Canada/Donors. There is clear accountability and transparency with mechanisms in place on fiduciary controls and reporting against implementation. Projects are scored against feasibility in line with operational guidelines (see p. 35). AfTra's full governance structure is set out on the following page.

### AfTra secretariat



**Board of Directors of the Bank:** approves key documents such as the Grant Agreement and projects over USD 1 million.

**Government of Canada / Donors:** provides an oversight function including approval of AfTra's strategic and operational focus, annual work plans and budget and projects between USD 100,000 and USD 1 million, which were not initially included in the annual work plan.

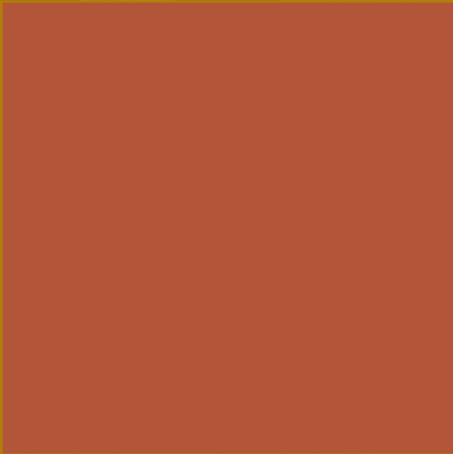
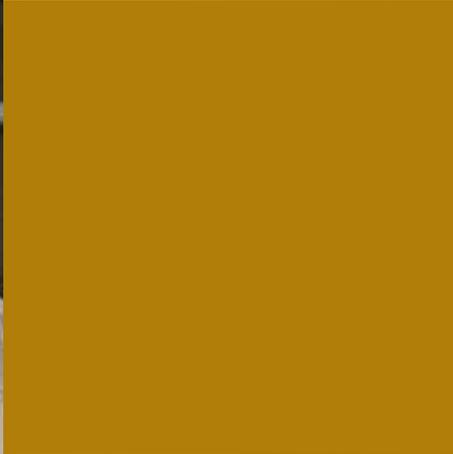
## AfTra governance structure

**Technical Review Committee (TRC) comprises representatives of the following departments/units:** NEPAD, Regional Integration and Trade; Resource Mobilization and External Finance; General Counsel and Legal Services; Procurement and Financial Management; Accounts and Disbursement; and Strategy and Operational Policies. The TRC is primarily responsible for ensuring the technical and financial feasibility of all funding requests and their alignment to the Bank's rules and procedures.

**Resource Mobilization and External Finance Department:** oversees resource mobilization and ensures appropriate resources management, fiduciary control and external communications with Donors.

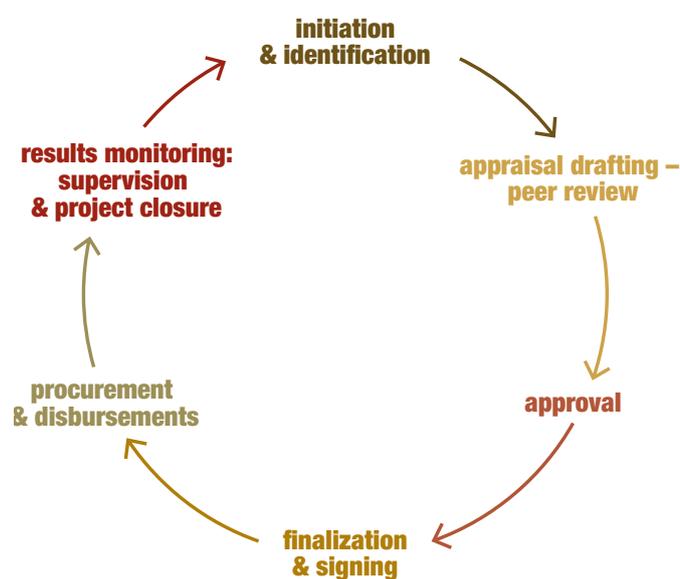
**Regional Integration and Trade Division:** serves as the Secretariat of AfTra (see p. 17). AfTra's management structure is composed of a Fund Coordinator (Division Manager), a Fund Coordination Team (composed of three professional level Trade Experts) and a full-time Task Manager. The Fund Coordinator is responsible for strategic planning and oversight, resource mobilization and monitoring achievements of objectives and outcomes. The Coordinator is allowed to approve operations below USD 100,000 which are not included in the annual work plan or indicative pipeline of operations but which have strong alignment to the objectives of AfTra. The Fund Coordination Team and Task Manager act as focal points and are responsible for the day-to-day management of AfTra. They oversee implementation of all approved projects as per the approved work plans and coordinate the assessment of impacts and results of each project funded under the facility.





The special features of AfTra set it apart from other mechanisms available. AfTra has broad eligibility criteria and its design allows quick approval at the same time as providing accountability and oversight by the Bank and donors. AfTra's flexible nature means that during approval it can take as little as four months from receipt of the request to a decision.

### AfTra project cycle



The project cycle developed in 2013 sets out AfTra's project processing, approval and implementation mechanisms. The cycle was set up to make sure AfTra is efficient by being able to approve demand-driven proposals in a workable time horizon that is in line with RMCs and RECs' strategies. It focuses on making sure there is 'quality at entry' to achieve measurable results within three years. AfTra mainstreams supervision and evaluation for a dynamic knowledge dissemination process to feed into new granting cycles, investment and wider activities. AfTra's results framework now up and running is an integral part of the process (see p. 38).

In 2013 AfTra added to the important foundations laid to date on operational procedures and project development. AfTra has been building its knowledge and expanding its networks to inform how AfTra and its beneficiaries on the ground do business.

Through the Bank's Regional Integration and Trade Division, the following AfTra partnership collaboration is underway and being deepened with a forward look to 2014 and beyond.

**Global:** building partnerships with trade development organizations including WTO/UNCTAD

**Africa:** collaboration underway with the African Union Commission and the RECs

**Bank Group:** coordination with Field Offices and Departments – Agriculture and Natural Resources, Fragile States, General Counsel and Legal Services, Procurement and Financial Management, Resource Mobilization and External Finance

**Projects:** partners include RMCs, RECs, private sector, civil society, community-based organizations and other actors

Over the last year AfTra moved beyond internal operational tools to develop its knowledge management systems. A concept note on value chains is being completed to better understand and prioritize support to related interventions. In the PATSIL project (see p. 24) AfTra is linking up the University of Liberia's Business School and the Ministry of Commerce and Industry to grow knowledge in trade data analysis and policy formulation.



