

Language: English
Original: English



**AFRICAN DEVELOPMENT
BANK GROUP**

**PROJECT: REGIONAL DEVELOPMENT FINANCE INSTITUTIONS (ATI & TDB): COUNTRY MEMBERSHIP
PROGRAMME**

COUNTRIES: REPUBLIC OF SOUTH SUDAN

PROJECT COMPLETION REPORT

MAY 2019

I BASIC DATA

A Report data

Report date	Date of report:	09 April 2019
	Mission dates:	South Sudan, 02-04 March 2019 TDB, ATI -Kenya, 05-6 March 2019

B Responsible Bank staff

Positions	At approval	At completion
Regional Directors/Director General	Gabriel NEGATU	Gabriel NEGATU
Resident Representatives/Country Manager	Gabriel NEGATU	Benedict KANU
Sector Director	Stefan NALLETAMBY Sibry TAPSOBA, Director, RDTS	Stefan NALLETAMBY Yero BALDEH, Director, RDTS
Sector Manager	Yaw KUFFOUR	Yaw KUFFOUR
Regional Operations Manager	N/A	Hussein IMAN, RDGE.3
Task Manager	Bleming NEKATI	Bleming NEKATI
Team Members	Laté LAWSON ZANKLI Blaise NKAMLEU Faith KAMAU Eshetu LEGESSE Akpem BEYUO John Bosco BUKENYA Parvin K. GUPTA	N/A
Peer Reviewers	Sofiane SEKIOUA Christopher MUTASA Timothy MKANDAWIRE Camille KARAMAGA	Camille KARAMAGA Benedict KANU
PCR Team Leader		Bleming NEKATI
PCR Team Member		Lawrence GADZIKWA

C Project data

Project name: PTA ATI Membership Programme		
Project code: P-SS-HZO-001	Instrument number(s): 2100150037296	
Project type: Trade	Sector: PIFD	
Country: South Sudan	Environmental categorization (1-3):	
Processing milestones – Bank approved financing only (add/delete rows depending on the number of financing sources)	Key Events (Bank approved financing only)	Disbursement and closing dates (Bank approved financing only)

Financing source/ instrument1: The African Development Fund (ADF)	Financing source/ instrument1:		Financing source/ instrument1: The African Development Fund (ADF)	
Date approved: PAR Approval – March 2017	Cancelled amounts: N/A		Original disbursement deadline: June 2018	
Date signed: 22 May 2017	Supplementary financing: N/A		Original closing date: 31 December 2018	
Date of entry into force: 22 May 2017	Restructuring (<i>specify date & amount involved</i>): N/A		Revised (<i>if applicable</i>) disbursement deadline: N/A	
Date effective for 1st disbursement: April 2017	Extensions (<i>specify dates</i>): N/A		Revised (<i>if applicable</i>) closing date: N/A	
Date of actual 1st disbursement: 28 December 2017				
Financing source/instrument (add/delete rows depending on the number of financing sources):	Disbursed amount (amount, UA):	Percentage disbursed (%):	Undisbursed amount (UA):	Percentage undisbursed (%):
Financing source/ instrument1: ADF - Loan	8,22 Million	100%	-	-
Financing source/ instrument2: ADF - Grant	5,16 Million	100%	-	-
Government:	-	-	-	-
Other (co-financiers)	-	-	-	-
TOTAL	13,38 Million	100%	-	-
Executing and implementing agency (ies): Trade and Development Bank (Formerly, PTA) & African Trade Insurance Agency (ATI)				

D Management review and comments

Report reviewed by	Name	Date reviewed	Comments
Country Managers	Benedict KANU		
Director Generals	Gabriel NEGATU		
Deputy Director Generals	Nnenna NWABUFO		
Sector/ Regional Managers	Yaw KUFFOUR Hussein IMAN		
Sector Director	Stefan NALLETAMBY		

II Project performance assessment

A Relevance

1. Relevance of project development objective

Rating*	Narrative assessment
4	The main objective of the proposed intervention was to assist South Sudan (SS) with the required resources for its membership subscription to Regional Development Finance Institutions, namely the Trade and Development Bank (TDB)

(previously known as PTA Bank) and the Africa Trade Insurance Agency (ATI) to allow greater underwritten insurance cover for the country's private sector and socio-economic development. Based on the country's market size and levels of trade, SS's full membership allocation was calculated at USD 7.5 million for the ATI and USD 10.68 million for the TDB. In consideration of the anticipated level of business in SS, TDB and ATI decided to start doing business with an equity capital of USD 10.68 million and USD 7.5 million, respectively. The total cost of the programme was estimated at UA 13.38 million (~USD 18.18 million).

