



Building Today, a better Africa tomorrow.
Batir aujourd'hui, une meilleure Afrique demain.

The AfDB: Experiences & Lessons in Delivering AfT in Africa

Inter-regional Forum of the DA Project
Tunis, 22-24 April 2014

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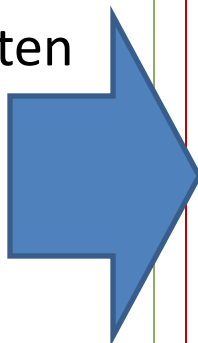
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Setting the Context: *What is the Problem?*

Key Challenges

- Inadequate trade supporting infrastructure
- Many countries are land-locked
- Rural communities are often disconnected
- Remoteness from major markets
- Limited human and institutional capacity to formulate & implement trade related policies
- Low investment inflows
- Limited participation in value chains



Consequences

- Low share of global exports: 3.3% down from 4.99% in 1970
- Over the same period Asia's share expanded from 2.25% to 17.8%*
- Relatively low, albeit growing, shares of intra-African exports: *16% of total African exports vs. 20% in developing America, 50% in developing Asia and over 70% in Europe*
 - Low industrialization rates: 11% share of manufacturing in aggregate output vs 31% in Asia

How Could AfT help?

Can help developing countries, in particular the least developed, to play an active role in the global trading system and to use trade as an instrument for growth and poverty alleviation

Helps redirect Official Development Assistance resources to trade related activities

Four Main Areas

- i. **Trade policy, regulatory and institutional development-** aimed at strengthening policy development and improving implementation
- ii. Economic infrastructure: ***needed to enhance competitive and cost effective linkage of products to markets***
- iii. **Productive capacity building:** *strengthening and diversification of economic sectors*
- iv. **Adjustment assistance:** *assisting countries with any transition and liberalization costs linked to reforms and modernization .*

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How does the African Development Bank Support the AfT Initiative?

The Bank's Strategic Framework



Ten Year Strategy (TYS): 5 Core Operational Areas:

- Infrastructure Development
- Regional Integration
- Private Sector Development
- Governance & Accountability
- Skills & Technology



Regional Integration Strategy (RIS):

- Regional Infrastructure (hard & soft)
- Trade & Investment Competitiveness
- Cross-cutting issues: capacity building, mainstreaming sustainable development



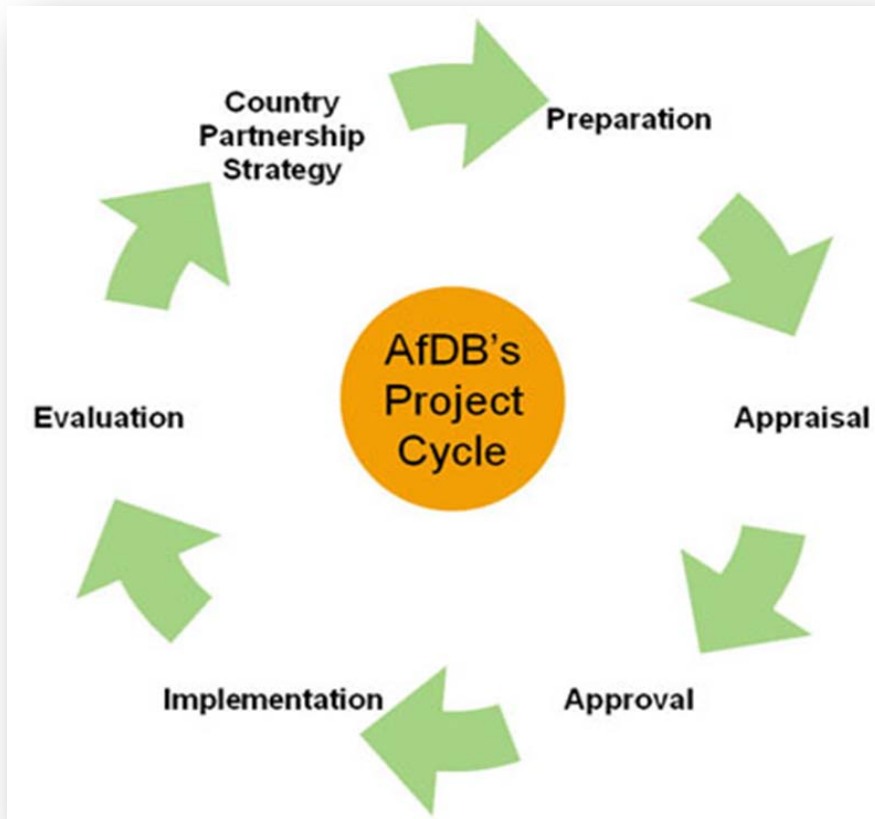
Regional Integration Strategy Papers (RISPs)