In 2013 AfTra analyzed its outreach and communications needs. The coming year will focus on building the AfTra brand to raise visibility with partners and donors and showcase the impact projects are having on the ground. It will also disseminate lessons learned across the partnership and connect internal and external AfTra networks with updated and user-friendly material. This will include publicity, press and online products and a greater profile at high-level events.

Regional integration indicators to facilitate the measurement of progress are being developed, which are a key part of AfTra's vision of a competitive African economy that is regionally and globally integrated. The indicators will help to prioritize regional programs for financial support.

The AfTra funding overview for 2013 follows, outlining funding commitments and available resources to take forward AfTra's wide-range of interventions on identified priority areas.

### AfTra funding overview 2013 (CAD)

		2013 funding overview	amount		
<b>assets</b>		Government of Canada contributions			<b>15,000,000</b>
		interest			<b>195,509</b>
		total funds available			<b>15,195,509</b>
<b>funding commitments</b>	<b>pillars i., ii., iii.</b>	commitments	2,158,142		
		disbursements		54,871	
	<b>Bank-executed program – pillar iv.</b>	commitments	54,000		
		disbursements		12,500	
<b>management fees</b>		commitments	750,000		
		disbursements		-	
		<b>total commitments</b>	<b>2,962,142</b>		
		<b>total disbursements</b>		<b>67,371</b>	
<b>available funds for commitments</b>					<b>12,233,367</b>

A photograph of a greenhouse with a thatched roof and mesh walls. The interior is filled with rows of young plants in black trays, arranged on a stone-paved floor. The plants are green and appear to be in the early stages of growth. The greenhouse is situated outdoors, with trees visible through the mesh walls.

**iii. africa trade fund on the ground**

# gearing up for future results

**The Africa Trade Fund (AfTra)** launched its first five projects in 2013, kick-starting the delivery process, showing a positive trajectory and gearing up for future trade and development results.

The demand-driven projects come from across the continent and include RMCs and RECs. They were approved only six months after the launch of AfTra, showing its fast disbursing nature and potential for achieving quick wins. The projects being implemented are:

- **Program of Assistance to Trade Support Institutions in Liberia (PATSIL)**
- **COMESA Trading for Peace Project**
- **Development of an Aid for Trade Strategy for the East African Community**
- **Development of an Aid for Trade Strategy for Swaziland**
- **Development of key knowledge tools and instruments**

All projects will be closely monitored and evaluated in 2014 and beyond to track results achieved. Additional user-friendly material will tell the case-stories behind the indicators and showcase the ground realities. Lessons learned will be disseminated among the AfTra network and inform future AfTra projects. In both the PATSIL and COMESA Trading for Peace projects, AfTra is working alongside other partners and donors, complementing efforts and leveraging additional funding. More details on the different project aims and projected outcomes follow, alongside a closer look at AfTra and the environment – a priority area in project selection.

## **AfTra added value checklist**

-  **i. impact-centered and results-focused:**  
focuses on low-income countries where need is greatest and monitors and evaluates for trade outcomes promoting development impact
-  **ii. African partnership - local, regional and global:**  
wide-reaching engagement and support to local communities, civil society, businesses, governments and regional bodies
-  **iii. targeted and transformative in delivery:**  
responds to priority demands, builds internal/external expertise and skills and leverages funding to make efforts sustainable

# Liberia: strengthening trade institutions

**Liberia is focused on bringing hope back** to communities through trade and forging a future horizon that is based on business opportunity and growth potential that lasts.

## **Program of Assistance to Trade Support Institutions in Liberia (PATSIL)**

- running from August 2013 to January 2015
- AfTra funding CAD 998,168; co-funding partners USD 163,000
- approved under AfTra pillar iii.: building capacity for institutions

By integrating into the region, the impact will be even greater. That is in line with the Bank Group's ten-year Strategy (2013-2022), which focuses on supporting countries to get engaged on the regional playing field to open up more possibilities for trade. Getting the national framework right will help Liberia play its part in the Mano River Union and ECOWAS as well as globally.

With support from AfTra the country will be able to boost trade-enabling institutions in the public and private sectors. That means building a climate where traders can be more competitive, production goes up and products have added value for bigger returns along the chain. It is putting people first, empowering them with the right tools, connecting them to streamlined systems, helping them reach higher quality and build businesses that grow. Women and young people stand to benefit the most.

## **Gearing up for delivery will lead to:**

- 20% growth in the number of businesses registered by 2016 with almost a third owned by women by helping businesses thrive
- businesses to get cost savings with import and export permit times going from 48 hours to just 20 minutes by getting automated systems up and running
- skilling up 120 small and medium-sized enterprises (two thirds run by women and young people) through partnering with the Liberia Chamber of Commerce to get business skills in book-keeping, business plans and accessing finance to grow their ideas
- getting the National Standards laboratory to attain international accreditation by helping products match quality standards needed to get entry into new markets
- strengthening technical skills of trade officials at the Ministry of Commerce and Industry to promote trade, improving their productivity by doubling access to IT systems to 100%
- connecting 50% of small and medium-sized enterprises of the Chamber of Commerce to business-friendly trade information and help deal with laws, policies and regulations

“PATSIL will give the final push towards sustainable growth driven by trade. Now the Government is taking a step change in its development efforts, moving from a focus on post-war recovery and reconstruction to inclusive growth and wealth creation.”

**Axel Addy**  
Minister of Commerce  
and Industry, Liberia

AfTra selection criteria for projects focuses on environmental issues identified at micro and macro levels. This also ties into the Bank Group's objective on green growth in its ten-year Strategy.

**Micro/individual project levels - ensure that support is conditioned upon the following:**

- project design and implementation are in line with treaties regulating trade in hazardous waste, endangered species and limits in the use of ozone-depleting substances
- adherence to rules and standards on health and sanitary levels (SPS, Hazard Analysis and Critical Control Point), technical barriers to trade, preferential treatment of environmentally-friendly goods and services (green technologies)

## **AfTra and the environment**

**Macro or sector/national levels - program design and implementation take into consideration the following:**

- sustainability of natural resources, which are fundamental to trade as sources of goods and 'sinks' for waste and pollution
- climate change impacts by better forest and agricultural management
- support to maintenance of biodiversity to sustain the diverse trade benefits of the environment such as:
  - increasing trade and economic development in the production and marketing of African value added plant and tree products
  - conserving African biodiversity through urgent and concerted action for the protection of tropical forests
  - contributing directly to the development of the African Pharmacopeia
  - promoting access and benefit sharing of these rich biological resources
  - mainstreaming gender empowerment and equality
  - realizing climate change mitigation and adaptation

*Notes:*

*- includes impacts on trade infrastructure & transportation, agricultural production, including cash crops for export, new funds to developing countries for adaptation, mitigation & reducing emissions from deforestation*

*- e.g. in current Access to Genetic Resources and Benefit-sharing negotiations under the Biodiversity Convention, developing countries will control access to their forests & traditional knowledge in exchange for users like pharmaceutical companies sharing the benefits derived from medicinal tropical plants.*



AfTra's support is going to develop Aid for Trade strategies for the East African Community and Swaziland. Here, it is about having the strategic framework to map trade bottlenecks, prioritize interventions and mobilize the necessary resources to effect changes on the ground.