The rationale for the project was based on the recognition that SS lacked the necessary capacity and financial resources to effectively navigate the myriad issues impacting the country's ability to successfully implement Trade Finance and investment-risk underwriting. Furthermore, the long-lasting conflict, volatile political and security situation had exacerbated the country's fragility, which consequently starved it of fresh capital required to fully exploit the vast investment and trade potential. The main factors contributing to fragility in SS were: (i) insecurity and violence, (ii) limited resources for development, (iii) weak state institutions and capacity, (iv) lack of basic infrastructure and limited access to basic services, (v) environmental pressures and land degradation, and (vi) regional dynamics driven by security concerns and spillover effects, such as refugee outflows from SS.

The country requested the Bank's support for its membership contribution to the TDB and ATI, approved by the Board of Directors in March 2017, in order for the local economy to benefit from the services of these institutions. Multilateral institutions such as the TDB and ATI have the depth and experience to work in countries where political risks are perceived to be significant. SS's ascension to TDB and ATI membership was anticipated to be a strong confidence and credibility building measure that sends the right signal to prospective investors that the country was ready for business.

* For all ratings in the PCR use the following scale: 4 (Highly satisfactory), 3 (Satisfactory), 2 (Unsatisfactory), 1 (Highly unsatisfactory)

2. Relevance of project design

Rating*	Narrative assessment
4	<p>The project design was aligned towards addressing SSs' constraints through creating an enabling environment that can attract foreign direct investment (FDI) and address the current investment challenges, particularly those emanating from the country's political and commercial risks. Thus, the expected outcomes included: (i) increased private sector participation in large-scale projects through ATI facilitation; and (ii) increased intra-regional trade and cross border investments. SS's ATI membership was also expected to support delivery of an integrated and enhanced trade finance (TF) and investment-risk underwriting framework for the private sector in the country. The USD7.5 million ATI and USD10.68 million TDB investments were expected to unlock hundreds of millions of dollars in investment and trade finance. The TDB investment would create a pool for basic commodities, export facilitation, and standby facilities. In addition, TDB was expected to play the funds management agency role to the Republic of SS. The project considered the limited budgetary capacity of SS to contribute to the programme and waived off the requirement for cost sharing of the membership fee. As a result, the ADF contribution was higher than the proportion indicated in the principle of cost sharing, and the required justification was provided in the Project Appraisal Report (PAR).</p> <p>The project was aligned to the four pillars of SS's Development Plan 2011–2016's: governance, economic development, social and human development, and conflict prevention and security; and the sole pillar of state building through capacity building and infrastructure development of the Bank Group's Country Strategy Paper (CSP) for SS covering the period the period 2012–2016 . The TDB-ATI membership programme was expected to restore SS's state credibility and trigger private sector financing of basic supplies through trade finance (TF) facilities. The project was also in line with the Bank's Regional Integration Policy and Strategy 2014–2023, , the Regional Integration Strategy Paper 2012–2016 for East Africa. . Pillar I: Support regional infrastructure development to enhance inclusive and green growth. Moreover, the project conforms to the Bank's Financial Sector Development Policy and Strategy 2014–2019, which aims to promote vibrant, efficient, innovative and robust financial systems in a competitive market, both domestically and regionally, to put finance at the service of the productive sectors, and strengthen the capacity to finance Africa's inclusive growth. In addition, the project was fully aligned with the Bank's Ten-Year Strategy 2013-22, as it contributed to three of its five</p>

	<p>operational priorities (infrastructure development, regional integration, and private sector development) and all three areas of special emphasis (fragile states, gender, as well as agriculture and food security).</p> <p>Project design considered the option of using ADF resources directly in specific projects. However, this option was rejected as it would not have been able to leverage additional funding from the private sector to support the country's economic recovery efforts, and the impact would have been limited. The project design process was highly inclusive and participatory. There were appraisal visits to all parties involved (the TDB, ATI and SS), and the Bank's Trade Finance team (PITD) and East Africa Regional Development and Business Delivery Office (RDGE) teams also made several visits and met with officials and stakeholders. Subsequently, the project reflected a collective and shared vision. The increased capital base was expected to enhance the capacity of both the TDB and ATI to undertake their respective mandates within SS by USD10.68 million and USD7.5 million, respectively. TDB and ATI were to define and manage the monitoring and evaluation (M&E) framework, with SS operationalizing the relevant aspects of the overall M&E framework. The role of ATI was to ensure that SS complies with the M&E framework through targeted training. The country's Ministry of Finance and Planning (MoFP) was the implementing agency for the project, responsible for overall technical and financial oversight of the membership programme.</p>
--	---

