



# Mid-Term Evaluation: Final Report

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**TradeMark Southern Africa (TMSA)  
Evaluation**

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## Table of contents

ACRONYMS .....	1
1 EXECUTIVE SUMMARY .....	3
1.1 Introduction.....	3
1.2 Nature of Assignment.....	3
1.3 The Implementation Context and Programme Design.....	3
1.4 Programme Performance.....	4
1.5 The Findings of the Mid-Term Evaluation.....	6
1.6 Programme Level Recommendations.....	7
1.7 Limitations of the Mid-Term Evaluation.....	9
2 INTRODUCTION .....	9
2.1 Nature of the Assignment.....	9
2.2 Structure of the Report.....	10
3 BACKGROUND .....	11
3.1 Overview of the TradeMark Southern Africa Programme .....	11
3.2 Overview of the TMSA Theory of Change .....	12
3.3 Overview of the Mid-Term Evaluation .....	13
3.4 Key Considerations for Methodology .....	14
4 METHODOLOGY .....	15
4.1 Evaluation Design .....	15
4.2 Overview of Data Collection and Analysis .....	15
4.3 Sampling for Interviews.....	17
4.4 Specialist input from Technical Experts .....	17
4.5 Limitations .....	17
4.6 Evaluation implementation .....	17
5 THE IMPLEMENTATION CONTEXT .....	18
5.1 Trends in Trade Policy and Regional Integration.....	18
5.2 Trends in Trade Facilitation.....	19
5.3 Trends in Infrastructure Development.....	20
5.4 Trends in Industrial Development .....	20
6 FINDINGS ON PROGRAMME ACTIVITIES .....	21
6.1 Trade policy.....	21
6.2 Trade facilitation.....	28
6.3 Corridors and Infrastructure .....	38
6.4 Industrial Development .....	45
6.5 Cross-cutting Issues.....	50
7 FINDINGS FROM INSTITUTIONAL APPRAISAL.....	52
7.1 Introduction.....	52
7.2 External Institutional Context .....	53
7.3 Internal institutional factors .....	53
7.4 Inter-institutional linkages.....	60
8 INITIAL FINDINGS ON VALUE FOR MONEY .....	60
8.1 Introduction.....	61
8.2 Understanding Programme Budgets and Expenditure .....	61



8.3	Economy .....	63
8.4	Efficiency .....	65
8.5	Effectiveness .....	66
9	REVISITING THE THEORY OF CHANGE .....	67
9.1	Programme Outputs .....	67
9.2	Implications for the Impact Evaluation .....	70
10	CONCLUSIONS .....	71
10.1	Relevance .....	71
10.2	Efficiency .....	72
10.3	Effectiveness .....	73
10.4	Impact .....	74
10.5	Sustainability .....	74
11	PRIORITY RECOMMENDATIONS AND LESSONS LEARNED .....	75
11.1	Introduction .....	75
11.2	Recommendations .....	75
11.3	Priority Programme level Recommendations .....	80
11.4	Lessons Learned .....	81

## Table of figures

Table 1:	Summary of TMSA programme model .....	12
Table 2:	Scope of the key evaluation questions .....	14
Table 3:	Programme and evaluation objectives dictating the parameters of evaluation design .....	15
Table 4:	Overview of data collection and analysis efforts .....	16
Table 5:	Comparison of logistics and ease of trading indicators .....	19
Table 6:	Overview of interventions in the industrial development pillar .....	48
Table 7:	McKinsey's 7Ss .....	54
Table 8:	Strategy activity alignment .....	55
Table 9:	7S summary .....	59
Table 10:	Overall programme budget .....	61
Table 11:	Programme budget by output .....	62
Table 12:	Staff Remuneration .....	63
Table 13:	Maximum UK FCO allowances .....	65
Table 14:	Alignment with other programmes and DFID priorities .....	72
Table 15:	Programme recommendations .....	76
Table 16:	Priority recommendations .....	80



## ACRONYMS

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AFDB	African Development Bank
AMERU	African Microeconomic Research Unit
ASYCUDA	Automated System for Customs Data. A computerised customs management system, designed by UNCTAD, which covers most foreign trade procedures
CDEL	Capital Departmental Expenditure Limit
CFTA	Continental Free Trade Agreement
CGE	Computable General Equilibrium
COMESA	Common Market of East and Southern Africa
COMSTAT	COMMESA Statistics Database
CTTTFP	Comprehensive Tripartite Transport and Trade Programme
DBSA	Development Bank of Southern Africa
DDA	Doha Development Agenda
DFI	Development Finance Institution
DFID	Department for International Development
DQA	Data Quality Assessment
DTIS	Diagnostic Trade Integration Study
EAC	East African Community
EIF	Enhanced Integrated Framework
FCFASA	Federation of Clearing and Forwarding Associations of Southern Africa
FERSATA	Federation of East and Southern African Road Transport Associations
GIS	Geographic Information System
IBM	Integrated Border Management
INIP	National Fish Inspection Institute (Mozambique)
INNOQ	Instituto Nacional de Normalização e Qualidade (Mozambique)
IPEX	Institute of Export Promotion (Mozambique)
LDC	Least Developed Countries
MCTI	Ministry of Commerce, Trade and Industry (Zambia)
MOU	Memorandum of Understanding
NPPO	National Plant Protection Organisation
NSC	North-South Corridor
NTB	Non-tariff Barrier
OECD-DAC	Organisation for Economic Co-operation and Development - Development Assistance Committee
OPPPI	Office for Promotion of Private Power Investment
OSBP	One Stop Border Post
PMM	Project Management Manual
PMU	Project Management Unit
PPIU	Project Planning and Implementation Unit
RAP	Rapid Assessment Process
RDA	Roads Development Agency (Zambia)
REC	Regional Economic Community
SACU	Southern Africa Customs Union
SADC	Southern African Development Community
SPS	Sanitary and Phyto-sanitary



TBT	Technical Barriers to Trade
TFTA	Tripartite Free Trade Agreement
TMSA	TradeMark Southern Africa
ToC	Theory of Change
TRIST	Tariff Reform Impact Simulation Tool
TTA	Tripartite Trust Account
UNCTAD	UN Committee on Trade and Development
VfM	Value for Money
WCO	World Customs Organisation
WTO	World Trade Organisation
ZTK	Zambia Tanzania Kenya Interconnector

# 1 EXECUTIVE SUMMARY

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## 1.1 INTRODUCTION

The WYGI-GEFA (JVP) Consortium is pleased to submit this report of the mid-term evaluation of the TradeMark Southern Africa (TMSA) programme tendered through the Global Evaluation Framework Agreement (GEFA).

The evaluation of TradeMark Southern Africa is being undertaken in two phases; a mid-term evaluation (MTE) and end-of-term evaluation (ETE). The overall purpose of the evaluation is to assess the contribution of TMSA to regional integration and to learn lessons and make recommendations for future projects and programmes. The objective of the MTE is to review programme progress and trajectory, make recommendations to improve performance for the remainder of the programme and lay the foundations of the subsequent impact evaluation. The ETE will assess the performance and impact of specific TMSA interventions and the programme more broadly, and the value for money of these selected activities.

## 1.2 NATURE OF ASSIGNMENT

TMSA is a five year DFID funded programme intended to support the Tripartite regional economic integration initiative. The Tripartite initiative includes 26 member states represented by the three regional economic communities (RECs) of the Southern African Development Community (SADC), the Common Market of Eastern and Southern African States (COMESA) and the East African Community. TMSA's GBP100m funding was initially divided into two main components: GBP67m was transferred to a Tripartite Trust account at the Development Bank of Southern Africa (DBSA) to finance and leverage infrastructure development; with the remaining GBP33m allocated to technical, financial and administrative support provided through the non-infrastructure investment programme areas<sup>1</sup>.

TMSA activities are structured around four programme areas that align to the Tripartite development pillars - trade policy, trade facilitation, corridors and infrastructure and industrial development. The overarching aim of the evaluation is to provide an assessment of TMSA's contribution to regional economic integration and, by extension, its contribution to increased trade, higher economic growth and poverty reduction. This mid-term evaluation considers the design and implementation of the TMSA Programme across all areas of activity; its impact on the cross-cutting themes of climate change, poverty, gender and HIV/AIDS; an appraisal of the internal and external organization of TMSA; and its value for money (VfM) for DFID.

## 1.3 THE IMPLEMENTATION CONTEXT AND PROGRAMME DESIGN

TMSA was launched into an environment which is far from optimal for trade and industrial development. Tariff barriers between many African countries are relatively high and trade is further distorted by the complex web of overlapping trade agreements across the continent. In most instances, non-tariff regulatory barriers to intra-African trade are even more costly, compounded by poor infrastructure at and between national borders. Regional value chains are generally immature and industrial activity concentrated in a few relatively advanced centres. This context reinforces the relevance of TMSA's programme activities, but also delineates the severe limits on what could realistically be achieved in five years by the extremely ambitious TMSA programme.

Specifically, the success of the TMSA Programme, as described in its log-frame, hinges on (amongst many other targets) the conclusion of the Tripartite Free Trade Agreement; an average reduction in border crossing times of 30% along the North South Corridor; construction works taking place on

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<sup>1</sup> During the implementation of the programme, GBP3.6m of the GBP33m set aside for technical assistance was spent on infrastructure development and a further GBP5m of the TA funding has been ring-fenced for infrastructure project preparation. This greatly reduced the available funds for technical work.



more than 1,000 km of road; and an additional 2 800 GWh of energy being traded in the region. Measured against these output indicators, TMSA has made reasonable progress in taking the process of regional integration forward, but the achievement of most of the specific Programme targets depends on a wide range of factors and stakeholders, many of which are outside of the direct control of the Programme Management Unit.

The programme theory of change clearly articulates these linkages and lists all of the assumptions needed for the Programme to contribute to the high level outcomes of trade performance and competitiveness. However, because most of these assumptions remain uncertain and because implementation capacity in most Southern African states is weak, it is unlikely that Programme activities will have an immediate and region-wide impact on trade, let alone economic growth and poverty reduction. This apparent shortcoming reveals an underlying tension in the programme design. Specifically, it has become difficult for DFID to manage and report on a Programme which has been established to support a political process involving three regional institutions and 26 member states.

It follows that the evaluation reveals serious problems with the log-frame as a programme monitoring and evaluation tool. This is partly because most of the indicators and milestone targets used to assess TMSA's performance against its outputs are not specific or easily measurable; and partly because TMSA's contribution to the achievement of many of these outputs is generally indirect.

## 1.4 PROGRAMME PERFORMANCE

### 1.4.1 Trade policy

TMSA's trade policy work largely follows three parallel streams:

- An extensive programme of financial and technical support to facilitate the negotiation of the Tripartite Free Trade Agreement (TFTA);
- Dedicated support to SADC and COMESA, largely through the provision of long-term trade advisors, but also through the maintenance of a statistical trade database (COMSTAT); and
- Discreet support to the WTO LDC group to assist them in the development of an informed position for the Doha Development Agenda (DDA) negotiations.

TMSA has played an important role in supporting the RECs to put in place the building blocks for the free trade agreement. The modalities and institutional mechanisms for the negotiations have been agreed and TMSA has provided technical support and training to large numbers of regional and member country officials on key aspects of this agreement and in connection with the WTO. Together, these initiatives were intended to contribute to the conclusion of a region-wide free trade agreement by June 2014 and an improved package for LDCs at the WTO negotiations in Bali in December 2014. Despite these interventions, it is uncertain whether TMSA will fully achieve any of its targets in this area. This is largely because agreement on the Tripartite Free Trade and the Doha Development Agenda Agreements are currently in the balance, but also because the indicators and targets contained in the log-frame make the measurement of progress towards these results difficult to interpret.

### 1.4.2 Trade facilitation

TMSA's trade facilitation programme pillar extends across a wide range of related activities, which can be categorised as follows:

1. *Harmonisation of customs legislation, procedures and operations*: streamlining and improving the efficiency of operations at border crossing points; the design and implementation of a harmonised Regional Customs Bond and transit management system; and facilitating the efficient resolution of non-tariff barriers (NTBs);
2. *Integrated border management*: operationalises the customs harmonisation efforts through interventions designed to modernise facilities, improve capacity and facilitate coordination



between different border management agencies within and across countries, and specifically, to support implementation of one stop border posts (OSBP) along the North-South Corridor;

3. *Harmonisation of road transport regulations and standards*: including work on vehicle regulations and standards; third party motor vehicle liability insurance; overload control; harmonised road user charges; and road transport market liberalisation; and
4. *Support to private sector associations*: the programme provides support to FERSATA and FCFASA to build the capacity of transport operators and of the clearing and freight forwarding industries to enable them to service producers and traders more effectively.

In general, TMSA has made good progress in the implementation and management of systems, and specifically NTB and road/border monitoring systems. Moreover, TMSA's extensive support at the Chirundu border crossing is well recognised and has assisted in sustaining lower transit times and costs, with potential lessons for other border posts in the region. In most other areas, the initial diagnostic or technical work has begun, but implementation is far from complete. This is most notable across the raft of regulatory reforms in design to harmonise vehicle standards and customs arrangements, and to liberalise the road and aviation markets. Whereas it is expected that this effort will over time contribute to a more effective approach to standards and transport regulation, and that this will be positive for trade, it will take time for member countries to agree to and implement such measures.

### 1.4.3 Corridors and infrastructure

The corridors and infrastructure programme pillar consists of three programme areas:

1. The development of a road infrastructure project pipeline for the rehabilitation and refurbishment of the North-South Corridor (NSC) through project preparation activities. These activities span eight countries and 10,647km of roads across the jurisdiction of all three Tripartite RECs. An independent Project Preparation and Implementation Unit (PPIU) have been established with TMSA support to provide technical expertise to the RECs and national road agencies, and to leverage external funding.
2. A regional infrastructure performance monitoring system and online GIS database have been developed to advocate and support the implementation of the regional infrastructure master plan.
3. In addition to road infrastructure the programme contributes to increasing the capacity of the Southern Africa power pool by supporting the implementation of interconnector projects across a select number of member states in the region.

Across all of these activities, TMSA's efforts in facilitating investment across the North South Corridor seem to be picking up steam. Through support to national agencies and through the establishment of the PPIU, there is evidence of increased capacity to plan and manage infrastructure projects in the region. By June 2013, 25 km of road work was under implementation with funding from the Tripartite Trust Account (TTA) and a further 1,090 km at the design phase with the PPIU. Moreover, 809 km of road rehabilitation work is currently under implementation with partner funding.

With regards to the GBP67m in CDEL funding that was invested into the TTA, which is managed by the Development Bank of Southern Africa, just GBP25m has been committed or approved by the TTA Investment Committee to date. Despite this slow take-up, the balance is expected to be committed to a number of large road projects over the final year of the programme.

### 1.4.4 Industrial development

The objective of the Industrial Development programme area is to enhance the productive and export competitiveness of the regional economy, and consists of three activity areas:

1. Instituting a harmonised approach to industrial development across the three regional economic communities;





2. Product and SPS standards harmonisation and compliance, including support to develop a Tripartite work programme on technical product and SPS standards and Standardisation, Quality Assurance, Accreditation and Metrology (SQAM); and
3. Mitigation initiatives to reduce risks to market access. These initiatives focus on developing the capacity of industry sectors or organisations to comply with sanitary, phyto-sanitary and product quality standards.

In practice, TMSA has supported multiple sector or country specific initiatives to address SPS, most of which have contributed to developing national capacity in this area. This has included multiple training and accreditation activities. However, despite the support given to specific products and institutions, the extent to which this has been translated into increased market access and participation in more profitable value chains is limited and uncertain. It is therefore too early to assess whether these interventions will give rise to higher and more sustainable trade flows.

At the systemic level, progress towards the achievement of regional frameworks for industrial development, SPS and TBT has been weak, and these frameworks or work programmes are unlikely to be concluded by the project end date.

## 1.5 THE FINDINGS OF THE MID-TERM EVALUATION

Based on a review of the available internal documentation and selected external literature, sector-specific reports commissioned from five independent experts, and an extensive number of interviews with programme staff and stakeholders across six countries; the evaluation came to 21 main findings and recommendations. These findings and recommendations address the programme activities, TMSA's institutional arrangements, and value for money. A summary table is included in Annex G which accompanies this report. These findings can also be organised according to the five OECD-DAC criteria of relevance, efficiency, effectiveness, impact and sustainability.

### 1.5.1 Relevance

In general, all of the available evidence suggests that the TMSA programme has been structured around the priority trade needs of the region. Barriers to trade are extraordinarily high across Africa and can be explained by poor infrastructure, the high costs of trade facilitation, and the complexity of existing trade agreements. It is to these problems that the TMSA programme is orientated. In almost all areas, and across almost all activities, TMSA is perceived to be addressing the right set of problems and issues. More widely, TMSA is well-aligned with the core components of the Aid for Trade initiative of the WTO and the three core tenants of the UK African Free Trade Initiative.

### 1.5.2 Efficiency

The findings in relation to TMSA's institutional arrangements are broadly positive. TMSA expects to exhaust its operational and technical budget prior to the project end date: by September 2012, TMSA had spent 74.4% of its allocated budget but 91.6% of the available funds. Although only 30% of TMSA's £67million in capital funds (managed by the DBSA) has been committed to date, DBSA is hoping to get 'in principle' approval to proceed to project appraisal for major works in December 2013 and expects that all remaining funds will be committed by the project end date.

At this mid-term evaluation stage a detailed assessment of programme level VfM has been problematic. TMSA budget allocations were not revised in line with the updated log-frame in 2012 making it difficult to accurately assess progress and expenditure against individual output indicators. In addition, the construct of the log-frame makes an assessment of efficiency, in economic terms such as cost per output, relatively meaningless.

The evaluation has however highlighted some internal institutional factors that are perceived to restrict operational efficiency and VfM. For example, the recruitment and procurement policy is considered inappropriate for an organisation of TMSA's scale and importance; and insufficient attention has been given to the programme's human resource and M&E plans.



### 1.5.3 Effectiveness

According to this mid-term evaluation report, TMSA has achieved 2 of the 18 programme milestones identified for the 2012/2013 implementation year and made significant progress against a further 12. On the other hand, with reference to the evidence collected from the fieldwork and document review, it seems unlikely that TMSA will meet 5 of the 19 final programme targets identified and it is uncertain as to whether a further 12 can be achieved. This is for two main reasons:

- Many of these targets themselves are inappropriate or unachievable; and
- Many interventions have taken place at the level of the RECs and have not, to date, progressed sufficiently to enable implementation at the national level.

The above challenges are closely inter-related. For as long as TMSA continues to work and report against a complex, wide-ranging and (in many aspects) flawed log-frame, it will be unable to focus its efforts on those areas where measurable change can be achieved. This suggests that TMSA and DFID need to agree on and commit to a reduced and more focused work programme for the remainder of the contract and that priority attention should be given to the implementation of those activities that are core to the purpose, success and sustainability of the programme.

### 1.5.4 Impact

Likewise, it is difficult to assess what the ultimate impact of TMSA might be. This is for two main reasons. First, the impact variables specified in the log-frame are too far removed from TMSA activities to make measurement worthwhile. Second, most of the more substantive interventions to which TMSA contributes are not completed yet, and it is too early to measure their impacts. Moreover, the programme's impact on poverty and gender equality is not considered in any depth by TMSA. One reason for this is because the programme's design does not require poverty or gender monitoring beyond outcome level. Whereas it is probably too late for TMSA to incorporate such analysis into the design of its own activities, ex-post analysis may still be possible, either by TMSA, or through an independent impact evaluation.

### 1.5.5 Sustainability

Looking forward, it is uncertain whether many of the processes started and supported by TMSA will continue once DFID funding comes to an end. It is therefore disconcerting that at the current spend rate, TMSA will exhaust all available funds in April 2014, six months prior to its expected end-date. Unless TMSA or DFID can quickly secure additional funds, this situation presents DFID with a stark choice: to either end the programme early or to find further cuts in spending. The fact that this matter has still not been resolved as the programme enters its final year, has become a major risk for the delivery and sustainability of many remaining TMSA activities.

In general, most of the systems developed or improved by TMSA, will not require substantial additional resources to continue, but plans urgently need to be put in place to transfer these systems to an appropriate institution. This could be a single REC, the Project Preparation and Implementation Unit (PPIU) that was established with TMSA support, or an alternative donor programme. According to TMSA, the PPIU itself should be able to source sustainable funding going forward, with the AfDB already committing some resources to future project preparation work.

Of much greater concern is the technical and financial support that TMSA has provided to regional trade negotiations and the wider trade facilitation agenda. In all of these areas, TMSA has contributed to the establishment of a strong platform which could be used to reduce further barriers to trade and deepen regional integration. However, to realise the stated ambitions of the programme and to have a meaningful and sustainable impact, much more needs to be done in future and further support is likely to be required from DFID, other donors or the RECs themselves.

## 1.6 PROGRAMME LEVEL RECOMMENDATIONS

The findings from the evaluation have generated a set of programme level recommendations for consideration by DFID and TMSA. These are shown in full in Table 15 in the main body of this mid-term evaluation report.

The full set of recommendations has been distilled into a set of priority recommendations for DFID's consideration. Given the position in the programme lifecycle (currently entering the final year of operation), these priority recommendations are focused on maximising the impact and sustainability of programme activity. Priority recommendations are shown in Table E1 below.<sup>2</sup>

Table E1: Priority recommendations

No.	Priority Recommendations	Impact	Sustainability
i	Consideration should be given to establishing a team/pool of international and regional experts that can be made available to provide assistance to the RECs and member countries, on a request basis, during the negotiations and after the conclusion of the initial agreement. DFID should engage with the RECs to discuss the need for such assistance prior to the programme end date.	✓	✓
ii	TMSA should undertake additional work around understanding the implications of the TFTA within vulnerable countries or sectors, and exploring means to make the FTA work better for specific communities.	✓	
iii	TMSA should continue to provide technical support to those involved at the Chirundu border post to monitor progress and facilitate further reforms, as needed. TMSA should review work programmes for the development of OSBPs at the Nakonde-Tunduma and Kasumbalesa border posts and focus efforts on high impact elements that can realistically be completed within the remaining timeframe of the Programme.	✓	✓
iv	TMSA and the RECs should adopt a programme of engagement to solicit support from national governments for the implementation of a regional transit management system, incorporating current innovations. TMSA should also engage with the RECs to develop a hand-over plan and medium term work programme/ budget for the NTB reporting, monitoring and elimination mechanism.		✓
v	TMSA should suspend work on those aspects of the wider trade facilitation programme where work has not begun or where little/ no progress is evident. (See Section 6.2.5.1)	✓	
vi	TMSA and DFID should engage with the RECs and other donors to develop a sustainable work programme for the PPIU, which can be implemented as soon as TMSA funding ends.		✓
vii	TMSA should investigate the use of more advanced statistical techniques to generate a more rigorous assessment of border performance, identifying critical breaks in the data and linking these to border improvements or problems. This can be supported by the evaluation team in the design of the impact evaluation.		✓
viii	It is recommended that TMSA should conclude the ongoing value chain studies but do not commence any new work in under the industrial development area.	✓	
ix	It is recommended that TMSA be tasked to undertake further ex-post assessments/case-studies (to the extent that time and resource constraints will allow) of how TMSA has contributed to specific cross-cutting issues (for example, with regard to small scale traders) and should be required to give more attention to collecting information on these issues in remaining activities. Any activity in this area will be complemented by that of the evaluation team as part of the forthcoming impact evaluation.	✓	

<sup>2</sup> Please note: Priority recommendations should be viewed in conjunction with the detailed discussion provided in Table 14 of this mid-term evaluation report.



## 1.7 LIMITATIONS OF THE MID-TERM EVALUATION

The evaluation methodology has proven appropriate for the purposes of the mid-term evaluation and no significant limitations undermining the reliability, validity or utility of findings have been identified. Four limitations are however worth noting:

1. The scope and volume of programme documentation are substantial and the evaluation team's understanding of TMSA is based on the activities that could be reviewed and stakeholders that were consulted in the constrained timeline for the evaluation. The fieldwork and interviews were however structured in such a way as to capture a large and representative sample of TMSA interventions.
2. The evaluation team depended significantly on the validation of emerging findings from programme stakeholders, including staff and beneficiaries. Care was taken to ensure that the validation process was methodologically sound, and all findings were confirmed with multiple data sources. Nevertheless, most of the documents and data related to TMSA have been generated by the Project Management Unit itself or through the activities that it supports. There is little other primary data available. As such, the evaluation has made extensive use of information provided by TMSA and its beneficiaries. This has been subjected to critical review.
3. The team experienced difficulty in implementing a post-interview validation process. Efforts to conduct focus group discussions at the end of each fieldwork visit and to obtain a second round of responses from interviewees to validate the fieldwork findings were largely unsuccessful.
4. Assessing the overall impact of TMSA on poverty, growth and trade creation is problematic. The project is not large enough to have region-wide macroeconomic impacts, and in those areas where it might have such impacts (such as the conclusion of a region-wide trade agreement), the contribution of TMSA and the final outcome of the negotiations is difficult to measure. Further effort will be made to consider the impact of TMSA during the second phase of this evaluation, to be undertaken in 2014.

## 2 INTRODUCTION

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The WYGI-GEFA (JVP) Consortium is pleased to submit this report of the mid-term evaluation of the TradeMark Southern Africa (TMSA) programme tendered through the Global Evaluation Framework Agreement (GEFA).

The evaluation of TradeMark Southern Africa is being undertaken in two phases; a mid-term evaluation (MTE) and end-of-term evaluation (ETE). The overall purpose of the evaluation is to assess the contribution of TMSA to regional integration and to learn lessons and make recommendations for future projects and programmes. The objective of the MTE is to review programme progress and trajectory, make recommendations to improve performance for the remainder of the programme and lay the foundations of the subsequent impact evaluation. The ETE will assess the performance and impact of specific TMSA interventions and the programme more broadly, and the value for money of these selected activities.

### 2.1 NATURE OF THE ASSIGNMENT

TMSA is a five year DFID funded programme intended to support the Tripartite regional economic integration initiative. The Tripartite initiative includes 26 member states represented by the three regional economic communities (RECs) of the Southern African Development Community (SADC), the Common Market of Eastern and Southern African States (COMESA) and the East African Community. TMSA's GBP100m funding was initially divided into two main components: GBP67m was transferred to a Tripartite Trust account at the Development Bank of Southern Africa (DBSA) to finance and leverage infrastructure development; with the remaining GBP33m allocated to technical,



financial and administrative support provided through the non-infrastructure investment programme areas<sup>3</sup>.

TMSA activities are structured around four programme areas that align to the Tripartite development pillars - trade policy, trade facilitation, corridors and infrastructure and industrial development. The overarching aim of the evaluation is to provide an assessment of TMSA's contribution to regional economic integration and, by extension, its contribution to regional economic and social development. The findings documented in this mid-term evaluation report cover all the key areas of TMSA programme activity, and include a consideration of the programme's impact on the cross-cutting themes of energy and climate change, poverty, gender and HIV/AIDS. Specific evaluation aims and objectives are discussed subsequently. The full Terms of Reference (TOR) for the evaluation is included at Annex A.

This mid-term evaluation report is the second of the two substantive deliverables constituting the primary outputs of the mid-term evaluation of TradeMark Southern Africa (TMSA). It was preceded by an interim report delivered in August 2013. As a mid-term evaluation report this document presents findings on programme implementation and progress towards outcomes, with a view to informing adjustments to optimise implementation and inform programme re-design. The mid-term report also offers initial insights on how programme activities interact with mechanisms in the complex implementation context to affect outcomes. Therefore, this mid-term evaluation will also inform the design of the summative impact evaluation which the WYGI-GEFA (JVP) Consortium is scheduled to conduct in 2014.

## 2.2 STRUCTURE OF THE REPORT

The mid-term evaluation report begins with a discussion of the TMSA programme model and the objectives of the mid-term evaluation (Section 3). This provides the context for the subsequent discussion of the methodology, which is dictated by the objectives of the evaluation and the parameters imposed by the nature of the programme. The methodology discussion in Section 4 covers the evaluation design, data collection and analysis techniques, and a description of the limitations on the reliability and validity of the findings.

The background and methodology sections are followed in Section 5 by a presentation of TMSA's implementation context, based on a brief literature review of trends in its programme areas across the region. An understanding of the implementation context is crucial in order to situate the performance and contribution of TMSA, which are presented in the evaluation findings.

Section 6 presents 13 findings emerging from the assessment of TMSA activities in its four programme areas and against a number of cross-cutting issues. The section is structured so that a finding is presented, and followed by a discussion of the triangulated evidence base for that finding. Section 7 presents the findings of the institutional appraisal, which reviews the efficacy of the internal and external operations of TMSA, and Section 8 considers 'value for money' (VfM) of the programme to date.

In Section 9, the review revisits the TMSA theory of change (ToC) and describes how the impact of the programme might be measured in the second phase of the evaluation. Section 10 draws on all of these findings and presents summary conclusions against the main elements of the evaluation framework. The final section of the report presents a set of priority recommendations to improve programme delivery and to inform the design of future initiatives.

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<sup>3</sup> During the implementation of the programme, GBP3.6m of the GBP33m set aside for technical assistance was spent on infrastructure development and a further GBP5m of the TA funding has been ring-fenced for infrastructure project preparation. This greatly reduced the available funds for technical work.



## 3 BACKGROUND

### 3.1 OVERVIEW OF THE TRADEMARK SOUTHERN AFRICA PROGRAMME

TradeMark Southern Africa (TMSA) is a GBP100m, 5-year programme funded by the UK's Department for International Development (DFID). It is a more advanced iteration of the successful Regional Trade Facilitation Programme (RTFP), funded by DFID between 2003 and 2009. RTFP had a budget of under GBP16m and was primarily focused on trade policy reform. TMSA has both a substantially larger budget and a significantly broader scope.

TMSA's purpose is "to improve trade performance and competitiveness of the Eastern and Southern Africa regions – contributing to sustainable, rapid and inclusive growth and poverty reduction."<sup>4</sup> TMSA's activities are focused on supporting initiatives that liberalise trade and promote regional economic integration, the assumption being that the resulting economic growth will inexorably create the necessary momentum for the sustainable reduction of poverty across the region.

The TMSA programme is implemented by a Programme Management Unit (PMU), based in Pretoria, South Africa, that pursues its stated purpose by providing technical, financial and administrative support to the structures of the 'Tripartite'. The COMESA-EAC-SADC Tripartite is a joint initiative of the three regional economic communities of the Common Market for Eastern and Southern Africa (COMESA), the East African Community (EAC) and the Southern African Development Community (SADC), and was established in 2005 with the main objective of strengthening and deepening economic integration of the southern and eastern Africa region.

Providing technical support to and through the Tripartite and its constituent RECs could be advanced as a broad description of TMSA's programme model. In addition to staffing the RECs with a small number of technical experts, TMSA is hosted by COMESA and governed by a Memorandum of Understanding between DFID and COMESA

TMSA's technical support activities are arranged under four programme areas that align with the three Tripartite programme pillars. Implicit in the Tripartite's choice of programme pillars is a theory of change that argues that intervening in these three particular programme pillars is necessary for realising regional economic integration and growth, and ultimately poverty reduction. This implicit theory of change is shared by TMSA and described explicitly in its programme documentation and Theory of Change Portal. TMSA programme documentation goes further by attempting to draw the theoretical links between economic growth, poverty reduction and additionally some of the cross-cutting issues. A more detailed review of the TMSA theory of change is provided in Section 9.

An overview of the purpose, supporting objectives, programme areas and pillars, and actual programme activities of TMSA, as well as their alignment with the Tripartite and DFID, is tabulated below (Table 2). At this stage it is important to point out three early observations emerging from the programme model, which have implications for the evaluation findings:

1. While all four of TMSA's programme areas enjoy equal weight in the programme model and theory of change, the budget allocation is significantly skewed, with GBP67m allocated to Corridors and Infrastructure. While the nature of infrastructure development makes this allocation reasonable, the TMSA PMU has no control over this component.
2. Almost all TMSA programme outcomes are dependent on the agency of others (including, for example, conclusion of a free trade agreement, the harmonisation of transport rules, regulations, sanitary and phyto-sanitary standards, the rehabilitation and refurbishment of the NSC infrastructure), as can be discerned from a close reading of the 'Programmes' column in Table 1.
3. The one programme area in which the agency of TMSA is partially dominant, is in the implementation of the specific market access innovation projects. Most of these were inherited from the Regional Standards Programme, managed by ComMark. This programme had a distinctly different purpose and objectives and a portfolio which is not a comfortable fit for TMSA (see section 6.4.4 for detailed discussion).