## AfTra and Aid for Trade strategies

For the East African Community, the AfTra-backed Aid for Trade Strategy will help to:

- **build supply-side capacity:** identifying areas of market access, promoting value chains, diversifying exports and building private sector development for greater competitiveness
- **mitigate trade system costs:** focusing on alleviating costs and constraints to doing business looking at customs reforms and border agencies to help in lowering trade costs
- **focus on trade policy development and effective participation in rule-making:** bridging a trade capacity gap for quality decisions and better implement integration projects
- **boost research and statistics:** supporting regional research institutions to look at regional issues including comparative advantage and formal and parallel trade flows
- **promote information sharing:** collecting and coordinating statistics including social and economic data to better design policies and build a private sector business network



# COMESA: trading for peace

**Within COMESA's vibrant regional marketplace**, there is an ongoing drive to tackle livelihoods' opportunities for traders in the border areas of the Great Lakes region affected by instability, particularly the Democratic Republic of Congo and Burundi, Rwanda, Uganda and Zambia.

## COMESA Trading for Peace Project

- running from August 2013 to August 2015
- AfTra funding CAD 969,528
- approved under AfTra pillar i.: facilitating trade

Previous conflicts shattered trade links with informal traders suffering the most. Getting traders into the formal economy is a lifeline and helping to build foundations for peace, generating levels of trust and exchange across communities. AfTra is going to come in to facilitate cross-border trade and formalize interactions. It will be tackling issues of conflict and security by dealing with a lack of efficient and well-managed systems in place to

trade, limited offices in where to trade safely, gaps when dealing with disputes and complaints and a lack of access to knowledge. Importantly AfTra is going to help women who make up 80% of small scale cross border trade in the region, many of them widows who depend on border business to support their families.

AfTra is looking to complement other development partner support provided including KfW in providing basic infrastructure for Trade Information Desks in border areas and USAID in training Trade Information Desk managers and developing knowledge tools.

## Gearing up for delivery will lead to:

- boosting traders' incomes by 7%, improving people's welfare crossing the border to trade
- more traders' complaints solved with an additional 500 cases resolved each year so that total cases go up to 3000, building up capacity of institutions at the border to assist
- getting 1,750 informal traders (nearly 60% of them women) to benefit from joining the formal economy out of 8,400 informal cross-border traders that operate across the region
- creating 4 new Trade Information Desks to add to the current 10 set up to deal with traders' issues at the border and help them to get more from their business
- supporting 6 more women's business associations to be set up on top of the current 9, and training 3,000 cross-border traders' association members (50% of them women)
- getting 30 border officials new skills on customs procedures to help them in their duties



“Trading for Peace project has already received praise from numerous donors for how it has been able to show results on the ground and positively impact the lives of thousands of formal and informal cross-border traders.”

**Sindiso Ngwenya**  
Secretary General, COMESA

# iv. africa trade fund: the next chapter



# **mobilizing greater resources on trade**

**In the year ahead**, the Africa Trade Fund (AfTra) will move into delivery and implementation.

To support its oversight functions and boost transparency, two AfTra progress reports will be published (annual and interim) alongside an annual work plan and budget. The AfTra Secretariat will continue to strengthen the operational instruments, knowledge tools and project cycle in 2014. AfTra will drive ahead to make inroads into the border, product and supply-side challenges that are holding back development for communities, traders, businessmen and women and work to improve country, regional and continent-wide prospects on trade. Priority areas for AfTra and the Secretariat in 2014 to help achieve these goals are set out below. It is going to be a dynamic year ahead. Updates will be posted on the AfTra website ready in 2014.

## **i. quality in projects**

AfTra will put quality at the forefront of all new projects with a review of Project Appraisal Reports of approved pipeline projects. Approximately 34 projects are expected to be processed in 2014-15 across all of AfTra's four pillars (see p. 32).

## **ii. timely delivery and disbursements**

AfTra will focus on meeting project time-frames. To reach high disbursement levels, there will be regular monitoring of disbursement performance and timely interventions to address issues alongside regular audits and reporting (see p. 36).

## **iii. robust monitoring and evaluation**

AfTra will apply the results measurement tools developed with the Bank's Quality Assurance and Results Department to monitor results. Support will go to beneficiaries where capacity to deliver may be limited (such as in fragile states) to assist them to manage the process (see p. 38).

## **iv. keeping gender, social equity and environment center-stage**

AfTra will maintain its strong focus on promoting gender, social equity and environmental conservation throughout its project cycle, across areas of appraisal, implementation and monitoring as well as in sharing lessons learned (see p. 20).

## **v. documenting knowledge**

AfTra will continue to innovate and link knowledge dissemination with the approval, selection and funding cycle of projects. Two thematic and four project-related knowledge products will be launched in 2014 with a strong focus on regional integration (see p. 21).

## **vi. communications and outreach**

AfTra will build its advocacy strategy and launch the AfTra brand, developed as part of this first Annual Report, alongside user-friendly materials to reach out to the AfTra partnership and broaden its network. This will include a new website, publicity and press materials (see p. 21).

There is a high demand for trade-related support in RMCs and RECs to unlock Africa's trade potential. AfTra's vision is to broaden its donor base and become a multi-donor trust fund.