3. Lessons learned related to relevance

Key issues	Lessons learned	Target audience
Project support at AfDB Country offices level	Project design envisaged the relevant sector department taking project leadership, with support from the country office, from conception to project closure. However, the role of the country offices, post implementation, was not clarified. Insecurity would largely explain why the Bank is not physically present. From project conception to closure, the sector department with skills on trade finance, insurance and reinsurance should take leadership in project supervision and monitoring activities. However, post project closure project support should reside with country offices, subject to assessment and availability of sector department in collaboration with the Country Office, in line with the "One Bank" approach.	BANK
Gender mainstreaming	Gender mainstreaming is an important dimension in all developmental programmes. The tracking of this measure should be located at ATI/TDB level since the Bank does not provide direct services to SMEs or individuals. However, at ATI level, the measure should be referenced to promotion of women's access to ATI's products and services through different mechanisms (e.g. meetings, workshops, print and electronic media presence) given South Sudan's context.	ATI, TDB, RMC
Impact on Private Sector development	The PAR identified South Sudan as the immediate beneficiary and the private sector as indirect beneficiary. The ATI investment has enabled the country to benefit from USD27 621 000 worth of risk cover, whilst a USD100 000 000.00 trade facility is being structured for the country by TDB. ATI has provided gross risk cover in Electricity, Gas and Water Supply and Financial and Insurance Activities sectors. Both membership initiatives will have significant multiplier effects on investment and trade inflows in South Sudan in the short term.	BANK, ATI, TDB, RMC

Knowledge management	Knowledge transfer to South Sudan was a shared responsibility between ATI, TDB and the Bank. No knowledge transfer activities were carried out in the country by either ATI, TDB or the Bank. Due to time and resource constraints involved in organizing physical workshops, innovative approaches should be considered such as publishing quarterly newsletters and holding knowledge sharing sessions on the sidelines of the Annual General Meetings of the Bank, ATI, TDB and other institutions such as Afreximbank and the World Bank.	BANK, ATI, TDB, RMC
----------------------	---	---------------------

B Effectiveness

1. Progress towards the project’s development objective (project purpose)

Comments
<p>The main objective of the proposed intervention was to assist South Sudan (SS) with the required resources for its membership subscription to Regional development finance Institutions, namely the TDB (previously known as PTA Bank) and the ATI to allow greater underwritten insurance cover for Africa’s private sector and socio-economic development. The main expected results related to: (i) increased private sector participation in large scale projects on the back of ATI credit and risk enhancement, (ii) increased gross trade insurance capacity, (iii) increased FDI flows as a result of engagement with the TDB and ATI, and (iv) increased TDB and ATI membership.</p>
<p>Subsequent to the PAR approval and signing of the Loan and a grant Agreements on the 22 of May 2017, the Bank disbursed UAC 6. 10 million loan to ATI in two tranches on the 28/12/2018 and 22/03/2018. The loan amounts translated to a total of USD8.66 million. An additional grant payment of UAC 0.2 million was made to ATI on the 10/04/2018 in Euros. Disbursements to TDB were done using the ADF grant amounting to UAC4.96 million (GBP5.24 million) on 22/12/2017 and the ADF loan amounting UAC2.12 million (USD 3 million) on 28/12/2018. The disbursements to ATI were marginally affected by a stronger dollar. However, the disbursed amounts including the ADF grant enabled SS to meet the USD 7.5million minimum investment threshold in ATI. The amount eventually disbursed to TDB was USD10 million against a USD10.68 million target, with the grant portion being disbursed in GBP currency.</p>
<p>The Bank’s support to South Sudan was made up of USD8.9 million investment in ATI and USD10 million investment in Trade Development Bank (TDB). The ATI investment has enabled the country to benefit from USD27.62 million worth of risk cover, whilst a USD100 million trade facility is being structured for the country by TDB. Implementation of the TDB facility is expected by the end of May 2019. ATI has to date provided gross risk cover in Electricity, Gas and Water Supply and Financial and Insurance sectors.</p>
<p>Increasing ATI and TDB capacity to undertake its risk underwriting activities and enhancing the capital-base of both was achieved when the project assisted SS in becoming a member of both institutions in 2018. The capital base of ATI stood at USD236m (FY 2018) from a baseline figure of US\$ 227m (FY 2017) with SS contributing USD8.9 million and US10 million to the capital bases of ATI and TDB, respectively. The project objectives stated above were substantially achieved.</p>