<sup>4</sup> Trade Mark Southern Africa: [http://www.trademarksa.org/about\\_us/background](http://www.trademarksa.org/about_us/background)

Table 1: Summary of TMSA programme model

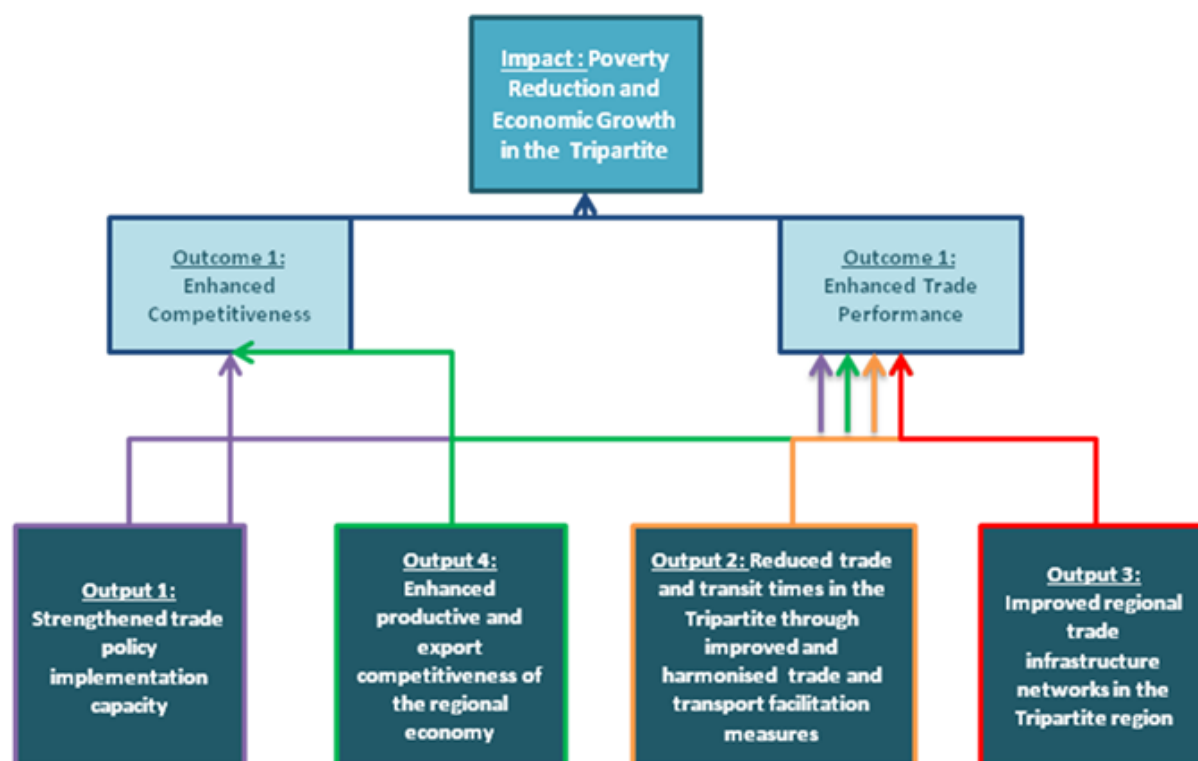
Programme Theory		Activities Delivering Objectives		
TMSA, DFID and Tripartite Common Purpose	Realising the common purpose through trade programme objectives	TMSA's 4 Programme Areas and Tripartite's 3 Pillars		Programmes
<p><b>TMSA:</b> to improve trade performance and competitiveness of the Eastern and Southern Africa regions – contributing to sustainable, rapid and inclusive growth and poverty reduction</p> <p><b>Tripartite:</b> to deepen economic integration and create an environment that is more conducive to the attainment of higher levels of economic growth and trade performance</p> <p><b>DFID:</b> to end extreme poverty and end the need for aid by creating jobs</p>	Liberalise trade and create an integrated regional economy through an FTA	Trade Policy	Market Integration	<ul style="list-style-type: none"> <li>• Technical and financial support to FTA negotiations</li> <li>• Technical support to the LDC group of countries</li> </ul>
	Facilitate the swift movement of goods across borders	Trade Facilitation		<ul style="list-style-type: none"> <li>• Harmonisation and modernisation of customs laws, procedures, practices and management</li> <li>• Harmonisation of transport rules and regulations</li> <li>• Elimination of non-tariff barriers</li> <li>• Harmonisation of sanitary and phyto-sanitary standards</li> </ul>
	Reduce the costs of trade by developing efficient and effective transport and energy infrastructure	Corridors and Infrastructure	<ul style="list-style-type: none"> <li>• North-South Corridor rehabilitation and refurbishment</li> <li>• Augmentation of the Southern Africa Energy Pool</li> </ul>	
	Promote intra-regional trade through harmonising industrial development	Industrial Development	<ul style="list-style-type: none"> <li>• Harmonised regional industrial development</li> <li>• Market access innovation projects</li> </ul>	

### 3.2 OVERVIEW OF THE TMSA THEORY OF CHANGE

The TMSA Programme seeks to reduce poverty and raise economic growth rates across the large number of African countries engaged in the Tripartite by improving the ability of these countries to compete and participate in regional and global export markets. To achieve these ambitious and region-wide outcomes, the Programme directs its activities at all of the main known contributors (or barriers) to trade performance: the policy and regulatory environment; border posts and logistics; and transport infrastructure.

In addition, the Programme works directly with specific industries to equip them with the technical knowledge to meet international trading standards. A high-level summary of the TMSA Theory of Change is provided in Figure 1 below. This is broken down further by Output in Section 6.

Figure 1: Overview of the TMSA Theory of Change



### 3.3 OVERVIEW OF THE MID-TERM EVALUATION

#### 3.3.1 Purpose and objectives

The mid-term evaluation provides an assessment of TMSA's contribution to regional economic integration and, by extension, its contribution to regional economic and social development. In so doing the evaluation will also serve to interrogate the efficacy of the intervention model TMSA represents, which is based on assumptions concerning the significance of trade in broader development; and the effectiveness of policy support, trade facilitation activities, and targeted infrastructure development in promoting trade. Importantly, the mid-term evaluation will lay a foundation for understanding how the programme mechanisms and regional context have interacted to affect outcomes.

The specific mid-term evaluation objectives govern the data collection and analysis efforts. These objectives are to:

1. Evaluate performance, progress and VfM to date, and the trajectory of performance;
2. Explain the mechanisms by which the performance, progress and VfM observed were realised;
  - a. Test whether the TMSA Programme's theory of change (ToC) is appropriate and valid, and revise it if necessary;
  - b. Identify programme related constraints (including implementation issues and flaws in the ToC) impeding the achievement of regional integration objectives;
  - c. Identify political economy or institutional constraints (including coordination) impeding the achievement of regional integration objectives;
3. Provide evidence based recommendations to improve performance, progress and VfM of TMSA for the remainder of the Programme, as well as improve and help shape any second phase of the TMSA Programme or similar programmes (DFID and others);
4. Improve cooperation and dialogue between relevant stakeholders;
5. Inform design and data needs for the summative impact evaluation; and
6. Assess the effect of programme activities on cross cutting priorities including climate change, poverty, gender and HIV/AIDS.





Programme performance is defined in terms of the OECD-DAC criteria of relevance, efficiency, effectiveness, impact and sustainability. The emphasis of the mid-term evaluation is on process and implementation issues, as well as the soundness of the Theory of Change (ToC). The mid-term evaluation is also intended to inform the design of the summative impact evaluation (due to be completed in October 2014).

### 3.3.2 Key evaluation questions

The purpose and objectives of the mid-term evaluation have been operationalised as a set of priority evaluation questions, arranged according to OECD-DAC criteria. The questions address the criteria as summarised in Table 2, and can be referred to in Annex H.

Table 2: Scope of the key evaluation questions

Criteria	Scope of Evaluation Questions
Relevance	<ul style="list-style-type: none"> <li>• The extent to which the most pertinent issues are being addressed by TMSA.</li> <li>• The extent to which TMSA activities are aligned with the priorities and programmes of the Tripartite, other DFID and other donor programmes.</li> <li>• The extent to which TMSA is responsive to changes in the implementation context.</li> </ul>
Efficiency	<ul style="list-style-type: none"> <li>• The extent to which the programme delivers value for money outcomes, considering its institutional arrangements and organisational infrastructure.</li> </ul>
Effectiveness	<ul style="list-style-type: none"> <li>• TMSA's contribution to regional integration.</li> <li>• TMSA's performance against targets and objectives.</li> <li>• TMSA's contribution to institutional capacity building.</li> <li>• The contextual factors enabling or constraining the realisation of objectives.</li> <li>• The extent to which TMSA has facilitated the inclusion of the private sector and civil society in regional integration initiatives.</li> <li>• TMSA's contribution to reducing corruption.</li> </ul>
Impact	<ul style="list-style-type: none"> <li>• Programme contribution to impact level goals.</li> <li>• Programme impact on cross-cutting issues.</li> <li>• Factors enabling or constraining programme impact.</li> <li>• Project level contributions to impact level goals, and project level enablers or constraints to contribution.</li> <li>• Programmatic mechanisms for sustaining, monitoring and evaluating contribution.</li> </ul>
Sustainability	<ul style="list-style-type: none"> <li>• The extent to which positive programme contributions are sustainable with continued programme activity.</li> </ul>

### 3.4 KEY CONSIDERATIONS FOR METHODOLOGY

The ambition of TMSA and defining programme characteristics – such as the range of programme activities and questions of agency and attribution - have had a significant influence on the evaluation design and methodology. The methodology accounts for these complexities by making use of various different sources of evidence, including the commissioning of international experts with specialist skills in the areas of work covered by TMSA to review programme documents and achievements. Challenges inherent in the characteristics of the programme and implementation context were compounded by parameters of the evaluation assignment, including the time constraints under which the evaluation was conducted; the expectation that the evaluation would deliver formative inputs to improve programme implementation; and a requirement for the evaluation to identify programme outcomes and impacts to be included in the summative impact evaluation in 2014.

These parameters, as they apply to the mid-term evaluation and are responded to in the methodology, are summarised in Table 3 below. The methodological choices, together with data collection and data analysis techniques, are explained further in Section 4 on methodology.



Table 3: Programme and evaluation objectives dictating the parameters of evaluation design

Parameter	Methodological Choice
<b>Characteristics of the TMSA Programme</b>	
Explicit and implied ToC governing programme design and implementation	Theory driven evaluation based on a literature review, political economy study and ToC analysis
Complexity of programme and implementation context	Integrated mixed method design, realist interpretive frame and general elimination model on causal inferences
<b>Evaluation Objectives and Requirements</b>	
Time constraints for mid-term review and process utility requirement	A dialectical Rapid Assessment Process
Expectation for the evaluation to deliver formative inputs into programme implementation	Process evaluation approach
Requirement for the evaluation to inform the design of a robust summative impact evaluation for 2014	Literature and programme documentation review within a realist interpretive frame; together with expert panel input

## 4 METHODOLOGY

The Evaluation Inception Report submitted in July 2013 provides a detailed description of the methodology adopted for the mid-term evaluation. This is repeated here in summary.

### 4.1 EVALUATION DESIGN

The mid-term evaluation is designed as a theory driven process evaluation that relies on literature, programme documentation, expert opinion and fieldwork interviews to obtain and generate data, and to interpret the evidence. To ensure the valid interpretation of data the design incorporates a deliberately dialectical process in the field, interacting with interviewees as both sources of data and valuers’ of its interpretation; and a realist perspective, assigning equal influence on outcomes to programme activities and mechanisms within the context, and attempting to incorporate both in the analytical discussions.

### 4.2 OVERVIEW OF DATA COLLECTION AND ANALYSIS

The main components of the evaluation methodology are: (1) Initial Contextual and Performance Analysis through Documentary Review; (2) Rapid Assessment Fieldwork Process; (3) Institutional Appraisal; (4) VfM Analysis; and (5) Preparatory Investigation for the Impact Analysis. Each of these components is described in Table 4 below, accompanied by a description of how each component applied data collection and analysis techniques.

Table 4: Overview of data collection and analysis efforts

Description	Data Collection	Analysis
<b>Contextual and Performance Analysis through Documentary Review and Programme Staff Interviews</b>		
<ul style="list-style-type: none"> <li>• A systematic review of programme documentation, secondary data and literature on the programme's work and performance</li> <li>• Specific review of programme performance against cross-cutting issues</li> <li>• Literature review on the regional political economy and trends in TMSA programme areas</li> <li>• Interrogation of the Theory of Change</li> <li>• Process evaluation to explain mechanisms of performance in context</li> </ul>	<ul style="list-style-type: none"> <li>• Electronic access to large proportion of programme documents and monitoring data provided by TMSA to evaluation team</li> <li>• Additional documents requested on an ad hoc basis</li> <li>• Literature collected according to conventional methods</li> <li>• TOC document, references and log-frame obtained from TMSA</li> <li>• Semi-structured interviews with programme staff</li> </ul>	<ul style="list-style-type: none"> <li>• Programme documentation subject to content analysis by subject matter experts</li> <li>• Monitoring data subject to review by evaluation team, and statistician interrogating data quality</li> <li>• Literature review conducted according to conventional methods</li> <li>• TOC review, followed by validation discussions with TMSA, based on TOC document and log-frame</li> <li>• Programme staff interviews subject to content analysis</li> </ul>
<b>Rapid Assessment Fieldwork Process</b>		
<ul style="list-style-type: none"> <li>• Semi-structured key informant interviews/ group discussions with REC staff, member state government representatives, private sector representatives and technical experts</li> <li>• Daily and special debriefing sessions held by the evaluation team in the field collating data and formulating initial findings</li> <li>• Virtual validation through conversations with select key informants in-field and on email</li> </ul>	<ul style="list-style-type: none"> <li>• Fieldwork in 6 countries in 2 rounds – Round 1: Botswana, Zambia, Mozambique; Round 2: Malawi, Tanzania, Kenya</li> <li>• Crucial interviews that were not concluded during the in-country fieldwork: 5 completed by telephone</li> <li>• Virtual validation of emerging findings incorporated into interviews in second round of fieldwork, and additional validation of emerging findings conducted through email</li> </ul>	<ul style="list-style-type: none"> <li>• Interview data subject to content analysis</li> <li>• Emerging findings subject to validation process</li> <li>• All findings emerging from interviews triangulated with data from other components to ensure plausibility</li> </ul>
<b>Institutional Appraisal</b>		
<ul style="list-style-type: none"> <li>• An assessment of the effectiveness and efficiency of TMSA's institutional arrangements and relationships, management and operational structures, and how these affect programme efficacy, with final analysis conducted by a subject matter expert</li> </ul>	<ul style="list-style-type: none"> <li>• Data on institutional efficacy was collected through interviews and corroborated with appropriately identified organisational and institutional management data</li> </ul>	<ul style="list-style-type: none"> <li>• Interview data subject to content analysis</li> <li>• Organisational and institutional management data, policy and procedures reviewed by subject matter expert</li> </ul>
<b>Value for Money Analysis</b>		
<ul style="list-style-type: none"> <li>• An assessment of economy, efficiency and effectiveness of TMSA, as well as a consideration of programme returns against inputs</li> </ul>	<ul style="list-style-type: none"> <li>• Data from TMSA budget plans was received and evaluated. No financial data from other DFID programmes was provided</li> </ul>	<ul style="list-style-type: none"> <li>• Data collated and analysed</li> </ul>
<b>Preparatory Investigation for the Impact Analysis</b>		
<ul style="list-style-type: none"> <li>• Literature review on relevant and feasible impact evaluation methodologies</li> <li>• Existing internal and external data identified and utility for impact evaluation considered</li> <li>• Programme characteristics, implementation scope and context analysed and implications for impact evaluation considered</li> <li>• Experts collate inputs and propose impact evaluation options</li> </ul>	<ul style="list-style-type: none"> <li>• Electronic access to large proportion of programme documents and monitoring data provided by TMSA to the evaluation team</li> <li>• Additional documents requested on an ad hoc basis</li> <li>• Literature review of other trade-related impact evaluations conducted according to conventional methods</li> </ul>	<ul style="list-style-type: none"> <li>• Data collated and analysed by economic evaluation experts, and evidence based proposal for impact evaluation formulated</li> </ul>

<sup>5</sup> See individual country Flash Reports submitted separately to DFID for details.

### 4.3 SAMPLING FOR INTERVIEWS

The evaluation team identified five countries for fieldwork based on the value, scope and number of TMSA activities across the 26 Member States of the Tripartite. TMSA was requested to provide a comprehensive list of project specific beneficiaries and stakeholders in these countries: Botswana, Malawi, Mozambique, Tanzania and Zambia. The evaluation team then drew a sample of beneficiaries from this list for interviews. The sample was purposive and intended to cover all TMSA programme areas and Tripartite pillars, emphasising respondents that could provide informed inputs on TMSA contribution and effectiveness. TMSA facilitated the scheduling of appointments with in-country interviewees.

DFID was also requested to provide specific contacts for interviews, including DFID staff in member country offices. These appointments were scheduled in-country by the fieldwork team. In addition respondents not initially nominated by TMSA or DFID were identified in the field, either by identifying in the scope of interview data and requesting additional contacts from TMSA, or by identifying and engaging respondents in the field.

### 4.4 SPECIALIST INPUT FROM TECHNICAL EXPERTS

The technical breadth of the TMSA's programme necessitated the appointment of a panel of qualified sector specialists to the team. This panel provided guidance to the core team in terms of data collection and in the interpretation of findings, but their most substantive contribution was the submission of written analytical reports based on their review of documentary evidence in their specific areas of technical expertise. These reports offered a framework for subsequent data analysis, as well as a triangulation point for validating the core team's interpretation of the primary evidence generated or secondary evidence reviewed. The names, qualifications and specific focal areas of the technical experts are summarised in Annex I. Copies of their reports are available upon request.

### 4.5 LIMITATIONS

The evaluation design has proven appropriate for the purposes of the mid-term evaluation and no significant limitations undermining the reliability, validity or utility of findings have been identified. Four limitations are worth noting however:

1. The scope and volume of programme documentation are substantial and the evaluation team's understanding of TMSA is based on the activities that could be reviewed and stakeholders that were consulted in the constrained timeline for the evaluation;
2. The evaluation team depended significantly on the validation of emerging findings on inputs from programme stakeholders, including staff and beneficiaries. Care was taken to ensure that the validation process was methodologically sound, and all findings were triangulated with multiple data sources, as the structure of the report reflects;
3. The team experienced difficulty in implementing a post-interview validation process. Efforts to conduct focus group discussions at the end of each fieldwork visit and to obtain a second round of responses from interviewees to validate the fieldwork findings were largely unsuccessful; and
4. Assessing the overall impact of TMSA on poverty, growth and trade creation is problematic. The project is not large enough to have region-wide macroeconomic impacts, and in those areas where it might have such impacts (the conclusion of a region-wide trade agreement), the contribution of TMSA and the final outcome of the negotiations is difficult to measure.

### 4.6 EVALUATION IMPLEMENTATION

The mid-term evaluation was implemented by a core team of three professionals, all of whom live and work in the region, and who together have trade and evaluation knowledge and working experience across all of the three RECs. The core team was supported by four sector specialists (transport, energy, customs and SPS), a gender and poverty advisor, and a backstopping team at WYGI. The evaluation instruments were developed by the core team, with inputs from the wider team of experts and advisors, and were piloted in a number of meetings with stakeholders in South Africa before they were used in the field. In almost all cases, two members of the core team were involved in every interview, and interviews were largely conducted in the place of work of the interviewees. Following



each country visit, the main findings from the interviews were documented and a summary of findings sent to key respondents for verification. In addition, all sector experts and advisors were asked to undertake an independent review of TMSA documents and to submit their own reports. The main observations from these reports are incorporated in Section 6 below. In line with DFID guidelines, the names of all interviewees are not published in this report.

## 5 THE IMPLEMENTATION CONTEXT

**This section contributes to the following evaluation scope:**

Relevance	<ul style="list-style-type: none"> <li>The extent to which the most pertinent issues are being addressed by TMSA.</li> </ul>
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TMSA was launched into an environment which is far from optimal for trade and industrial development. Tariff barriers between many African countries are relatively high and trade is further distorted by the complex web of overlapping trade agreements across the continent. In most instances, non-tariff regulatory barriers to intra-African trade are even more costly, compounded by poor infrastructure at and between national borders. Regional value chains are generally immature and industrial activity concentrated in a few relatively advanced centres. This context, as described more fully below, reinforces the relevance of TMSA's programme activities, but also delineates the severe limits on what could realistically be achieved in five years by the extremely ambitious TMSA programme.

### 5.1 TRENDS IN TRADE POLICY AND REGIONAL INTEGRATION

The EAC, COMESA and SADC regional blocks together constitute more than half of all of the countries in Africa. Whereas the African Union aims to bring together all eight African RECs into a single Continental Free Trade Area arrangement by 2017, progress towards deeper regional integration within each of these RECs continues, with mixed results.

Of the three RECs involved in the Tripartite, the EAC is most advanced in terms of its regional integration agenda, with a common external tariff and intra-EAC tariffs completely removed.<sup>6</sup> A protocol on the establishment of a common market entered into force in 2010, allowing for the free movement of goods, labour, services and capital, though this protocol has not yet been fully implemented.<sup>7</sup> The EAC is moving towards a monetary union with expectations that a protocol will be signed in November 2013.<sup>8</sup>

SADC has made significant progress in implementing a FTA, formally launched in 2008, with most SADC members achieving the prescribed reduction of 85% of customs duties. Nevertheless, a number of countries are yet to fully implement the terms of the FTA, while others have sought derogations for key product sectors. Angola, the DRC and Seychelles have not acceded to the SADC FTA protocol.<sup>9</sup> SADC had originally targeted 2010 for establishment of a customs union, but this is far from being achieved and no revised implementation date has been agreed.

COMESA's FTA was formally established in 2000 but to date only 14 of the 19 COMESA member states are full members of the FTA.<sup>10</sup> A customs union was launched in 2009, to be progressively established over a period of three years, subsequently extended by a further two years in October 2012.<sup>11</sup>

Overlapping membership between the three regional bodies complicates integration initiatives and trade within and across these regions. This is further complicated by the fact that countries within

<sup>6</sup> WTO (2013)

<sup>7</sup> EAC (2013a)

<sup>8</sup> EAC (2013b)

<sup>9</sup> Kalenga (2012)

<sup>10</sup> African Union Commission (2013)

<sup>11</sup> COMESA (2012)

COMESA and SADC have formed different regional groupings through which to negotiate Economic Partnership Agreements (EPAs) with the EU. The implementation of a Tripartite-FTA (in line with the integration goals of the African Union and the Abuja Treaty) aims to overcome the hurdles associated with overlapping membership through the creation of a single tariff-free zone. The initial intent was to conclude this agreement by June 2014.

The Tripartite-FTA would encompass 26 countries with a population of over 500 million and a total GDP of over US\$ 600 billion.<sup>12</sup> The potential economic gains could therefore be substantial. For example, a recent CGE impact study suggests that the implementation of the tripartite FTA may see welfare gains of around US\$ 1.2 billion for African countries (though South Africa would be the largest beneficiary).<sup>13</sup> Other studies suggest that the implementation of a continent wide FTA would lead to a substantial increase in intra-African trade, as much as 40% by 2022, if all tariffs are removed in 2017.<sup>14</sup>

## 5.2 TRENDS IN TRADE FACILITATION

A World Bank report<sup>15</sup> shows that African countries are losing billions of dollars in potential trade earnings every year because of high trade barriers with neighbouring countries. The report highlights that these trade barriers makes it easier for African countries to trade with the rest of the world rather than between themselves. The report cites a number of non-tariff barriers to trade, including onerous paperwork requirements, stringent rules of origin and corruption. These hurdles are further highlighted in the World Bank's Logistics Performance Index<sup>16</sup> and Ease of Doing Business indicators, which demonstrate that, in general, African countries lag behind other world regions in key areas such as customs, infrastructure, competence in logistics, and the timeliness of exports and imports. A summary of the indicators is provided in Table 5 below.

Table 5: Comparison of logistics and ease of trading indicators

	LPI score	Ease of doing business – Trading across borders (2012)					
	2012	Documents to export (number)	Time to export (days)	Cost to export (US\$ / container)	Documents to import (number)	Time to import (days)	Cost to import (US\$ / container)
COMESA	2.34	7	30	1,996	8	36	2,553
EAC	2.24	8	28	2,511	9	33	3,425
SADC	2.68	7	29	1,869	8	35	2,354
Sub-Saharan Africa	2.46	8	31	1,990	9	37	2,567
East Asia & Pacific	2.84	6	21	923	7	22	958
L. America & Caribbean	2.71	6	17	1,268	7	19	1,612
M. East & North Africa	2.58	6	19	1,083	8	22	1,275
South Asia	2.58	8	32	1,603	9	33	1,736
OECD high income	3.63	4	10	1,028	5	10	1,080

Source: World Bank's Logistics Performance Index (2012) and World Bank's Doing Business (2012) indicators.

To address these constraints, a recent review of trade programmes across Africa demonstrates the potential benefits of trade facilitation initiatives in improving bilateral and regional trade outcomes and reducing the time and monetary cost of trading. These instruments include the creation of one-stop border posts, infrastructure and efficiency reforms at ports, improving customs processes at border

<sup>12</sup> UNECA (2012)

<sup>13</sup> Jensen and Sandrey (2011)

<sup>14</sup> UNECA (2012)

<sup>15</sup> Brenton and Isik (2012)

<sup>16</sup> The international scorecard of the Logistic Performance Index uses six dimensions to benchmark countries' performance based on efficiency of clearance processes, quality of trade infrastructure, ease of arranging shipments, quality of logistics services, the ability to track and trace consignments and timeliness of shipment delivery times. The score ranges between 1 and 5, where a higher score indicates better performance.



posts, harmonising quality standards within regions and increasing the use of ICT systems to facilitate trade.<sup>17</sup>

### 5.3 TRENDS IN INFRASTRUCTURE DEVELOPMENT

Africa's transport and energy infrastructure lag behind those of comparable developing regions. In the World Bank Enterprises Survey, 27% of sub-Saharan enterprises identified transportation and 49% identified electricity as major constraints for their business in 2009.<sup>18</sup> Africa's national road density is low, estimated at roughly 200 km of road per 1,000 square km of land area (and only one-quarter paved), 30% lower than that of South Asia. Conversely, the region has a comparatively high road density in relation to population, suggesting a large maintenance burden for many African countries.<sup>19</sup>

Africa's electricity generation capacity has been largely stagnant since the 1980s, with the capacity of 48 Sub-Saharan countries (68 gigawatts) similar to that of Spain, and far lower if South Africa is excluded. Poor maintenance and aging infrastructure means that only three quarters of installed capacity is available to African countries. As a result, only one-fifth of Sub-Saharan Africa has access to electricity, compared to about 50% in South Asia and 80% in Latin America.<sup>20</sup>

Though a substantial proportion of Africa's improved growth performance can be attributed to improvements in infrastructure, US\$93 billion annually is still needed for further infrastructure development.<sup>21</sup> Of this financing, around US\$45 billion is being mobilised through African governments, donors and the private sector, leaving a financing gap of approximately US\$50 billion<sup>22</sup>.

The nature of Africa's landscape, together with this financing deficit, makes regional approaches to infrastructure development important. The continent's 15 landlocked countries face particular challenges due to a lack of multi-modal transport infrastructure and difficulty in accessing ports.<sup>23</sup> The small size of many African countries further complicates. More than 20 of the 48 countries have a population of less than 5 million and a GDP of less than US\$5 billion.<sup>24</sup> Electricity generation potential is also highly concentrated, with 61 percent of the region's hydropower located in just two countries. The pooling of scarce regional resources, by both countries and donors, is needed to co-ordinate infrastructure plans and achieve reasonable economies of scale.<sup>25</sup>

### 5.4 TRENDS IN INDUSTRIAL DEVELOPMENT

Whereas most African RECs have made reasonable progress towards the reduction and removal of trade barriers, comparatively less attention has been given to the development of harmonised and co-ordinated industrial policies, and how these might be implemented in practice. Even SACU, the world's oldest Customs Union, has been unable to formulate a common industrial policy.

The obvious exception is ECOWAS, which has developed the West African Common Industrial Policy (WACIP). The WACIP has a number of strategic objectives, including diversifying the region's industrial production base through a focus on the local beneficiation of raw materials and increasing the local manufacture of secondary and consumer goods. The WACIP covers ten regional programmes focussing on the development of SMEs, R&D, securing regional intellectual property, improving sources of regional financing for industrial development, developing regional industrial partnerships and upgrading industrial capacity.<sup>26</sup>

The EAC has also recently developed a common industrial policy, based on the existing industrial policies of member states. The EAC industrial policy has focussed on the development of a number of

<sup>17</sup> IDS (2012)

<sup>18</sup> WEF (2013)

<sup>19</sup> Foster and Briceno-Garmendia (2010)

<sup>20</sup> Foster and Briceno-Garmendia (2010)

<sup>21</sup> WEF (2013)

<sup>22</sup> Commonwealth Business Council (2013)

<sup>23</sup> WEF (2013)

<sup>24</sup> Foster and Briceno-Garmendia (2010)

<sup>25</sup> Commonwealth Business Council (2013)

<sup>26</sup> ECOWAS (2010)



“strategic regional industries” including agro-processing, iron and steel processing, chemicals and pharmaceuticals and energy. This industrial policy is to be guided by a number of principles, including ensuring equitable industrialisation in the region, strengthening linkages between the public and private sectors and developing regional value chains.<sup>27</sup>

Research on the development of value chains with African regions has largely focussed on the agricultural and agro-processing sectors<sup>28</sup>, while the development of wider value chains appears to be hampered by a number of issues, similar to those faced by Asian countries at the early stages of development. These include the current structure of production in many African countries (which focuses on primary commodity production), poor transport infrastructure and connectivity, and the high costs of trading between African countries.<sup>29</sup>

## 6 FINDINGS ON PROGRAMME ACTIVITIES

### 6.1 TRADE POLICY

This section contributes to addressing the following evaluation scope:	
Relevance	<ul style="list-style-type: none"> <li>The extent to which the most pertinent issues are being addressed by TMSA.</li> <li>The extent to which TMSA activities are aligned with the priorities and programmes of the Tripartite.</li> </ul>
Effectiveness	<ul style="list-style-type: none"> <li>TMSA’s contribution to regional integration.</li> <li>TMSA’s contribution to institutional capacity building.</li> <li>The contextual factors enabling or constraining the realisation of objectives.</li> <li>The extent to which TMSA has facilitated the inclusion of the private sector and civil society in regional integration initiatives.</li> </ul>
Impact	<ul style="list-style-type: none"> <li>Programme contribution to impact level goals.</li> <li>Programme impact on cross-cutting issues.</li> </ul>
Sustainability	<ul style="list-style-type: none"> <li>The extent to which positive programme contributions are sustainable without continued programme activity.</li> </ul>

#### 6.1.1 Description of activities

TMSA’s trade policy work largely follows three parallel streams:

1. An extensive programme of financial and technical support to facilitate the negotiation of the Tripartite Free Trade Agreement (TFTA);
2. Dedicated support to SADC and COMESA, largely through the provision of long-term trade advisors, but also through the maintenance of a statistical trade database (COMSTAT); and
3. Discreet support to the WTO LDC group to assist them in the development of an informed position for the Doha Development Agenda (DDA) negotiations.

Together this work is expected to contribute to improved trade policy capacity at the regional level, culminating in the conclusion of the Tripartite Free Trade Agreement; and demonstrated at the multilateral level through more effective participation in WTO and other trade engagements. The full extent of TMSA’s planned activities in this area, and the process by which these activities are intended to contribute to these results, is illustrated in Figure 2.

#### 6.1.2 Performance to date

With reference to Figure 2 and to Annex B, TMSA has made good progress against its log-frame in supporting the RECs to put in place the building blocks for the free trade agreement. The modalities and institutional mechanisms for the negotiations have been agreed and TMSA has provided technical support and training to large numbers of regional and member country officials on key

<sup>27</sup> EAC (2012)

<sup>28</sup> CTA (2012)

<sup>29</sup> OECD/WTO (2013)





aspects of this agreement. Together, these initiatives are expected to contribute to the conclusion of an agreement by June 2014. Despite the progress made to date, there is still significant risk as to whether the roadmap and agreement will be concluded and implemented.

Similarly, regardless of TMSA's support to the WTO LDC group and the positions which have been developed by the LDC Group, there is no intention of broadening the scope of the Doha Development Agenda negotiations, as specified in the log-frame. This raises questions about the dependency of the project design in general, and log-frame targets in particular, on political processes (the TFTA and WTO) which are largely outside of TMSA's control; most of which are outlined at length in the assumptions underpinning the theory of change.

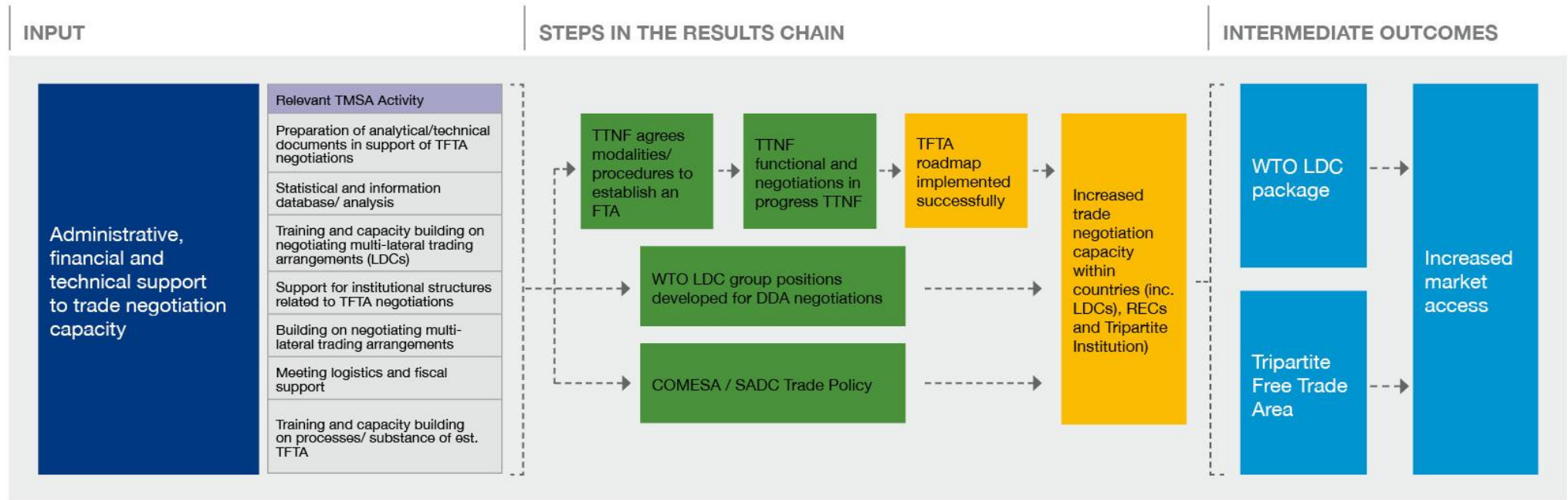
Specifically, for the theory of change to hold and for TMSA to make a meaningful contribution to increased market access and ultimately to regional trade, growth and poverty, member states are required to implement and comply with trade agreements that are designed to benefit large numbers of poor people. There is no evidence to suggest that these assumptions have been realised to date.