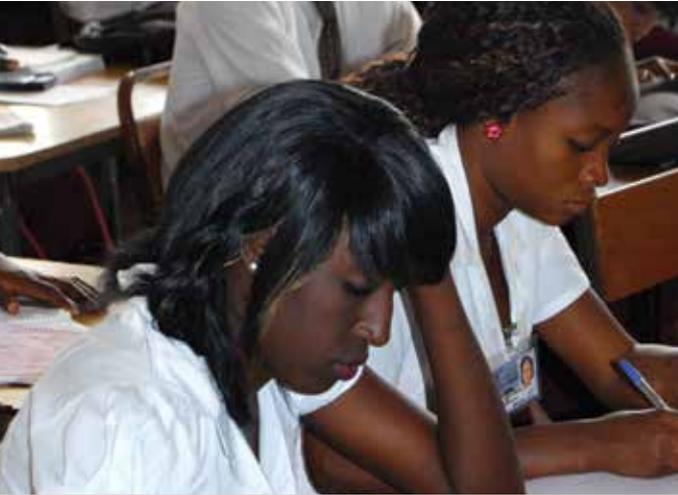
AfTra is already the Bank's main financing facility for technical assistance on trade in Africa and aims to be the continent's foremost facility on this area. AfTra's focus on trade facilitation comes within the context of the Trade Facilitation Agreement reached at the Bali Ministerial Conference in December 2013, which promotes donor engagement to support low-income countries on this issue. AfTra has already generated strong levels of interest across Africa as shown in the volume of applications received in AfTra's call for proposals. Given this, the Bank anticipates that AfTra resources will need to be replenished. Already taking the indicative project pipeline into account, committed funds under AfTra are a total of CAD 14,252,461 with a balance of just CAD 943,048 remaining.

## **AfTra** in mobilizing resources

In 2014, AfTra will move ahead to mobilize additional resources to add to the Government of Canada's seed capital and secure sustained funding. The AfTra Secretariat will work closely with the Bank's Resource Mobilization and External Finance Department to reach out to potential donors and those who have shown an interest in being part of AfTra's growing trade and development network. It is expected the wider donor base will multiply AfTra funds by four times to CAD 60 million.

A breakdown of AfTra's 34 pipeline projects by region, pillar and funding allocation is on p. 32 with information also presented in the AfTra at work map, alongside approved AfTra projects.





During the last quarter of 2013 AfTra launched a successful continent-wide call for proposals. The aim was to identify the most transformative trade-related projects, ensuring transparency and value for money. Over 200 applications were received with requests for financing totalling almost CAD 100 million, about six times the resources currently available under AfTra.

## AfTra expands its reach

To carry out the appraisal process, the AfTra team developed a series of tools and instruments (including a scorecard, see p. 35) to identify, grade and prioritize the operations best aligned to the objectives of AfTra and with most potential for achieving impact and results on the ground.

Out of the 200, 34 were shortlisted into an indicative 2014-2015 project pipeline. The projects are on: trade facilitation; customs and ports modernization; establishment of one-stop border posts; agriculture value chains development; strengthening SPS capacities, and strategy development.

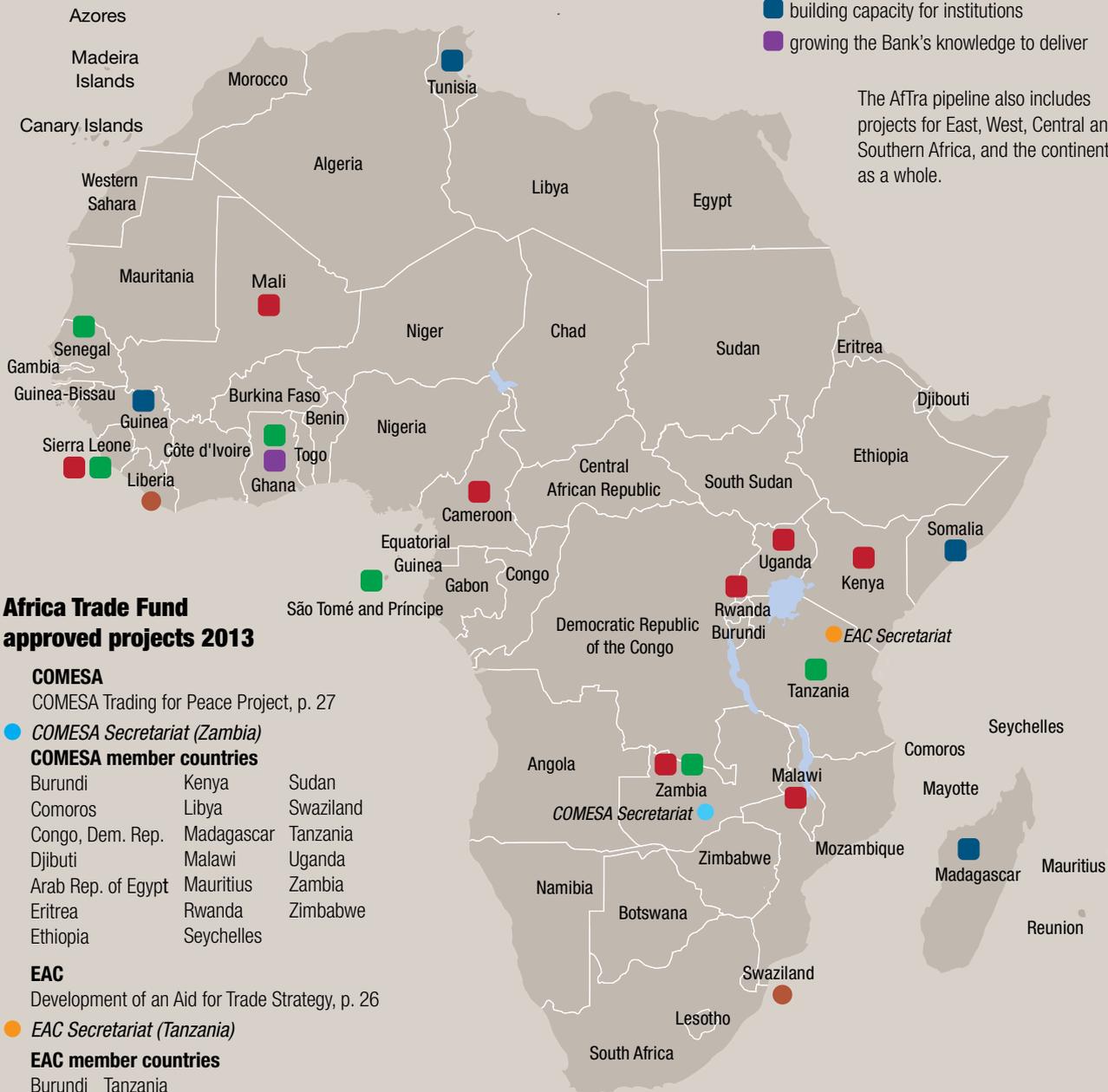


# AfTra at work

## AfTra indicative project pipeline 2014-2015

- facilitating trade
- developing products and markets
- building capacity for institutions
- growing the Bank's knowledge to deliver

The AfTra pipeline also includes projects for East, West, Central and Southern Africa, and the continent as a whole.