2. Outcome reporting

Outcome indicators	Baseline value (A)	Most recent value (B)	End target (C) (expected value at project completion)	Progress towards target (% realized) [(B-A)/(C-A)]	Narrative assessment	Core Sector Indicator (Yes/No)

(i) Increased participation of the private sector in large scale projects through ATI facilitation (FDI inflows into SS improves)	USD -71 million (2015)	USD 80 million (2017)	Increase by 2% by 2018	-15.8%	ATI could only conduct business in SS from the beginning of 2018 because of XX. With the most recent FDI indicator showing a 2017 FDI value increase by 12.6%, reported changes in FDI inflows reported cannot be attributed to ATI.	Yes
Rating	Narrative assessment					
4	The 2017 FDI value was realized at the time South Sudan was consummating its membership besides inherent attribution challenges in using national FDI indicators for a single project. The contribution of the project will only filter through in the 2018 FDI figures to be published in the WIR 2019 during the month of June 2019. As of December 2018, the ATI membership investment had supported investments worth USD27.6m in under a year. This will be boosted further by a trade facility worth USD100m being structured by the TDB for the country.					

3. Output reporting

Output indicators	Most recent value (A)	End target (B) (expected value at project completion)	Progress towards target (% realized) (A/B)	Narrative assessment	Core Sector Indicator (Yes/No)
Output No.1: SS finalises its membership subscription process to TDB by completing relevant shareholding formalities.	TDB Treaty Ratified (2018)	TDB Treaty Ratified (2017)	100%	TDB Treaty ratified by the Parliament of South Sudan.	Yes
Output No.2: The SS finalises its membership subscription process to ATI by completing relevant shareholding formalities.	ATI Treaty Ratified (2018)	ATI Treaty Ratified (2017)	100%	ATI Treaty ratified by the Parliament of South Sudan.	Yes
Rating*	Narrative assessment				
4	The SS successfully ascended to the membership of ATI and TDB in 2017. ATI's capital increased by USD8.6 million paid in three tranches, while that of TDB increased by USD10 million paid in two tranches.				

4. Development Objective (DO) rating

DO rating (derived from updated IPR)* ¹	Narrative assessment
4	The main objective of the proposed intervention was to assist South Sudan (SS) with the required resources for its membership subscription to Regional development finance Institutions, namely the

¹ For operations using the old supervision report and rating system in SAP, the DO rating for the PCR shall be calculated using the IPR methodology.

TDB (previously known as PTA Bank) and the ATI to allow greater underwritten insurance cover for Africa’s private sector and socio-economic development. The main expected results related to: (i) increased private sector participation in large scale projects on the back of ATI credit and risk enhancement, (ii) increased gross trade insurance capacity, (iii) increased FDI flows as a result of engagement with the TDB and ATI, and (iv) increased TDB and ATI membership.

As of 31 December 2018, the Bank had approved and disbursed USD18.6m in membership fees to ATI and TDB in the form of loans and grants. This allowed South Sudan to be a member of both institutions effective 2017 thereby increasing the membership of both institutions. The SS’s USD8.6 million ATI investment in ATI unlocked USD27 621 000 worth of risk cover in Electricity, Gas and Water Supply Sectors (92%) and Financial and Insurance Activities sectors (8%). Trade insurance support will commence soon once the USD100 million trade facility being structured for the country by TDB is rolled out in the near future. After many years of negative FDI inflows, the country realized a positive FDI inflow of USD80 million in 2017, with the project expected to contribute at least USD27.6 million to FDI inflows for 2018. This indicates a multiplier effect of 3 on the membership fees invested in ATI in just a year. A similar multiplier effect is expected on the TDB trade facility, with potential to increase further as the number of deals supported by both ATI and TDB increase in subsequent years. The DO was therefore achieved in very short space of time.

5. Beneficiaries

Actual (A)	Planned (B)	Progress towards target (% realized) (A/B)	% of women	Category (Farmers, students)
2 ²	2	100%	N/A	Number of SS memberships (ATI&TDB)

6. Gender equality

Assessment on the performance of gender equality in the operation

The design of the programme indicated that the project had no direct impact on gender mainstreaming as project did not directly target women owned businesses and SMMEs through risk underwriting services. However, given that the major players in cross-border trade, both formal and informal are women, it was anticipated that women beneficiaries would be supported and benefit from the project. As a consequence, no gender mainstreaming indicators were included in project design.