It follows, that it is uncertain that TMSA will fully achieve any of the four final log-frame targets in this area. This is largely because agreement on the Tripartite Free Trade and the Doha Development Agenda Agreements are currently in the balance, but also because the indicators and targets contained in the log-frame make the measurement of progress towards these results difficult to interpret.

The following sections, 6.1.3 to 6.1.5, go on to state the detailed findings and the associated evidence base that have emerged from the mid-term evaluation in relation to Output 1.

Figure 2: Snapshot of performance against TOC and log-frame Output 1

Output 1: Strengthened Trade Policy Implementation Capacity



INPUT	STEPS IN THE RESULTS CHAIN	INTERMEDIATE OUTCOMES	Indicators (2014 target)	Are Indicators SMART?	Key assumptions underpinning TOC
<p>Support to trade implementation capacity</p> <p>Relevant TMSA Activity</p> <ul style="list-style-type: none"> <li>DTIS support</li> <li>Project Preparation (EIF)</li> <li>Export Strategy Development</li> </ul>	<p>Improved country participation in multilateral and regional trading arrangements</p>	<p>Increased capacity to access markets</p>	<p>Favourable positions developed and/or negotiated resulting in, at least, an agreed LDC package within DDA</p> <p>Wider scope of subjects covered in WTO by 2014</p> <p>TFTA agreed by 13 member countries of the Tripartite</p> <p>Trade policy capacity of at least 200 trade officials in Tripartite countries improved, of which at least 50% will be women, for negotiation and implementation of TFTA</p>	<p>Indicator not specific or measurable</p> <p>Indicator not specific or measurable</p> <p>Largely – though not clear whether agreement refers to the TFTA being signed or being agreed, and if the latter, by which specific structure</p> <p>No specific measurement criteria provided to assess improvement and use of dual targets makes it difficult to assess whether indicator is met or not</p>	<p>Strengthening the voice of LDCs in trade negotiations through capacity building, information and advice will enable them to negotiate better and fairer multilateral and regional trade agreements</p> <p>Strengthening LDC capacities to access markets (through strategy design and implementation) will benefit a large number of poor people</p> <p>A sufficient number of appropriate people are trained in trade negotiation and implementation capacity.</p> <p>A sufficient number of appropriately trained people will continue to be involved in the process of trade negotiation and implementation</p> <p>Trade negotiations continue and countries make offers</p> <p>TFTA original roadmap timing is adhered to</p> <p>Member states honour trade agreement commitments</p> <p>Countries who are not members of trade agreements will comply to accession conditions</p>

**KEY**  
 Assessment of Programme Performance (inc. 2014 targets):  
 ■ On Target  
 ■ Significant Progress  
 ■ Limited Progress  
 ■ Lack of Data to Assess at this Time

Assessment of SMART Indicators:  
 ■ Acceptable  
 ■ Uncertain  
 ■ Problematic

Assumptions underpinning the TOC:  
 ■ Assumption not holding true in practice  
 ■ Assumption partially holding true in practice  
 ■ Assumption holding true in practice  
 ■ Lack of data to assess at this time

### 6.1.3 Finding 1: TMSA funding and technical inputs have been critical in moving the Tripartite Free Trade Agreement negotiations forward

#### 6.1.3.1 Evidence from the document and data review

The TMSA Programme is inextricably linked to the Tripartite FTA and TMSA has played a lead role in developing much of the background material, technical briefs and strategy documents, draft agreements and principles, and the institutional framework and procedures needed to make these negotiations happen. This is clearly demonstrated in Annex C and is confirmed in the report submitted by the independent expert.<sup>30</sup> Across every stage of the negotiations, substantive input has been provided by TMSA. TMSA has also funded the proceedings of the various Tripartite structures and working groups participating in the negotiations.

In addition to this direct support to the regional negotiating process, TMSA has provided assistance to negotiators in member countries. Specifically, through COMSTAT, TMSA has delivered some of the information needed for the preparation of trade analysis and country offers and requests, including partial equilibrium (TRIST) analysis. TMSA has also provided training for Government officials in Zambia and Zimbabwe, and more recently, has developed and implemented a training programme on key trade negotiations concepts for 22 member states.

#### 6.1.3.2 Evidence from interview data

These desk-top findings were largely confirmed by the fieldwork. Specifically, from discussions with the SADC and COMESA Secretariats and with the TMSA appointed trade experts at these RECs, there is general agreement that TMSA has played an important role in initiating and facilitating the TFTA negotiations. Whereas COMESA claims that none of this could have taken place without TMSA support, officials interviewed at SADC are more cautious, and suggest that TMSA's contribution was part of a team effort.

The importance of TMSA's contribution to the negotiations becomes more apparent in the interviews with government representatives from participating member states, especially smaller economies. In addition to TMSA's role in providing the procedural foundations for the negotiations, participating member states from the LDCs visited indicate that they rely substantially on TMSA's background briefs and technical contributions to inform their positions in the negotiations. This is a consequence of their relatively weak technical capacity in comparison to their stronger negotiating partners in the region.

That said, according to interviewees at SADC, there has been some tension between the SADC Secretariat and TMSA around the role of the programme, its accountability, and the responsibilities of the technical advisors in supporting Tripartite negotiations and processes. This matter has become increasingly problematic over the last year due to TMSA's reluctance to fund all meeting and travel costs; the fact that the negotiations have entered a more sensitive and therefore political phase; and TMSA's shift in focus to training and other activities targeted directly at member states.

While donor and some programme staff are uncomfortable with TMSA's extensive funding of negotiating meetings and processes, interviewees from LDCs emphasise the necessity of this aspect of TMSA's contribution. Moreover, they claim that their respective governments do not have the means to fund participation. Whether the absence of internal or REC funds to support this process is a direct result of TMSA's funding from the start of the negotiations cannot be determined with any confidence, though the consequences of funding constraints is consequential. Malawian participation, for example, has not been possible as a result of their inability to secure funding for travel and accommodation.

These problems raise questions about the institutional, reporting and communication structures in place to support the Tripartite, including the commitment of member countries and the RECs to the FTA process; and the chosen model for TMSA. These issues are dealt with more fully in the institutional appraisal in Section 7.

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<sup>30</sup> Ihiga, S (2013) TMSA support to trade policy activities, report commissioned by WYGI as part of the mid-term evaluation

## 6.1.4 Finding 2: Despite TMSA's contribution the outcome of the TFTA negotiations remains uncertain

### 6.1.4.1 Evidence from the document and data review

According to TFTA roadmap and work plan, substantive negotiations on trade in goods were supposed to start in July 2012. This was later revised to March 2013, and in October 2013, some countries did table their first tariff offers. This has greatly reduced the time available for substantive negotiations. Moreover, the critical annexes on dispute settlement, trade remedies and rules of origin are yet to be finalised and negotiations on the movement of business persons have yet to begin in earnest. This raises two potential risks:

- Firstly, it seems increasingly possible that the initial agreement might not be concluded in June 2014 or by the end of the TMSA Programme. This is neither surprising nor problematic. The initial timeframes were extremely ambitious for an agreement of this nature and the fact that as much progress had been made in just two years is encouraging. The contribution made by TMSA in making this happen is acknowledged above. It is worth noting that the tariff schedules under the SADC Free Trade Agreement took four years to negotiate and implement (and this after the Protocol was signed); while negotiations between the EU and Africa on what is now termed Economic Partnership Agreements were officially launched in 2002 and remain far from completion.
- Secondly, the scope and ambition of the initial Agreement might be substantially watered-down in order to meet this time schedule. In terms of the initial TFTA proposal, the aim was described by the Tripartite as: "to establish the FTA on a tariff-free, quota-free, exemption-free basis by simply combining the existing FTAs of COMESA, EAC and SADC. It is expected that by 2012, all these FTAs will not have any exemptions or sensitive lists".<sup>31</sup> The current intent is that 60% of all tariff lines should be duty free on entry into force, with a further 25% of lines subject to negotiation and implementation over a 6 to 8 year framework. Moreover, in terms of the draft text and clarified through the 'acquis', the TFTA will not result in a combined FTA between 26 member countries, but will largely seek to preserve the existing trading arrangements within the three RECs, and will add to this a set of new tariff schedules between countries and customs unions that are not in a common REC. "Instead of being a forward looking modality for enhancing freer-trade, it has become a restrictive protector of the status quo"<sup>32</sup>. In addition, it is anticipated that new rules of origin will be imposed throughout the FTA, which may or may not differ from those already in place within the existing RECs.

The independent trade expert highlighted the state of regional integration in SSA as an additional risk to the conclusion of the FTA. Specifically, the three RECs are at such different stages in their own regional integration processes:<sup>33</sup>

- The EAC has concluded a FTA, signed into force its Customs Union and Common Market protocols, and is currently negotiating a Monetary Union;
- COMESA has concluded a FTA and Customs Union after more than 20 years of negotiations, but Member States are still at different stages of implementation; and
- SADC has implemented a FTA, though not all countries have acceded to this arrangement, and seems far from the implementation of a Customs Union.

The net impact of this new agreement on intra-regional trade, should it be concluded next year, is therefore difficult to assess. TMSA has attempted to do so through the use of CGE analysis. Under their most ambitious scenario, which assumes all tariffs are removed between all TFTA countries, the net welfare gain is calculated at US\$250m (of which half is captured by South Africa). Under a more realistic tariff liberalisation scenario (full liberalisation of capital goods only, 80% tariff cuts on intermediate goods and 50% tariff cut on consumption goods), these gains fall to US\$100m (and once

<sup>31</sup> [http://www.comesa-eac-sadc-tripartite.org/intervention/focal\\_areas/tripartite\\_fta](http://www.comesa-eac-sadc-tripartite.org/intervention/focal_areas/tripartite_fta)

<sup>32</sup> Erasmus (2013), pg. 10.

<sup>33</sup> Ihiga, S (2013) TMSA support to trade policy activities, report commissioned by WYGI as part of the mid-term evaluation



again, South Africa accounts for about half of the total). Under this latter scenario, the average increase in total exports for all countries measured is predicted at 0.03%, with half of these countries or regions experiencing a decline in exports. Total intra-regional trade is forecast to increase by just US\$250m (0.6% of existing intra-regional trade). Importantly, these results do not consider the likely deterrent effects of rules of origin.

#### 6.1.4.2 Evidence from interview data

There is consensus among interviewees representing member state governments and private sector associations, endorsed to some extent by representatives from RECs, that the conclusion of a FTA by June 2014 is not feasible. In addition to a number of persistent challenges that have resulted in an extended negotiation process (e.g. participants' lack of decision-making authority, lack of continuity in participation by individuals in member state teams), three aspects of the negotiations are consistently raised as areas of concern that must be resolved before a workable agreement can be signed:

1. The provision in the draft text that preserves existing REC agreements, while adding an additional Tripartite tariff schedule, has two consequences with which interviewees are dissatisfied: i) it allows states to present offers in negotiations that are not equivalent to the tariff agreements they already have in place; and ii) it allows states with multiple REC memberships a choice of tariff schedules to apply, rather than being bound to one. The perception is that protectionism and unfair competition are being accommodated. Negotiators also worry that instead of simplifying the existing trade regimes, the Tripartite will give rise to a more complex and restrictive arrangement. This dynamic was of particular concern to LDC governments and their private sector associations.
2. There is some understanding among interviewees of the unequal benefits that will accrue to different member states consequent to a FTA. With the exception of a few interviewees – specifically the East African Business Council, which conducted a study on potential impacts of a Tripartite FTA - no specific evidence base could be cited in support of these assertions. For the most part however this position was thoughtfully articulated, and based on an informed understanding of the dependence of LDCs on customs revenue for overall government income. While interviewees accepted that an integrated regional economy would benefit all countries over the longer term, government and private sector interviewees tended to agree that mechanisms need to be integrated into the FTA to mitigate against potential short and medium term adverse effects, even if negotiating such provisions would delay the conclusion of the FTA.
3. Funding shortfalls have already resulted in participating states missing out on FTA events. Government interviewees specifically indicate that it is unlikely that their governments will endorse articles that appear potentially harmful, especially if they were not privy to the discussions that concluded them.

Interviewees conceded that a mechanism might be agreed that will allow for the signing of a FTA while delaying compliance with all provisions on a state by state basis. The risk, as has already been mentioned, is that an inadequate instrument is institutionalised and member states decline to participate indefinitely as a result. This reservation was commonly voiced by interviewees from COMESA and the EAC, across all sectors. The consensus among interviewees from these states was that the more likely result for the Tripartite FTA will be the extension of the process.



### 6.1.5 Finding 3: The potential impact of the TFTA on vulnerable sectors and countries has not been adequately considered

#### 6.1.5.1 Evidence from the document and data review

Neither the trade nor the poverty experts appointed to review the programme commented on the likely impact of the TFTA on the poor. This is partly because: “the programme’s impact on poverty and gender equality is not analysed in any depth in monitoring and evaluation reports.”<sup>34</sup> Whereas poverty reduction has been made explicit at the impact level of TMSA’s design and is emphasised in the Programme Memorandum, there is no specific requirement or effort to measure the impact of the trade policy programme on poverty or gender below the outcome level.

To date, the only work undertaken by TMSA to assess the potential impact of the FTA on poverty has been the CGE analysis referred to above. The results from this high-level analysis are sufficient to raise questions about the desirability of the initial goods agreement for some member countries. Specifically:

- The analysis suggests that for about half of all TFTA countries/regions, the welfare and/or trade impact will be negative;
- Around half of the total gains are captured by South Africa, the largest economy in the region;
- Some countries, most notably Kenya and Ethiopia, are expected to see significant losses in total government revenue (around 1.5% in the partial liberalisation scenario); and
- There are likely to be significant regional disruptions to key employment-intensive industries, such as sugar production and manufacturing (especially textiles), if these industries are included in the agreement.

These results are consistent with other economic studies of the TFTA. Sandrey et al. (2011), for example, show that South Africa and Mozambique would be the only countries to gain significantly from the agreement; and that some countries are likely to experience an overall welfare loss.

It follows, as would be expected, that not all countries will benefit from a narrow goods agreement, and mechanisms might need to be put in place or the agreement extended in order to achieve a more balanced outcome. At the very least, more detailed country level analysis is required to understand the likely consequences of this agreement for the poor, before the agreement is implemented. Beyond this CGE exercise, there is no evidence that this has been done. A World Bank study commissioned by TMSA to assess the macroeconomic and microeconomic impacts of the agreement is likely to shed further light on this issue; but it is not sufficient to assist the affected countries in preparing adequate positions or responses.

#### 6.1.5.2 Evidence from interview data

While a few studies exploring the possible impact of the FTA have been concluded (TMSA, EABC, UNCTAD, African Trade Policy Centre), interviewees were seldom able to cite specific source evidence. There was however general awareness and concern that the conclusion of a free trade agreement would have negative consequences for some countries and sectors, specifically among government representatives of LDCs and the interviewees from business associations in these countries. The general view is that smaller economies are unlikely to benefit to the extent that stronger economies are likely to, and that the liberalisation of tariffs would have notable negative consequences for some countries in terms of the competitiveness of their locally produced goods, for both local consumption and export; as well as for national government revenues. It is the position of these interviewees that a clearer, evidence-based understanding of these potential consequences must inform the negotiations and mitigating mechanisms - such as a competitiveness fund to support small businesses in adjusting to the new market conditions, or a compensatory scheme such as that adopted by SACU – should be integrated into the FTA arrangement.

Interviewees representing the private sector had additional concerns about unanticipated consequences emerging in the implementation of not only the FTA, but also agreements between

<sup>34</sup> Miers, H. (2013). TMSA: Poverty, gender equality and HIV/AIDS. Report commissioned for the mid-term evaluation of TMSA. Pg. 5.



member states to broader trade facilitation. Because the participation of the private sector is constrained, practical trade experience is not adequately applied to interrogate the feasibility of policy provisions and their operationalisation (for example current amendments being implemented to the EAC customs union agreement). These interviewees propose more frequent and meaningful participation by the private sector in policy level and technical level forums, beyond observer status or indirect representation through associations. This position was endorsed by representatives from business associations, specifically in Mozambique and the EAC, who recognised that the tacit wisdom of seasoned traders was not necessarily available from business association bureaucrats.

## 6.2 TRADE FACILITATION

This section contributes to addressing the following evaluation scope:	
Relevance	<ul style="list-style-type: none"> <li>• The extent to which the most pertinent issues are being addressed by TMSA.</li> <li>• The extent to which TMSA activities are aligned with the priorities and programmes of the Tripartite.</li> <li>• The extent to which TMSA is responsive to changes in the implementation context.</li> </ul>
Effectiveness	<ul style="list-style-type: none"> <li>• TMSA's contribution to regional integration.</li> <li>• TMSA's performance against targets and objectives.</li> <li>• TMSA's contribution to institutional capacity building.</li> <li>• The contextual factors enabling or constraining the realisation of objectives.</li> <li>• The extent to which TMSA has facilitated the inclusion of the private sector.</li> </ul>
Impact	<ul style="list-style-type: none"> <li>• Programme contribution to impact level goals.</li> <li>• Programme impact on cross-cutting issues.</li> <li>• Factors enabling or constraining programme impact.</li> <li>• Project level contributions to impact level goals, and project level enablers or constraints to contribution.</li> </ul>
Sustainability	<ul style="list-style-type: none"> <li>• The extent to which positive programme contributions are sustainable without continued programme activity.</li> </ul>

### 6.2.1 Description of activities

TMSA's trade facilitation programme pillar extends across a wide range of related activities, which can be categorised as follows:

1. **Harmonisation of customs legislation, procedures and operations:** including work on simplifying and harmonising customs legislation and procedures; streamlining and improving the efficiency of operations at border crossing points; adopting and implementing standardised customs documentation; developing a regional customs enforcement network to allow effective use of risk management based practices to facilitate faster clearance of legitimate trade; the design and implementation of a harmonised Regional Customs Bond and transit management system that will speed up movement of transit consignments; and facilitating the efficient resolution of non-tariff barriers (NTBs);
2. **Integrated border management:** operationalises the customs harmonisation efforts through interventions designed to modernise facilities, improve capacity and facilitate coordination between different border management agencies within and across countries, and specifically, to support the implementation of one stop border posts (OSBP) along the North-South Corridor;
3. **Harmonisation of road transport regulations and standards:** including work on vehicle regulations and standards; third party motor vehicle liability insurance; overload control; harmonised road user charges; and road transport market liberalisation; and
4. **Support to private sector associations:** the programme provides support to FERSATA and FCFASA to build the capacity of transport operators and of clearing and freight forwarding industries to enable them to service producers and traders more effectively.



### 6.2.2 Performance to date

With reference to Figure 3 and Annex B, TMSA's trade facilitation agenda is extremely broad and consists of a very large number of activities across the four categories described above. In general, progress has been most visible in the implementation and management of systems, and specifically the NTB and road/border monitoring systems. In most other areas, the initial diagnostic or technical work has begun, but implementation is far from complete. This is most notable across the raft of regulatory reforms in design to harmonise vehicle standards and customs arrangements, and to liberalise the road and aviation markets. Whereas it is expected that this effort will over time contribute to a more effective approach to standards and transport regulation, a reduction in non-tariff barriers, and that this will be positive for trade, it will take time for member countries to agree to and implement such measures. This is fully acknowledged in the long list of assumptions that accompanies this component of the log-frame, most of which are not yet in place.

By all accounts, TMSA's extensive support at the Chirundu border crossing has assisted in sustaining much lower transit times and costs, with potential lessons for other border posts in the region. There has also been notable progress in extending the non-tariff barrier reporting system to additional countries and improving response rates and times. These gains do however capture a minor element of the overall theory of change for TMSA's trade facilitation work. But four of the five selected indicators for this component relate to border crossing times and the NTB system. As a result TMSA is likely to achieve most of the five final year targets in this area. This distracts somewhat from the lack of progress across the much wider trade facilitation agenda pursued by TMSA.

The log-frame indicators themselves are also problematic. Whereas most of the existing indicators are specific and measurable, their achievement depends largely on the actions of external stakeholders. Moreover, this review has raised a number of concerns with regard to the monitoring data used to report against progress at the border posts. This is dealt with more fully in Section 6.3.5 below.

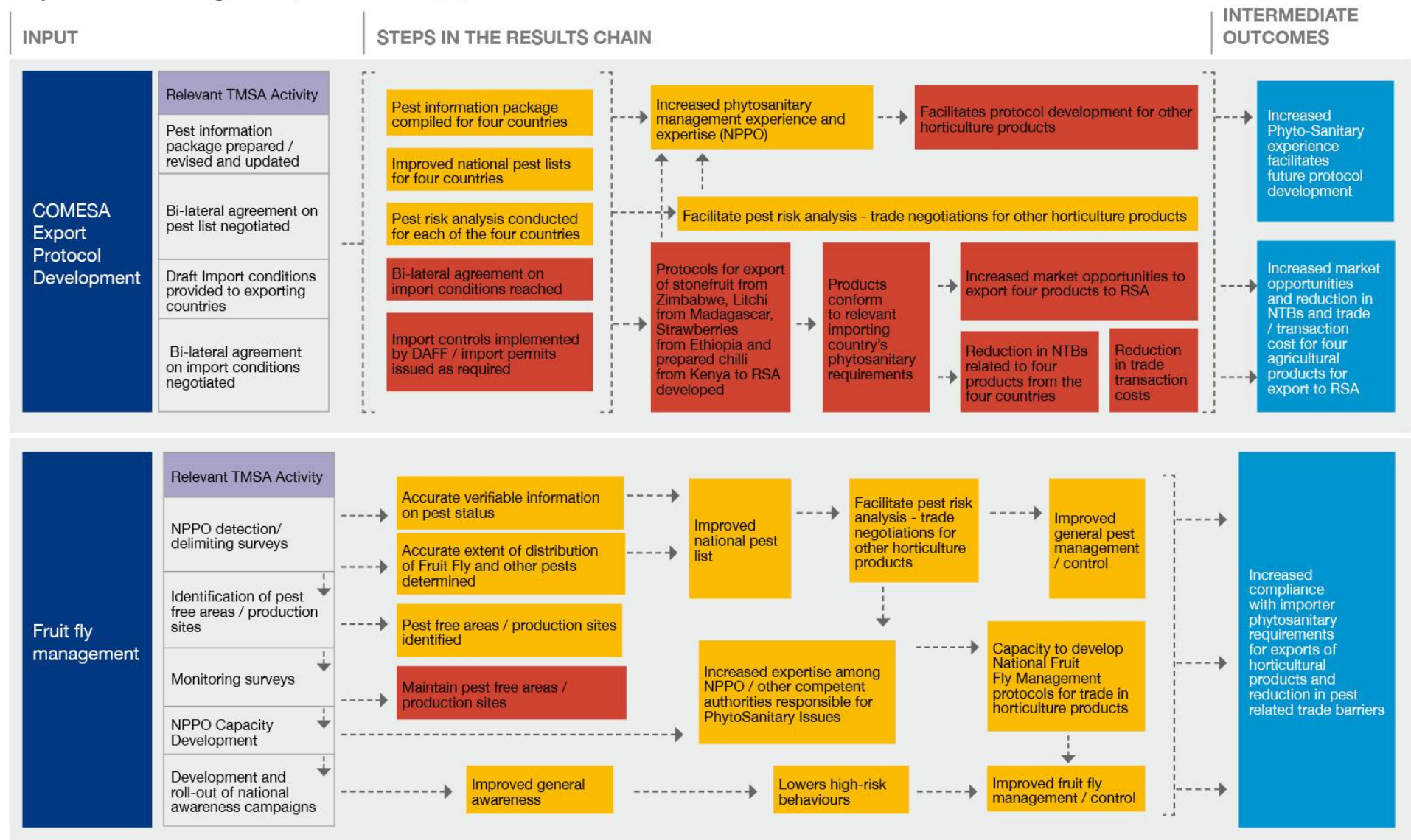
Work on SPS has been moved to the industrial development pillar and is therefore discussed more fully in Section 6.4.2.



Figure 3: Snapshot of performance against TOC and log-frame Output 2

**Output 2: Reduced trade transaction costs and transit times in the Tripartite region through improved and harmonised trade and transport facilitation measures**

**Output 2.1: Technical regulations, standards and SPS**



**KEY**

Assessment of Programme Performance (inc. 2014 targets):

- On Target
- Significant Progress
- Limited Progress
- Lack of Data to Assess at this Time

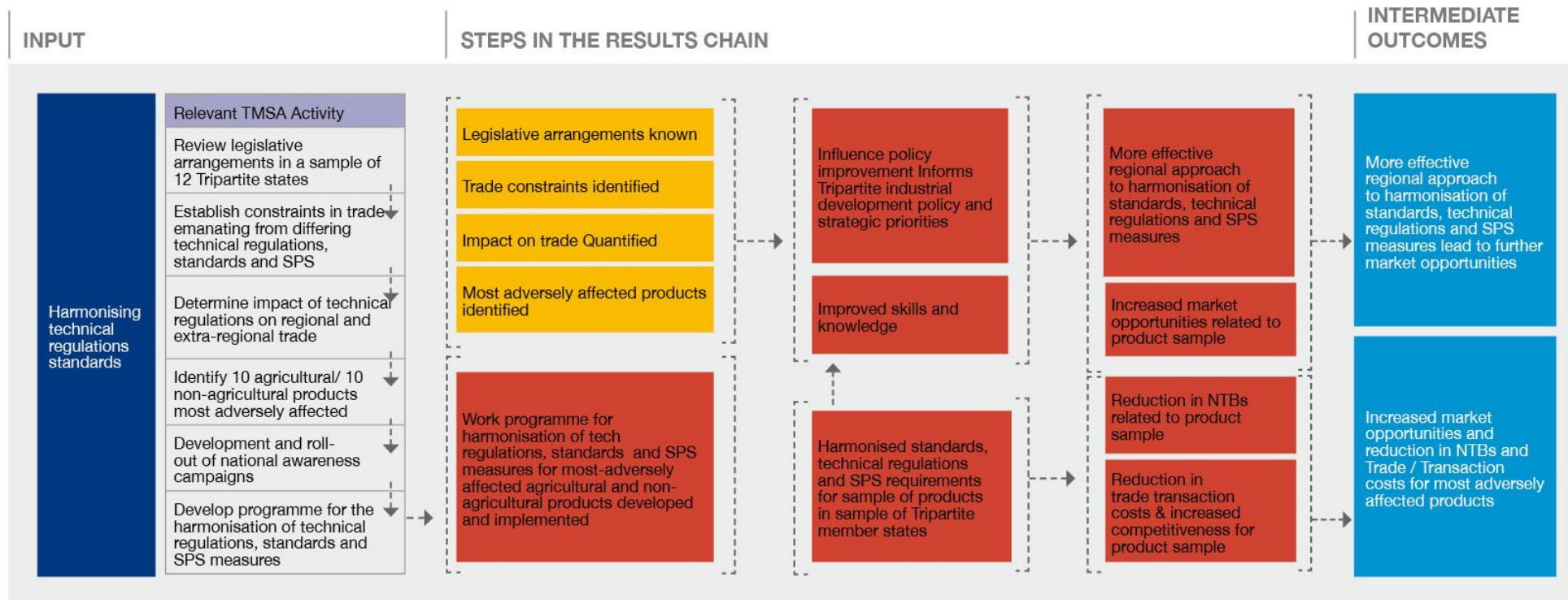
Assessment of SMART Indicators:

- Acceptable
- Uncertain
- Problematic

Assumptions underpinning the TOC:

- Assumption not holding true in practice
- Assumption partially holding true in practice
- Assumption holding true in practice
- Lack of data to assess at this time

**Output 2: Reduced trade transaction costs and transit times in the Tripartite region through improved and harmonised trade and transport facilitation measures**  
**Output 2.1: Technical regulations, standards and SPS (continued)**

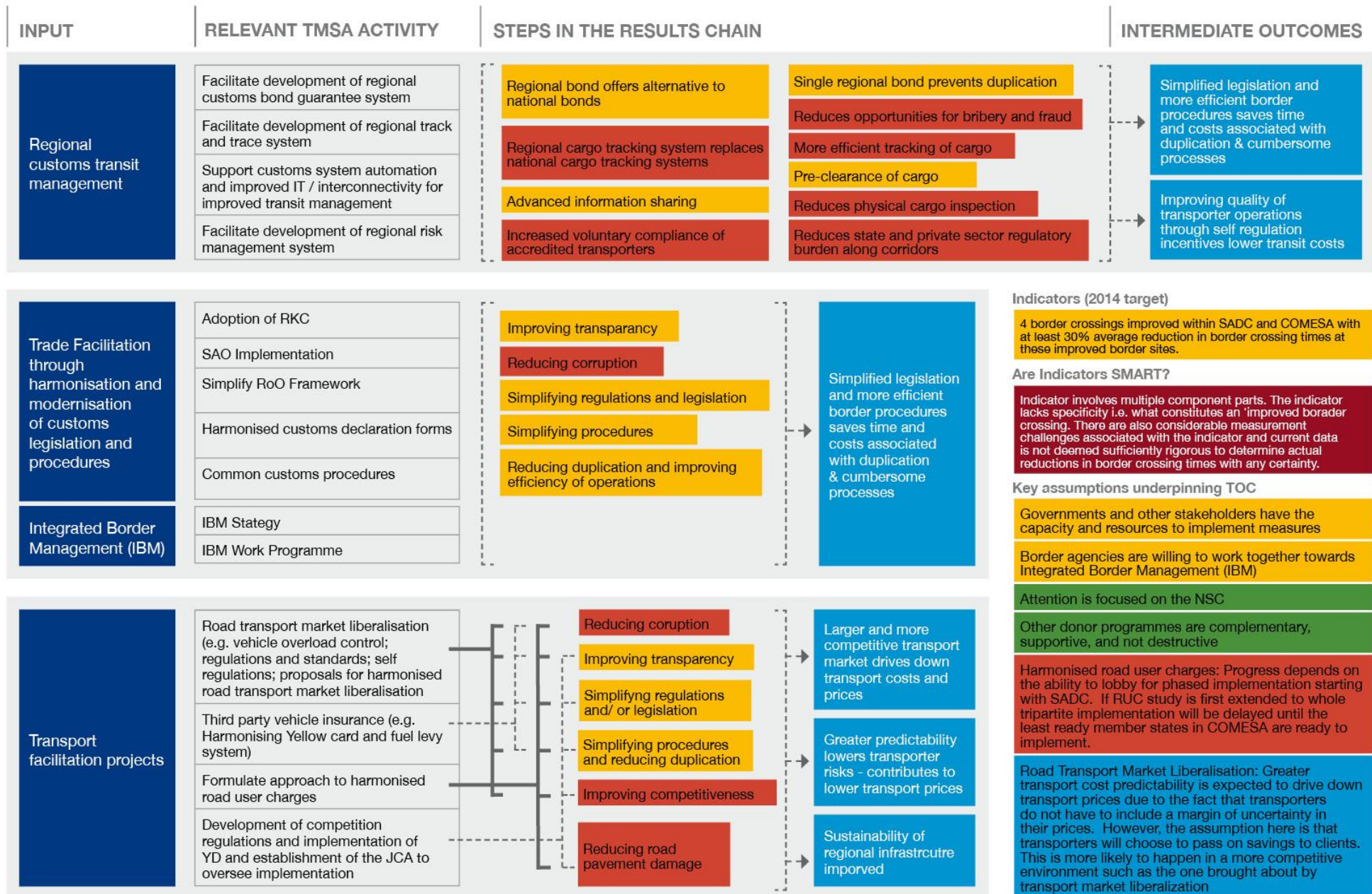


Indicators (2014 target)	Are Indicators SMART?
All agreed trade and trade facilitation measures implemented in all 8 NSC countries	The two indicators shown here are part of the same single indicator in the log-frame, making an overall assessment difficult. Moreover, this sub-indicator is so heavily reliant on the actions of external agencies as to make it unachievable in the time scale defined
Reduction of 30% transit times along NSC and the average transit/transport cost by at least 20%	While the indicator is specific, there are concerns over the relevance of the baseline data that is being used, and the dual nature of this indicator makes assessment of achievement difficult

**Key assumptions underpinning TOC**

Assumptions relating to COMESA Export Protocol Development	Transparency when dealing with trading partners – IPPC / Regional notifications procedures adhered to.
NPPO willing to commit designated staff to FF project.	No unexpected changes in weather patterns.
Exporters continued interest to export to RSA	Compliance with sanitary requirements, e.g. pesticide levels
Demand for identified products maintained	Assumptions relating to SPS
Countries comply with all other SPS requirements for product	RECs have institutions and capacity in place to implement
Assumptions relating to TBT	Countries are willing to cooperate and provide information
RECs have institutions and capacity in place to implement	Data exists to identify priority projects
Data exists to identify priority products	Member states have the capacity and political will to adopt standards and implement
Countries are willing to cooperate and provide information	Political will and sustainable capacity to monitor and manage the fruit fly
Member states have the capacity and political will to adopt standards and implement	Countries remain committed
Assumptions relating to Fruit Fly Management	Assumptions relating to Regional Cooperation and Harmonisation
NPPO willing to commit designated staff to FF project.	Commitment of NSBs, SQAM/SQMT Experts, Competent authorities responsible for food safety, animal and plant health.
Availability of resources – financial / equipment post project activities.	Availability of information on trade flows.
Inclusive approach to programme activities – general public / all stakeholders.	Inclusion of private sector in decision making on the priority sectors / products that should be harmonised

**Output 2: Reduced trade transaction costs and transit times in the Tripartite region through improved and harmonised trade and transport facilitation measures**  
**Output 2.2 Trade and Transport Facilitation**



**Indicators (2014 target)**  
 4 border crossings improved within SADC and COMESA with at least 30% average reduction in border crossing times at these improved border sites.