### Africa Trade Fund approved projects 2013

#### COMESA

COMESA Trading for Peace Project, p. 27

#### COMESA Secretariat (Zambia)

##### COMESA member countries

Burundi	Kenya	Sudan
Comoros	Libya	Swaziland
Congo, Dem. Rep.	Madagascar	Tanzania
Djibouti	Malawi	Uganda
Arab Rep. of Egypt	Mauritius	Zambia
Eritrea	Rwanda	Zimbabwe
Ethiopia	Seychelles	

#### EAC

Development of an Aid for Trade Strategy, p. 26

#### EAC Secretariat (Tanzania)

##### EAC member countries

Burundi	Tanzania
Kenya	Uganda
Rwanda	

#### Liberia

Program of Assistance to Trade Support Institutions in Liberia (PATSI), p. 24

#### Swaziland

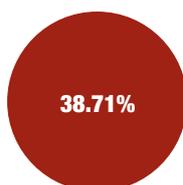
Development of an Aid for Trade Strategy, p. 26



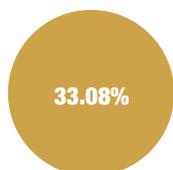
## Africa Trade Fund indicative project pipeline for 2014-2015 (CAD)

pipeline projects by region	pillar i. facilitating trade	pillar ii. developing products & markets	pillar iii. building capacity for institutions		pillar iv. growing the Bank's knowledge to deliver	total
			RECs	RMCs		
<b>Africa-wide</b>	450,000	300,000			400,000	<b>1,150,000</b>
<b>Central Africa</b>	125,000	250,000	300,000			<b>675,000</b>
<b>East Africa</b>	1,095,319	915,000		450,000		<b>2,460,319</b>
<b>Southern Africa</b>	600,000	1,120,000	350,000	100,000	250,000	<b>2,420,000</b>
<b>North Africa</b>				100,000		<b>100,000</b>
<b>West Africa</b>	2,100,000	1,150,000	735,000	400,000	100,000	<b>4,485,000</b>
<b>total</b>	<b>4,370,319</b>	<b>3,735,000</b>	<b>1,385,000</b>	<b>1,050,000</b>	<b>750,000</b>	<b>11,290,319</b>
<b>%</b>	<b>38.71%</b>	<b>33.08%</b>	<b>12.27%</b>	<b>9.30%</b>	<b>6.64%</b>	<b>100.00%</b>

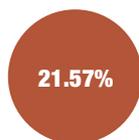
### pipeline projects by pillar



**pillar i.**  
facilitating trade



**pillar ii.**  
developing products & markets



**pillar iii.**  
building capacity for institutions



**pillar iv.**  
growing the Bank's knowledge to deliver

### Africa Trade Fund indicative project pipeline for 2014-2015

#### ■ facilitating trade

making customs, ports, one-stop border posts more open and accessible and easing movement across trade corridors

East Africa  
East and Central Africa  
West Africa  
Ghana  
São Tomé and Príncipe  
Senegal  
Sierra Leone  
Tanzania  
Zambia

#### ■ developing products and markets

getting goods up to SPS standard, stamping quality on products and crossing over to new markets

Africa-wide  
East Africa  
West Africa  
Cameroon  
Kenya  
Malawi  
Mali  
Rwanda  
Sierra Leone  
Uganda  
Zambia

#### ■ building capacity for institutions

collecting market data, analyzing trade gaps, adding value along the chain and supporting negotiations

Central Africa  
Southern Africa  
West Africa  
Guinea  
Madagascar  
Somalia  
Tunisia

#### ■ growing the Bank's knowledge to deliver

creating stronger trade statistics and research in the Bank and providing quality advisory services

Africa-wide  
Southern Africa  
Ghana



**annexes**

## annex i. AfTra project criteria

criteria for projects	description
<b>ownership and focus</b>	<ul style="list-style-type: none"> <li>• extent to which the activity is relevant to the removal of structural constraints on capacity of African countries and enterprises to trade</li> <li>• extent to which the activity includes a participatory process and gender responsive process to consult ultimate beneficiaries in public and democratically structured units</li> <li>• extent to which the recipient shall demonstrate ownership and commitment through active participation in the activities proposed for funding</li> </ul>
<b>feasibility and results</b>	<ul style="list-style-type: none"> <li>• extent to which the activity generates concrete and measurable results to the country/region/enterprises/population it intends to benefit</li> <li>• extent to which the activity generates measurable results to directly or indirectly strengthen the supply side of trade</li> <li>• extent to which the project's proposed budget, timeline and results are coherent and relate to each other</li> </ul>
<b>sustainability</b>	<p><b>i. financial</b></p> <ul style="list-style-type: none"> <li>• extent to which the project anticipates concrete funding possibilities that would allow it to continue/expand after the grant is consumed</li> <li>• extent to which the project differentiates short-term goals and long-term objectives and distributes resources adequately to achieve both</li> <li>• extent to which the project proposed results contribute to generate/attract additional resources for continuation</li> </ul> <p><b>ii. institutional/other cross-cutting</b></p> <ul style="list-style-type: none"> <li>• extent to which the project generates partnerships among different organizations that complement each other's resources and capabilities</li> <li>• extent to which the implementing organization shows a track record of implementation of development projects</li> <li>• extent to which the project proposes to reach out to other actors beyond the direct beneficiaries of the activity and the implementing partners which can engender multiplier effects of the activity</li> <li>• extent to which the design and implementation of the activity or its budget allocation closes gender gaps</li> <li>• extent to which the activity takes into consideration environmental and gender concerns</li> </ul>
<b>replicability</b>	<ul style="list-style-type: none"> <li>• extent to which the project proposes concrete steps and allocates resources to register the experience, gather lessons learned, evaluate results and disseminate all these findings</li> <li>• extent to which the project's methodology and activities could become a model to address similar problems/issues in other countries/communities/contextes</li> </ul>
<b>strategic alignment</b>	<ul style="list-style-type: none"> <li>• extent to which the proposal fits within country and/or regional development strategies, including priorities in Aid for Trade</li> <li>• extent to which the proposal is consistent with the global objectives on Aid for Trade</li> <li>• extent to which the proposal is fully aligned to the Bank Group Regional Integration Strategy</li> <li>• extent to which the proposal fits within the Bank Group Long-term Strategy</li> </ul>