7. Unanticipated or additional outcomes

Description	Type (e.g. Gender, climate change, social, other)	Positive or negative	Impact on project (High, Medium, Low)
Foreign Exchange Rate gains between UA and USD/EUR at the point of disbursement by the Bank to ATI and TDB resulted in circa USD 0.480 million more being paid than planned for in the PAR. Exchange rate gains allowed SS to take up a larger shareholding, while simultaneously increasing the	Financial	Positive	Low

² Number of SS memberships applied for and funded by the Bank, i.e. ATI & TDB

risk underwriting capacity of both ATI and TDB on SS transactions.			
Absence of virtual presence coupled with delays in establishing ATI field offices in SS thereby impacting on information dissemination, local level visibility and uptake of ATI products and services. As a consequence, uptake of services by the private sector was subdued.	Economic	Negative	Low

C Efficiency

1. Timeliness

Planned project duration – years (A) (as per PAR)	Actual implementation time – years (B) (from effectiveness for 1 st disbursement.)	Ratio of planned and actual implementation time (A/B)	Rating*
From March 2017 to 31 December 2018 (1yr 10 Months)	From March 2017 to 31 December 2018 (1yr 10 Months)	1	4
Narrative assessment (indicative max length: 250 words)			
The project's planned and actual implementation timelines were in alignment. The PAR was approved in March 2017 and the Loan Agreement signed of in May 2017. Disbursements were effected from December 2017 and completed before the June 2018 deadline, which is quite commendable.			

2. Resource use efficiency

Median % physical implementation of RLF outputs financed by all financiers (A) (see II.B.3)	Commitment rate (%) (B) (See table 1.C – Total commitment rate of all financiers)	Ratio of the median percentage physical implementation and commitment rate (A/B)	Rating*
N/A	N/A	N/A	N/A
Narrative assessment			
The project was considered an institutional support and technical assistance intervention, thereby rendering assessment of outputs to project budget not applicable.			

3. Cost benefit analysis

Economic Rate of Return (at appraisal) (A)	Updated Economic Rate of Return (at completion) (B)	Ratio of the Economic Rate of Return at completion and at appraisal (B/A)	Rating*
N/A	N/A		N/A
Narrative assessment			
N/A	The project was considered an institutional support and technical assistance intervention, thereby waiving the need to apply traditional economic and financial analysis capturing NPVs and IRR.		

4. Implementation Progress (IP)

IP Rating (derived from updated IPR) *	Narrative comments (commenting specifically on those IP items that were rated Unsatisfactory or Highly Unsatisfactory, as per last IPR).
1	The execution of the M&E activities was a challenge for the project. Planned project supervision missions were not carried out, and progress reports including the MTR report not compiled. As a result, no project IP report was captured in SAP against which the PCR can make reference to. However, ATI's 2017 annual report was used to monitor

	project performance during the project implementation period and augmented by the oversight role played by the Bank's representative on the board of ATI where SS membership issues were discussed.
--	---

5. Lessons learned related to efficiency

Key issues	Lessons learned	Target audience
Challenges in implementing key M&E project activities	Monitoring and reporting on ATI projects funded by the Bank from time to time is a time-consuming exercise. A resource could have been assigned to drive M&E throughout the project cycle (Concept to Project Closure).	Bank, ATI
Challenges in meeting conditions precedent to first disbursement and undertakings.	Despite the disbursements to both ATI and TDB being made before the set deadline of June 2018, South Sudan took 7 months to satisfy and meet undertakings and conditions precedent to first disbursement.	BANK, ATI, TDB, RMCs

D Sustainability

1. Financial sustainability

Rating*	Narrative assessment
4	The Bank's direct injection of ADF resources amounting to AU13.38 million comprising a UA8.22 million loan and a UA5.15 million grant increased the capital of ATI and TDB by USD8.66m and USD10 million, respectively. The capacity of ATI to render commercial and PRI underwriting services to South Sudan was enhanced and unlocked trade and investment transactions in the country valued at USD27.6 million by December 2018. Every US dollar invested in ATI is capable of supporting trade finance and investments by 8 times the invested amount. The TDB is structuring a USD100 million trade facility that will be operational in the second quarter of 2019. The trade facility will support transactions worth USD300 million when it becomes operational. A profitable ATI will allow shareholders to earn dividends, with ATI having declared its first ever dividend in 2018. Overall, the project benefited both ATI and South Sudan. The project is very likely to ensure the continued flow of benefits associated with the project such as risk underwriting and trade finance after completion including those from TDB membership.