**Are Indicators SMART?**  
 Indicator involves multiple component parts. The indicator lacks specificity i.e. what constitutes an 'improved border crossing'. There are also considerable measurement challenges associated with the indicator and current data is not deemed sufficiently rigorous to determine actual reductions in border crossing times with any certainty.

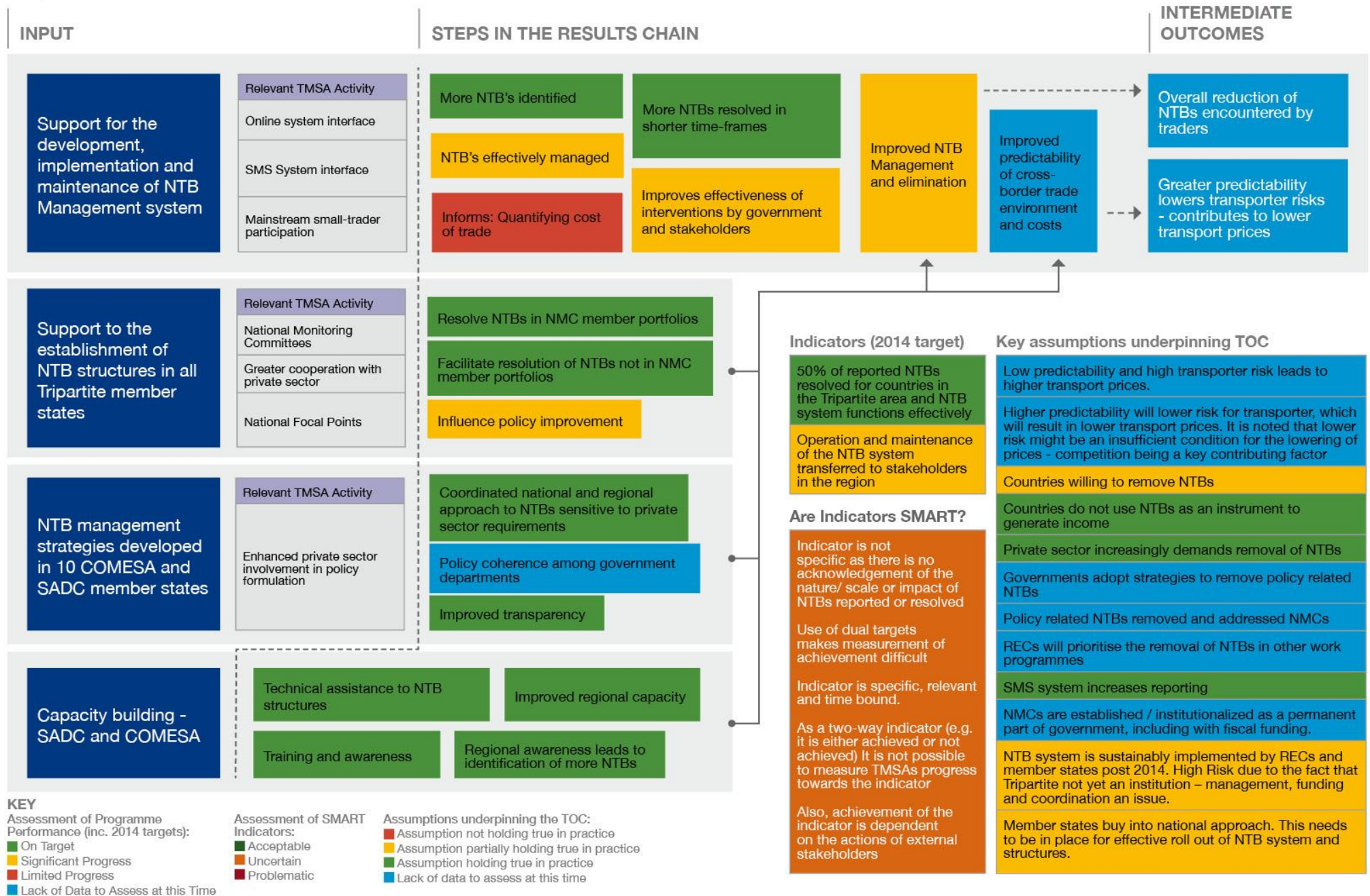
**Key assumptions underpinning TOC**  
 Governments and other stakeholders have the capacity and resources to implement measures  
 Border agencies are willing to work together towards Integrated Border Management (IBM)

Attention is focused on the NSC  
 Other donor programmes are complementary, supportive, and not destructive

Harmonised road user charges: Progress depends on the ability to lobby for phased implementation starting with SADC. If RUC study is first extended to whole tripartite implementation will be delayed until the least ready member states in COMESA are ready to implement.

Road Transport Market Liberalisation: Greater transport cost predictability is expected to drive down transport prices due to the fact that transporters do not have to include a margin of uncertainty in their prices. However, the assumption here is that transporters will choose to pass on savings to clients. This is more likely to happen in a more competitive environment such as the one brought about by transport market liberalization

**Output 2: Reduced trade transaction costs and transit times in the Tripartite region through improved and harmonised trade and transport facilitation measures**  
**Output 2.3: CTTTFP: Non-Tariff Barriers**





### 6.2.3 Finding 4: The integrated border management programme has contributed to improved transit arrangements at Chirundu but ongoing engagement is needed to sustain these gains and to extend the lessons from this intervention to other locations in the region.

#### 6.2.3.1 Evidence from the document and data review

It is evident from Programme documentation and the expert report that the change process at Chirundu border-crossing point is well advanced. “Whether TMSA can claim credit for the full extent of such improvements however, is unlikely and unnecessary. The fact remains that working in partnership with national agencies TMSA has been able to act as a catalyst for implementation of significant change at national borders. In some cases this change has been through direct interventions, whereas in others change has been brought about by creation of an appropriate environment, which fosters change and permits innovative solutions to take root and flourish.”<sup>35</sup> Specifically, a one stop border post has been operational since TMSA’s inception and TMSA has provided on-going support to assist border authorities in both Zimbabwe and Zambia in making this OSBP work. But the evolution of change at this particular location is far from over and there are numerous outstanding challenges. These include:<sup>36</sup>

- A lack of understanding of the procedures and legal basis of OSBP, especially among new border officials;
- Military/police ‘checks’ and new scanning procedures, specifically within Zimbabwe;
- Capacity and space limitations at the border, especially during periods of high volume;
- The absence of traffic separation between loaded and empty trucks;
- Difficulty in prioritising tankers and open bulk trucks before entry into the Customs Control Zone on the Zimbabwe side of the border;
- Poor co-ordination between stakeholders;
- Limited crossing capacity on the bridge; and
- Limited border post operational hours.

At the same time, traffic volumes have increased substantially in recent times (by around 10% between April 2013 and April 2012 on the northbound route and by 30% on the South Bound route<sup>37</sup>). As a result, there are reports of delays of up to 2 to 3 days during peak times. Clearly, as the use of this border continues to increase, further reforms and investments will be needed to maintain reasonable crossing times. This will include the need for more sophisticated monitoring systems to fully understand the impact of such reforms on traffic flows and transit times and to identify and address critical bottlenecks. The use and shortcomings of the existing (TMSA) system are addressed more fully in Section 6.3.5 below.

Despite these continued challenges, Chirundu is regarded as a unique example of a successful one stop border post. The lessons of Chirundu have been documented by TMSA and have been reported on widely by others<sup>38</sup>: “The benefits have been tangible: the OSBP resulted in more efficient traffic circulation, increased capacity for handling large volumes of traffic, reduced costs of doing business in the region, and increased revenues for customs officials” (OECD 2013, pg.46). Moreover, a regional model for the implementation of OSBPs has been formulated based on what was learned.<sup>39</sup>

With reference to other border posts in the region, attempts to replicate Chirundu at Kasumbalesa, Nakonde and Beitbridge, have been delayed due to various difficulties in facilitating the necessary

<sup>35</sup> Mort, A. (2013). Evaluation of TMSA Output 2: Trade Facilitation. Report commissioned for the mid-term evaluation of TMSA. Pg. 19.

<sup>36</sup> Chanda, Kingsley (May 2013), TMSA Back to Office Report, unpublished; and email correspondence Joseph Musariri to TMSA, 8 July 2013.

<sup>37</sup> ZRA Statistics in Chanda, Kingsley (May 2013), TMSA Back to Office Report

<sup>38</sup> See for example: [www.theguardian.com/global-development/2012/may/29/zambia-zimbabwe-intra-african-trade](http://www.theguardian.com/global-development/2012/may/29/zambia-zimbabwe-intra-african-trade);

<sup>39</sup> TMSA (August 2007) Modern And Efficient Border Controls The Theory Of One Stop Border Posts (OSBP) And Lessons Learnt On The Chirundu OSBP Project



bilateral agreements and commitments. The process of establishing a One Stop Border Post at Nakonde-Tunduma border-crossing point has only recently resumed and initial exploratory visits have been undertaken by officials on both sides of the border. Major challenges now exist to successfully initiate and conclude TMSA interventions at this location in the limited time remaining. The possibility of securing improvements at the Kasumbalesa border-crossing point by October 2014 seem even less likely. The expert also highlighted a number of areas where further reforms (or reviews) are necessary:<sup>40</sup>

- The Zambian Government continues to impose concession or processing charges for use of some border facilities. To be fair and WTO compliant, such charges should be consistent with the cost of services on offer at the border. While WTO rules permit imposition of a “consignment or declaration processing fee” as a means of collecting funds to further enhance border crossing facilities, such fees cannot be imposed as an additional “tax” and diverted into central revenue;
- There is no evidence in Programme documentation of any activity aimed at reducing or standardising fees, levies or charges imposed by Member States on the clearance of travellers and consignments across national borders, at either REC or Tripartite levels. This would appear to be an oversight as it has a direct bearing on the final cost of goods to the consumer; and
- Furthermore there is no evidence of any cross-cutting anti-corruption initiatives aimed at reducing the cost of trading across borders.

#### 6.2.3.2 Evidence from interview data

The Integrated Border Management Programme, exemplified by the One Stop Border Post at Chirundu, is generally regarded by programme staff, donors and government interviewees as a success. Specifically, interviewees highlight the implementation of the common control zone and the reduction and harmonisation of transit processes across different government agencies. Particularly impressive is the rapid processing of people observed by the fieldwork team at the border, which will be enhanced by the imminent implementation of a new immigration system on the Zambian side of the border.

While the achievements of the IBM approach are apparent at Chirundu and in TMSA’s own monitoring data, it is clear that challenges persist. Some private sector interviewees contest the gains in transit times reflected in the monitoring data, and suggest that the data should be disaggregated to show separately the benefits to transporters servicing accredited clients, those who make use of the rapid transit facility, and the rest. The implication is that certain elements of the IBM programme are more effective for different categories of users than for others, a differentiation recognised by TMSA. The disaggregation of monitoring data during the impact evaluation would allow for a clearer understanding of differentiated effects and what package of IBM interventions are optimal for generalised or specific gains. This in turn would inform increasingly effective IBM programme design.

In addition to confirming the causes of inefficiencies being addressed by IBM interventions, private sector interviewees also attribute delays in the transit of goods to administrative inefficiencies of customs and revenue authorities generally, that exacerbate those specific to border management. In Zambia for example, a private sector interviewee noted a number of performance issues with customs and revenue authorities including poor communication with industry, no access to government planning, and poorly applied compliance mechanisms for registering and auditing clearance and forwarding service providers. These structural challenges identified by private sector interviews, relating directly to the efficacy of government departments, will persistently undermine the trade performance, regardless of IBM related gains.

The interview data and site visit observations have also prompted findings confirming the necessity of the corridor approach adopted by TMSA. The congestion experienced on the approach to Chirundu on the Zimbabwe side of the border in June 2013, and the congestion observed at the Kafue weighbridge on the Zambian side in September 2013 during the evaluation team’s field visit, illustrate

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<sup>40</sup> Mort, A. (2013). Evaluation of TMSA Output 2: Trade Facilitation. Report commissioned for the mid-term evaluation of TMSA. Pg. 19.



how gains in facilitating trade traffic on one key point in the corridor can be undermined at other points where intervention has not yet occurred. A senior SADC official, who was delegated to resolve the June congestion at Chirundu, argued that improved border management at that border post was attracting increased traffic through it, and that delays at any point approaching Chirundu could result in similar congestion events in the future. Specifically, the Kafue weighbridge is placed at the convergence of multiple streams of goods traffic travelling both to and from Lusaka, some of which has already been recently weighed (such as the traffic from Chirundu). While improved infrastructure - such as replacing the single static weighbridge with a pair of dynamic weighbridges - would alleviate congestion, interviewees agree that procedural interventions coordinated between the Zambian Roads Authority and the Zambian Revenue Authority that prioritise the corridor perspective would be necessary to increase and sustain gains in the transit of goods.

Chirundu (OSBP) also offers an example of how the deliberate integration of cross-cutting considerations into intervention design could work. In this instance the attempt to address transnational transport as a primary vector of HIV/AIDS by including a prevention, care and treatment intervention at Chirundu, has demonstrated some success. Despite challenges, it has also resulted in a potentially sustainable outcome, with the mobile clinic on site now managed by the Zambian national Ministry of Health. In addition the incidental benefits to small traders, primarily women, has also been documented (see Section 5.5 on cross-cutting issues below).

#### **6.2.4 Finding 5: Progress has been made towards the implementation of a Tripartite Customs Bond Guarantee Scheme and improvements to the NTB reporting, monitoring and elimination mechanism have been favourably received**

##### *6.2.4.1 Evidence from the document and data review*

TMSA has provided direct support towards the achievement of a joint SADC / COMESA Customs Transit Management System (SADCOM) by supporting the meetings of the relevant technical committees and through the preparation of discussion documents; the draft MOU on data exchange; and a draft SADC Bond Guarantee template. According to TMSA documentation, significant progress has been made and the Transit Control Single Administrative Document and the SADC Regional Customs Bond Guarantee System should be approved by the relevant committees before the end of this programme year. According to the independent expert, the “Commitment of national governments along the NSC towards the implementation of the ‘Tripartite Common Bond Guarantee System’ is an agreed pre-requisite of a regional Transit Management System”<sup>41</sup>. Achieving this will require buy-in from all Member States along the NSC and in particular from national financial regulators.

In addition, TMSA has achieved notable success in the roll-out of the Tripartite NTB reporting, monitoring and eliminating mechanism. This system was initiated under the Regional Trade Facilitation Programme (RTFP) and has been improved and expanded over the last three years. According to TMSA reports, 20 of the 22 participating countries now have functional NTB committees, training has been provided to private and public sector focal points in 21 countries and 14 countries are able to process complaints online. More recently, an SMS reporting system was introduced. TMSA reports that the average number of days taken to respond to a complaint has fallen from 1,092 days in 2010 to 161 days in 2012; and that more than 73% of all complaints had been resolved by December 2012.

A brief review of the data in this system confirms the vast number of complaints that have been received and responded to. But it also highlights two important limitations of the system. Firstly, in many of the cases reported to the system, ‘resolved’ actually means clarified. As long as a justification is received from the relevant government, the issue is considered resolved. This is not in itself a problem. It is encouraging that the system is able to issue such clarifications and the database has become a rich source of information on the kind of difficulties and costs encountered in trading across borders. Secondly, it follows that in such cases, the system itself is not able to monitor or eliminate these non-tariff barriers (once they have been ‘resolved’). According to Keane et al. (2010,

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<sup>41</sup> Ibid pg. 35



pg.34), “there remains much work to be done both to scale up initiatives and apply across regional priority products identified, and to ensure that surveillance mechanisms established at the regional level are matched with enforcement.” In South East Asia, for example, all reported NTBs are clearly categorised in terms of their intent and impact, as well as the required remedy (red: to be removed immediately; amber: not clearly identified as a barrier, continued monitoring required; green: can be maintained as justified)<sup>42</sup>.

Of greater concern is the fact that little progress has been made in preparing for the management and maintenance of this system post TMSA. Member countries are already reporting budgetary constraints relating to the existing mechanism and the RECs have been tasked to develop a work programme to ensure that it can continue. Although the system could be easily transferred, no evidence has been provided of any progress in this regard.

#### 6.2.4.2 Evidence from interview data

All interviewees identify the NTB intervention as a success, with a number of private sector interviewees nominating it as the outstanding achievement of TMSA to date. Specifically, the interview data suggests that accessibility, procedural formality, transparency and public accountability are the key elements that combine to make this system work, with the significant gains in efficiency of processing NTB complaints reported by TMSA qualitatively confirmed by public and private sector interviewees. A number of concerns were however raised during the fieldwork:

- Focal persons consistently indicated that many matters reported are not NTBs. These matters may include conditions of trade legitimately imposed on the trader in that particular instance; or other matters not deliberately imposed to hinder trade, such as slow administrative processes at border posts. These reporting patterns persist because those reporting are often not familiar with the correct classification of a NTB. While the reporting of non-NTBs demands time and resources to screen out, and represents a burden for focal persons, it would appear that legitimate NTBs are identified and escalated. In addition the NTB database provides a rich source of a broader range of obstacles to trade within the region.
- Although the NTB system is now widely used and valued by stakeholders, some concern about sustainability remains. Interviewees at RECs specifically indicated that a financial commitment by stakeholders to assume operational responsibility for the NTB system is still outstanding.
- The private sector in certain member states is agitating for legislation to compensate traders who have lost revenue as a result of transport delays due to the imposition of NTBs. While the resolution of an NTB is a satisfactory long-term outcome, the financial loss is immediate for the trader and often not recoverable. The difficulty with implementing such a provision, which is included in the draft NTB Annex of the TFTA, is consistently raised by government interviewees.

With regard to the wider trade facilitation programme, representatives of the private sector frequently express impatience with the lengthy processes required to achieve results. Thus, while the RECs and government report progress on the Tripartite Common Bond Guarantee Scheme, private sector interviewees, unaware of its current status, question why implementation of this process has stalled.

### 6.2.5 Finding 6: The wider trade facilitation programme has not achieved tangible results due to unrealistic objectives and deadlines, and should be revised to take account of existing priorities and resources

#### 6.2.5.1 Evidence from the document and data review

The initial set of interventions that were agreed under the Comprehensive Trade and Transport Facilitation Programme (CTTTP) were designed to have a direct and wide-ranging bearing on the potential costs and efficiency of trading across borders. But according to the evidence provided, it would seem that there has been limited demonstrated commitment by Member States to agree to and implement urgent change in these areas. This is largely because the intention of the CTTTP

<sup>42</sup> Keane et al. 2010, pg. 34.





“remained unrealistic in terms of timing, content of expected outputs, organisational support and structure of the type and extent of technical assistance to be deployed”<sup>43</sup>.

Moreover, in terms of the specific activities supported, “the Programme appears to have been designed as a simple continuation of previous technical assistance projects in the wider trade facilitation sector, without any deeper understanding of the range of policy and procedural issues which need to be simplified, rationalised, standardised and co-ordinated across the region to fully harmonise cross-border facilitation initiatives”<sup>44</sup>.

Thus “despite SADC’s tremendous progress (in terms of trade facilitation), it still faces a number of challenges, including the slow implementation of agreed instruments/positions/protocols by Member States”.<sup>45</sup> With reference to Annex D, there is little prospect of the CTTTP being implemented over the life of TMSA, and in many areas, it would seem that work has not begun or is stalled at the regional level (and in some of these cases, TMSA has consequently withdrawn its support).

For this reason, the independent expert has proposed that TMSA suspend all activities related to Harmonized Road User Charges (apparently already discontinued by TMSA), the Tripartite Road Transport Operator Accreditation System and the Regional Road Transport Management System. He further recommends that all remaining work on vehicle standards and insurance be urgently restructured to better focus on agreed initiatives, which can realistically be accomplished within the remaining life of the Programme. Similarly, he recommends that the work on Road Transport Market Liberalization and Self-Regulation be amalgamated into a single project in order to avoid duplication.

The independent expert also expressed disappointment at the limited involvement of the private sector and that the work on customs legislation and procedures has been reduced to a capacity building exercise with the World Customs Organisation to promote aspects of the WCO Revised Kyoto Convention. “This gives a very narrow focus and ignores other significant international conventions and instruments designed to target facilitation across international borders”<sup>46</sup>.

#### 6.2.5.2 Evidence from interview data

The fieldwork confirms that work initiated under the CTTTP has moved forward, but at a very modest pace. Only a small number of interviewees were aware of these interventions. From this limited sample it is apparent that each intervention is being pursued in a complicated context that requires negotiating multiple parallel initiatives (e.g. the EAC legislating vehicle standards while TMSA had been trying to secure a region wide agreement), multiple jurisdictions, and multiple interests in areas that reflect a narrow but sophisticated technical subject matter.

### 6.3 CORRIDORS AND INFRASTRUCTURE

This section contributes to addressing the following evaluation scope:	
Relevance	<ul style="list-style-type: none"> <li>The extent to which TMSA aligns the priorities and programmes of the Tripartite, other DFID and other donor programmes.</li> <li>Extent to which TMSA is responsive to changes in the implementation context.</li> </ul>
Efficiency	<ul style="list-style-type: none"> <li>The extent to which the programme delivers value for money outcomes, considering its institutional arrangements and organisational infrastructure.</li> </ul>
Effectiveness	<ul style="list-style-type: none"> <li>TMSA’s contribution to regional integration.</li> <li>TMSA’s performance against targets and objectives.</li> <li>TMSA’s contribution to institutional capacity building.</li> <li>The contextual factors enabling or constraining the realisation of objectives.</li> </ul>
Impact	<ul style="list-style-type: none"> <li>Programme contribution to impact level goals.</li> <li>Factors enabling or constraining programme impact.</li> <li>Project level contribution to impact, and enablers/ constraints to contribution.</li> <li>Programmatic mechanisms for sustaining, monitoring, evaluating contribution.</li> </ul>

<sup>43</sup> Mort, A. (2013). Evaluation of TMSA Output 2: Trade Facilitation. Report commissioned for the mid-term evaluation of TMSA. Pg. 3

<sup>44</sup> Ibid pg. 3

<sup>45</sup> Economic Commission for Africa 2010, pg.229

<sup>46</sup> Mort, A. (2013). Evaluation of TMSA Output 2: Trade Facilitation. Report commissioned for the mid-term evaluation of TMSA. Pg. 5



Sustainability	<ul style="list-style-type: none"> <li>The extent to which positive programme contributions are sustainable without continued programme activity.</li> </ul>
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### 6.3.1 Description of activities

The corridors and infrastructure programme pillar consists of three programme areas:

1. The development of a road infrastructure project pipeline **for the rehabilitation and refurbishment of the North-South Corridor (NSC) road infrastructure through project preparation activities**. These activities span 8 countries, 10,647km of road across the jurisdiction of all 3 Tripartite RECs, and include the Dar es Salaam Corridor and segments of the Trans Kalahari and Nacala Corridors. More recently, this work has extended to include activities related to ports and, importantly, rail. The road infrastructure Project Preparation and Implementation Unit (PPIU) is the core feature of a programme model that provides technical expertise through an organisational structure independent of the RECs and national governments, and is dependent on the leveraging of substantial external funding to realise its intended outcomes. It is important to recognise that the PPIU and project preparation activities were not part of the original TMSA design and existing resources have been diverted to create this capacity.
2. A further set of programme activities supports Tripartite infrastructure planning and prioritisation, which has produced outputs of value in their own right. These are the activities establishing **regional infrastructure information management systems**, specifically the infrastructure performance monitoring system and the online GIS database, in support of a regional infrastructure master plan and the continued advocacy of a regional approach to infrastructure development.
3. In addition to road infrastructure, this programme pillar includes a set of activities intended to contribute to **increasing the capacity of the southern Africa power pool** by supporting the implementation of interconnector projects across a select number of member states in the region.

### 6.3.2 Performance to date

With reference to Figure 4 and Annex B, TMSA's efforts in facilitating investment across the North-South Corridor seem to be picking-up steam. Through support to national agencies and through the establishment of the PPIU, there is significant evidence of increased capacity to plan and manage infrastructure projects in the region. By June 2013, 25 km in road work was under implementation with TTA funds and a further 1,090 km at the design phase with the PPIU. Moreover, 809 km is currently under implementation with partner funding.

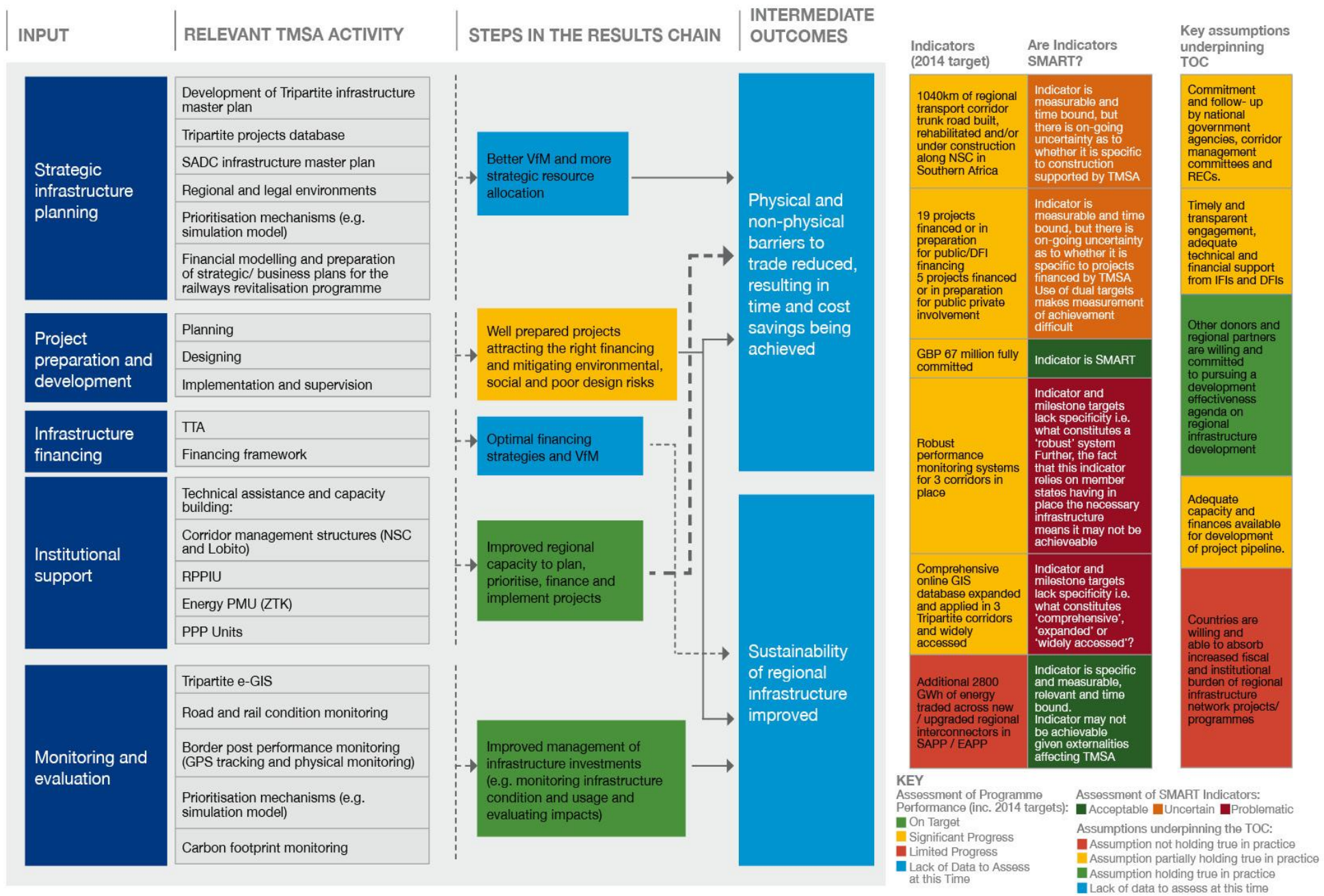
The extent to which all of this activity has contributed to better value for money and is attracting the right kind of finance, as specified in the theory of change, is uncertain. Nevertheless, it is expected that TMSA's work in this area will improve the state and sustainability of the regional road network, thereby reducing logistics costs and ultimately contributing to increased trade and better regional competitiveness.

TMSA's delivery against this component of the log-frame serves to confirm many of the assumptions underpinning the theory of change. Specifically, the evidence suggests that regional partners and other donor are supportive of the work of TMSA and the PPIU and are willing to commit time and funds to the regional infrastructure agenda. Whether sufficient funds will be forthcoming, and whether there is sufficient follow-up, capacity and support in the absence of TMSA, remains to be tested.

Once again, the indicators used to measure TMSA performance against its work in this area are not sufficiently specific, and this has contributed to some disagreement between DFID and TMSA as to how TMSA's contribution towards those North-South Corridor projects that have not been prepared by TMSA should be assessed. Moreover, the achievement of most of the specified targets in this area, including the commitment of the GBP67m in CDEL funding, hinge on the likelihood of construction work beginning along the 604 km Serenje-Nakonde road prior to the project end date.

Figure 4: Snapshot of performance against TOC and log-frame Output 3

Output 3: Improved regional trade infrastructure networks in the Tripartite region



**KEY**

Assessment of Programme Performance (inc. 2014 targets):

- On Target
- Significant Progress
- Limited Progress
- Lack of Data to Assess at this Time

Assessment of SMART Indicators:

- Acceptable
- Uncertain
- Problematic

Assumptions underpinning the TOC:

- Assumption not holding true in practice
- Assumption partially holding true in practice
- Assumption holding true in practice
- Lack of data to assess at this time



### 6.3.3 Finding 7: TMSA has successfully facilitated the development and promotion of a coordinated approach to regional infrastructure development

#### 6.3.3.1 Evidence from the document and data review

TMSA itself puts forward a strong motivation for a regional approach to the development and rehabilitation of transport infrastructure, and why this differs fundamentally from traditional, national approaches to project planning and implementation<sup>47</sup>. In support of these aims, TMSA has played a formative role in taking forward the work of the North-South Corridor Aid-for-Trade Programme. Specifically, this has included the commissioning of the Highway Development and Maintenance Model (HDM4) of the complete N-S road network, together with a visual inspection of this network, in order to describe the state of these roads and identify priority interventions. An update is to be undertaken this year. The results, including regular information on the state of road conditions and a complete database of projects across the corridor, are made available on line in GIS format at <http://www.tripartitegis.org/>. In addition, a dedicated Tripartite Project Preparation Unit was established in 2011, with DFID funding, to assist in the preparation and promotion of these projects for potential funding.

The corridor approach has been further embedded as the methodology for regional infrastructure planning through the Tripartite Infrastructure Master Plan and the SADC Infrastructure Master Plan (supported by TMSA). Ultimately it is intended that one Master Plan for the whole region will be prepared so that all countries and all financiers will have one source for regional projects and one list of priorities to efficiently channel investment. DFID (through TMSA) also facilitates meetings of the 'Friends of the Tripartite' – a group of donors who typically invest in road infrastructure in Africa.

Largely in response to these efforts and TMSA's marketing thereof, the NSC has been viewed as 'best practice' in Aid for Trade reviews<sup>48</sup>. In addition, it has led to the corridor approach being adopted by infrastructure development funders<sup>49</sup> and committed to in terms of pledges for development at the Lusaka North-South Corridor Financing Conference (2009) and the Tripartite and IGAD Infrastructure Investment Conference held in Nairobi (2011). In the conference documentation for the latter, the infrastructure approach pioneered in the NSC is explicitly referred to as the best practice approach adopted. More broadly, it is accepted as "fact" that "the development of infrastructure projects is a necessary priority for regional integration on the continent"<sup>50</sup>.

This view is supported by Lui and Siziba (undated, pg.4): "the most significant development in recent years in approaches to improving trade conditions has been the mainstreaming of the 'trade corridor' approach to dealing with regional policy and infrastructural capacity constraints". But for this approach to work, the authors argue that some form of cross-country coordination is needed to develop, and implement a coherent regional investment package: "while investments in each area – better roads, efficient borders, more productive sectors – are all necessary requirements, they are on their own insufficient for trade to flourish and it is only through combined investment that broad-based growth in trade can occur"<sup>51</sup>.