Country Strategy Papers (CSPs)



Identification Process of AfT Projects

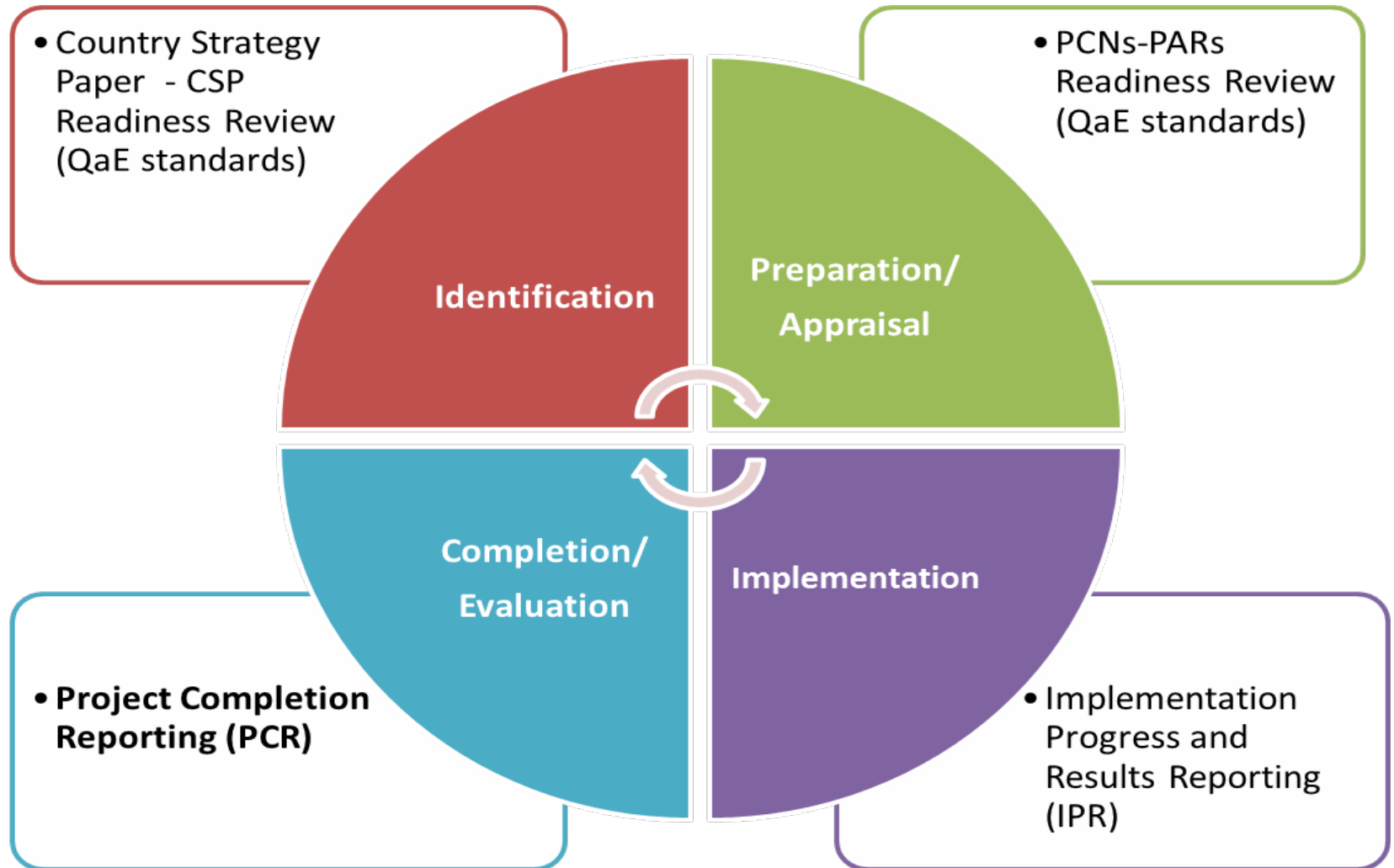
The Project Cycle



The Dimensions of Quality



Quality Assurance Tools in the Project Cycle



Quality at Entry Tools

QaE Tools: Country Strategy Papers, Project Concept Note, Project Appraisal Report.