2. Institutional sustainability and strengthening of capacities

Rating	Narrative assessment
3	The project was driven by the leading sector department within the Bank. Due to competing priorities, emphasis was placed on board approvals of the PAR, signing of Loan Agreements and the compilation of the PCR. The intermediate monitoring and evaluation activities, a key component in programme implementation, scheduled in the PAR were not adhered to. Consequently, no IPR was captured in SAP. The project strengthened the capacities of South Sudan to pay for its membership investment in ATI and TDB in order for the two institutions to render risk underwriting services and trade finance services to South Sudan. Issues of project governance and reporting require strengthening generally and at RMC level specifically. The TM to drive the bank's monitoring and supervision of the project during implementation.

3. Ownership and sustainability of partnerships

Rating*	Narrative assessment
2	The Bank has strong relationships with ATI and RMCs and will, for a foreseeable future, continue supporting acquisition of ATI and TDB memberships by RMCs, especially fragile states. The Bank made investments in ATI and sits on the Board where it plays an oversight role. The PAR identifies ATI and TDB as the implementing partner of the project in South Sudan and the Ministries of Finance as the focal point and contracting authority at country level. During PCR consultations, it was apparent that project ownership at RMC level required further strengthening, through the development of an action plan on any pending and post implementation issues, with clear lines of responsibilities and involvement of Bank's country offices, and with relevant sector department taking leadership. During both PAR and PCR development, extensive consultations took place, which should be maintained throughout project implementation and after project closure. ATI in conjunction with AfDB's country offices should ideally drive RMC project ownership and stakeholder engagements initiated at the PAR stage. On the ground presence of Bank staff will ensure better articulation of the project, ownership and further strengthening of stakeholder engagements in partnership with ATI and TDB going forward.

4. Environmental and social sustainability

Rating*	Narrative assessment
(N/A)	Environmental Sustainability The project was deemed purely a technical assistance and institutional support, with no direct environmental and climatic impacts.
N/A	Social Sustainability - At the macro level, the project is expected to at least generate social and economic benefits for the people through rationalization of regional integration initiatives, private sector participation and positive contribution to regional value chain development. The supportive framework will enhance governance of regional public goods, a boost to intra-regional trade, and improved financial inclusion for SMEs specifically and the citizenry generally.

5. Lessons learned related to sustainability

Key issues	Lessons learned	Target audience
Strategic Framework between ATI and the Bank	While the relationship between the Bank and South Sudan is governed by loan agreements, that of ATI and the Bank on RACMP projects is quite fluid. There is a need, therefore, to spell out clearly the roles and responsibilities of each party throughout the project cycle, including post PCR events that may arise from time to time. To ensure that expectations of the parties are understood and planned for, the relationship between ATI and the Bank should be governed by a strategic framework, which is currently under development.	Bank, ATI
Ownership and stakeholder engagement at RMC level	There is need to strengthen ownership of the project by South Sudan by roping in AfDB country offices, with the Bank's relevant sector department taking leadership role on during and post implementation activities. On the ground presence of Bank staff will ensure better articulation of the project, ownership and further strengthening of stakeholder engagements in partnership with ATI and TDB. Establishing ATI/TDB virtual presence and providing clear project ownership arrangements at government level will assist in reinforcing effective project implementation modalities on the ground.	ATI, RMC, Bank

1. Bank performance

Rating*	Narrative assessment by the Borrower on the Bank's performance, as well as any other aspects of the project (both quantitative and qualitative). See guidance note on issues to cover.	
4	<p>The origination department played a crucial role in managing the project throughout the project cycle; PAR approval, signing of RMC loan agreement, including the compilation of the PCR. No issues arose during project implementation that necessitated modification of the developmental objective or design. The project activities demanded stakeholder consultations through-out. Consultations with government and key stakeholders in South Sudan and Kenya were done during both PAR and PCR project stages. The Bank ensured that the monitoring and evaluation system was well designed and incorporated in the PAR, however its implementation was a challenge as supervisions missions, IP reports, and MTR activities among others were not carried out.</p> <p>Comments to be inserted by the Bank on its own performance (both quantitative and qualitative). See guidance note on issues to cover.</p> <p>The Bank facilitated access to the ADF 13 allocation for the project comprising both loan and grant components. The M&E component of the project needed strengthening as planned missions, MTR, and progress reports were not carried out as part of ongoing project monitoring and reporting. The Bank relied on annual reports produced and shared by ATI, the implementing Agency.</p>	
Key issues	Lessons learned	
Need to enhance the quality of RACMP project monitoring and evaluation by the Bank	<p>A well-documented project monitoring and evaluation plan ensures that key activities needed to track and measure the quality of project performance and supervision is in place and implemented. The project monitoring and review activities in the PAR were not carried out as planned (supervision missions, MTR, and reports). Project monitoring activities and reports should be done to assess relevance of developmental objective, project design and other pertinent project parameters. Adequate skills and budget resources should be assigned to drive this process.</p>	