## annex ii. AfTra project cycle

<b>initiation &amp; identification</b>	<ul style="list-style-type: none"> <li>• applications are submitted freely by eligible organizations through Bank units (Field Offices, sector or regional departments) or in response to Call for Proposals</li> <li>• Fund Coordinating Team (FCT) reviews applications based on evaluation grid</li> <li>• FCT selects proposals scoring more than 75 points and shortlists according to available budget for the various components</li> <li>• FCT prepares One Page Summary (OPS) for shortlisted applications and submits to ONRI.2 Division Manager for consideration</li> <li>• FCT develops an Indicative Operations Pipeline (IOP)</li> <li>• government of Canada (Donor) is presented with a work program (WP) (and OPSs) for consideration and approval</li> </ul>	
<b>appraisal drafting – peer review</b>	<ul style="list-style-type: none"> <li>• upon clearance of OPS, Bank staff (ONRI.2 and/or other Bank staff) work with individual institutions to draft the Project Appraisal Report (PAR) including Log Frame Matrix, Key Performance Indicators, Disbursement Plan and the Procurement Plan</li> <li>• Due Diligence Mission may be undertaken in the course of PAR preparation</li> </ul>	
<b>approval</b>	<ul style="list-style-type: none"> <li>• draft PAR circulated for review to the following: <ul style="list-style-type: none"> <li>- country team and/or Field Office</li> <li>- sector focal point</li> <li>- ONRI.2</li> </ul> </li> <li>• draft PAR revised and submitted with Project Issues List (PIL) for consideration and possible approval of the Technical Review Committee (TRC). The TRC is chaired by the Director of ONRI and includes representatives from the Legal, Procurement, Resource Mobilization and External Finance Department</li> </ul>	
<b>approval limits</b>	<b>for projects &lt; USD 100,000</b>	TRC to approve
	<b>for projects &lt; USD 1 million</b>	<ul style="list-style-type: none"> <li>• convene TRC meeting</li> <li>• present WP to donor for review</li> <li>• donor notifies Fund Coordinator which proposals have final approval</li> </ul>
	<b>for projects &gt; USD 1 million</b>	<ul style="list-style-type: none"> <li>• submit proposals to Board for approval on lapse of time basis</li> </ul>
<b>finalization &amp; signing</b>	<ul style="list-style-type: none"> <li>• Fund coordinator notifies the Institution that their Proposal has been approved. Institutions whose proposals are rejected will be sent letters of apology by Fund Coordinator</li> <li>• grant agreement is drafted with Legal Department guidance and share with Grantee</li> <li>• procurement and disbursement plans as well as reporting obligations are discussed with beneficiary institution before signing</li> <li>• organize signing ceremony in coordination with Field Office. Grant Agreement signed by Resident representative or ONRI on behalf of the Bank</li> <li>• local Donor's Embassy and/or development agency and local press are invited to attend signing ceremony</li> </ul>	

## annex ii. AfTra project cycle

<p><b>procurement &amp; disbursements</b></p>	<ul style="list-style-type: none"> <li>• ensure that all communication regarding disbursement copied to ONRI.2 Fund Coordinator</li> <li>• ensure that the Grantee is familiar with Bank procurement and disbursement rules. If not, organize a workshop with Bank's Field Office procurement and disbursement officers before the launching of the bids</li> <li>• ask the Grantee to prepare all the consultants' TORs and submit to ORPF for no objection in post or prior review</li> <li>• work program of the Grantee             <ul style="list-style-type: none"> <li>- agree with Grantee on a work program and budget for the period</li> <li>- check alignment of work program with activities in the Log Frame and TA proposal</li> <li>- agree on an indicative timeframe</li> </ul> </li> <li>• transmission to the beneficiary of AfDB disbursement handbook  <a href="http://www.afdb.org/en/documents/policy-documents/guidelines-and-procedures/1/">http://www.afdb.org/en/documents/policy-documents/guidelines-and-procedures/1/</a> </li> <li>• fulfillment of disbursement conditions (as in the Grant Agreement) is verified</li> <li>• first disbursement is cleared</li> <li>• project implementation begins</li> </ul>
<p><b>results monitoring; supervision &amp; project closure</b></p>	<p>monitoring is carried out by the Task Manager designated by ONRI.2 Division Manager in collaboration with the Fund Coordinator</p> <ul style="list-style-type: none"> <li>• transmit Beneficiary quarterly reports (BQR) to Fund Coordinator (if appropriate)</li> <li>• complete PSRs (Project status report)</li> <li>• organize one field supervision per year or prior each subsequent disbursement (if appropriate)</li> <li>• the objective of the supervision is to check that all expenses are paid for activities agreed in the work plan and that outputs and outcomes are achieved according to plan</li> <li>• borrower to demonstrate that outputs, outcomes and KPIs achieved are as per Log Frame and provide reasons for any shortcomings</li> <li>• ORRU to transmit annual financial statement and management report to ONRI.2</li> <li>• complete PCR (Project completion report) when project concludes</li> <li>• ONRI.2 prepares relevant reports for donor</li> <li>• AfTra initiates closure of the account of the project after approval of the PCR and receipt of satisfactory final audited statements from the ex post project reviews and audits</li> </ul>