#### 6.3.3.2 Evidence from interview data

Some interviewees at certain REC secretariats claim that the pipeline and database of NSC projects simply represents a wish list of existing and unfunded national projects. However, the majority view among interviewees from RECs, governments and donors, is that the additional technical input provided by TMSA introduced a regional focus to transport infrastructure planning that previously did not exist. The adjustments to national priorities that have been made, most recently in Botswana's decision to invest in road infrastructure for which the return on investment to the region substantially

<sup>47</sup> TMSA Presentation, The Future of Aid for Trade, Infrastructure Development and Aid for Trade, Geneva, 22-23 November 2012

<sup>48</sup> WTO, Aid for Trade at a Glance 2009: Maintaining Momentum

<sup>49</sup> See Regional Integration Assistance Strategies of the World Bank and African Development Bank

<sup>50</sup> de Roquefeuil, Chapter 3: The Tripartite Free Trade Agreement: Political economy issues to consider ECDPM Background Paper, pg. 7

<sup>51</sup> Ibid Lui and Siziba (undated) Pg. 4



exceeds the modest projected national return, is given as further evidence by programme staff of the value of the corridor approach.

With more than 1,000 km of road already identified for rehabilitation and refurbishment, the technical experts interviewed have raised two sets of concerns that put the smooth progression from planning and design to works at risk:

- Firstly, there is the possibility that completed project preparation work and designs will date if funding is not secured within two years of their completion. The interviewees, including technical experts and government representatives, frequently refer to the poor follow through by donors on the pledges made during the infrastructure conference of 2009 as illustrative of the difficulties in raising funds for infrastructure projects. Respondents contesting this concern - including donors, government representatives, and programme staff - indicate that there is now substantial momentum in the donor community in support of the NSC project; and
- Secondly, government and technical expert respondents express concern as to whether donors have an appetite for collaboratively investing in infrastructure development and whether the governance and operational mechanisms exist to support such collaboration. Interviewees from the programme, governments and donors contest this concern, suggesting that there are now numerous precedents for collaborative funding, one of which is TMEA, and a number of blended funding examples.

Respondents do not consider the sustainability of the NSC project dependent on TMSA, as the corridor approach and the NSC have both been assimilated widely across the donor community. However, most respondents point to the need for a PPIU type of mechanism to ensure that the necessary operational functions supporting regional infrastructure development are adequately supported. This is dealt with more fully in the following finding.

Finally, a number of interviewees - including REC staff, representatives of the private sector, and staff from other programmes – remarked on the potential of rail and were critical of the lack of attention given to it thus far in infrastructure development initiatives. TMSA has already initiated a parallel set of activities to promote investment in rail infrastructure, interviewees concur that the corridor approach has contributed to the revival of attention and discussions on investment possibilities in rail infrastructure in the region.

### **6.3.4 Finding 8: An effective PPIU-type institution is needed to prepare, package and prioritise regional infrastructure projects for funding**

#### *6.3.4.1 Evidence from the document and data review*

Africa's infrastructure needs are substantial and well documented (see Section 5.3 above); and there is no shortage of projects on the table. A binding constraint is that most of these projects have not been sufficiently prepared for the funding that is available. As highlighted by the UN Commission for Africa Committee of experts (2012, pg. 8): "The efficiency of regional project preparation needs to substantially improve. For most African infrastructure initiatives, regional project preparation funding remains ad hoc, resulting in significant delays or repeated postponement of major projects. African countries and partners need to ensure that project preparation finance is aligned—and if necessary, consolidated—to avoid duplication of products and facilities that will continue to act as a brake on project development and ultimately delivery."

TMSA experienced similar difficulties in securing funds from the Tripartite Trust Account (TTA) for investment in regional infrastructure projects; according to the DBSA, the account manager, initial funding requests were not sufficiently well prepared. This gave rise to the establishment of a dedicated Project Preparation and Implementation Unit (the PPIU), and the diversion of significant TMSA funds to set it up and undertake project preparatory work.

TMSA reports that the major achievements of the PPIU to date have included the recruitment of specialist staff (although just one of the two project engineers accepted a position), the award of three design contracts for the Serenje-Nakonde road, with fieldwork having recently begun; resolving the fibre optic impasse at Chirundu; and securing fibre optic cable for the Chirundu border post; and the



development of pipeline of Tripartite projects to the PIM (Project Information Memoranda) stage<sup>52</sup>. To date the PPIU has secured financing for two projects, committing 30% of the TTA financing; and has developed a project pipeline in which 16 projects are in identification and feasibility phase; seven projects are in structure and transaction phase; and two in implementation phase. In total, the PPIU has scoped or is involved in road projects across 37% of the North-South Corridor (3,237km).<sup>53</sup>

#### 6.3.4.2 Evidence from interview data

Interview data reflects a general endorsement of the PPIU as an important driver of progress in the rehabilitation and refurbishment of the NSC. For example, technical expert and programme staff indicated that the wholesale replacement of technical capacity at the Zambian Roads Development Agency, twice during the lifespan of the TMSA programme, was mitigated by the continuity of PPIU support; and the planned investments by some donors across specific areas of the NSC have been formulated on the back of the empirical and preparatory work of TMSA and the PPIU.

More generally, however, the PPIU is considered a crucial technical cog in the regional infrastructure development model pursued by TMSA and the Tripartite. Staff at RECs, roads authorities and other government institutions confirm that it provides specialist expertise with some continuity, prepares projects at the highest specifications, guides the Tripartite and member states to prioritise infrastructure based on technical evidence, and prepares investment documents for investors in order to secure funding for development. Whereas some national authorities are able to undertake this work on domestic projects, these respondents argue that it is extremely difficult to facilitate project preparation and funding across multiple jurisdictions. For these reasons, interviewees are doubtful about the sustainability of the regional NSC project in the absence of a mechanism such as the PPIU.

While the technical contribution of the PPIU is broadly acknowledged, the structure of the PPIU in its current form is not unanimously supported by interviewees. Some respondents, especially REC staff, advocate a narrowing of the PPIU to focus on a specific set of technical tasks, while REC staff and others from governments call for the formalisation of the PPIU as a Tripartite institution, completely independent of TMSA, together with increased resources and additional tasks. Similarly, respondents at RECs and in governments would like to see the engineering capacity of the PPIU enhanced; while others argue that it needs stronger project management expertise and should contract in specialist skills. These contesting perspectives should be considered in the light of the sometimes competing interests of regional institutions and the governments they represent. For example the interview data includes comments questioning the extent to which the PPIU is representative of regions and member states.

### 6.3.5 Finding 9: The corridor monitoring system generates a unique set of performance information, but its reliability and use could still be enhanced

#### 6.3.5.1 Evidence from the document and data review

TMSA has secured access to a comprehensive set of time series data, collected from GPS devices installed by a number of trucking tracking company, from which it is able to derive regular statistics on the time spent on the road and at major border posts, such as Chirundu. This data is then used by TMSA to calculate the overall reduction in time and costs across the North-South Corridor to which it has contributed. Substantial efforts have been made by TMSA to ensure that the monitoring methodology is transparent and sound and, as a result, it is possible to replicate the 78% claim in reduction in transit times, if the highest benchmark figure is used (i.e. that of the RTFP Baseline Survey in 2008 which stated that 96 hours was the typical time spent at the border). It is also possible to replicate the resulting estimate of cost savings, using costing data that TMSA has purchased from the South African Road Freight Association.

<sup>52</sup> Bahsin, A. (2013). Review of TradeMark Southern Africa (TMSA) Programme as related to OUTPUT 3 - Corridors and Infrastructure. Report commissioned for the mid-term evaluation of TMSA. Pg. 33.

<sup>53</sup> TMSA, June 2013, Infrastructure: North South Corridor Roads, Quarterly Report.



A specialist statistician appointed to review the corridor monitoring data raised a number of issues relating to current sampling methodology<sup>54</sup>:

- The use of the 2008 RTFP data for the baseline is questionable. A different data source provided by TMSA from a 2007 World Bank survey shows a significantly lower, 38 hour transit time; whereas a baseline constructed from TMSA's own data for the latter part of 2010, has a result that is identical to that of the World Bank survey in June (38 hours) and averages 32 in the months June to December 2010;
- The degree to which these different data sets are comparable is not established; each includes a different sampling and collection technique, and they were conducted at different times of year;
- Specifically, the extent to which the GPS data is skewed towards more formalised businesses who can afford such tracking systems and the degree that the provider in question (Global Track) has a share of this market will heavily impact the representativeness of the data;
- As the number of reporting vehicles has increased (from 108 to 906), the nature of the sample has most likely changed. Ideally the base set of 108 vehicles should have been used for the comparison across time and this figure then used to assess if any difference in the later figures (n = 906) is due to sampling changes;
- TMSA selected March 2011 as their point of comparison for the first milestone assessment. For the second and third milestones, April 2012 and January 2013, were selected respectively. The reason for the choice of month and one month alone is not explained;
- Annual improvements are shown against the initial baseline, and not against the previous year. The latter would be more useful for the monitoring of incremental changes; and
- The analysis does not account for seasonal factors and the strong increase in traffic volumes over this period which would undoubtedly impact on transit times.

On the other hand, according to this expert, the available GPS data has many advantages over and above the ad hoc survey undertaken by the World Bank and RTFP. Until now, this data has been used only for descriptive analysis. Given the time series nature of this data set and the fact that it is captured across multiple corridors and borders, it should be possible to apply more advanced statistical techniques to obtain a better and more rigorous understanding of changes in transit times at these borders and the influence of specific TMSA or other interventions. It should also be possible to undertake cross-border comparison with the GPS data;

#### 6.3.5.2 Evidence from interview data

Other than programme staff, none of the interview respondents participating in the mid-term evaluation were aware of any use being made of the corridor data generated. However, there was substantial interest expressed in the data and its analysis, with a general endorsement of the potential utility of such data. This endorsement was obtained from private sector representatives, especially those in freight forwarding and clearance businesses, as well as interviewees representing roads authorities and the revenue services.

Private sector respondents were additionally interested because, to some extent at least, they contest the more optimistic claims of reductions in transit times for goods along the corridor. While admitting to having observed improvements over time, their discussion suggested that a disaggregation of the data was necessary to determine which segments of the transport sector specifically benefit, if the gains are corridor wide, and which interventions are the most effective in reducing times and costs.

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<sup>54</sup> Chipp, K. (2013). Statistical evaluation of TMSA Border Post Review. Report commissioned for the mid-term evaluation of TMSA. Pg. 4.



## 6.4 INDUSTRIAL DEVELOPMENT

This section contributes to addressing the following evaluation scope:	
Relevance	<ul style="list-style-type: none"> <li>• The extent to which the most pertinent issues are being addressed by TMSA.</li> <li>• The extent to which TMSA aligns the priorities and programmes of the Tripartite, other DFID and donor programmes.</li> <li>• Extent to which TMSA is responsive to changes in the implementation context.</li> </ul>
Effectiveness	<ul style="list-style-type: none"> <li>• TMSA’s contribution to regional integration.</li> <li>• TMSA’s performance against targets and objectives.</li> <li>• The contextual factors enabling or constraining the realisation of objectives.</li> </ul>
Impact	<ul style="list-style-type: none"> <li>• Programme contribution to impact level goals.</li> <li>• Programme impact on cross-cutting issues.</li> <li>• Factors enabling or constraining programme impact.</li> <li>• Project level contributions to impact goals, and enablers/ constraints to contribution.</li> </ul>

### 6.4.1 Description of activities

Industrial development as a pillar of the Tripartite project is a late initiative compared to the other programme areas. The objective of the industrial development programme area is to enhance the productive and export competitiveness of the regional economy, and consists of three activity areas:

1. **Instituting a harmonised approach to industrial development** across the three regional economic communities. The rationale is to encourage the development of regional value chains from production to consumption in order to generate economic growth;
2. **Product and SPS standards harmonisation and compliance**, including support to develop a Tripartite Standardisation, Quality Assurance, Accreditation and Metrology (SQAM) work plan; develop a Tripartite harmonisation programme on technical product and SPS standards; produce technical standards on selected products; and build national capacity to meet and audit compliance with SPS standards for export of agricultural products; and
3. **Mitigation initiatives to reduce risks to market access**. These initiatives are either proactive, focussing on developing the capacity of industry sectors or organisations within these sectors to comply with sanitary, phyto-sanitary and product quality standards; or reactive, developing the capacity of institutions in member states to manage an emerging crisis threatening the compliance with SPS and product quality standards and, by extension, export competitiveness.

### 6.4.2 Performance to date

With reference to Figure 5 and Annex B, TMSA has supported multiple sector or country specific initiatives to address SPS, most of which have contributed to developing national capacity in this area. This has included multiple training and accreditation activities, beyond those specified in the original theory of change (such as the fruit-fly eradication project). However, despite the support given to specific products and institutions, the extent to which this has been translated into increased market access and participation in more profitable value chains is limited and uncertain. It is therefore too early to assess whether these interventions will give rise to higher and more sustainable trade flows.

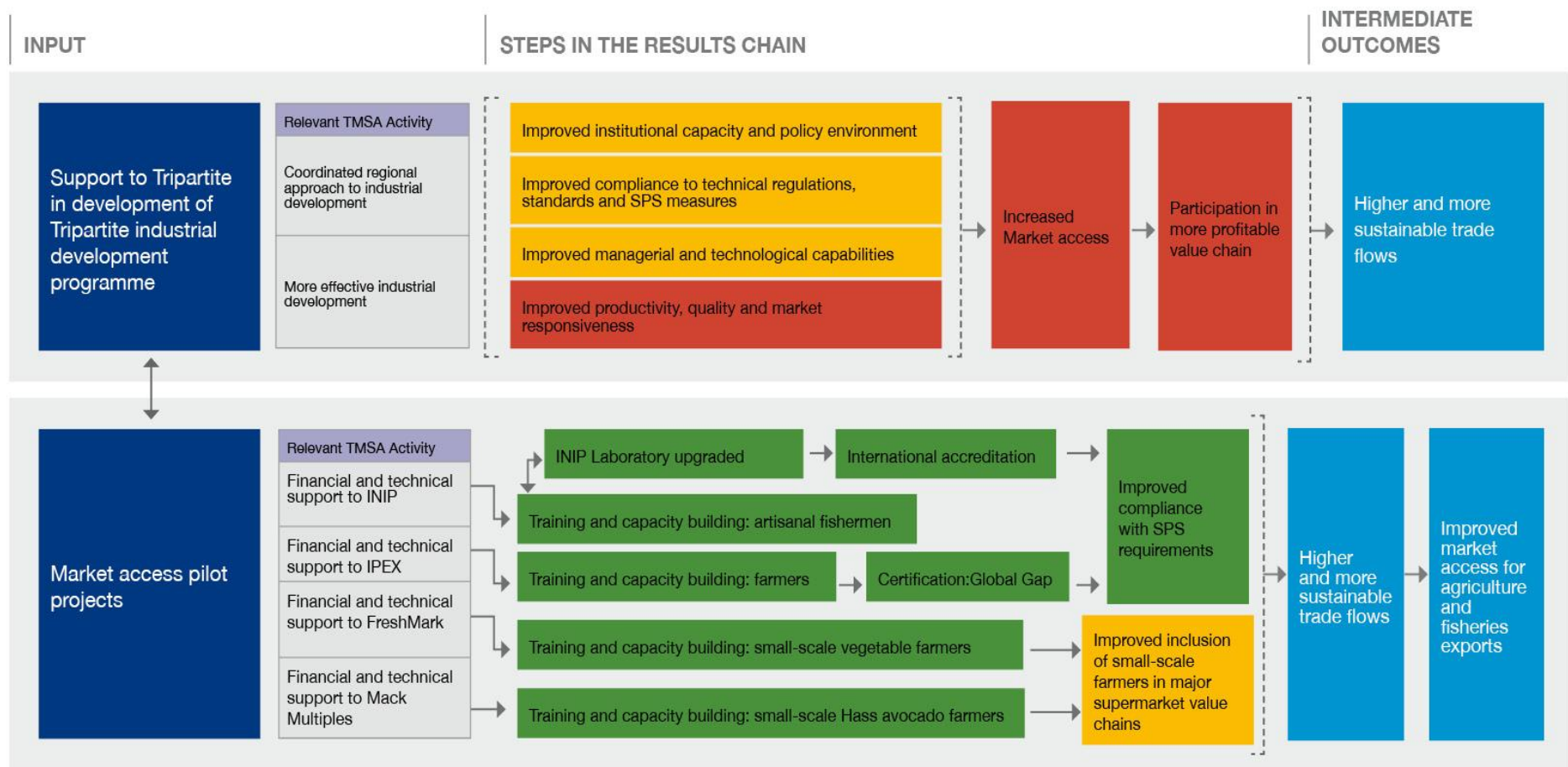
At the systemic level, progress towards the achievement of regional frameworks for industrial development, SPS and TBT has been weak, and these frameworks or work programmes are unlikely to be concluded by the project end date. As a result, TMSA is unlikely to meet most of its end-of-programme targets in this area. This has less to do with the assumptions underlying the theory of change, which in this case are too generic, and more to do with the fact that implementation is still at an early stage.

Finally, none of the target indicators meet the SMART criteria and this has caused uncertainty in terms of how this component should be evaluated. Specifically, it is not clear what TMSA is expected to contribute in the way of an industrial policy or SPS framework or what defines an ‘initiative’ or ‘pilot’.



Figure 5: Snapshot of performance against TOC and log-frame Output 4

**Output 4: Enhanced productive and export competitiveness of the regional economy**



- KEY**
- Assessment of Programme Performance (inc. 2014 targets):
- On Target
  - Significant Progress
  - Limited Progress
  - Lack of Data to Assess at this Time
- Assessment of SMART Indicators:
- Acceptable
  - Uncertain
  - Problematic
- Assumptions underpinning the TOC:
- Assumption not holding true in practice
  - Assumption partially holding true in practice
  - Assumption holding true in practice
  - Lack of data to assess at this time

Indicators (2014 target)	Are Indicators SMART?
Implementation of at least 2 regional industrial development policies/strategies and/or measures commences in the Tripartite region	Indicator lacks specificity – concerned with implementation of ‘policy’ OR ‘strategies’ OR ‘measures’. Given the number of stakeholders involved, it is unlikely that the indicator is achievable
TFTA provides a framework for implementation of technical standards for identified priority products and SPS measures	Indicator lacks specificity and measurability – it is very unclear what is required to achieve this indicator and by who.
Enhanced capacity to implement specific standards and SPS measures, which were developed/agreed, in at least 8 Tripartite countries	Indicator lacks specificity and measurability – it refers to ‘enhanced capacity’ but does not set out any parameters to measures to assess enhanced capacity; and does not specific whether standards need to be developed or agreed.
5 initiatives and/or pilots implemented in Tripartite countries	Indicator is generally SMART, but is not sufficiently specific to confirm whether a single mitigation programme implemented across 5 different countries meets the required target (as has been claimed).

Key assumptions underpinning TOC
Regional political and social stability
Favourable global and regional economic condition and outlook
Availability of sufficient technical and financial resources to support industrial development processes and capacities
Appropriate regional strategies taking account of new global industrial development dynamics.



### 6.4.3 Finding 10: The Tripartite and TMSA are unlikely to make meaningful progress towards the achievement of a common and regional approach to industrial development in the short term

#### 6.4.3.1 Evidence from the document and data review

The work towards a harmonised approach to industrial development is a new activity area introduced with the adoption of the industrial development pillar by the Tripartite in June 2011. TMSA has facilitated the drafting of a road map/work programme for the Tripartite to guide the development of a regional approach to industrial policy, including the coordination and funding of a Regional Consultative Workshop. This work programme has yet to be approved. TMSA has also commissioned two baseline studies to assess how industrial policy development can be coordinated at a national, regional and the Tripartite level; and is looking to undertake a limited number of value chain studies.

In the absence of an agreed work programme, it is not clear how the Tripartite will approach industrial development. “The debates surrounding the exact focus of this pillar seem to fall along the lines of proponents of a regional industrialisation strategy focusing on regional value chain development and others promoting a more traditional competitiveness enhancing approach”<sup>55</sup>. The work done by TMSA to date appears to favour the former approach. This could “see politically sensitive products highlighted as potentially important for regional development on contestable economic grounds, and turn into a de facto list of products where protectionism and an inward approach are promoted on development grounds”<sup>56</sup>. The consequences of this inward-looking approach are already reflected in the positions of some member countries in the TFTA negotiations.

#### 6.4.3.2 Evidence from interview data

According to some interviewees involved in the process to establish a work programme for this pillar, including programme and REC staff, the baseline studies commissioned to inform the development of the road map and work plan under the industrial development pillar were not sufficiently robust to offer innovative, evidenced based programming ideas for the industrial development pillar activities. Specifically, the studies did not contain a useful survey of promising activities already underway in the region that could point towards the areas of most likely outcomes for future efforts. Despite a systematic consultative process being adopted, interviewees at RECs also suggested that the process did not adequately facilitate participation of member states, nor did it include private sector involvement to the extent warranted in pursuing this pillar. Furthermore, the process of finalising the roadmap – which depends on the facilitation of a stakeholder review and validation process – has yet to be concluded as a result of funding constraints.

Despite these shortcomings, the attention on industrial development is welcomed by a number of interviewees. Staff at the RECS are convinced that the establishment of an industrial development pillar is justified, as are a number of private sector representatives. Activities in support of this focus area are seen as necessary, not to coordinate industrial development policy, but rather to identify and address market factors that have prevented value chains from naturally emerging.

### 6.4.4 Finding 11: Project specific interventions at the sector or firm level are not a convincing fit in the TMSA portfolio

#### 6.4.4.1 Evidence from the document and data review

TMSA has supported a diverse range of projects that addressed barriers to market entry in the fisheries and agricultural sectors. The majority of these interventions are legacy projects that TMSA inherited from ComMark, and consequently there is no strong rationale for their inclusion in the TMSA portfolio. Attempts to present these as relevant to TMSA’s scope became more convincing with the introduction of the industrial development pillar, but only to a limited extent.<sup>57</sup> Even then, the overarching purpose of the programme suggests that interventions are appropriate if they contribute

<sup>55</sup> de Roquefeuil, Chapter 3: The Tripartite Free Trade Agreement: Political economy issues to consider ECDPM Background Paper, pg. 9

<sup>56</sup> Ibid pg. 9

<sup>57</sup> See for example TMSA Programme Memorandum on Output 4

to structural reform of the regional economy. This is not an obvious outcome for most of the interventions in this portfolio. Moreover, it is not clear how they are aligned with wider regional processes (such as the Tripartite FTA negotiations or the Comprehensive African Agriculture Development Programme).

The poor fit is most apparent when considering the different levels of intervention of these projects. With reference to Table 6 below, two thirds of the projects were country specific, and only half of those intervened at a sector rather than enterprise level. It is, however, worth noting that there is a strong poverty orientation in the portfolio of projects considered below.

Table 6: Overview of interventions in the industrial development pillar

Project Description	Origin	Status	Level	Poverty Focus
<b>Fisheries</b>				
Mozambique National Institute of Fisheries Inspection (INIP)	ComMark	Completed	Country sector	Direct, as artisanal fishermen benefitted from improvement of sanitary standards
Marine Stewardship Council Certification	ComMark	Support phased out	Regional sector	Indirect
<b>Sanitary and Phyto-sanitary Standards</b>				
Southern African Confederation of Agricultural Unions participation in 3 international standards setting bodies	ComMark	Support phased out	Global/ Regional policy	Indirect
Market Access Opportunities in RSA for COMESA horticultural exporters	TMSA	On-going	Regional sector	Indirect
IPEX Global Gap and Organic Standards for Fruit Farmers in Mozambique	ComMark	Completed	Country sector/ project	Indirect
Shoprite Checkers/Freshmark Horticulture Project	ComMark	Completed	Country project	Direct, as small scale producers are primary beneficiaries
Smallholder Production of Hass Avocados in Zambia	ComMark	Ongoing	Country project	Direct, as small scale producers are primary beneficiaries
The Fruit Fly Eradication Project	TMSA	Ongoing	Regional sector	Direct, as improving exportability and food security an equivalent focus
UNIDO Aflatoxin control and management in groundnuts in Malawi	ComMark	Completed	Country sector	Direct, as improving exportability and food security a focus
<b>Other</b>				
Carbon Calculator Tool for South African Fruit and Wine Industry	ComMark	Support phased out	Country sector	Indirect
Seychelles Broiler Project	TMSA	Completed	Country sector	Indirect
Zambia ColaLife Trial	Not inherited but TMSA instructed to include	Completed	Country project level	Direct, as public health intervention lowering cost of health care for the poor and fostering BOP enterprise development

Given the fact that most of these projects have a strong SPS focus, a specialist in this area was asked to provide an independent review. According to this expert: “the projects vary in effectiveness from very effective (Marine Stewardship Certification) to largely ineffective (Malawi aflatoxin



project)".<sup>58</sup> In his view, the fish related interventions have been highly successful because there is a clear market driver for more hygienic and sustainable fish products. The SPS linkage in other instances is not clear and there are no clear linkages in many of these interventions to the overall programme design and regional SPS initiatives: "The strategy of TMSA as articulated lacks detail and does not, at this point, capture existing regional work on SPS harmonisation. Specifically, there is little reference in TMSA documents to the CAADP (Comprehensive African Agriculture Program of the AU) process where both donors and governments can, and do, allocate resources and leverage with existing activities and thus increase overall efficiency."<sup>59</sup>

#### 6.4.4.2 Evidence from interview data

In contrast to the enthusiasm for this pillar at the RECs and among governments and programme beneficiaries, a number of interviewees, including donors and technical experts, were dubious about the appropriateness of the sector and country level projects supported by TMSA. In general such criticism was two-fold. Firstly, unless interventions contribute to regional level reforms or competitiveness, then their inclusion represents a diversion of focus and resources. Secondly, it is unlikely that country specific interventions will generate lessons which can, or will, be taken to scale at the regional level.

### 6.4.5 Finding 12: A more systematic approach to the selection of SPS and other industry-level projects would contribute to better outcomes

#### 6.4.5.1 Evidence from the document and data review

TMSA's SPS strategy aims to strengthen these SPS coordination mechanisms through the development of harmonised SPS standards for selected agricultural products. Additionally it seeks to develop harmonised Tripartite regulations and registration guidelines for plant protection products and natural remedies such as bio control technologies and bio pesticides. Finally regionally acceptable certification schemes for selected agricultural products are to be developed and promoted. However, in practice, it is not clear from the existing documentation how specific SPS projects were selected, and the fact that many of these projects were inherited from a previous programme, seems to have contributed to a lack of focus in the use of TMSA's SPS related resources.

According to the SPS expert, the SPS interventions carried out by TMSA show mixed results. "To improve project selection and impact, there needs to be a clear linkage between the SPS issue and a trade constraint and the removal of the constraint should conceivably lead to increased trade flows."<sup>60</sup> This should be key selection criteria. Other non SPS factors should not be constraining, and a pre-existing and strong business case must be in place before the SPS related project is carried out. To achieve this, "there needs to be a clearly laid out value chain map for each selected commodity (many such studies exist and merely need to be updated to take account of changing circumstances). Within the value chain map any SPS intervention can be outlined if seen as a constraint. The intervention can be mapped at various levels from higher end policy and standards all the way down to farm level actions."<sup>61</sup>

#### 6.4.5.2 Evidence from interview data

During the fieldwork, positive support was found for some specific interventions among government and private sector interviewees that benefitted from the intervention. The CITRUM project, for example, having achieved partial success in the achievement of global gap accreditation, is partly owned by a Mozambican DFI. This institution has ambitions to promote sector wide structural change through the CITRUM project, which if realised, could have regional spin-offs. Similarly, strengthening the technical capacity of national institutions and government agencies to implement TBT and SPS standards should over time contribute to improved market access and exports at a much larger scale, in the view of governments and technical experts.

<sup>58</sup> Cassidy, D. (2013). Review of TradeMark Southern Africa program as related to agriculture standards and Sanitary and Phytosanitary interventions. Report commissioned for the mid-term evaluation of TMSA. Pg. 13.

<sup>59</sup> Ibid pg. 8

<sup>60</sup> Ibid pg. 15

<sup>61</sup> Ibid pg. 16



Other interventions were deemed to be appropriate, without qualification. Steady progress has been made throughout 2012 on the roll out of the fruit fly identification, monitoring and eradication programme. Interviewees in Zambia and Malawi claim that in addition to the authorities obtaining the knowledge necessary to manage the pest, greater awareness at grassroots level now exists. Interviewees also suggested that the programme was of sufficient length to institute effective pest management in the member states in which implementation was being supported; and that this intervention targeted a regional challenge and would be of regional economic benefit.

## 6.5 CROSS-CUTTING ISSUES

### 6.5.1 Finding 13: Cross-cutting issues are not consistently considered in the design, implementation and monitoring of TMSA activities; but there is evidence to confirm that some TMSA activities have contributed to a better understanding of the linkages between trade, HIV/AIDS, poverty and climate change

#### 6.5.1.1 Evidence from the document and data review

Poverty reduction was made explicit at the impact level of TMSA's design. TMSA's Programme Memorandum also states a commitment "To improve southern Africa's trade performance and competitiveness for the benefit of poor women and men".<sup>62</sup> While this commitment is clearly stated, the extent to which TMSA's design and activity actually seek to address these issues and/ or monitor performance in this regard is questionable. Specifically, very little work has been done to explicitly analyse how TMSA interventions are likely to impact the poor. In all the theory of change propositions the link between intervention and poverty alleviation as an impact is the most tenuous in terms of reference to literature, most dependent in terms of political economy (structure of the economy and quality of institutions as acknowledged in the ToC) and benefits least from TMSA's research base.

In the TMSA log-frame there is only one gender disaggregated target that aims for at least 50% capacity building of Tripartite trade officials to be women. This is despite the claim in the Programme Memorandum that TMSA will investigate how the gender impact of all aspects of their work can be increased through better analysis and design.

Three other key social dimensions which are highlighted in TMSA's Programme Memorandum are missing from the log-frame: increased employment opportunities; informal cross-border traders; and HIV/AIDS.

There are few or no indicators to measure the programme's impact on: small scale/informal cross-border traders, increased employment opportunities for the poor, gender equality or HIV/AIDs. If the programme intends to track its impact on poverty reduction or gender equality, as stated in the Programme Memorandum, the M&E process needs to analyse these dimensions more thoroughly.

According to TMSA documentation, some progress is however being made to address cross-cutting issues in each programme pillar. TMSA has initiated efforts to assess the impact of a FTA on poor citizens of the region and has provided dedicated support to regional LDCs in their wider trade policy engagements; case studies have been completed to demonstrate the benefits of trade facilitation interventions, especially IBM, on small-scale traders; the Chirundu project specifically included a component to mitigate the potential harmful health effects of HIV/AIDS transmission; and a methodology has been developed to evaluate the impact of different transport options on climate change.

Some specific and documented gains from these activities include:

- A report on the impact of the Chirundu OSBP on small scale traders<sup>63</sup> found that they experienced a reduction in transit times, duty free access with simplified documentation, useful trade information desks, and a reduction in corruption. These findings are backed up

<sup>62</sup> DFID Southern Africa (2009) TMSA Programme Memorandum: Southern Africa Regional Aid for Trade Programme, 2009-2014.

<sup>63</sup> TMSA Case Story 5: Making a big impact on small scale traders.



by a Border Monitoring Project for three NSC border posts<sup>64</sup>, initiated by TMSA, which interviewed a total of 717 small scale traders (including 36% women). In this study traders noted improvements in crossing times, with the highest at Chirundu, which could be attributed to the OSBP, and the lowest at Nakonde, where there has been no infrastructure improvements. A total of 36% reported slight improvements in income with the highest change at Chirundu;

- Some of the spin-off benefits from these improvements have been documented by the OECD: “Rapid, automated and standardised clearance procedures have reduced the illicit payments that multiple agencies previously charged for clearance procedures, while shorter border delays have reduced the sex trade and the spread of sexually transmitted diseases such as HIV/AIDS”,<sup>65</sup>
- TMSA has supported the development of a reporting and monitoring tool that enables online reporting of Tripartite NTBs. A complementary SMS service reporting tool has recently been developed to make it easier to report NTBs for smaller traders who might not have access to web-based reporting;
- TMSA has initiated projects to increase the competitiveness of small scale producers. The Freshmark Programme, for example, aims to increase the incomes of smallholder fruit and vegetable farmers in Southern Africa through training in food safety and quality requirements. Evaluation of this programme<sup>66</sup> assessed the reach and impact of training, the awareness of food safety and quality requirements amongst trainees, the organisation of farmers, and their access to technical support. There was no analysis of the project’s impact on income; and
- Two other projects supported artisanal fishing in Mozambique and avocado production in Zambia. Case studies<sup>67</sup> produced around these three projects highlight anecdotal evidence of their success but provide no analysis of their impact on poverty or gender equality.

While the above examples are encouraging they are not robust evidence of TMSA’s wider impact in relation to poverty/ gender and other cross-cutting social themes. Given the well documented links between informal trade, poverty and gender equality, rigorous poverty and gender analyses of the impact of TMSA’s interventions on small scale/ informal traders would be instructive. For example, the impact of TMSA on small scale traders, especially women, in relation to:

- Their income levels;
- Their knowledge of customs regulations;
- Simplified documentation, such as tax exemption eligibility, certificates of origin;
- Reduced transaction costs;
- Reduced border delays;
- Changes in corruption and bribery;
- Changes in sexual harassment at border posts; and
- Changes in HIV/AIDS infection rates.

While these themes will be tentatively explored in the impact evaluation, in the absence of comprehensive programme monitoring data relating to these cross-cutting themes, the evaluation evidence base will be limited.