2. Borrower performance

Rating*	Narrative assessment on the Borrower performance to be inserted by the Bank (both quantitative and qualitative, depending on available information). See guidance note.	
3	<p>The process leading to the PAR's approval in March of 2017 by the board and signing of the separate loan and grant agreements between the Bank and South Sudan in May of 2017 was largely driven by the relevant sector department. No significant delays in signing the loan agreement and grant agreement were experienced. Satisfying the conditions and undertakings precedent to the first disbursement was driven by SS and completed within 7 months. South Sudan benefited from Foreign Exchange rate gains due to the weakening of the USD against UA post PAR approval.</p> <p>Comments to be inserted by the Borrower on its own performance (both quantitative and qualitative). See guidance note on issues to cover.</p> <p>South Sudan is cognizant of the critical role that the Bank played in its successful membership admissions into ATI and TDB. The provision of funding in the form of a loan and grant lowered the cost of membership for SS.</p>	
Key issues	Lessons learned	
Incorporate Performance milestones in PAR	<p>The PAR has performance milestones of ATI, TDB and the Bank, some of which are dependent on conditions and undertakings stipulated in the Loan Agreement. Incorporating these in the PAR will enrich information available when assessing borrower performance.</p>	
Project governance issues at RMC level	<p>The Ministry of Finance and Planning (MoFP) is the focal point, while the Ministry of Trade, Industry and EAC should be responsible for project implementation. The project governance and implementation arrangements in South Sudan are not clearly understood as the Ministry of Trade, Industry and EAC was not aware of the ATI/TDB project and the role it has to play. Therefore, the interaction between ATI, TDB and RMC stakeholders require further strengthening going forward.</p>	

3. Performance of other stakeholders

Rating *	Narrative assessment on the performance of other stakeholders, including co-financiers, contractors and service providers. See guidance note on issues to cover		
2	The performance of ATI and TDB as the implementing Agencies was premised on the responsibilities assigned to them in the PAR. ATI and TDB were responsible for reporting to the MoFP and their boards on overall implementation progress of the project, with MOFP responsible for overall technical and financial oversight. No specific reports were produced in executing this mandate, besides the annual reports of both ATI and TDB.		
Key issues (related to performance of other stakeholders, max 5, add rows as needed)	Lessons learned (max 5)	Target audience (for lessons learned)	
Lack of role clarity on technical and financial oversight and reporting.	The nature and content of the reports to the Bank, RMC and ATI/TDB Boards were not outlined upfront, despite reporting timelines having been stated in the PAR. As a result, no specific project progress reports were submitted.	BANK, ATI, TDB, RMCs	
Enhancing awareness of ATI's products and services at RMC level.	During the PCR missions, stakeholders met during consultations were less appraised of the products and services that ATI and TDB provide and the processes to access them. The absence of information on ATI and TDB products/services, process and guidelines, roles and responsibilities gave rise to information asymmetry at RMC level between ATI, TDB, MoFP, Line ministries and various private sectors players (Chamber of commerce), thereby limiting uptake of products and services. There was need to clarify what ATI/TDB were committing to in the PAR so that the governments or responsible agency(ies) can hold ATI and TDB accountable.	BANK, ATI, TDB, RMCs	

IV Summary of key lessons learned and recommendations

1. Key lessons learned

Key issues (max 5, add rows as needed)	Key lessons learned	Target audience
Enhancing the capacity of fragile states to meet ATI and TDB membership investment obligations.	The purpose of the AfDB loan and grant was to ensure that fragile states such as South Sudan have access to affordable financing required for ascension to membership of pan African trade institutions such as the ATI and TDB. The grant component assisted in lowering the barriers of membership ascension by SS.	BANK, ATI, TDB, RMC
Improving ATI/TDB visibility and appreciation of benefits of ATI/TDB membership at RMC level.	The benefits of membership are quite significant, but not immediately tangible, which makes it difficult for government to appreciate the magnitude of impact the project is having. Existence of confidentiality agreements prohibiting disclosure of client information by ATI makes reporting less transparent. ATI and TDB should ramp up efforts in advertising the benefits of membership and expediting the process of building presence at RMC level.	BANK, ATI, TDB, RMC
Inadequate communication of Project's performance.	Given the general lack of understanding at RMC level of what ATI and TDB do and lack of appreciation of the impact ATI backed deals have had due to poor communication between the parties concerned, a project management committee, convening half-yearly should address current communication gaps.	BANK, ATI, TDB, RMC