## annex iii. AfTra results framework / impact and outcomes

	results chain	indicators	risks / assumptions
<b>impact</b>	increased sustainable and inclusive economic growth and poverty reduction resulting from improved trade	<ul style="list-style-type: none"> <li>• % increase in income as a direct result of project's intervention</li> <li>• increase in relative income of women agricultural producers as a result of project's intervention</li> <li>• rate of deforestation in areas of intervention/national use of harmful pesticides or fertilizers</li> </ul>	<b>risks</b> <ul style="list-style-type: none"> <li>• agricultural productivity insufficient to sustain expanded trade</li> <li>• countries lack political will</li> <li>• other factors constrain trade</li> </ul>
<b>purpose</b>	improved supply side capacity of regional member countries' (RMCs) producers and traders	<ul style="list-style-type: none"> <li>• % increase in export volumes in countries/areas of intervention</li> </ul>	<b>mitigation measures</b> <ul style="list-style-type: none"> <li>• link project to agricultural productivity programs</li> </ul>
<b>outcomes</b>	<b>pillar i.</b> improved trade facilitation in RMCs and Regional Economic Communities (RECs) particularly	<ul style="list-style-type: none"> <li>• % increase in export volumes in countries/areas of intervention</li> </ul>	<ul style="list-style-type: none"> <li>• work with countries and regions which have shown commitment to tackling trade related issues</li> <li>• consider sustainability issues at the outset of the project; build awareness; establish cost recovery mechanisms</li> </ul>
	<b>pillar ii.</b> increased ability of African enterprises to meet SPS and international standards	<ul style="list-style-type: none"> <li>• number of agricultural producers (especially women) complying with regional and international SPS protocols</li> </ul>	
	<b>pillar iii.</b> increased capacity of national and regional institutions to effectively support trade facilitation and market access	<ul style="list-style-type: none"> <li>• number of non-tariff barriers removed; and</li> <li>• number of SPS-related trade bottlenecks removed</li> </ul>	
	<b>pillar iv.</b> increased ability by Bank to provide advice on applied trade policy to RECs and national governments	<ul style="list-style-type: none"> <li>• % of output targets for outcomes i-iii fully achieved</li> </ul>	
<b>intermediate outcomes</b>	<b>pillar i.</b> customs and trade regulations streamlined and more efficient provision of border services	<ul style="list-style-type: none"> <li>• significant reduction in processing time at the borders</li> </ul>	<b>risks</b> <ul style="list-style-type: none"> <li>• agricultural productivity insufficient to sustain expanded trade</li> <li>• countries lack political will</li> <li>• other factors constrain trade</li> </ul> <b>mitigation measures</b> <ul style="list-style-type: none"> <li>• link project to agricultural productivity programs</li> <li>• work with countries and regions which have shown commitment to tackling trade related issues</li> <li>• consider sustainability issues at the outset of the project; build awareness; establish cost recovery mechanisms</li> </ul>
	<b>pillar ii.</b> increased awareness and knowledge on SPS and international standards and procedures among agricultural producers, in particular women, and increased availability of testing services and market intelligence	<ul style="list-style-type: none"> <li>• number of producers utilizing the market intelligence services</li> <li>• number of agricultural producers integrating SPS requirements into their product value chain development (say as a result of existence of testing centres, enquiry points etc.)</li> </ul>	
	<b>pillar iii.</b> strengthened skills base; and application of RMC and REC standards and regulatory frameworks that are harmonized with international standards	<ul style="list-style-type: none"> <li>• number of RMCs and RECs' officials trained on local/regional application of international standards and regulatory frameworks;</li> <li>• number of finalized national and regional trade improvement processes</li> </ul>	
	<b>pillar iv.</b> increased Bank's knowledge base on implementation of trade development program and related matters	<ul style="list-style-type: none"> <li>• number of trade related analytical studies produced and disseminated</li> </ul>	

## annex iii. AfTra results framework / impact and outcomes

	results chain	indicators	risks / assumptions
<b>outputs i. and ii.</b>	<p><b>pillar i.</b></p> <p>i.i programs implemented to harmonize border procedures and regulations implemented</p> <p>i.ii programs implemented to increase IT usage and improve systems and procedures at border posts implemented</p>	<ul style="list-style-type: none"> <li>• number of programs implemented to harmonize border procedures</li> <li>• number of projects implemented to increase IT usage and improve systems and procedures at key border points</li> </ul>	<p><b>assumption</b></p> <ul style="list-style-type: none"> <li>• project is properly designed to reach targeted groups</li> <li>• gender and environment issues are priority at national policy levels</li> </ul> <p><b>risks</b></p> <ul style="list-style-type: none"> <li>• targeted groups not reached by projects; weak national commitment to environment and gender mainstreaming issues</li> </ul> <p><b>mitigation measures</b></p> <ul style="list-style-type: none"> <li>• enhance dialogue to raise awareness of importance of gender and environment mainstreaming; ensure good project design to reach relevant beneficiaries</li> </ul>
	<p><b>pillar ii.</b></p> <p>ii.i programs to enhance capacity of agricultural producers (especially women) for meeting SPS and other international standards implemented</p>	<ul style="list-style-type: none"> <li>• number of trainings organized on SPS and food safety for agricultural associations</li> <li>• number of women participating in SPS/food safety training</li> <li>• number of trade infrastructure services (e.g. testing facilities)/ Trade Information Desks (market intelligence services) established</li> </ul>	
<b>outputs iii.</b>	<p><b>pillar iii.</b></p> <p>iii.i. REC, national and PSO officials trained by AfTra on trade regulations and standards</p> <p>iii.ii. programs to support harmonization of RMC/REC regulations and procedures with international standards implemented</p>	<ul style="list-style-type: none"> <li>• number of training programs organized on SPS, food safety and animal health issues for public sector regulators;</li> <li>• number of AfTra programs supporting harmonization of RMC/REC regulations and procedures with international standards (Codex, International Plant Protection Convention, World Organization for Animal Health)</li> </ul>	<p><b>assumption</b></p> <ul style="list-style-type: none"> <li>• RMCs commit to regional programs and to collaborate to address the challenges in harmonization of trade regulations and other issues; country policy environment favourable and interventions properly sequenced</li> </ul> <p><b>risks</b></p> <ul style="list-style-type: none"> <li>• fragmentation and duplication of efforts in marshalling common African efforts and inter-agency cooperation; improper sequencing of interventions at country/REC levels</li> </ul> <p><b>mitigation measures</b></p> <ul style="list-style-type: none"> <li>• support to current policy and regulatory coordination efforts at regional and continental level will foster greater understanding and cooperation. Ensure quality at entry and project readiness through assessment of applications</li> </ul>

## annex iii. AfTra results framework / impact and outcomes

results chain		indicators	risks / assumptions
<b>outputs iv.</b>	<b>pillar iv.</b> project completion reports and other knowledge products prepared to inform AfTra implementation	<ul style="list-style-type: none"> <li>• % of AfTra project completion reports available months upon completion of project</li> <li>• number of knowledge products prepared to inform AfTra project design and implementation</li> <li>• number of workshops organized internally and with AfTra recipient</li> </ul>	<p><b>assumption</b></p> <ul style="list-style-type: none"> <li>• Bank has sufficient staff and skills to undertake work of AfTra</li> </ul> <p><b>risks</b></p> <ul style="list-style-type: none"> <li>• weak staff and skill strength to implement AfTra</li> </ul> <p><b>mitigation measures</b></p> <ul style="list-style-type: none"> <li>• ensure adequate allocation of Bank staff, mixed with targeted consultancy recruitment to obtain necessary staff strength and skills mix to implement AfTra</li> </ul>