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<sup>64</sup> Comesa/TMSA July 2013

<sup>65</sup> OECD, 2013, pg. 43

<sup>66</sup> TMSA (2012). Independent Project Closure Evaluation – Shoprite Checkers (Freshmark): supporting small scale Southern African fruit and vegetable growers to meet the standards requirements of retailers

<sup>67</sup> TMSA Case Study Series Numbers 2 (available from

[http://www.trademarksa.org/resources/newsletter\\_system?newsletter\\_id=12889&article\\_id=12264](http://www.trademarksa.org/resources/newsletter_system?newsletter_id=12889&article_id=12264) and 3 (available from: [http://www.trademarksa.org/resources/newsletter\\_system?newsletter\\_id=12257&article\\_id=12890](http://www.trademarksa.org/resources/newsletter_system?newsletter_id=12257&article_id=12890))



6.5.1.2 Evidence from interview data

Interviewees including programme, REC and government staff agree that cross-cutting issues have not been integrated systematically into programme design. Yet there is some direct evidence where programme interventions are likely to have a strong impact on poverty reduction. For example, the fruit fly project would not only, or perhaps even primarily, contribute to export competitiveness, but would bring improvements to local markets, improve local consumption and mitigate threats to food security. Similarly, a number of projects facilitated access to markets for small scale producers, many of whom are likely to be poor. For example, the INIP intervention benefited not only the fishing sector in Mozambique broadly, but artisanal fishermen who depended on fishing for their livelihoods. Similarly, the ColaLife project offered an affordable health care solution to the poorest citizens in Zambia, while also providing a cost effective product to retailers to sell on. In each of these instances respondents confirmed that TMSA’s efforts have contributed directly to poverty alleviation.

## 7 FINDINGS FROM INSTITUTIONAL APPRAISAL

This section contributes to addressing the following evaluation scope:	
Relevance	<ul style="list-style-type: none"> <li>The extent to which TMSA aligns the priorities and programmes of the Tripartite, other DFID and other donor programmes.</li> </ul>
Efficiency	<ul style="list-style-type: none"> <li>The extent to which the programme delivers VfM outcomes, considering its institutional arrangements and organisational infrastructure</li> </ul>
Effectiveness	<ul style="list-style-type: none"> <li>TMSA’s performance against targets and objectives</li> <li>TMSA’s contribution to institutional capacity building</li> <li>The contextual factors enabling or constraining the realisation of objectives</li> </ul>
Impact	<ul style="list-style-type: none"> <li>Programme impact on cross-cutting issues</li> <li>Factors enabling or constraining programme impact</li> <li>Programmatic mechanisms for sustaining, monitoring and evaluating contribution</li> </ul>

### 7.1 INTRODUCTION

The purpose of institutional appraisal is to gain insight into an institution’s operating context – including its operating environment and the other key players within it, the processes and procedures governing institutional operations and the factors constraining its development – and to facilitate improved operational efficacy and outcomes. By establishing the operating context of TMSA, we will gain an understanding of the institutional factors which are perceived to facilitate and inhibit the successful delivery of TMSA activity and the impact that is achieved. This will allow us to make recommendations for improving the efficiency and effectiveness of the TMSA programme, which will enable the programme to have a greater impact.

#### 7.1.1 The analytical framework

In undertaking this assessment the evaluation team has drawn on a number of information sources and approaches, including DFID’s Essential Guide to Rules and Tools<sup>68</sup> – the Blue Book; and the recognised Institutional Assessment approach<sup>69</sup> developed by the International Development Research Centre (IDRC) Evaluation Unit. The resulting approach provides a comprehensive, largely descriptive, approach to profiling institutional capacity looking specifically at three key facets.<sup>70</sup>

- Forces in the external environment;

<sup>68</sup> DFID (2005) Essential Guide to Rules and Tools; the Blue Book

<sup>69</sup> Lusthaus, C., Anderson, G., and Murphy, E (1995) Institutional Assessment: A Framework for Strengthening Organizational Capacity for IDRC’s Research Partners

<sup>70</sup> Morgan, P., Taschereau, S., (1996) Capacity and Institutional Assessment: Framework, Methods and Tools for Analysis. Prepared for the CIDA Policy Branch, Pg12.



- Internal institutional factors (including mission, culture, leadership, structures, human and financial resources, formal and informal management and assessment of performance); and
- Inter-institutional linkages.

The evaluation team has conducted this analysis using data collected through qualitative interviews conducted with relevant TMSA programme staff, and through a desk review of relevant programme documentation, supported by iterative querying of these with TMSA staff. Findings and supporting evidence informing the institutional appraisal are presented in the sections that follow. These are linked, where necessary, to a series of recommendations presented in Section 10.

## 7.2 EXTERNAL INSTITUTIONAL CONTEXT

### 7.2.1 Finding 14: TMSA engages with a wide number of stakeholder organisations at the regional level, but interactions with country-level representatives are weak

TMSA is embedded within the COMESA-EAC-SADC Tripartite Regional Economic Communities (RECs), working with the RECs themselves and representatives of business and donors at the regional level. Although it would be impossible for TMSA to engage meaningfully across the 26 member countries of these RECs, this has contributed to a relatively low level of engagement with private sector and civil society in these countries, and in some cases, with the relevant DFID country offices.

Annex E lists a number of the key organisations which have an influence on TMSA's operations. These have been broadly sub-divided into TMSA Programme Operational Partners; Donors; Tripartite Member States, and Activity Partners. Each of these bodies exerts an influence on TMSA – be this a direct strategic influence, direct financial influence or, through their own activities and their interaction with TMSA's activities, an indirect influence that can have a positive or negative effect on the operating environment of TMSA and its ability to fulfill its remit.

The table in Annex E shows that TMSA has a wide range of institutional partnerships and relationships, which are an important part of its operations and an essential part of achieving and enhancing its targets. For example, TMSA Monitoring Information Systems (MIS) data relating to North South Corridor notes an assumption that UNCTAD will be technically able to support required changes at border posts<sup>71</sup> and that monitoring activity has been constrained to date due to ZIMRA's unwillingness to contribute to data collection activities at Chirundu<sup>72</sup>.

Similarly, as noted in the recent Annual Review of TMSA, progress on the implementation of the Tripartite Free Trade Agreement (TFTA) has progressed slowly due to the position taken by a number of member states; this is outside the direct control of TMSA.

Overall, the view of the evaluation team is that TMSA is engaging with a wide range of appropriate stakeholders. Having a large number and variety of interlocutors and co-operators is a healthy and indeed essential pre-condition for success. However, there is some evidence from the fieldwork to suggest that some country and donor representatives would have liked TMSA to have been more active at this level.

## 7.3 INTERNAL INSTITUTIONAL FACTORS

To guide the assessment of internal institutional factors the evaluation team has drawn on McKinsey's 7Ss Framework; specifically endorsed by DFID<sup>73</sup>. The framework looks at seven interdependent factors, categorised as 'hard' or 'soft' elements (Table 7). The analysis that follows looks at TMSA through the lens of the 7Ss providing critical appraisal of TMSA's approach and performance against each.

<sup>71</sup> TMSA Project Sheet 3.2.2 North South Corridor Performance Monitoring, April – June 2013 [provided by TMSA]

<sup>72</sup> Ibid

<sup>73</sup> Promoting Institutional and Organisational Development: A Source Book of Tools and Techniques, DFID Issues (green), March 2003.



Table 7: McKinsey's 7Ss

7Ss	Definition
<b>Hard S's</b>	
Strategy	Clarity of vision and goals that guide the organisation? Extent to which these are shared amongst planners? Level of participation in formulation of these?
Structure	Organisation of functions? Definition of roles and responsibilities?
Systems	Effectiveness of the human, financial and technology systems that support objectives? Nature of incentives within HR and budgeting policies
<b>Soft S's</b>	
Shared values	Nature of the overt and covert rules, values, customs and principles that guide organisational behaviour? Extent to which core professional values are internalised?
Skills	Nature of requirements and individual skills/knowledge needed for task effectiveness? Adequacy of the task-skills match? Opportunities for training/knowledge sharing?
Staff	Effectiveness of staff utilisation? Adequacy of staff resources? Level of staff motivation? Factors that would increase job satisfaction?
Style	Leadership style of ministers/senior civil servants and relationship with staff? Extent to which there is a supportive environment for staff? Level of communication?

### 7.3.1 Finding 15: Overall, TMSA has in place the building blocks of sound internal strategic and operational planning and programme management. However, there are some important oversights and areas for improvement in processes and procedures.

Descriptive analysis is presented under the 7S analysis framework that follows. The specific recommendations emanating from this analysis are provided in Section 10.

### 7.3.2 Strategy

#### 7.3.2.1 Programme Theory of Change (ToC) and log-frame

TMSA's overarching goal, as articulated in the ToC, is to improve trade performance and competitiveness, thereby contributing to growth and poverty reduction. The ToC has been developed through a participatory process involving the core professional team of TMSA.

There was no requirement at the outset of the programme for a ToC. This was developed retrospectively in line with revised guidance from DFID in November 2012. The process was led by the TMSA Head of Knowledge Management.

TMSA activity is governed by a log-frame, in accordance with DFID normal practice. The log-frame – the primary tool for planning, implementation, management and monitoring - was developed in the programme design phase in 2009. This was subsequently updated in March 2012 to take account of changing priorities of the UK Government and also the introduction of a third regional integration pillar (Industrial Development) at the 2011 COMESA-EAC-SADC Tripartite Summit.<sup>74</sup>

While presenting evaluation challenges in terms of revised outputs and indicators, the evaluation team appreciates the requirement to alter the log-frame to ensure the programme remains relevant. Changes to the log-frame, and an explanation in support of them, have been formally documented by TMSA.<sup>75</sup>

The revised log-frame was approved by DFID in February 2013; 11 months after the original revision. The reason for this delay in the approval process is not clear, and while this does not appear to have held up TMSA's implementation per se and activity has continued (guided by the structures of the previous year's Work Programme) it has contributed to a lack of clarity in some respects. For example, budgets could not be formally realigned to the new outputs. The effects of this lack of clarity are evident in the evaluation's assessment of VfM and the analysis of overall performance to date.

<sup>74</sup> TMSA Internal document, titled: Background to the 2012 TradeMark Southern Africa Log-frame change, March 2012.

<sup>75</sup> *ibid*

### 7.3.2.2 Linking strategy to action

Specific TMSA interventions and activities are guided by an annual Work Programme (WP) and detailed budget. Table 8, below, compares the high level structure of the log-frame with that of the WP and budget. It shows broad consistency, indicating that the intended outputs of the log-frame are logically carried through into the WP, and furthermore reflected in the budget structure.

While the first four outputs are broadly traceable from the log-frame, Output 5 (covering TMSA processes) has been split into three separate WP elements and two budget headings (as shown in the Table 8).

Table 8: Strategy activity alignment

Log-frame		WP Summary 2012/13 <sup>76</sup>	Draft Budget 2013-14	
Output 1	Strengthened Trade Policy Implementation Capacity	Trade Policy	1	Trade Policy
Output 2	Reduced trade transaction cost & transit times in the Tripartite area through improved & harmonised trade & transport facilitation measures	Trade and Transport Facilitation	2	Trade Facilitation
Output 3	Improved regional trade infrastructure networks in COMESA & SADC regions (esp. NSC & spurs)	Regional Infrastructure	3	Corridors & Infrastructure
Output 4	Enhanced productive & export competitiveness of the regional economy	Regional Economic Competitiveness	4	Regional Economic Competitiveness
Output 5	Enhanced TMSA processes & outcomes through effective communication knowledge management & influencing	M&E Advocacy & Knowledge	5	M&E, Advocacy and Knowledge Management
		COMESA-EAC-SADC Tripartite	6	Administration
		TMSA Programme		

Notwithstanding some discrepancies and misalignment in project documentation, for example problematic descriptions of outputs, and some difficulties making line by line comparison between project documentation at the detailed operational level, there does appear to be broad (if ambitious) strategic alignment of TMSA's purpose as expressed in the ToC and log-frame and down through the WP, and the funding attached to this.

In essence, the building blocks of strategic and operational planning are in place and broadly aligned, and it is apparent that TMSA has made considerable effort in this regard, albeit at a more detailed planning level, pragmatic alignment is harder to identify (discussed in more detail in Section 9.1).

### 7.3.3 Structure

TMSA is not constituted as a legal entity such as a limited company, a partnership or a trust; it is perhaps best described as a programme. Since April 2010, TMSA has been governed by a Memorandum of Understanding (MoU) between DFID and COMESA. COMESA retains legal, budgetary and fiduciary responsibility for TMSA on behalf of DFID as a core funder (responsible for GBP30.6m of disbursed funds) to provide technical support, supplies, minor works and small grants in pursuit of TMSA's outputs over five years from 1 November 2009 to 31 October 2014. These funds are managed by an EXCO consisting of DFID, COMESA and the TMSA PMU.

The remaining GBP67m of the GBP100m programme funding is allocated to the Tripartite Investment Trust Account (with DBSA as the fund manager) and is governed by an Investment Committee consisting of DFID, COMESA, the EAC and SADC, DBSA and is governed by the Tripartite Trust Account Investment Committee. Overall control of TMSA is exercised by a tripartite committee of

<sup>76</sup> Note that the Work Programme 2013/14 has not yet been approved by DFID. TMSA are still working with the previous Work Programme, hence this discrepancy in dates.



DFID, COMESA and TMSA's PMU. COMESA has the lead role for the Tripartite in managing TMSA, and has been through EU accreditation for its processes.

#### 7.3.3.1 *Management in practice*

TMSA has a clear hierarchical organisational structure set out in an organogram. Both DFID and COMESA sit on the TMSA Executive Committee, which oversees the programme, and the Programme Director reports to this committee. TMSA has a small core management team.

The internal functions of the organisation, addressed in Output 5 of the log-frame, are covered by two teams – (a) M&E and Knowledge Management, and (b) Operations and Administration. This basic structure is appropriate in showing good strategic alignment between functions and purpose. The core team is based in Pretoria, South Africa with two units elsewhere; the PPIU (2.5 staff) in COMESA (Lusaka, Zambia) and a further three staff at SADC in Gaborone, Botswana.

### 7.3.4 **Systems**

The systems aspect of the 7S approach highlights human, financial and technology systems that support objectives. It also includes the nature of incentives within HR and budgeting policies.

#### 7.3.4.1 *General management*

The general governance of TMSA is set out in the Project Management Manual (PMM). This extensive document covers, among other things, programme governance, project eligibility, planning and budgeting, financial management, procurement, staffing and programme level M&E. The PMM was signed off by DFID Procurement Group in the UK, DFID's Internal Audit Department, the Crown Agents and COMESA. Quarterly and Annual Reports are submitted to DFID and the Tripartite. These were judged insufficiently quantitative in content, and this is now being rectified in more recent versions.

#### 7.3.4.2 *Financial management systems*

The financial management principles for TMSA are clearly set out in Section 6 of the PMM. COMESA and the PMU are the accounting partners for TMSA and their respective roles are clearly defined. The principles and procedures for budget and expenditure management are set out in some detail, step-by-step. Financial reporting is also covered by the PMM, outlining a system of Monthly, Quarterly and Annual Reports. Guidance is given on programme management costs, interest and bank charges, and procedures for electronic authorisation (necessary for geographically dispersed personnel), for payment and documentation.

*Audit and accountability:* According to guidance in the PMM, external audits will take place as set out in the MoU. An external auditor may conduct extraordinary or ad-hoc audits on the fund reports at DFID's request. The PMU can appoint an internal auditor to conduct audits on documentation held at PMU premises.

*Procurement:* The PMM contains clear procurement principles covering competitiveness, transparency and VfM/cost-effectiveness, and also has an explicit commitment on the part of the two accounting partners, COMESA and the PMU, to apply these principles. On the basis of a limited investigation, which is not an audit, the evaluation team found no contrary evidence that these were not being followed, albeit exemptions were permitted, and perhaps too readily achieved (see also VfM Economy section).

#### 7.3.4.3 *Human resources management*

The PPM includes detail regarding TMSA's Human Resources (HR) policies and procedures including: staff recruitment, remuneration and benefits; procedures for staff travel, mission and trip reporting and reimbursement and termination of contracts.

The PMM Appendix 2 (starting on page 49) contains the TMSA PMU Administration and Procedures Manual. Section 3 of this Appendix comprises the TMSA Staff Operational Guidelines and Practices (PMM page 52), which was first compiled in December 2010 and revised in February 2012.

*Recruitment and Remuneration:* The Administration and Procedures Manual contains a short section on procedures for staff recruitment and remuneration (page 52). The fact that open competition and



advertising was not always required, and an initial preference for regional staffing, even for highly-paid senior posts, might have limited the opportunity to obtain the best candidates. The rates of remuneration are not in this manual but have been inspected separately, and would appear to be high by regional standards (also see VfM Economy section).

*Conduct and propriety:* The PMM includes a Code of Conduct applying to TMSA staff and agents operating at all levels. The Code states the institution's core values and highlights the conduct that is considered ethical and acceptable.

#### 7.3.4.4 Technology management systems

TMSA's use of technology systems is variable. For example, TMSA has invested in an impressive interactive Theory of Change portal<sup>77</sup>; maintains a secure online database of project documentation and performance reporting accessible to registered users; and is well versed in the use of digital marketing and social media. However, financial reporting appears to be more cumbersome. For example, to provide financial data required by the evaluation team, TMSA had to extract data from COMESA's Sun System. TMSA are confident that the Sun System provides all necessary financial data in an accessible form noting, for example, that COMESA can provide transaction listings on any level – activity, project or intervention. However, it may be that these systems are not ideally suited to disaggregating data in the manner required for evaluation purposes and assessment of VfM on an ongoing basis e.g. against outputs and log-frame indicators. This links back to the point made at 7.3.2.2 regarding some misalignment in the detailed budgets and workplans.

While data requests by the evaluation team have been fulfilled, the data provided (including separate spreadsheets for annual budgets, work programmes and expenditure) are not conducive to rapid comparison and analysis. Specifically, TMSA has no way of providing cumulative spend to date (against budget) at the intervention level. This is a result of the accounts not having been entered on the Sun System due to the delayed approval of the current Work Programme and Budget.

#### 7.3.5 Finding 16: TMSA is lacking a full M&E plan; a significant omission for a programme of this magnitude.

The PMM contains a very short section on measurement and evaluation (page 24). Within this the possibility of appointing outside evaluators is mentioned (page 18), but this does not represent a commitment to doing so. Later, the PMM outlines the responsibilities of staff members to “conscientiously monitor implementation and performance of project activity and formally report on progress and outputs and impacts to the Programme Director” (page 53). Other M&E components of TMSA's processes include:

- Quarterly Reports - Progress of TMSA activities is monitored through the Quarterly Reports. TMSA gave evidence that they received little feedback on these from DFID, which they took to signify acceptance; and
- Project Sheets - Tracking progress at project level is undertaken by completing a system of 'Project Sheets', which are produced quarterly for each project. The Project Sheet relates each project to its relevant log-frame indicators, recording activities planned and achieved, budgets expenditure, assumptions and risks.

Overall, the evaluation team does not feel this is sufficient for a programme of this scale and complexity; a full M&E plan should be in place.

Measuring progress on cross-cutting issues is worth singling out. In the TMSA log-frame there is only one gender disaggregated target that aims for at least 50% capacity building of Tripartite trade officials to be women. This is despite the claim in the Programme Memorandum that TMSA will investigate how the gender impact of all aspects of their work can be increased through better analysis and design. Likewise, there are few, or no, indicators to measure the programme's impact on: small scale/informal cross-border traders, increased employment opportunities for the poor or HIV/AIDs. If the programme intends to track its impact on poverty reduction or gender equality, as

<sup>77</sup> [www.trademarksa.org/about\\_us/programme\\_news/tmsa-theory-change-interactive-portal-now-live](http://www.trademarksa.org/about_us/programme_news/tmsa-theory-change-interactive-portal-now-live)



stated in the Programme Memorandum, the M&E process needs to analyse these dimensions more thoroughly. Explicit adoption of the ROAMEF cycle or similar methodological approach would be helpful.

### 7.3.6 Shared values

TMSA has a clear vision and mission statement, articulated in the log-frame, Theory of Change (ToC) and other documents, which is used throughout the organisation to guide activity, such as work planning, budgeting, reporting and M&E. As previously stated, the TOC was developed with the involvement of all professional staff, helping to engender common values and a shared understanding.

During the fieldwork phases the evaluation team had regular and fairly unrestricted access to the TMSA offices in Pretoria (despite visiting in a period of intense activity). During this time the team observed offices to be in close proximity to one another with easy access and shared catering facilities, and an 'open door' culture which facilitated regular informal inter-change between staff members, in addition to more formal meetings.

### 7.3.7 Skills

TMSA is a small core team with significant functional flexibility across technical and administrative functions. There is no dedicated specialist HR resource. Within the existing structure it is expected that COMESA fulfils an overall HR role in terms of recruitment, contracting etc.

The PMM does not outline any formal approach to staff personal performance appraisal and, critically, staff development. Indeed TMSA has no formal system of skills needs assessment, CPD and training provision. As a short term programme (operational over five years) TMSA does not feel this is necessary. This is a matter of discretion. However, given DFID's focus on individual and organisational capacity building as a component of sustainable social and economic development this is perhaps an issue that should have been addressed by TMSA.<sup>78</sup>

### 7.3.8 Staff

TMSA currently has 25 formal staff and four contractors. A further 2.5 FTE staff are based at COMESA in Zambia, and three are at SADC in Botswana. All TMSA core staff are managed by TMSA from Pretoria. Staff based in COMESA and SADC report on day-to-day matters to REC Directors but also maintain a reporting role to TMSA in terms of the delivery of TMSA specific objectives.

Line managers hold one-to-one meetings with their staff. Team meetings take place in order to cascade information, although there are no regular 'all staff' meetings. Each team has a one-day retreat per quarter for team building and information exchange. A longer staff retreat of 3-4 days occurs annually and covers programming, budgeting and messaging. All staff are employed on a consultancy contract basis and can therefore be dismissed should performance require it.

TMSA states they have no 'elaborate' review and reporting systems, as it is a small organisation. The PMM details staff requirements in relation to programme level performance appraisal (e.g. staff are required to input to TMSA's Annual Report, quarterly reports and monthly updates). Project sheets, which each highlight a project owner within the TMSA team, are used as part of the staff appraisal process i.e. performance of staff is assessed in relation to progress and compliance on their individual projects.

However, as stated above, there is no formal approach to personal performance appraisal and staff development. Formal performance appraisal, linked to structured CPD activity, provides an opportunity for employees and line managers to engage in dialogue about performance and development – appraisals should reflect on past performance and behaviour and provide a basis for

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<sup>78</sup> DFID (2010) Practice Paper 'How to Note' Capacity Building in Research available at [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/187568/HTN\\_Capacity\\_Building\\_Final\\_21\\_06\\_10.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/187568/HTN_Capacity_Building_Final_21_06_10.pdf)



future development, improvement and career planning.<sup>79</sup> This is an area in which TMSA could potentially benefit from a more structured approach.

### 7.3.9 Summary of the Internal Institutional Appraisal

Table 9 below provides a summary of key findings as a result of the 7S appraisal.

Table 9: 7S summary

7 Ss	Check list/ summary questions	Comments
Strategy	<ul style="list-style-type: none"> <li>Is there a clear strategy in place?</li> </ul>	<ul style="list-style-type: none"> <li>Yes.</li> </ul>
	<ul style="list-style-type: none"> <li>Is it clear to staff/ stakeholders?</li> </ul>	<ul style="list-style-type: none"> <li>Yes.</li> </ul>
	<ul style="list-style-type: none"> <li>Is strategy flexible enough to address changing demands?</li> </ul>	<ul style="list-style-type: none"> <li>Yes, e.g. 2012 log-frame adjustments.</li> </ul>
	<ul style="list-style-type: none"> <li>Is strategy adjusted for environmental issues?</li> </ul>	<ul style="list-style-type: none"> <li>No.</li> </ul>
Structure	<ul style="list-style-type: none"> <li>Is there a clear hierarchy, defined roles and responsibilities?</li> </ul>	<ul style="list-style-type: none"> <li>Yes, clear organogram and understanding across team.</li> </ul>
	<ul style="list-style-type: none"> <li>Is there good co-ordination of activity?</li> </ul>	<ul style="list-style-type: none"> <li>Yes, but geographic dispersal in team and no formal programme of 'all staff meetings'. Where necessary these are done on a needs must basis.</li> </ul>
	<ul style="list-style-type: none"> <li>Are there decision making practices/ procedures in place?</li> </ul>	<ul style="list-style-type: none"> <li>Yes.</li> </ul>
	<ul style="list-style-type: none"> <li>Are there clear communications lines in place?</li> </ul>	<ul style="list-style-type: none"> <li>Yes.</li> </ul>
	<ul style="list-style-type: none"> <li>Are communications lines appropriate/ effective?</li> </ul>	<ul style="list-style-type: none"> <li>Yes.</li> </ul>
Systems	<ul style="list-style-type: none"> <li>Are the main systems that run the organisation clear?</li> </ul>	<ul style="list-style-type: none"> <li>Comprehensively set out in PMM, but sometimes limited detail.</li> </ul>
	<ul style="list-style-type: none"> <li>Are the control mechanisms clear?</li> </ul>	<ul style="list-style-type: none"> <li>Not completely, for example, it is unclear the extent to which single-source procurement is implemented in practice – rules do however allow it.</li> </ul>
	<ul style="list-style-type: none"> <li>Are internal systems/ control mechanisms effective?</li> </ul>	<ul style="list-style-type: none"> <li>Unclear, there is some leeway in processes which could permit practice which is not considered 'gold standard'.</li> </ul>
	<ul style="list-style-type: none"> <li>Are appropriate M&amp;E systems in place?</li> </ul>	<ul style="list-style-type: none"> <li>No M&amp;E plan.</li> </ul>
Shared values	<ul style="list-style-type: none"> <li>Are core values clearly articulated by the organisation?</li> </ul>	<ul style="list-style-type: none"> <li>Could be better articulated and publicised. Not on website.</li> </ul>
Style	<ul style="list-style-type: none"> <li>Is management/ leadership style participative?</li> </ul>	<ul style="list-style-type: none"> <li>Undetermined the nature of research methods employed (individual staff interviews) may not have facilitated the forum for this issues to be openly explored.</li> </ul>
Staff	<ul style="list-style-type: none"> <li>Are key positions/ specialisations represented within the team?</li> </ul>	<ul style="list-style-type: none"> <li>No - small core team – with significant functional flexibility across technical and administrative functions.</li> </ul>
	<ul style="list-style-type: none"> <li>Are there gaps in required competencies?</li> </ul>	<ul style="list-style-type: none"> <li>Yes. Team may benefit from dedicated HR support to formalise procedures.</li> </ul>
Skills	<ul style="list-style-type: none"> <li>Are skills (strengths and gaps) adequately monitored and assessed?</li> </ul>	<ul style="list-style-type: none"> <li>No – no personal development plans for staff members and no training plan.</li> </ul>

<sup>79</sup> CIPD (2013) Performance Appraisal Resource Summary



### 7.3.10 Style

It was not possible for the evaluation team to observe the detailed psychology of internal meetings and therefore endorse the prevailing management style and culture, but neither was there any grounds noted for concern in this area.

The PMM Appendix 2 (Section 3 of this Appendix, which is the TMSA Staff Operational Guidelines and Practices) has (on page 56) an explicit commitment to transparency and information sharing in internal communications within TMSA. These are stated to be “key values of TMSA which all staff members are required to adhere to at all times”.

## 7.4 INTER-INSTITUTIONAL LINKAGES

### 7.4.1 Finding 17: Inter-institutional linkages differ, quite rightly, depending on the nature of TMSA’s interaction with the specific stakeholder organisation. TMSA’s relationship with DFID is crucial and there is evidence that greater feedback and quicker response could be beneficial.

To be of value institutional appraisal should also “look out” to the inter-relationships and inter-dependencies with other institutions in the operational environment. Annex E sets out a number of key stakeholders with which TMSA engages. The evaluation has shown that TMSA engagement with various stakeholders differs depending on the nature of the relationship.

For example, TMSA quite correctly has a close and frequent relationship with DFID SA, the core funding partner. Inter-institutional linkages in this case are considered strong. This is demonstrated by the level of formal and informal contact and information sharing between the teams – frequent management meetings and detailed formal reporting (quarterly progress reports and, since June 2013, monthly management reports). It is also demonstrated by the fact that TMSA represents DFID on the SADC Trade and Investment donor group in Botswana. Coordination with other DFID programmes, most notably TMEA, is also considered strong. However, there are claims that DFID can be slow to respond to TMSA. For example, there is debate between the two organisations as to why it took 11 months to sign-off the revised log-frame and TMSA interviewees have commented that they sometimes receive little feedback on reporting submissions.

Coordination or interaction with the private sector and civil society to identify the priority issues for improving the business environment, implement improvements and advocate for progress (including trade facilitation and the TFTA) is much more limited, and could possibly be expanded. In most cases TMSA meets with relevant private sector organisations on a project by project basis and there is no formalised programme of meetings.

## 8 INITIAL FINDINGS ON VALUE FOR MONEY

This section contributes to addressing the following evaluation scope:	
Efficiency	<ul style="list-style-type: none"> <li>The extent to which the programme delivers value for money outcomes, considering its institutional arrangements and organisational infrastructure.</li> </ul>
Effectiveness	<ul style="list-style-type: none"> <li>The contextual factors enabling or constraining the realisation of objectives.</li> </ul>
Impact	<ul style="list-style-type: none"> <li>Factors enabling or constraining programme impact.</li> <li>Programmatic mechanisms for sustaining, monitoring and evaluating contribution.</li> </ul>

## 8.1 INTRODUCTION

Value for money is, in brief, the ratio of benefits attained to funds expended. As a practical tool, the aim of VfM is to maximise that ratio, i.e. obtain greater benefit from the same expenditure. In DFID's terms, 'VfM is about maximising the impact of each pound spent to improve poor people's lives'.<sup>80</sup>

Assessment of VfM delivered by TMSA is a core objective of the evaluation. At this mid-term evaluation stage we present an initial assessment of VfM in terms of **economy** (operation and implementation costs) and **efficiency** (progress against output indicators). Analysis of **effectiveness** looking at VfM in terms of outcomes and impacts/ counterfactual outcomes/ impacts will happen as part of the impact evaluation undertaken in Phase 2 of this assignment (as per the evaluation TOR attached at Annex A)<sup>81</sup> The assessment of VfM set out in this evaluation is based upon:

- Quantitative analysis of TMSA's detailed budget and expenditure records;
- Quantitative and qualitative interrogation of the log-frame indicators and progress to date in relation to detailed budgets and expenditure; and
- Qualitative consultation with TMSA staff and other stakeholders, including cross checking and confirmation of documentation.

## 8.2 UNDERSTANDING PROGRAMME BUDGETS AND EXPENDITURE

### 8.2.1 Finding 18: TMSA does not have sufficient operational and technical funds to take it through to the project end-date; with consequential risks for delivery and sustainability

#### 8.2.1.1 TMSA programme budget

Table 10 shows the breakdown and flows of DFID funds to different aspects of the programme. The GBP100m total funding allocation was split into two parts – GBP33m was allocated to management, technical services and 'softer' activities and GBP67m was allocated to capital funds and dispensed in advance to DBSA to be held in a specific trust account. To date, GBP37m of the capital funds have been committed to projects; none has been spent.

Following the transfer of TMSA management responsibility to COMESA in April 2010, a Project Preparation Fund of GBP5m was reserved for project designs for Tripartite infrastructure projects managed through the PPIU. This was ring-fenced from the remaining funds available at the time. This left total funds of just under GBP27m for the delivery of TMSA activities to project completion in October 2014.

Table 10: Overall programme budget

Recipient	Period	Description	GBP (£)
DBSA	Nov 2009 to May 2010	Programme Funds	1,234,387
COMESA	April 2010 to present	Programme Funds	26,762,000
		Project Preparation Fund	5,000,000
DBSA	Nov 2009 to present	Capital funds	67,000,000

#### 8.2.1.2 TMSA output budget and expenditure to date

Table 11 below shows a breakdown of TMSA's core budget, the so-called 'Programme Funds' (circa. GBP33m), as split across the core programme outputs contained in the log-frame. It should be noted that original budget allocations were not altered following the 2012 revision of the log-frame. Indeed, the new programme log-frame was only formally approved by DFID in February 2013. As a result TMSA has been working with year-on-year budgets and has sought to accommodate the necessary

<sup>80</sup> DFID Approach to Value for Money (VfM), July 2011, DFID

<sup>81</sup> DFID, Trademark Southern Africa (TMSA) Evaluation Terms of Reference, Pg. 2



evolution of the programme (including revising budget coding against the new log-frame) on an ongoing basis. This causes difficulties for the initial assessment of VfM and the impact of this is most obvious in relation to the revised Output 3 where current spend significantly exceeds the original budget allocation.