2. Key recommendations (with particular emphasis on ensuring sustainability of project benefits)

Key issue (max 10, add rows as needed)	Key recommendation;	Responsible	Deadline
--	---------------------	-------------	----------

Encourage fragile states' ascension to membership of Pan African Institutions.	To encourage RMCs considered fragile in meeting their payment obligations, the Bank should continue to provide a mixture of loans and grants in an attempt to make membership investment affordable.	Bank	Future Contracts
Strengthening Project M&E activities.	A project M&E plan should be developed for each PAR, resourced and implemented. At the end of the project a post closure project implementation action plan should be developed in conjunction with country offices, with the relevant sector department taking leadership.	Bank, ATI, TDB	Future PARs
Align M&E Metrics relevant to respective to RMCs.	The metrics tracked by the project require further refinement, especially at output and outcome levels by lowering the level of measurement to RMC from regional or continental levels. The metrics should be aligned to those measured by ATI and key indicator reference sheets developed and baseline information sources cited in the PAR for future reference.	BANK, ATI, TDB, RMC	Future PARS
Improve the visibility of ATI and TDB at RMC level.	The dearth of information on services, products, pricing, process among others can be addressed if hosting agreements are concluded much sooner and marketing efforts ramped up. Project design to pronounce on ATI and TDBs' contingency plans to improve visibility and communication at RMC level.	ATI, TDB	Future PARs
Demonstrate membership value to RMCs.	A simple cost benefit analysis based on the value of transactions expected and cost of membership investment should be considered in future PARs to demonstrate the country level benefits of investing in ATI.	ATI, TDB, BANK	Future PARs
Project Milestones to include those of RMCs, ATI and TDB	The overall project milestones should include critical activities to be performed by the RMC, ATI and TDB as they form part of the critical path on which Bank's activities are depended on.	BANK, ATI, TDB, RMC	Future PARs
Improve project Governance and oversight.	A project management committee comprising representatives from the Bank, ATI, TDB and RMC should be setup at RMC level to provide project oversight. The committee should meet half-yearly to discuss project implementation issues. The project committee will foster ownership and improve communication at RMC level.	BANK, ATI, TDB, RMC	Future Contracts

V Overall PCR rating³

Dimensions and criteria	Rating*
DIMENSION A: RELEVANCE	4
Relevance of project development objective (II.A.1)	4
Relevance of project design (II.A.2)	4
DIMENSION B: EFFECTIVENESS	4
Development Objective (DO) (II.B.4)	4
DIMENSION C: EFFICIENCY	2,5
Timeliness (II.C.1)	4
Resource use efficiency (II.C.2)	
Cost-benefit analysis (II.C.3)	
Implementation Progress (IP) (II.C.4)	1
DIMENSION D: SUSTAINABILITY	3,00
Financial sustainability (II.D.1)	4
Institutional sustainability and strengthening of capacities (II.D.2)	3
Ownership and sustainability of partnerships (II.D.3)	2
Environmental and social sustainability (II.D.4)	
AVERAGE OF THE DIMENSION RATINGS	3,38

VI Acronyms and abbreviations

Acronym (add rows as needed)	Full name
ADF	African Development Fund
ATI	African Trade Insurance Agency
CSP	Country Strategy Paper
EUR	Euro Currency
FDI	Foreign Direct Investments
FSF	Fragile States Facility
IRR	Internal Rate of Return
NPV	Net Present Value
PAR	Project Appraisal Report
PBA	Performance Based Allocation
PCR	Project Completion Report
PITD	Bank's Trade Finance team
RDGE	East Africa Regional Development and Business Delivery Office
RMC	Regional Member Country
SAP	Systems, Applications and Products
TF	Trade Finance
SS	Republic of South Sudan
TDB	Trade and Development Bank
UA	Unit of Account
USD	United States Dollars

³ RATING SCALE FOR EACH CRITERIA: 1 (Highly Unsatisfactory), 2 (Unsatisfactory), 3 (Satisfactory), 4 (Highly Satisfactory)

DIMENSION RATINGS: 1.00-1.49 (Highly Unsatisfactory), 1.50-2.49 (Unsatisfactory), 2.50-3.49 (Satisfactory), 3.50-4.00 (Highly Satisfactory)

OVERALL PCR RATING: This will be calculated as the average of the Dimension ratings. The following scale will apply: 1.00-1.49 (Highly Unsatisfactory), 1.50-2.49 (Unsatisfactory), 2.50-3.49 (Satisfactory), 3.50-4.00 (Highly Satisfactory)