## annex iv. AfTra results framework / key activities

	components	reach	examples of potentially eligible projects
<b>key activities i.</b>	<p><b>pillar i. improved trade facilitation in Regional Member Countries (RMCs) and Regional Economic Communities (RECs)</b> (40% of budget)</p> <p>implementation of RECs and RMCs' trade facilitation action plans and regulations</p> <ul style="list-style-type: none"> <li>provide support through technical assistance, refurbishing of hardware and software and increased access to technology</li> </ul>	<ul style="list-style-type: none"> <li>RECs</li> <li>RMCs</li> <li>African Union</li> <li>other regional economic groupings</li> <li>networks of African government institutions</li> <li>African (national or central) government institutions involved in trade development</li> <li>private sector located in Africa</li> <li>civil society organizations located in Africa</li> </ul>	<ul style="list-style-type: none"> <li>support establishment of one stop border posts</li> <li>targeted interventions at key border posts to reduce waiting time and improve safety and security</li> <li>install and implement IT systems for border posts</li> <li>strengthen the functioning of institutions at key border posts and check points</li> <li>support the adoption of efficient IT systems at key border posts and checkpoints</li> <li>regulations</li> <li>strengthen functioning of REC non-tariff barriers mechanism</li> </ul>
<b>key activities ii.</b>	<p><b>pillar ii. increased ability of African enterprises to access regional and global markets, with a focus on agricultural producers</b> (30% of budget)</p> <p>enhancing ability of enterprises to meet agricultural standards</p> <ul style="list-style-type: none"> <li>facilitate technical assistance, capacity building, increased ability of facilities to meet international standards</li> </ul>	<ul style="list-style-type: none"> <li>RECs</li> <li>RMCs</li> <li>African Union</li> <li>other regional economic groupings</li> <li>networks of African government institutions</li> <li>African (national or local) government institutions involved in trade development</li> <li>private sector located in Africa</li> <li>civil society organizations located in Africa</li> </ul>	<ul style="list-style-type: none"> <li>develop a regional master plan for post-harvest infrastructure e.g. storage, drying, markets</li> <li>prepare for, and undertake, accreditation for selected agricultural associations</li> <li>develop and deliver training courses for different value chain actors based on country training needs assessments</li> <li>establish and implement training program for agricultural associations - risk analysis e.g. Pest Risk Analysis, Mutual Recognition Arrangements, Hazard Analysis and Critical Control Point and food safety, animal health etc.</li> <li>develop SPS compliance protocols for farmers, processors and food handlers</li> <li>develop national/regional early detection and rapid response systems</li> <li>develop SPS audit manuals for regulators</li> <li>develop a system to monitor and analyze SPS hindrances to intra-Tripartite agri-food trade</li> <li>establish trade infrastructure services (such as SPS testing centres)</li> <li>develop national food safety plans and audit mechanisms</li> <li>refurbish and equip national and regional laboratories</li> <li>procure SPS tools for inspectors and quality assurance managers</li> <li>establish surveillance protocols for priority SPS risks</li> <li>set up/strengthen national and regional SPS committees</li> <li>establish trade information centres (or market intelligence services)</li> </ul>

## annex iv. AfTra results framework / key activities

	components	reach	examples of potentially eligible projects
key activities iii. and iv.	<p><b>pillar iii.</b>  <b>increased capacity of national and regional African institutions to effectively support trade facilitation and market access</b>                      (15% of budget)</p> <p>promoting in-country/REC skills and investment coordination</p> <ul style="list-style-type: none"> <li>provide technical assistance and support training, dialogue and consensus-building meetings and the provision of related technologies and software</li> </ul>	<ul style="list-style-type: none"> <li>RMCs and Field Offices</li> <li>RECs</li> <li>African Union</li> <li>other relevant regional economic groupings</li> <li>networks of African government institutions</li> <li>African (national or central) government institutions involved in trade development</li> </ul>	<ul style="list-style-type: none"> <li>support the design and implementation of national and regional trade action plans</li> <li>develop common trade codes for regional groupings or frameworks for harmonizing regional trade regulations to international standards and build capacity to support their implementation at national levels</li> <li>strengthen institutional capacity (skills, testing equipment or trade development and monitoring manuals) especially in fragile states</li> </ul>
	<p><b>pillar iv.</b>  <b>increased Bank ability to effectively support increased trade competitiveness and performance among RMCs</b>                      (10% of budget + 5% administrative charges)</p> <p>promoting trade knowledge and skills among Bank staff:</p> <ul style="list-style-type: none"> <li>support the enhancement of knowledge through analytical work and training, and the establishment of information management and M&amp;E systems at Bank level</li> </ul>	<p>Bank organizational units (sector and regional departments as well as Field Offices)</p>	<ul style="list-style-type: none"> <li>implementation (pre-appraisal, appraisal, closure), coordination and monitoring and evaluation of the project</li> <li>skills training for staff</li> <li>development of web-portal</li> <li>preparation of business plans, Project completion reports, M&amp;E systems and other project implementation-related knowledge tools</li> <li>Diagnostic Trade Integration Studies</li> <li>financial and administrative management of the project</li> <li>undertake analytical studies (directly linked to the program/project e.g. as input in providing advice on a project)</li> <li>establish/contribute to regional/international databases</li> </ul>



# SOURCES

## **Africa Trade Fund documents:**

- Information Note
- Operational Guidelines
- Project documents:
  - Programme of Assistance to Trade Support Institutions in Liberia (PATASIL)
  - COMESA Trading for Peace Project
  - East African Community
- Resource Mobilization Strategy
- Strategic Business Plan 2012-2015
- [www.afdb.org/en/topics-and-sectors/initiatives-partnerships/africa-trade-fund/](http://www.afdb.org/en/topics-and-sectors/initiatives-partnerships/africa-trade-fund/)

## **additional documents:**

- *Accessible Africa: building soft infrastructure for improved integration 2009-12* (AfDB)
- *AfDB Statistics Pocketbook 2013*: volume 15 (AfDB)
- Agreement on Trade Facilitation: Ministerial Decision of 7 December 2013 (WTO)
- *Aid for Trade at a Glance 2013: Connecting to Value Chains* (WTO/OECD)
- *At the Center of Africa's Transformation: Strategy for 2013-2022* (AfDB)
- Bank Group Gender Strategy 2014-2018 (AfDB)
- *Doing Business Report 2014: understanding regulations for small and medium-sized enterprises* (World Bank)
- *Enhanced Integrated Framework Annual Progress Report 2012* (EIF)
- *Logistic Performance Index 2012: connecting to compete* (World Bank)
- *World Trade Report 2013: factors shaping the future of world trade* (WTO)

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Angle de l'Avenue du Ghana et des rues Pierre de Coubertin et Hédi Nouria

B.P. 323 - 1002 Tunis – Belvédère

Tel : (216) 7110-2876

Fax : (216) 7110-3779

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