Table 11: Programme budget by output

Output	Budget (from PM budget 2009 - reallocated under new Outputs)	Overall expenditure (to 30 Sept 2013)	Percentage of budget spent (to 30 Sept 2013)
1. Strengthened trade policy implementation capacity	£4,750,000	£3,475,244	73%
2. Reduced trade transaction costs and transit times in the Tripartite region through improved and harmonised trade and transport facilitation measures	£9,000,000	£4,930,476	55%
3. Improved regional trade infrastructure networks in the COMESA and SADC regions	£750,000	£3,607,613	481%
4. Enhanced productive and export competitiveness of the regional economy	£4,250,000	£1,120,021	26%
5. Monitoring and Evaluation, Advocacy and Knowledge Management	£2,140,000	£1,011,725	47%
6. Administration	£11,520,100	£10,421,141	90%
• Administration of Tripartite Structures	£2,000,000	£1,033,463	52%
• TMSA Administration	£9,520,000	£9,244,205	97%
Contingency	£590,000	-	-
<b>TOTAL</b>	<b>£33,000,100</b>	<b>£24,566,220</b>	<b>74%</b>

Overall, moving into its final phase of implementation (April 2013 – October 2014), TMSA data shows current expenditure at the end of September 2013 of £24,566,220 (74.4% of the overall programme funds). This is broadly in line with the elapsed programme time of 78.3% (47 out of the planned 60 months). However, as a percentage of the actual funds made available to TMSA for operational and technical activities, just 8% remains, sufficient for another five months at the current spend rate. This would take the project through to April 2014, and not the planned October end date.

On the other hand, to remain operational to October 2014, TMSA has prepared a provisional budget with a substantially reduced range of activities, requiring either additional funding or a reallocation of funding currently earmarked for infrastructure project preparation.

Unless TMSA or DFID can quickly secure additional funds, this situation presents DFID with a stark choice: to either end the programme early or to find further cuts in spending. The fact that this matter has still not been resolved as the programme enters its final year has become a major risk for the delivery and sustainability of all remaining TMSA activities.

#### 8.2.1.3 The role of the DBSA

TMSA's GBP100m funding was initially divided into two main components: with the largest share of GBP67m transferred to a Tripartite Trust Account at the Development Bank of Southern Africa (DBSA). The DBSA was appointed to manage this fund to finance and leverage infrastructure development across the North-South Corridor. The money was transferred from CDEL to the DBSA in two tranches in early and late 2010. Although it was anticipated that other donors would contribute to this fund, DFID and the DBSA are the only contributors, and the account is likely to be terminated upon the expenditure of these funds. This raises questions about the efficiency and effectiveness of this approach, and specifically, whether the cost of establishing and managing this fund can be justified.

According to data provided by the DBSA and corroborated by DFID, the DBSA has charged 32% of its total management fee to date, or GBP811,000. This is because project activity has been much slower than anticipated and to date, no funds have been released. That said, GBP25m in funds have

recently been committed or approved by the TTA Investment Committee and the balance is expected to be committed over the final year of the programme. The DBSA has itself contributed US\$800 000 to the TTA and together with interest, the account has therefore increased in size since inception. Once expended, the total management cost charged by DBSA will amount to GBP2.5m or 3.7% of the CDEL investment.

Whereas the overall management costs for this fund do not seem out of line, the fact that none of these funds have been put to use during the project life to date is of concern. For DFID, this represents a sizeable opportunity cost which does need to be accounted for. On the other hand, it is reasonable to expect infrastructure projects to take time to plan and implement, and there is now a strong likelihood that all remaining funds will be committed over the course of 2014. The Value for Money associated with this specific intervention now depends absolutely on whether this money can be spent efficiently on meaningful infrastructure in a reasonably short period of time.

## 8.3 ECONOMY

### 8.3.1 Introduction

Economy concerns achieving the best cost for an activity's resources and inputs, while still maintaining quality.<sup>82</sup> In this instance economy is about whether DFID or its agents (e.g. TMSA and the other bodies funded by the programme) are achieving appropriate quality at the right price for inputs and resources - including staff costs, consultancy costs, raw materials and equipment – that are used to produce programme outputs. Key findings in relation to economy are set out below.

### 8.3.2 Finding 19: TMSA salaries and some allowances and conditions are generous by normal DFID standards

#### 8.3.2.1 Staff salaries

TMSA has provided the evaluation team with data concerning the salaries of the 25 core staff – including the Programme Director and Deputy Director, general support and administration staff and technical staff. Table 12 below summarises the remuneration package of TMSA's team (including the basic salaries, tax liability and medical benefit). It shows total annual salary costs of £2,938,224.

Table 12: Staff Remuneration

Staff remuneration <sup>83</sup>	Annual salary costs
<b>Core senior and management team</b> (Programme Director, Deputy Programme Director, Chief Operations Officer, Programme Manager for M&E, KM) <b>4x staff members</b>	£732,996
<b>General and support team</b> (Programme Officers, Contracts Officer, Administrative Staff) <b>6x staff members</b>	£365,628
<b>Technical team</b> (Output Managers and technical experts) <b>15x staff members</b>	£1,839,600
<b>SUB-TOTAL</b>	<b>£2,938,224</b>

In the discussion of economy it is important to make some attempt to benchmark the staff salaries against a fair comparator. To do this the evaluation team has matched the roles of selected TMSA staff against a number of potential benchmarks (see Table F2 in Annex F), namely:

- Senior staff within the South African Civil Service as defined by DPSA Circular 1 of 2012;
- Hourly fee rates for long term consultants (effective 1 April 2013) as set out by the DPSA;
- DFID Senior Staff – Grade A2 (the equivalent of TMSA Technical Advisors),<sup>84</sup>

<sup>82</sup> Jackson, P., (2012) Value for money and international development: Deconstructing myths to promote a more constructive discussion, OECD available at: <http://www.oecd.org/dac/effectiveness/49652541.pdf>

<sup>83</sup> Calculation based on TMSA monthly salary costs (broken down into basic salary, medical benefit and tax liability) multiplied by 12 months.

<sup>84</sup> Data provided by DFID based on internal review of TMSA pay scales. See Annex F for details and caveats.



- IMF Salaries 2012; and
- World Bank Salaries 2009.

It should be noted that none of the benchmarks represent a perfect match for TMSA staff and their roles. They do however provide reasonable comparators for senior staff at both national and international level.

Overall, the benchmarking shows that the remuneration packages of the TMSA team, when compared with national and international comparators, exceed those of senior civil servants within the South African Government and average DFID salaries (where appropriate benchmarks are available). TMSA remuneration packages are closer to those of senior World Bank and IMF officials.<sup>85</sup>

In relation to a review undertaken for DFID and the British High Commission in 2010, it can be concluded that TMSA salaries were (at that time) not outside the range of South African based comparators.<sup>86</sup> That said, in a time of austerity and significant scrutiny on DFID budgets, the salary packages can be considered generous. Indeed TMSA's own internal salary review found that in terms of basic salary, TMSA compared favorably with comparators (although TMSA felt that additional financial and non-financial benefits were lacking in their remuneration package).

In relation to VfM, the evaluation team note that DFID SA negotiated heavily with TMSA in response to calls for improved salaries and benefits. The resulting agreement (with the exception of DFID's agreement to absorb the cost of TMSA staff's tax liability) was achieved with no additional financial implications for DFID.

### 8.3.2.2 Staff travel and subsistence

As a regional facilitation programme, it is expected that TMSA staff will require frequent travel in order to complete their remit. As such the travel and subsistence costs are likely to be high. While processes and procedures for travel are clearly set out in the PMM, it is the view of the evaluation team that some elements (which it is noted have been signed off by DIFD) may be considered generous. For example:

- TMSA can pay per diems (to cover accommodation, local transportation and subsistence) up to EU guideline amounts. In 50% of cases benchmarked these rates are above those of other comparators (including UK HMRC Worldwide Subsistence Rates, the UK Foreign and Commonwealth Office, the US State Department and UN recommended per diem rates. See Table F3 in Annex F for a comparison);
- In order to simplify administration, TMSA has tended to pay a flat rate per diem of US\$100 to cover daily staff subsistence while on missions. Although this may not be significantly out of line with other rates (when accommodation cost are excluded) it has the potential to increase costs for TMSA staff who spend considerable time out of the country on business, thus affecting programme level VfM. Table 13 illustrates this with reference to recommended maximum allowances as set out by the UK FCO for two countries – Tanzania and Zambia. The table demonstrates that paying a flat rate per diem may not always ensure VfM;
- Business class bookings were (until recently) permitted for TMSA staff where the travel time was more than five hours<sup>87</sup> and the TMSA staff member was required to work on arrival, or where authorisation was obtained from the Programme Director.<sup>88</sup> This would not typically be permitted under DFID normal practice.<sup>89</sup>

<sup>85</sup> It is noted that this data is somewhat outdated.

<sup>86</sup> Averile Ryder (2010) Benefits/ Allowances Raw Data Survey Report commission on behalf of DFID and the British High Commission (BHC), April 2010

<sup>87</sup> This was later increased to eight hours and the discretion for Business Class travel was recently discontinued.

<sup>88</sup> Ibid

<sup>89</sup> DFID guidance to contractors currently states that "all journeys by rail or air will be made by a class of travel that is no more than Standard/ Economy

Table 13: Maximum UK FCO allowances

Recommended maximum rates up to..	Breakfast	Lunch	Dinner	Transport	Total	Approx. in us\$
Tanzania TZS	25,000	30,000	50,000	30,000	135,000	\$84
Zambia ZMK	N/A	100,000	160,000	240,000	500,000	\$91

### 8.3.2.3 Delegates travel and subsistence

Given the regional focus and facilitative nature of much of TMSA activity, the fact that a large proportion of funding is allocated to meetings and workshops is not a surprise; GBP £2,111,390 (19% of the annual budget) is allocated for meetings and workshops in the current financial year. In order to maximise attendance, TMSA's delivery model covers the costs of delegates' travel, accommodation, and airport transfers for attendance at technical workshops. Other Tripartite meetings are partially funded by TMSA. The TMSA PMM also states that "*where TMSA covers the costs of accommodation and transport costs, a flat rate per diem of US\$100<sup>90</sup> per night will be provided to delegates pay for meals and other incidentals*".<sup>91</sup>

If meetings and workshops achieve their purpose, VfM will likely be achieved. Evidence gained through the evaluation shows that this approach can be considered successful and that attendance at TMSA meetings, events and workshops is generally high. This approach would therefore seem justifiable, especially in the early stages of the programme. However, moving towards the end of programme implementation, and given the evidence that stakeholder organisations largely value the work of TMSA, the evaluation team considers it appropriate that stakeholder organisations should make a contribution to activities which are intended to benefit their organisations and their countries. This does however have to be balanced with the ability of member states to fund participation of their delegates (see previous discussion in Section 6).

### 8.3.3 Finding 20: While single source procurement is sometimes appropriate, its use should be limited.

One way to ensure the achievement of economy (lowest cost, best value) VfM is by competitive tender, which is intended to generate healthy price competition between bidders or suppliers.

The TMSA PMM contains clear procurement principles covering competitiveness, transparency and VfM/cost-effectiveness (Appendix 1, page 26), and also has an expressed commitment on the part of the two accounting partners, COMESA and the PMU, to apply these principles (see page 19). On the basis of a limited investigation, which is not an audit, we found no contrary evidence that these were not being followed. However TMSA's open procurement is generally done on a regional rather than international basis, which may limit the degree of competitive pressure it engenders. Moreover competition is not required by the PMM for technical services under GBP25k, and up to GBP100k single sourcing is allowed with justification recorded by the Programme Director. Audit will ascertain whether the extent to which this latitude is exercised is reasonable. The understanding of the evaluation team is that this issue has been addressed following completion of DFID's internal audit.

## 8.4 EFFICIENCY

### 8.4.1 Introduction

This aspect of VfM is about how well the programme activities convert inputs into outputs (results). In maintaining VfM, the aim is to increase output for a given input, or minimise input for a given output.<sup>92</sup> Once again there should be high regard for the quality of output.

<sup>90</sup> NB: Per diem US\$100 paid in 2010. USD\$200 was paid for some part of 2011 but revised back down to US\$100 later in 2011.

<sup>91</sup> Trade Mark Southern Africa Programme Management Manual, Revision 2 February 201, page 5.

<sup>92</sup> Jackson, P., (2012) Value for money and international development: Deconstructing myths to promote a more constructive discussion, OECD available at: <http://www.oecd.org/dac/effectiveness/49652541.pdf>



### 8.4.2 Estimating efficiency

The evaluation team conducted analysis considering progress towards log-frame indicators in an attempt to establish a measure of programme efficiency. Where possible and appropriate, the team sought to match programme expenditure to date (total programme expenditure to 30 September 2013) to log-frame indicators and thereby establish an estimate of the cost incurred to achieve a specific output, albeit a somewhat crude estimate.

There are a number of challenges and caveats with this analysis as outlined below:

- Firstly, it is not always possible to link detailed budget lines and Work Programme interventions to corresponding output indicators;
- Secondly, not all log-frame indicators and milestones are readily quantifiable at intermediate stage; and
- Thirdly, it has not been possible to independently verify some of the claims of the TMSA log-frame.

**Finding 21: A snapshot analysis of progress against selected output indicators shows that VfM in relation to cost per output is variable at this stage and no conclusive findings can be made. Further, the quality aspects of achievements to date are problematic to identify and quantify**

As a result of the issues outlined above, the evaluation team has chosen to present a snapshot of efficiency looking at TMSA activity. Table F4 in Annex F hence presents an assessment of cost per output for the most readily quantifiable indicator(s) under each of the four core output areas.

In this snapshot analysis, TMSA has achieved its anticipated year three milestone targets for Output 1.1 and Output 2.3. TMSA has not yet achieved its anticipated year three milestones for project delivery in relation to other indicators and as such the current cost per output achieved may be considered high.

Further calculations of programme efficiency at this intermediate point are problematic due to poor construction of log-frame indicators and an inability to attach detailed budgets to each.

As stated, quality should remain a key concern when considering project related efficiency. At this stage it has not been possible for the evaluation team to include an assessment of quality as part of the VfM analysis. For example, this would include the actual extent to which trade policy capacity has been enhanced as a result of training, or the nature of NTBs resolved – low impact NTBs affecting individuals or small groups, versus high impact NTBs affecting a much larger number of traders. These issues will be considered further in subsequent VfM analysis conducted alongside the impact evaluation in phase 2.

## 8.5 EFFECTIVENESS

This aspect of VfM is about how well the outputs from the programme are achieving the desired outcomes and impacts. The main assessment of this aspect of VfM is due to be undertaken as part of the impact evaluation in phase 2 of this evaluation.

However, the evaluation team is able to make some preliminary observations on effectiveness. For instance, at a high level, alignment was observed between activities (work planning) and the strategic intent (log-frame) of the programme. This provides the potential underlying conditions for achieving effectiveness, and maximises the chances that activities being undertaken are working towards relevant outputs. However, as noted elsewhere (Section 9.1), at a more detailed level, disjuncture emerges.

## 9 REVISITING THE THEORY OF CHANGE

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### 9.1 PROGRAMME OUTPUTS

TMSA has put considerable effort into explaining the Theory of Change (ToC) for the programme – both in terms of reviewing the available literature across each of the programme outputs, and also through the development of an interactive, web-based ‘portal’.<sup>93</sup> The portal includes a significant volume of information describing the relationship between each input, sub-activity and process and how these are anticipated to lead to programme level results outcomes and impacts.

Overall, the evaluation reveals serious problems with the log-frame. Specifically, the susceptibility of programme output measures to external influences (positive and negative); a perceived disjuncture between programme activities, outputs and intended programme impacts; and the lack of measurable output and outcome indicators included in the log-frame. This limits the value of the log-frame as a conceptual framework for the evaluation. Key issues in relation to the efficacy of the TMSA’s ToC and log-frame include:

- Programme outputs cannot be directly attributed to programme activities. In most cases, programme outputs instead reflect the desired outcomes of the programme. Specifically:
  - Output 1 refers to strengthened trade policy implementation capacity;
  - Output 2 refers to reduced trade transaction costs;
  - Output 3 refers to improved trade infrastructure networks; and
  - Output 4 refers to enhanced productive and export competitiveness.

While TMSA activities are expected to contribute to all of these ‘outputs’, TMSA itself cannot be held singularly or even mostly accountable for any of them. This is largely because the achievement of these outputs depends on the implementation of TMSA initiatives (conceptualised at the regional level) by national agencies at the country level; and partly because much of what TMSA provides is conceptual (research, advice, systems, information, design work etc.), and does not lead to immediate and discreet outputs. This leads to two types of measurement problems:

- Firstly, almost none of the programme ‘Output’ indicators are directly under TMSA’s control, but instead reflect the indirect Outcome of TMSA interventions. For example, Output indicator 2.3 measures the percentage of non-tariff barriers resolved in the Tripartite. Whereas TMSA supports an extensive monitoring and reporting system to assist this process, it does not and cannot get involved in resolving hundreds of national-level disputes each year. The programme output is the system that has been developed and implemented by TMSA, not the regulatory outcomes from this system.
  - Secondly, by presenting programme outcomes as outputs, the log-frame creates a substantial disjuncture between actual programme outputs and the intended programme impacts, as described in the log-frame. Whereas it is understood that these high-level objectives are intended to provide an indication of the development impacts that the programme is expected to contribute towards over time, it is implausible to draw any significant linkages between what the project actually delivers and the region-wide impact that it is expected to contribute to in terms of raising economic growth and reducing poverty across more than half of Africa. For example, at the impact level, the log-frame sets a target GDP growth rate for all of Southern Africa at 7%; almost 5% more than that achieved in the baseline period.
- Further problems emerge at the activity level of the log-frame. A large proportion of the milestone indicators against which the programme is intended to be evaluated, are not specific or measurable. For example ‘trade policy capacity improved’; ‘favourable positions

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<sup>93</sup> See: <http://share.axure.com/479V39/>



developed’; ‘wider scope of issues covered’. Moreover, many of these indicators include more than one target (such as ‘NSC Management Committee established and fully functional and measures corridor performance). As a result, the current log-frame is of limited use in tracking and reporting on all programme activities. Whereas TMSA describes what it has done against these indicators, it is often difficult to assess whether the target, as it has been defined in the log-frame, has actually been met.

Most of these short comings in the design of the log-frame should be corrected through the use of more relevant and specific indicators, whereas others reflect potential gaps in the theory of change, especially when it comes to describing how programme outputs might contribute to DFID’s high-level impact targets. This is explained in more detail under each of the project output areas below.

### 9.1.1 Output 1: Strengthened trade policy implementation capacity

#### Trade Policy Reforms (Liberalisation) and Increased Market Access => Enhanced Trade Performance => Increased Growth => Poverty Reduction

The ToC for Output 1, as represented above, is premised on conventional trade theory and the available empirical evidence, which demonstrates that trade liberalisation generally contributes to increased trade and growth<sup>94</sup>. The TMSA ToC report acknowledges that the net outcome on the poor is ‘ambiguous’ and depends on the structure of the economy and the scope and depth of any trade agreement concluded. For example, among small and less developed African countries, it is not certain that a trade agreement between each other would deliver particularly strong gains.

With reference to the proposed Tripartite Free Trade Agreement (TFTA), upon which this output hinges, there are therefore two potential concerns:

- Firstly, at this stage, it is not clear that the TFTA will have a strong impact on trade in the region. The overall ambition of these negotiations to achieve a comprehensive free trade agreement appears to be dissipating and it seems likely that if an agreement is concluded next year, it will be substantially watered down;<sup>95</sup>
- Secondly, the likely impact of this agreement on the poor is not known, and given the high-level poverty focus of the programme design, insufficient work has been done to consider its impact on poorer countries and communities. A recent study concluded by TMSA shows that most of the welfare benefits will accrue to South Africa.<sup>96</sup>

Whereas the first of these concerns is largely outside of TMSA’s control, the second does require remedial attention. The modelling work to be done by TMSA, in cooperation with the World Bank, will provide further and more detailed evidence of the impact of the proposed agreement on different households. But for this conceptual work to be of any use, the results will need to inform specific interventions or future programmes to assist those countries or sectors which are likely to see the greatest dislocation.

### 9.1.2 Output 2: Trade facilitation

#### Improved and Harmonised Trade and Transport Facilitation Measures => Reduced Trade Transaction Costs and Transit Times in the Tripartite region => Enhanced Competitiveness => Increased Growth => Poverty Reduction

TMSA cites a strong body of evidence to demonstrate the significant impact that reducing trade transaction costs and transit times can have on export competitiveness and growth, especially in

<sup>94</sup> For example, United Nations Economic Commission for Africa (2012): Assessing Regional Integration in Africa V: Towards an African Continental Free Trade Area. Addis Ababa: UNECA, as referenced in the TMSA ToC.

<sup>95</sup> This initial deduction is based on interviews with TMSA and REC staff. A final assessment on the likelihood and scope of this agreement will need to be incorporated into the final evaluation report.

<sup>96</sup> Willenbockel, Dirk (2013). General Equilibrium Analysis of the COMESA-EAC-SADC Tripartite FTA, Draft Final Report, Institute of Development Studies at the University of Sussex, Brighton.



Africa. There is also some evidence that the benefits from reduced trade costs on specific imports will feed through to poor consumers<sup>97</sup>.

The key variable in this component of the ToC is whether the extensive work that has been done by TMSA on technical barriers to trade; border management; transport regulation; standards; sanitary and phyto-sanitary (SPS) requirements; and non-tariff barriers is likely to deliver these kinds of benefits. The information presented earlier in this report suggests that TMSA activities are directed at reducing trade transaction costs and transit delays in the region; but with the exception of the improvements at Chirundu border post, implementation has been slow and the results difficult to measure.

### 9.1.3 Output 3: Corridors and infrastructure

**Improved Regional Trade Infrastructure Networks in the Tripartite Region (Particularly the NSC and its Spurs) => Reduction in Infrastructure (Services) Costs => Enhanced Competitiveness => Increased Growth => Poverty Reduction**

Although relatively little empirical evidence is provided in the ToC document on the link between investment in road infrastructure and competitiveness or economic growth, it would seem logical that this would be the case. Rather, the main test as to whether the ToC holds in this case rests on whether the work done by TMSA is well targeted, will be implemented as planned, and will actually impact on transport costs in the region.

Whereas TMSA has invested significant resources in mapping out the state of the regional road network, identifying key bottlenecks, and preparing possible interventions, unless sufficient region-wide progress is made in implementing these priority activities, there is some risk that the backlog will simply be transferred further down the corridor or from one border or corridor to another. The net impact of what TMSA has completed to date on overall transport times and costs across the region requires further investigation as part of the economic impact analysis.

### 9.1.4 Output 4: Industrial development

**Enhanced Productive and Export Competitiveness of the Regional Economy => Enhanced Trade Performance => Increased Growth => Poverty Reduction**

This link in the ToC is particularly problematic partly because it does not clearly define what specifically can be done to raise productivity and export competitiveness (over and above what is presented in the rest of the ToC), and partly because TMSA's activities do not seek to directly address productivity or competitiveness problems (besides some selective and micro-interventions around standards and certification, and some studies on regional value chains which are about to be commissioned). From the literature presented in the ToC, the following kinds of actions would be needed to realise this output<sup>98</sup>:

- “Countries need to supplement exports of primary commodities by diversifying into non-traditional labour intensive exports, including manufactured and service exports”; and
- Changes to the regulatory environment “to make it easier for domestic firms to start and operate their businesses”

In other words, for this link in the ToC to hold, increased trade is not enough, but this trade must include more added value or diversified exports. There is no ex ante reason to believe that regional integration will lead to more diversified trade; to the contrary, it might well lead to increased specialisation. Moreover, there is no evidence to suggest that the Tripartite industrial development pillar, which has been supported by TMSA, is likely to make significant progress in this area over the course of the programme.

<sup>97</sup> For example: Arvis JF, Mustra MA, Ojala L, Shepherd B, and Saslavsky D (2012): Connecting to Compete 2012: Trade Logistics in the Global Economy. The Logistics Performance Index and Its Indicators. Washington: The World Bank, as cited by TMSA.

<sup>98</sup> TMSA Theory of Change, Pg.11.





## 9.2 IMPLICATIONS FOR THE IMPACT EVALUATION

The weak link between the outputs delivered by TMSA, and the impact measures reflected in the log-frame highlight the difficulty in assessing the contribution of TMSA to changes in economic growth and poverty in the region. Moreover, many of the interventions to which TMSA does contribute, which might have region-wide impacts, are unlikely to be concluded within the project timeframe. Specifically, there is some risk that the Tripartite Free Trade Agreement will not be concluded in 2014 and the substantive work on borders and road infrastructure is still in its infancy. Nevertheless, the TOC suggests that it is still important and possible to consider how different trade policy and infrastructure outcomes in the Tripartite, might contribute to increased trade and poverty reduction. To do so would require the use of a high-level macroeconomic model.

It follows, that the greatest limitation of such a model is that it cannot explain the specific outcomes and impacts of the many other interventions supported by TMSA, which are simply not large enough to have macro implications. Rather, to capture these effects, more discreet types of analysis might be needed at the activity level.

The African Microeconomic Research Unit (AMERU) based at the University of the Witwatersrand has been tasked to assist with the design of a framework to assess the impact of TMSA's intervention. The first phase of this component included a desktop study of the TMSA programme design and project documentation; a review of the international literature of economic impact evaluation with specific reference to TMSA-type activities; an appraisal of the data available from TMSA; as well as a critique of any previous TMSA evaluations. This information will be presented at a workshop, to be convened in mid-December, and a separate report outlining the recommended approach to evaluating the impact of the TMSA programme will be submitted after this workshop. Some preliminary ideas are described in the following section.

### 9.2.1 Potential activities for impact evaluation

In order to provide an overall assessment of the impact of TMSA as well as to describe some of the specific outcomes from an illustrative sub-set of Programme activities, a multi-method approach is proposed, whereby different economic methodologies and techniques are used to assess the impact of different types of interventions across all of the major outputs of the TMSA programme. Specifically:

- **On trade facilitation**, the evaluation team will aim to trial a rigorous impact evaluation to assess the benefits of improvements in border processes on cross-border trade in general, and small (and female) cross-border traders in particular. TMSA has 'introduced' the traders charter onto the agenda of the Nakonde / Tuduma (Zambia / Tanzania) border post and is planning to implement some kind of direct support to traders or officials, which in turn is expected to contribute to a more efficient cost border crossing environment. This may provide a unique opportunity to assess how targeted improvements at border posts might contribute to trade and poverty reduction amongst small (and female) traders. To do so, the evaluation team would need to collect some baseline data on the general income and trading behaviour of the treatment group (and a wider sample); and would then need to measure the incremental improvements in these variables after the intervention. Careful consideration would need to be given to finding and sampling an appropriate control group – preferably at the same border post; alternatively, at a similar border post and amongst a similar group of traders;
- **On corridor investment**, the evaluation team plans to explore what more can be done with the existing corridor monitoring data. Specifically, TMSA is looking to collect a longer time series of data, which might provide for a more accurate measure of the gains from the work already done at the Chirundu (Zambia/Zimbabwe) border post, but is also looking to implement a new and more extensive monitoring mechanism (through the use of tablets for automated gate registration) at Nakonde/Tunduma, prior to the implementation of major reforms at this border post. The latter would provide for a complete set of data for all transport across this border, including volumes, type of truck, type of cargo etc. It should then be possible to develop more sophisticated statistical tools to evaluate trends and breaks in border and trade performance and the impact of specific TMSA border interventions;



- **On the SPS and other micro-interventions**, it is not possible to undertake a rigorous evaluation of these numerous activities ex post, but it would be informative to use detailed trade analysis to describe current intra - and extra-regional trade patterns in the countries and products supported by TMSA, and to assess whether any significant changes in these patterns can be identified and attributed to these interventions. This could be achieved through simple descriptive analysis, or potentially, through the development of some type of gravity or partial equilibrium trade models. Where the trade analysis reveals marked increases in trade, it might also be possible to undertake a few qualitative case studies to try and describe potential impacts; and
- **On the TFTA and the overall macro-economic impact of the TMSA programme**, the World Bank is in the process of developing a proposal to undertake a macro-micro simulation of the likely impact of the FTA. This would provide an indication of the overall economic effects of the agreement, as well as its possible implications for different country and household groups. It will also be possible to use the model to measure the impacts of the trade facilitation, infrastructure and other major interventions of the TMSA programme. It is unlikely that the evaluation team will have the resources or expertise to develop a more accurate or rigorous model than the World Bank; instead, it is recommended that the team work with TMSA to provide oversight and inputs into this modelling exercise.

## 10 CONCLUSIONS

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The above analysis sets out the main findings of the mid-term evaluation based on the documentary and fieldwork assessment of the programme activities, the institutional appraisal, and the limited value for money analysis to date. Based on these findings, the evaluation is able to provide an informed response to most of the specific questions detailed in the original evaluation framework (see Annex G). Overarching findings in relation to OECD-DAC evaluation criteria of relevance, efficiency, effectiveness, impact and sustainability of the programme are summarised below.

### 10.1 RELEVANCE

In general, all of the available evidence suggests that the TMSA programme has been structured around the priority trade needs of the region. As highlighted in the contextual analysis, barriers to trade are extraordinarily high across Africa and can be explained by poor infrastructure, the high costs of trade facilitation, and the complexity of existing trade agreements. It is to these problems that the TMSA programme is orientated. In almost all areas, and across almost all activities, TMSA is perceived to be addressing the right set of problems and issues.

More widely, TMSA is well-aligned with the core components of the Aid for Trade initiative led by the WTO and supported by most donors, including DFID. In doing so, it also contributes directly to the three core tenants of the UK African Free Trade Initiative, and at a much higher level, to DFID's strategic priority to: "help up to half of the countries in Africa benefit from freer trade". The work of TMSA is replicated by TMEA in East Africa and partially overlaps with the work of the Mozambique Regional Gateway Programme.

Table 14: Alignment with other programmes and DFID priorities

	Corridors and infrastructure	Trade facilitation	Trade policy and regional integration	Industrial development
<b>TMSA</b>	Road infrastructure pipeline for NSC	Harmonising customs legislation, procedures and operations	Supporting negotiation of Tripartite FTA	Harmonised approach to industrial development
	Ports and rail	Integrated border management	TA to SADC and COMESA, and maintenance of COMSTAT	Products and SPS standards harmonisation and compliance
	Regional infrastructure MIS	Harmonising road transport regulations and standards	TA to WTO LDC group in support of Doha Development Agenda (DDA) negotiations	Facilitating market access
	Increasing capacity of southern Africa power pool	Supporting private sector associations		
<b>Aid for Trade</b>	Trade related infrastructure	Addressing trade-related adjustment costs	Support to trade policy and regulations	Building productive capacity
<b>UK AFTI</b>	Reducing 'hard' barriers to trade (increasing access to road and rail networks, improved physical quality of transport infrastructure; identification of projects for PPP)	Reducing 'soft' barriers to trade (e.g. Reducing border post bureaucracy through greater coordination of rules and regulations at border crossings).	Reducing tariff barriers	
<b>TMEA</b>	Reduced costs of trade / transport facilitation (location; transport and logistics)	Increased market access (tariffs; NTBs; customs; borders) Improved and consistent quality of products and services (standards and certification; innovation)	Facilitated trade promotion / proactive policy (policy; administration)	Reduced costs of production / provision (labour & productivity, inputs; backbone services)
<b>Mozambique Regional Gateway Programme (MRGP)</b>	Strengthened transport policy, planning and regulations to improve infrastructure along main trunk corridors (Beira and Nacala)	Reduced transport costs and improved/ complementary regulatory environment to serve Mozambique and wider region		
<b>DFID Strategic Priorities</b>	Provide more than 50 million people with the means to help work their way out of poverty	Help up to half of the countries in Africa benefit from freer trade		

## 10.2 EFFICIENCY

The evaluation set out to discern the extent to which TMSA's organisational arrangements and processes are efficiently structured and managed so as to lead to delivery of high quality and timely outputs in ways that represents value for money.

The April 2010 change in managerial and financial oversight from DBSA to COMESA is considered a positive step and COMESA has accredited processes in place to manage a programme such as TMSA.



There is also considerable support for the continuation of the PPIU, or a similar body providing technical expertise, a regional perspective and continuity in approach, post TMSA.

Although to date only 30% of TMSA's GBP67m capital funds (managed by the DBSA) has been committed, DBSA is hoping to get 'in principle' approval to proceed to project appraisal for major works in December 2013.

With regards to improving operational efficiency, while engagement at Tripartite level is considered strong, there has been limited engagement from TMSA (and perhaps vice versa) with private sector and civil society across some of the 26 Tripartite REC member states. A further point for consideration is the extent to which TMSA is representative of regions and member states or do institutional arrangements allow certain perspectives to dominate. Increased engagement at national level (notwithstanding budgetary and resource constraints) may improve inter-institutional linkages and enhance operational efficiency going forward.

As stated in the evaluation report, TMSA is still some way off delivery of many of its targets; indeed many may not be reached prior to project completion. In various cases constraints on TMSA activity are a result of forces outside of the organisation's control, for example the position of member states in negotiations on the TFTA.

The evaluation has however highlighted some internal institutional factors that are perceived to restrict operational efficiency and VfM. For example:

- The recruitment policy for senior staff, which did not initially require international competition and advertising, is considered inappropriate for an organisation of TMSA's scale, importance and public status; potentially restricting access to the most highly skilled candidates and resulting in high employee costs;
- TMSA is currently lacking a full M&E plan; a significant omission for a programme of this magnitude (GBP100m, of which the PMU is responsible for about a third). A full and detailed M&E plan provides the basis for on-going project development, highlighting implementation issues and providing the evidence base to make changes that can enhance efficiency; and
- TMSA is a small core team with no dedicated HR specialism or process for skills needs assessment. This may mean skills gaps go unrecognised and unaddressed. Further, TMSA's HR systems and guidance, with little consideration to staff review or development, are lacking for a programme of this magnitude.

At this mid-term evaluation stage a detailed assessment of programme level VfM has been problematic. TMSA budget allocations were not revised in line with the updated log-frame in 2012 making it difficult to accurately assess progress and expenditure against individual output indicators.