Dimensions of the Readiness Review:

- i. Alignment and Strategic Fit
- ii. Status of Prior Operations and Lessons Learned
- iii. Design Rationale and Ownership
- iv. Results Focus and Risk Assessment
- v. Environmental and Social Safeguards
- vi. Implementation Arrangements and Sustainability
- vii. Financial Management and Procurement
- viii. Gender Mainstreaming and Action

RR should carefully assess the extent to which each of these Dimensions is substantively met

Quality at Implementation Tools

Tools: Supervision Reports, Procurement Plans, Log frame, SAP entries, etc.

Country and Project Name: Purpose of the project:					
Results Chain	Performance Indicators			Means of Verification	Risks/Mitigation Measures
	Indicator	Baseline	Target		
Impact					
Outcomes Outcome 1					
Outcome 2 ... etc.					
Outputs Component 1 Output 1.1 Output 1.2 ... etc.					
Component 2 Output 2.1 Output 2.2 ... etc.					
Key Activities Component 1: Component 2:				Inputs Component 1: Component 2:	

The diagram shows a Log Frame table with red arrows indicating the flow of information. A vertical red arrow points upwards from the 'Key Activities' row to the 'Impact' row. A horizontal red arrow points from the 'Inputs' column to the 'Key Activities' row. Dashed red arrows show the flow from 'Key Activities' to 'Outputs', 'Outcomes', and 'Impact'. Additionally, dashed red arrows point from the 'Means of Verification' and 'Risks/Mitigation Measures' columns to the 'Impact' row.

Quality at Exit Tools

Tool: The Project Completion Report

4 dimensions to be rated:

- Relevance
- Effectiveness
- Efficiency
- Sustainability

4 level rating-scale (Highly Satisfactory, Satisfactory, Unsatisfactory and Highly Unsatisfactory).

Evidence-based - Implementation Progress and Results Report (IPR) to serve as main input to the PCR, with focus on the RLF.

Focus on lessons learned.

Forward looking assessment on risks for sustainability.

What AfT Areas Does the Bank Support?

Trade-Enabling Infrastructure

- The infrastructure deficit estimated at USD48bn/yr is Africa's main constraint to business and investment
- Bank's Response:
 - infrastructure development one of 5 core operational priorities of the TYS
 - Regional infrastructure a pillar of the RIS
- 58% (UA2.05Bn. or \$3.2Bn.) of loan and grant approvals in 2013



*Thika Highway in Kenya
financed by the Bank*

Trade-Enabling Infrastructure

- Africa 50 Fund
- Program for Infrastructure Development in Africa (PIDA): A continent-wide program for the development of priority regional and continental infrastructure projects up to the year 2040
- Infrastructure Project Preparation Facility: *a multi-donor trust fund managed by the African Development Bank on behalf of the New Partnership for Africa's Development (NEPAD)*
- Africa Water Facility
- Infrastructure Consortium for Africa (ICA)



Bank-financed Container Terminal. Dakar, Senegal.

Trade Policy & Regulation

- Support to trade related institutions, both public and private
 - PATSIL
 - Angola Export Competitiveness Project
- Trade facilitation
 - OSBPs (South Africa OSBP Policy, Cinkanse OSBP, Arusha-Namanga OSBP, Trans-Gambia Bridge)
 - WCO-AfDB Joint Customs Modernization and TF Programme (\$10m)
- Regional trade agreements
 - Tripartite Capacity Building Programme (UA5m)
 - AGOA (technical support to Washington-based Missions)
- National and Regional Aid for Trade Strategies
 - East Africa Aid for Trade Strategy
 - CEMAC Aid for Trade Strategy
 - Swaziland Aid for Trade Strategy
- Transparency in Trade Initiative
- Trade Finance
- Knowledge Products: Transport and Trade Facilitation Framework; System of Indicators for Measuring Regional Integration; ARIA (joint ECA, AUC, AfDB Publication)



Establishment of the africa trade fund

A dedicated trade technical assistance and Capacity building facility focusing on:-