In addition, the construct of the log-frame with many highly ambitious, qualitative or binary 'yes/no' milestone targets (many of which are outside of the direct control of TMSA) makes an assessment of efficiency, in economic terms such as cost per output, relatively meaningless at this intermediate stage. Better measurement of the qualitative aspects would help to demonstrate VfM going forward.

### 10.3 EFFECTIVENESS

The TMSA programme has been designed around a number of very ambitious, regional outcomes. This includes, for example, the conclusion of a region-wide trade agreement involving 26 different countries; and the implementation of wide ranging reforms at four unique border posts. On the basis of this mid-term evaluation report, it would appear that TMSA has advanced across all programme areas. In doing so, TMSA has achieved two of the 18 programme milestones identified for the 2012/2013 implementation year and made significant progress against a further 12. On the other hand, with reference to the evidence collected from the fieldwork and document review, it seems unlikely that TMSA will meet 5 of the 19 final programme targets identified and it is uncertain as to whether a further 12 can be achieved. This is for two main reasons:

- Many of these targets themselves are inappropriate or unachievable; in some cases because they were poorly conceptualised, and in other cases because their achievement depends on factors which are largely outside of TMSA's direct control; and



- TMSA's efforts to date have been directed at the facilitation of regional agreements and frameworks; and the development of region-wide knowledge and systems. Most of these interventions have taken place at the level of the RECs and have not, to date, progressed sufficiently to enable implementation at the national level; and many may not be sustained beyond TMSA's involvement.

The above challenges are closely inter-related. For as long as TMSA continues to work and report against a complex, wide-ranging and (in many aspects) flawed log-frame, it will be unable to focus its efforts on those areas where measureable change can be achieved. This suggests that two sets of actions are urgently required:

- Firstly, TMSA and DFID need to agree on and commit to a reduced and more focused work programme for the remainder of the contract that includes a revised set of indicators and targets that are relevant, measureable and achievable; and
- Secondly, in doing so, priority attention needs to be given to the implementation of those activities that are core to the purpose and success of the programme; and ensuring the sustainability of the systems and institutions that have been developed to date.

According to TMSA senior management, uncertainties over the amount of programme funding remaining and the likelihood of a follow-on project, have delayed the finalisation of their current work programme. This situation needs to be quickly resolved. There is less than a year remaining for TMSA to further progress against its objectives. If the above changes can be made, the likelihood of TMSA achieving sustainable outcomes would be enhanced.

#### 10.4 IMPACT

Likewise, it is difficult to assess what the ultimate impact of TMSA might be. The impact variables specified in the log-frame are too far removed from TMSA activities to make measurement worthwhile, and most of the more substantive interventions to which TMSA contributes, are far from complete. The resulting uncertainty is reflected in the views of the sector experts engaged as part of the TMSA evaluation team. With the exception of the work on trade policy, where it is suggested that the conclusion of the TFTA will have a significant impact in the long-term; in all other areas, the sector experts are less optimistic. The likely impact of TMSA across all programme areas will be explored in more detail during the second phase of this evaluation in 2014.

Beyond these core focal areas, the programme's impact on poverty and gender equality is not considered in any depth by TMSA. One reason for this is because the programme's design does not require poverty or gender monitoring beyond outcome level. If DFID or TMSA feel the need to insert a poverty or gender equality focus during the programme's final year, the best way to do this would be to undertake rigorous analysis of the programme's impact on:

- Employment opportunities for the poor, especially unskilled female employees;
- Income levels of informal / small scale cross border traders, especially women; and
- Income levels of small scale producers with limited access to regional markets.

Whereas it is probably too late for TMSA to incorporate such analysis into the design of its own activities, ex-post analysis may still be possible, either by TMSA, or as part of the impact evaluation methodology.

#### 10.5 SUSTAINABILITY

Looking forward, there is widespread concern that many of the processes started and supported by TMSA might not continue once DFID funding comes to an end. The evidence in support of this claim is mixed and the outcome depends partly on the actions taken by TMSA over the remaining year; and partly on the likelihood that DFID or other donors might take on and continue with some of the programmes more promising activities.



In general, most of the systems developed or improved by TMSA, such as the NTB and corridor monitoring mechanisms, will not require substantial additional resources to continue, and plans simply need to be put in place to transfer these systems to an appropriate institution. This could be a single REC, the PPIU or an alternative donor programme.

According to TMSA, the PPIU itself should be able to source sustainable funding going forward, with the AfDB already committing some resources to future project preparation work. This requires formal confirmation.

Of much greater concern is the technical and financial support that TMSA has provided to regional trade negotiations and the wider trade facilitation agenda. In all of these areas, TMSA has contributed to the establishment of a strong platform which could be used to reduce further barriers to trade and deepen regional integration. However, to realise the stated ambitions of the programme and to have a meaningful and sustainable impact, much more needs to be done and future support is likely to be required. Specifically:

- Regardless of whether the TFTA is agreed in 2014, this agreement will initially be limited to trade in goods, it will likely incorporate many limitations, and it will still need to be ratified and implemented at the national level;
- Whereas broad agreement across a wide range of regulations and standards for the transport and accreditation of goods has been achieved at the regional level, almost all of these agreements still need to be discussed and implemented by member states; and
- Despite the apparent success of the OSBP at Chirundu, to maintain these gains will require on-going monitoring and reform, and much more work is required to achieve a similar level of progress at other priority border posts.

Whereas it is certainly possible that the RECs themselves or other donors might pick up all or most of these activities; DFID should be encouraged to begin discussions with partner organisations now in order to determine what gaps might still exist which could be incorporated into their future programmes in this area.

## 11 PRIORITY RECOMMENDATIONS AND LESSONS LEARNED

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### 11.1 INTRODUCTION

The mid-term evaluation of TMSA has resulted in 21 programme level findings and 19 associated recommendations looking at strategic and operational aspects of TMSA's activity and recommendations to inform DFID's future programming. This list of findings and recommendations is provided below (Table 15) and then aligned with the OECD-DAC criteria in Annex G.

Recommendations have then been further distilled into a set of priority recommendations emanating from the mid-term evaluation of TMSA (Table 16). Given the position in the programme lifecycle (currently entering its final year of operation) priority recommendations are focused on maximising the impact and sustainability of programme activity. In relation to future programming support for DFID, this section also includes a summary of 'Lessons Learned' from the mid-term evaluation of TMSA.

### 11.2 RECOMMENDATIONS



Table 15: Programme recommendations

Findings	No.	Recommendations
TMSA funding and technical inputs have been critical in moving the Tripartite Free Trade Agreement negotiations forward.	1	For the TFTA negotiations to be concluded and for the resulting agreement to be implemented and have a meaningful impact, it is likely that on-going and specialist support will be needed by the RECs and by individual member countries. Consideration should be given to funding the establishment of a part-time team/pool of international and regional experts that can be made available to provide ad hoc assistance to all member countries and RECs involved in the TFTA, on a request basis, during the negotiations and after the conclusion of the initial agreement.
Despite TMSA's contribution, the outcome of the TFTA negotiations remains uncertain.	2	
The potential impact of the TFTA on vulnerable sectors and countries has not been adequately considered.	3	The proposed modelling work to be done by the World Bank will go some way to addressing this shortcoming, but only at a conceptual level. TMSA should undertake additional work around understanding the implications of the TFTA within vulnerable countries or sectors (as identified by the modelling work); and exploring means to make the free trade agreement work better for specific communities (e.g. small scale traders).
The integrated border management programme has contributed to improved transit arrangements at Chirundu but ongoing engagement is needed to sustain these gains and to extend the lessons from this intervention to other locations in the region.	4	TMSA should continue to provide technical support to the national authorities and agencies involved at the Chirundu border post to monitor progress and facilitate further reforms, as needed. Specifically, TMSA should consider reviewing the application of "concession charges" or processing fees at border posts; and should consider implementing a new activity to reduce and rationalise fees, levies or charges imposed by Member States on the clearance of travellers and consignments across national borders across the Tripartite region.
		TMSA should quickly review the agreed work programme for development of a OSBP at the Nakonde-Tunduma border-crossing point and concentrate efforts on key, high impact elements which can be satisfactorily implemented over the remainder of the Programme (this is reportedly underway).
		TMSA should urgently update previous scoping documents and the draft work programme for the development of a OSBP at the Kasumbalesa border-crossing point to focus its efforts on key short and mid-term, high impact activities which can be satisfactorily implemented over the remainder of the Programme (this is reportedly underway).
Progress has been made towards the implementation of a Tripartite Common Bond Guarantee Scheme and improvements to the NTB reporting, monitoring and elimination mechanism have been favourably received.	5	TMSA and the RECs should adopt an assertive programme of engagement to solicit support from national Governments for speedy implementation of a regional transit management system, incorporating the Customs Transit Control Document and a common Tripartite Bond Guarantee scheme. Likewise, TMSA should engage with the RECs to develop a hand-over plan and medium term work programme and budget for the NTB reporting, monitoring and elimination mechanism.
The wider trade facilitation programme has not achieved tangible results due to unrealistic objectives and deadlines, and should be revised to take account of existing priorities and resources.	6	TMSA should review the key reasons behind the apparent lack of interest from Member States for components 2-1-4 through 2-1-9 of the trade facilitation programme, and should be supported in its efforts to restructure this part of the Programme, and associated resources, to better focus on agreed initiatives which can realistically be accomplished within the remaining life of the Programme. Specifically, it is recommended that TMSA suspend work on those aspects of this programme where work has not begun or where no progress is evident.



<p>TMSA has successfully facilitated the development and promotion of a coordinated approach to regional infrastructure development.</p>	<p>7</p>	<p>The PPIU could play a critical role in taking the knowledge and instruments developed by TMSA forward and providing ongoing support to the preparation, packaging and promotion of regional infrastructure projects. To do so, the PPIU will need to be sufficiently capacitated and funded. TMSA and DFID should engage with the RECs with a view to developing a sustainable work programme for the PPIU, which can be implemented as soon as TMSA funding ends. Any funding gap (or uncertainty) at this stage is likely to lead to the demise of this institution.</p>
<p>An effective PPIU-type institution is needed to prepare, package and prioritise regional infrastructure projects for funding.</p>	<p>8</p>	<p>TMSA should investigate the use of more advance statistical techniques to undertake a more rigorous assessment of border performance. Specifically, future comparisons should not be based on a single point in time, but trend and seasonality assessments should be done. Moreover, increases in volumes over this period also need to be accounted for. In doing so, it should be possible to identify critical breaks in the data and to link these to border improvements or problems. If and when this has been achieved, consideration should be given to developing this system into a sustainable border management tool that can be used and maintained by national authorities.</p>
<p>The corridor monitoring system generates a unique set of performance information, but its reliability and use could still be enhanced.</p>	<p>9</p>	<p>TMSA should conclude the value chain studies that have been initiated but should not commence any new work in this area over the life of the programme. Post-2014, a rigorous assessment of the potential for a common, regional approach to industrial development should be undertaken by DFID prior to the provision of any further support to this pillar of the Tripartite work programme.</p>
<p>The Tripartite and TMSA are unlikely to make meaningful progress towards the achievement of a common and regional approach to industrial development in the short-term.</p>	<p>10</p>	<p>TMSA should consider the use of multi-criteria decision analysis (MCDA)/value chain analysis to target SPS capacity building interventions at where they are likely to have the greatest impact on pre-determined criteria (e.g. poverty alleviation, trade flows). Such tools are relatively easy and low cost to use. Furthermore they are effectively country led and can, and have, led to the unlocking/reallocation of internal resources to address SPS related constraints. The focus of TMSA for the remainder of the project could be in assisting the RECs in developing and applying such analytical capacity and using the results to unlock internal resources for SPS priority interventions.</p>
<p>Project specific interventions at the sector or firm level are not a convincing fit in the TMSA portfolio.</p>	<p>11</p>	<p>A more systematic approach to the selection of SPS and other industry-level projects would contribute to better outcomes.</p>
<p>A more systematic approach to the selection of SPS and other industry-level projects would contribute to better outcomes.</p>	<p>12</p>	<p>Given the well documented links between informal trade, poverty and gender equality, rigorous poverty and gender analyses of the impact of TMSA’s interventions on small scale / informal traders would have been instructive. Specifically, the impact of TMSA on small scale traders, especially women, should have been integrated into the programme design, implementation and monitoring. Although it is too late to remedy this oversight, it might still be possible to assess how TMSA has contributed to small scale traders in relation to:</p> <ul style="list-style-type: none"> <li>• Their income levels;</li> <li>• Their knowledge of customs regulations;</li> <li>• Simplified documentation such as tax exemption eligibility, certificates of origin;</li> <li>• Reduced transaction costs;</li> <li>• Reduced border delays;</li> <li>• Changes in corruption and bribery;</li> <li>• Changes in sexual harassment at border posts; and</li> <li>• Changes in HIV/AIDS infection rates.</li> </ul>
<p>Cross-cutting issues are not consistently considered in the design, implementation and monitoring of TMSA activities; but there is evidence to confirm that some TMSA activities have contributed to a better understanding of the linkages between trade, HIV/AIDS, poverty and climate change.</p>	<p>13</p>	<p></p>





Table 15 (continued) Institutional recommendations

Findings	No.	Recommendations
TMSA engages with a wide number of stakeholder organisations at the regional level, but interactions with country-level representatives is weak	14	At the moment there are no formal mechanisms for obtaining country level inputs or for providing updates and feedback to DFID/UKHC country offices. Future programming should consider the role and needs of country partners (within and outside of Government) in achieving the numerous outputs pursued by TMSA. This will be especially important in ensuring that the trade and trade facilitation agreements that are likely to be concluded at the REC level are implemented and monitored correctly at the country level.
Overall, TMSA has in place the building blocks of sound internal strategic and operational planning and programme management. However, there are some important oversights and areas for improvement in processes and procedures	15	<p>Some of the lessons to be considered for incorporation in future programmes:</p> <ul style="list-style-type: none"> <li>• A fuller HR manual should be required, including guidance for formal annual reviews of staff performance and grievance procedures (and for projects of this size, a specialist HR function is probably appropriate).</li> <li>• Recruitment opportunities should all be widely advertised in line with standard practice for highly-paid jobs</li> <li>• Remuneration should be set in line with regional norms for similar agencies, and benchmarking should be undertaken to establish these norms.</li> </ul>
TMSA is lacking a full M&E plan; a significant omission for a programme of this magnitude	16	More rigorous systems are required to support individual staff efforts. A full M&E Plan should outline in some detail the principles (e.g. ROAMEF) and requirements for (a) prior appraisal of project costs and benefits, (b) measurement and monitoring of progress, (c) post-hoc evaluation of projects.
Inter-institutional linkages differ, quite rightly, depending on the nature of TMSA’s interaction with the specific stakeholder organisation. TMSA’s relationship with DFID is crucial and there is evidence that greater feedback and quicker response could be beneficial.	17	In the interests of sound programme management, DFID should respond more quickly and more fully to TMSA work which requires feedback. Monthly and Quarterly reports should be formally signed off after any issues raised have been addressed.



Table 15 (continued) VfM recommendations

Findings	No.	Recommendations
TMSA does not have sufficient operational and technical funds to take it through to the project end-date; with consequential risks for delivery and sustainability.	18	There is little danger of TMSA Programme funds (as opposed to capital funds) being under-spent. Effort in the remaining Programme period should therefore be focussed on (a) achieving more output targets given the investment in the Programme to date and (b) trying to minimise any potential damage which might result if Programme funds are exhausted before the intended end-date. This requires early planning and communication from DFID and extensive consultations with Programme partners, including other potential donors.
TMSA salaries and some allowances and conditions are generous by normal DFID standards.	19	DFID should have salaries capped, and re-negotiated to more cost-effective levels for any continuation programme. DFID should as a matter of routine set fair upper limits for the salaries on programmes which it funds, in order to maximise the chances of achieving acceptable VFM. Moreover, DFID should provide stronger guidance on acceptable travel and subsistence conditions to this Programme, and to others which it funds, or may fund in the future.
While, single source procurement is sometimes appropriate, its use should be limited.	20	Further oversight and investigation by DFID/ COMESA should be undertaken to establish whether the extent of single source procurement by TMSA is justified. Market competition is the best way to preserve value-for-money, and to avoid potential accusations of favouritism. It should only be departed from for minor items. If there are only a limited number of specialist suppliers, this does not preclude a short competitive procurement.
A snapshot analysis of progress against selected output indicators shows that costs per output are variable at this intermediate stage. Further, the quality aspects of achievements to date are problematic to identify and quantify.	21	An open discussion and realistic re-appraisal of the potential of the Programme to achieve its targets and its potential for VFM is required. This should be done involving DFID, TMSA and the Tripartite, and possibly an independent third party. The Programme requires to put more effort into targeting, measuring and recording the quality of Outputs (such as training) rather being so reliant on numeric indicators (which nevertheless remain important).

### 11.3 PRIORITY PROGRAMME LEVEL RECOMMENDATIONS

Chapters 6 to 10 of this report set out the key findings of the evaluation, and the detailed evidence base and synthesised analysis which underpin the recommendations. There is no need to repeat this here. In summary, the view of the evaluation team is that for the remainder of programme operations, TMSA should narrow its scope and focus resources on key activity elements which are felt to offer greatest potential to maximise impact and sustainability and which address significant shortcomings of the programme in relation to cross-cutting issues; specifically:

Table 16: Priority recommendations

No.	Priority Recommendations	Impact	Sustainability
i	Consideration should be given to establishing a team/pool of international and regional experts that can be made available to provide assistance to the RECs and member countries, on a request basis, during the negotiations and after the conclusion of the initial agreement. DFID should engage with the RECs to discuss the need for such assistance prior to the programme end date.	✓	✓
ii	TMSA should undertake additional work around understanding the implications of the TFTA within vulnerable countries or sectors, and exploring means to make the FTA work better for specific communities.	✓	
iii	TMSA should continue to provide technical support to those involved at the Chirundu border post to monitor progress and facilitate further reforms, as needed. TMSA should review work programmes for the development of OSBPs at the Nakonde-Tunduma and Kasumbaslesa border posts and focus efforts on high impact elements that can realistically be completed within the remaining timeframe of the Programme.	✓	✓
iv	TMSA and the RECs should adopt a programme of engagement to solicit support from national governments for the implementation of a regional transit management system, incorporating current innovations. TMSA should also engage with the RECs to develop a hand-over plan and medium term work programme/ budget for the NTB reporting, monitoring and elimination mechanism.		✓
v	TMSA should suspend work on those aspects of the wider trade facilitation programme where work has not begun or where little/ no progress is evident. (See Section 6.2.5.1)	✓	
vi	TMSA and DFID should engage with the RECs and other donors to develop a sustainable work programme for the PPIU, which can be implemented as soon as TMSA funding ends.		✓
vii	TMSA should investigate the use of more advanced statistical techniques to generate a more rigorous assessment of border performance, identifying critical breaks in the data and linking these to border improvements or problems. This can be supported by the evaluation team in the design of the impact evaluation.		✓
viii	It is recommended that TMSA should conclude the ongoing value chain studies but do not commence any new work in under the industrial development area.	✓	
ix	It is recommended that TMSA be tasked to undertake further ex-post assessments/case-studies (to the extent that time and resource constraints will allow) of how TMSA has contributed to specific cross-cutting issues (for example, with regard to small scale traders) and should be required to give more attention to collecting information on these issues in remaining activities. Any activity in this area will be complemented by that of the evaluation team as part of the forthcoming impact evaluation.	✓	



## 11.4 LESSONS LEARNED

The TMSA Programme offers many important lessons for future trade and regional integration interventions. Specifically, TMSA's experience in the development and use of region-wide systems for tracking transport and border flows and monitoring non-tariff barriers might have wider application; and the programme has done well to promote the corridor approach to regional infrastructure development and the one-stop border post concept in Africa. These potential lessons are dealt with more fully in Section 6.

In addition to the priority recommendations for TMSA operations going forward (which are intended to support efforts to maximise the impact and sustainability of TMSA's activities and achievements), the MTE has generated some important 'Lessons Learned' for DFID in terms of the theoretical and operational set up of TMSA. These lessons have implications for the remainder of the TMSA lifecycle and for future programming and mainly concern the construction of the Theory of Change and the log-frame.

As stated in the institutional appraisal (see Section 7, Pg. 57), TMSA developed the programme ToC in November 2012. At this point the programme had been in its implementation phase for three years with an operational workplan and ongoing portfolio of activity. The evaluation team recognises and accepts that this was unavoidable as there was no requirement at the outset of the programme to apply strategic guidance in the form of a ToC. As a result the programme workplan and log-frame have been retrospectively aligned with the ToC.

TMSA has made commendable efforts in the development of detailed ToCs at output level and, with the exception of issues noted elsewhere in relation to poverty reduction,<sup>99</sup> the output level ToCs are a comprehensive reflection of the academic literature relating to trade and growth. The ToCs note the points where the evidence base in support of TMSA interventions is both strong and weak and provide a largely sensible depiction of how the steps in the results chain may reasonably combine to move towards the desired outcomes.

The evaluation has however identified a number of issues which necessitate further investigation and would likely result in revision of the ToC and associated log-frame. Some of these translate into learning points for DFID. Two key lessons are as follows:

- Firstly, while in principle the processes depicted in the output level ToCs, are reasonable, **the assumptions which underpin the ToC are many, very broad and depend largely on the agency and engagement, of others.** TMSA is rightly ambitious in its aims and objectives but it would appear that the ToC underestimates the complexity of the operational environment, the barriers and challenges it poses.

Failure of TMSA's ToC assumptions to hold true in practice (as illustrated in the output level ToC diagrams in Section 6) presents a major barrier to progress along the steps in the ToC results chain, and this is before any assessment of the efficacy of actual activities can even be made.

For example, an assumption underpinning Output 1 is that the 'timing of the TTFA roadmap is adhered to'. Evidence from the MTE document review and fieldwork interviews is that these timescales were always overambitious and unlikely to be met. This presents a blockage in the ToC beyond which it becomes problematic to robustly assess the contribution of TMSA's activities to date.

Another example comes from Output 2.2 (Reduced trade transaction costs and transit times). The effectiveness of TMSA activity in this area is premised on assumptions including "governments and other agencies have the capacity and resources to implement measures", "border agencies are prepared to work together" and "phased implementation of harmonised road user charges can be agreed". It will understandably take time for countries to agree and implement such measures and while it is positive that these assumptions are recognised in the ToC, it does not appear that this time element or other complexities of the external environment have been adequately factored into the results chain, meaning that at this intermediate stage, TMSA's achievements against the ToC are poor.

<sup>99</sup> See discussion on cross-cutting issues at Section 6.5

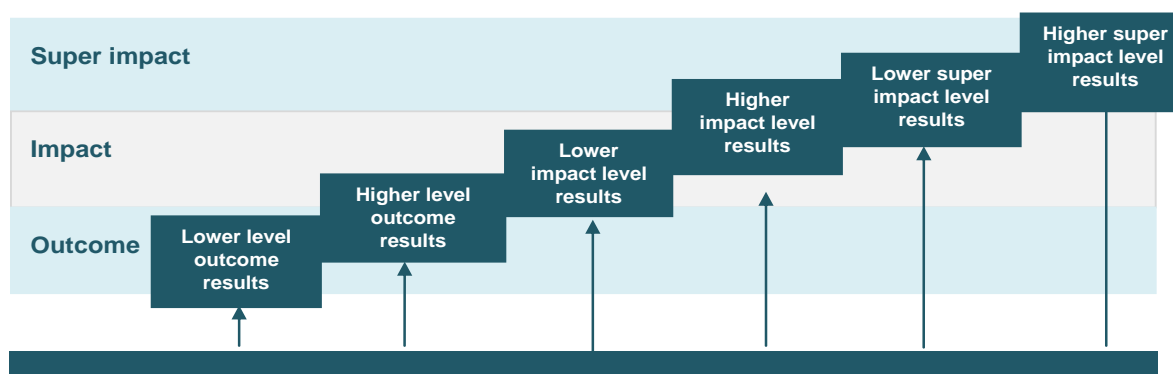
- Secondly, **there are serious issues with how the high-level ToC translates into the programme level log-frame** (the main tool for measuring overall programme and output level performance). Specifically, the log-frame talks largely to the long term outcomes (incorrectly termed Outputs) which cannot be attributed to TMSA interventions (see previous discussion in Section 9). Further, the outcomes and impacts contained in the log-frame are largely theoretical constructs derived from the ToC but are very distant from TMSA's *on the ground* activities.

Partially as a result of this flaw, and partly because the programme has changed since inception, the log-frame does not reflect what TMSA is actually doing; the indicators and targets are not representative of TMSA activities and most are not SMART (as illustrated by the output level ToC diagrams in Section 6).

This could possibly have been rectified by realigning the log-frame downwards so that the outcomes against which the programme was measured were closer to the actual programme activity (see example overleaf) and outcome and impact measures were more realistic and readily attributable. In essence TMSA would then be working towards (and measured against) a series of intermediate outcomes, and the current high level outcome and impact measures would have shifted further up the results chain in recognition of their distance from the actual programme.

It could also be useful to classify outcomes and impacts at different levels – so as to balance programme ambition and the strategic priorities of DIFD with the need to ensure achievability and attribution of outcome and impact measures. An example of this comes from the State Accountability and Voice Initiative (SAVI) in Nigeria where outcomes and impacts are recorded as:

Figure 6: Example of Disaggregated Outcome and Impact Indicators



Source: Adapted from State Accountability and Voice Initiative (SAVI) replicated in Vogel, I., (2012) Reviewing the Use of Theory of Change in International Development

Using this sort of classification, the upper part of the TMSA ToC/ log-frame would look as follows:

- The current outputs of TMSA (Outputs 1-4) would sit as higher and lower level impact results;
- The current 'outcome' aspiration for TMSA (to improve Southern Africa's trade performance and competitiveness for the benefit of poor people through regional integration) would sit as a lower level super impact result; and
- The current 'impact' aspiration for TMSA (sustained rapid, inclusive growth and poverty reduction in Southern Africa) would sit as a higher super impact level result.



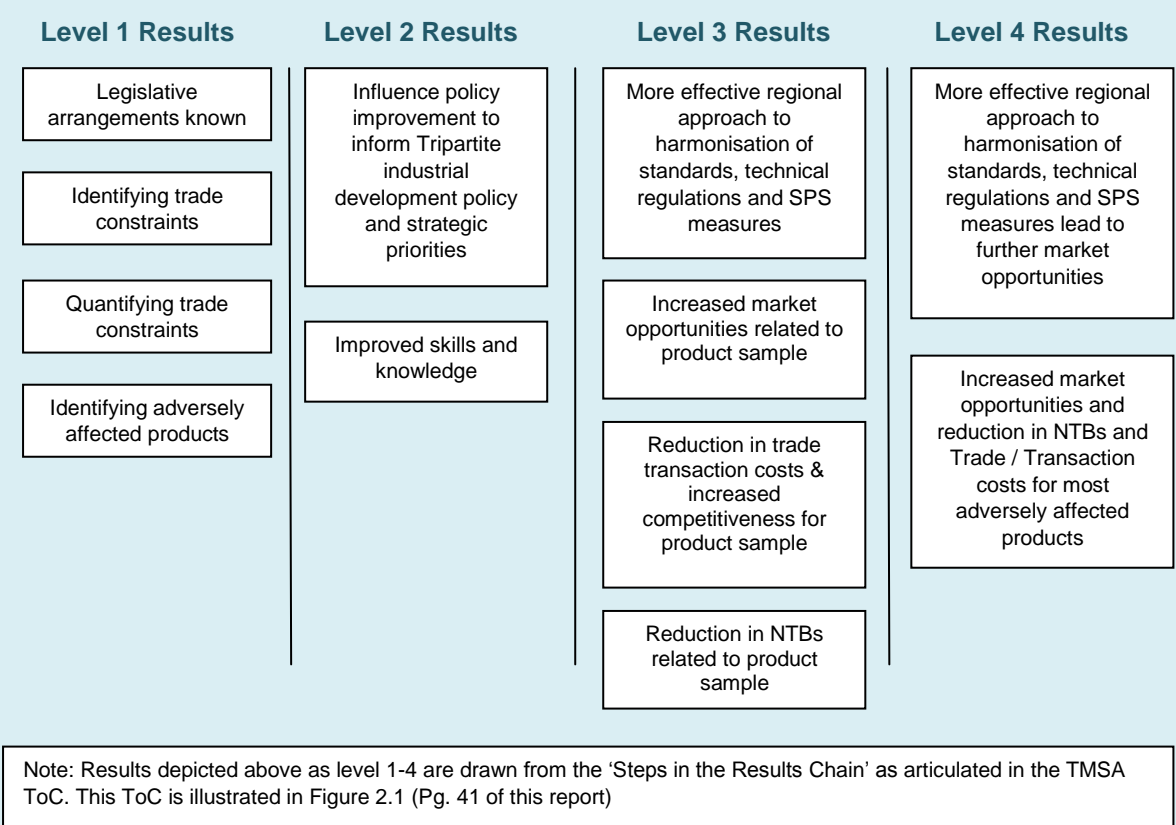
**Example: Output 2.1 Reduced trade transaction costs and transit times in the Tripartite region through improved and harmonised trade and transport facilitation measures - technical regulations, standards and SPS.**

**Target:** In relation to the above output, TMSA’s log-frame target is to have all agreed trade and trade facilitation measures implemented in all eight NSC countries by October 2014. A highly ambitious and essentially unrealistic target.

**Performance to date:** The MTE assessment of log-frame performance (contained in AnnexB) shows a red flag against this performance measure as it is unlikely to be achieved. Although substantial work has been done on the design of regional trade facilitation measures, evidence of implementation at the national level is weak and the full package will certainly not be implemented.

**Revising the log-frame downwards:** As previously noted, timescales and context are very important when considering issues of regional integration. Regardless of the effectiveness of TMSA’s activity, it was always unrealistic that this target could be achieved within the programme timescale or that it would be wholly attributable to the work of TMSA. TMSA would have been better to judge itself against the preceding steps in the results chain as shown below:

**Steps in the results chain (extract from ToC diagram for Output 2.1 in Section 6)**



The gravity of this apparently minor design fault should not be understated. Because the achievement of most of the log-frame outputs cannot be attributed to TMSA activities, and because most of the assumptions supporting the log-frame depend largely on the agency and engagement of others; it has become difficult for DFID to manage and report on the programme and to hold the PMU accountable for the achievement of the stated programme outcomes. Overall the key ‘lesson’s learned’ from this specific experience are that:

- To appropriately map ToC thinking to the associated log-frame (a task that is recognised as a considerable challenge given the need to integrate theory with operational reality<sup>100</sup>), **it is**

<sup>100</sup> Vogel, I., (2012) Reviewing the Use of Theory of Change in International Development: Review Report and Practical Resource, prepared for UK DFID, available at: [http://www.oxfamlogs.org/fp2p/wp-content/uploads/DFID-ToC-Review\\_VogelV4.pdf](http://www.oxfamlogs.org/fp2p/wp-content/uploads/DFID-ToC-Review_VogelV4.pdf)



**essential that in future, development of the ToC precedes that of the log-frame** as per recommended ‘best practice’;

- **Assumptions underpinning the ToC should be tested/ validated** in consultation/ discussion with key programme stakeholders prior to the development of programme level log-frames and workplans to ensure they do not represent fundamental blockages in the ToC;
- **Programme results, as articulated in the ToC and log-frame, should (at the first level) clearly link to programme activities** moving up through the results chain to higher level impact and possibly super impact results;
- Log-frame indicators and targets monitoring programme performance should be **Specific, Measureable, Achievable, Relevant and Time Bound (SMART)**;
- In the development of log-frame indicators and internal M&E systems, **programmes may benefit from working explicitly through the DCED Standard for Results Measurement** (outlined opposite); which is based on a context aware programme logic approach. This would aid the development of SMART indicators and targets which allow a fair assessment of programme performance and contribution to higher level outcome and impact indicators in line with the ToC.

#### DCED Standard for Results Measurement

- Articulate the Results Chain
- Define indicators of change
- Measure change in indicators
- Estimate attributable changes
- Capture wider change in the system or market
- Track programme costs
- Report results
- Manage the system for results measurements

Learning points/ recommendations for DFID SA/ TMSA stemming from these ‘Lessons Learned’ are as follows:

#### Learning points/ recommendations from the Lessons Learned:

- DFID SA/ TMSA should agree on a new log-frame that reflects what TMSA is doing and which can serve as a useful monitoring tool for the programme and the impact evaluation. This is especially important given the significant changes to the TMSA budget and workplan that are currently being negotiated with DFID.
- The revised log-frame should include a substantively new set of output indicators which meet the technical requirements described above and which can serve to direct and measure the final performance of the programme. At the very least, such indicators would need to capture:
  - The specific contribution that TMSA will make towards the conclusion of the TFTA;
  - The direct interventions of the PMU and PPIU in facilitating new infrastructure investment across the North-South Corridor;
  - The specific road transport agreements or reforms that TMSA will support over the remainder of the programme and the expected state of implementation that can realistically be achieved in each case;
  - The specific border and customs reforms that will be implemented in each country/at each border post over the remainder of the programme;
  - The specific countries and products that will benefit from TMSA’s work on SPS and the anticipated export gains that can be attributed to these interventions.
- On agreement of the log-frame, indicators, workplan and budget, DFID SA/ TMSA must retrospectively re-profile the programme budget against key output and activity areas so that it is possible to conduct a more comprehensive VfM exercise as part of phase 2 of this evaluation.

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