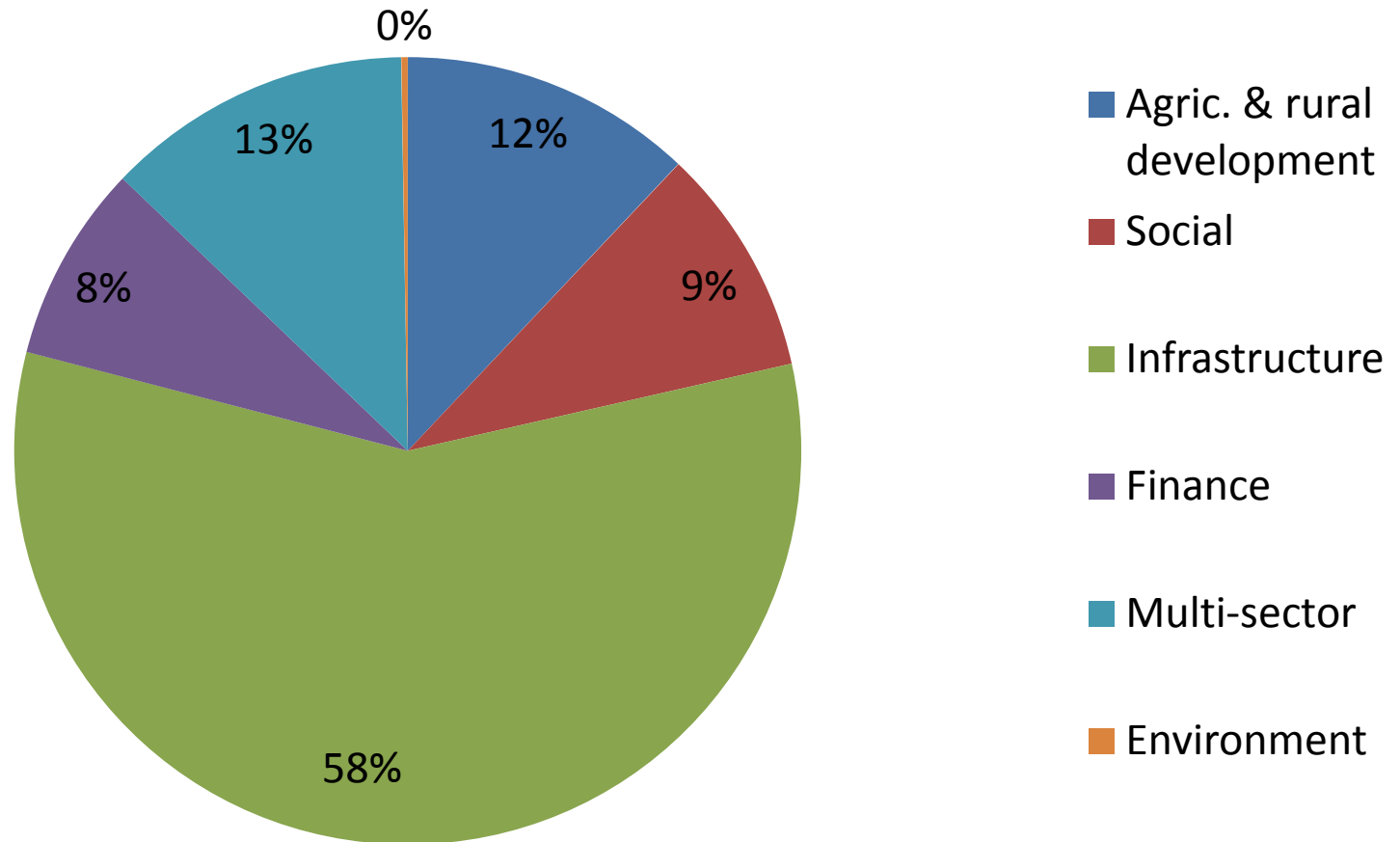
- Pillar I: Trade Facilitation
 - Pillar II: Product & Marketing Development
 - Pillar III: Strengthening country and regional trade-related institutions and systems
- 2 Projects Launched (PATSIL & COMESA Trading for Peace)
 - 33 Projects shortlisted following a call for proposal in November
 - Est. 2012 with CAD15m seed funding from Govt. of Canada
 - Bank is working to transform AFTRA into biggest Trade-related capacity building fund in Africa



Building Productive Capacity

- Private sector operations (finance, equity, guarantees)
- Supporting value chains development
- Agriculture projects

Bank Group Loans & Grants Approvals, 2013



Trends, Gaps & Funding Requirements

- Infrastructure: Africa's infrastructure deficit is estimated at USD48 billion per year
 - Bank pursuing innovative infrastructure financing to bridge the gap
 - Africa 50 Fund
 - PPPs, etc.
- Trade Capacity Building
 - USD90 million requests for support under AFTRA indicative of the demand
- The WTO Trade Facilitation Agreement concluded in Bali in December 2013 calls for additional AfT to help African countries implement
 - Costs estimated at €3.5 to €19.7 million over 3-5 years (OECD)

Conclusions & Way Forward

- Aid for Trade can help African countries overcome trade barriers (e.g. trade facilitation bottlenecks, inadequate physical & ‘soft’ infrastructure, etc.)
- Importance of mainstreaming trade in national development policies
 - CSPs are ultimately informed by national development policies
- Need to strengthen partnerships among various players to overcome low performance associated with the administrative burden of project-based aid using multiple/complex procurement and reporting systems

For more information



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