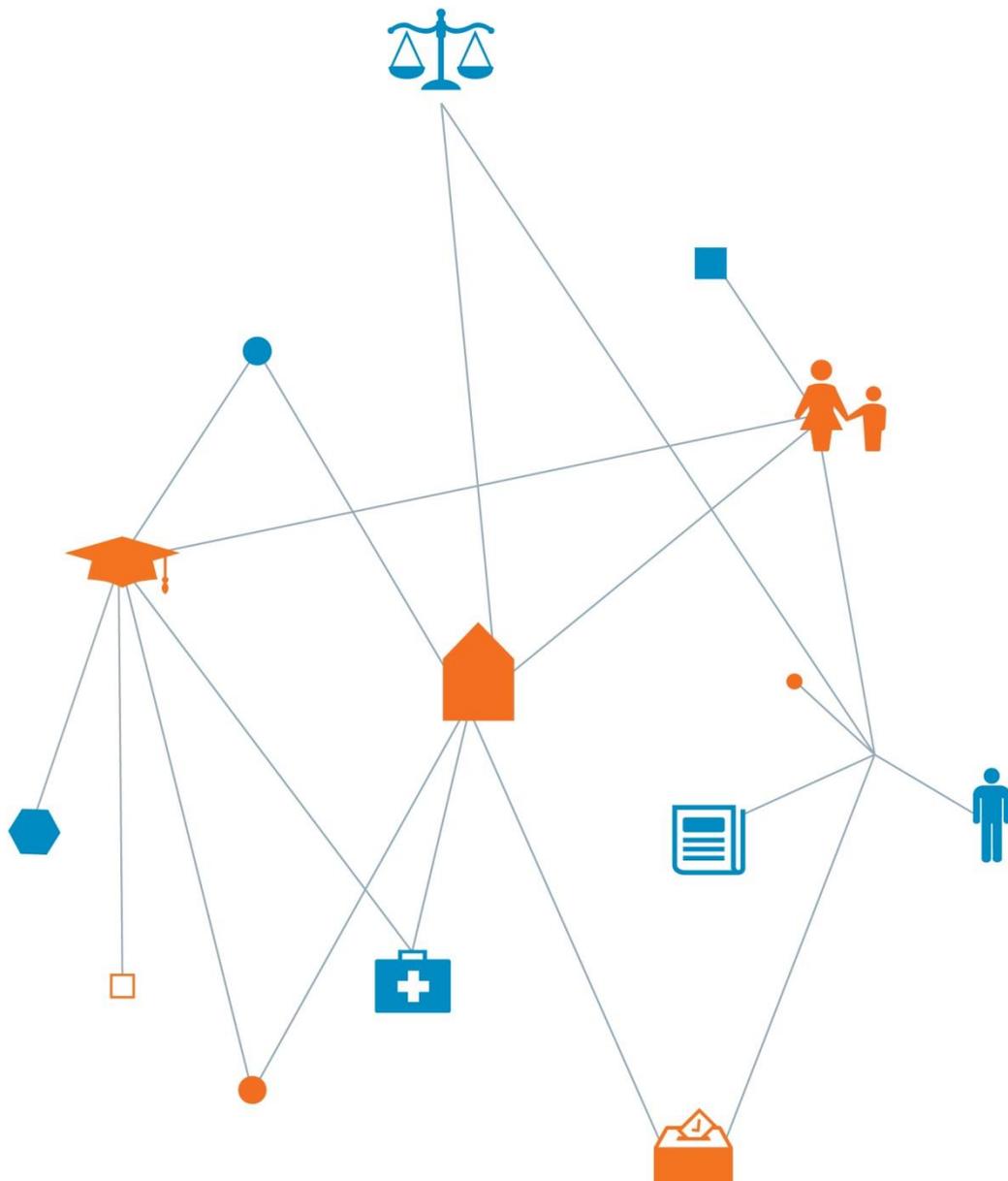




Governance, Social Development, Conflict and Humanitarian PEAKS Consortium led by Coffey International Development

Report ©

Customs Development Trade Development Facility (CDTF) in South Sudan





Report ©

v. 1.1

Commissioned by: Department for International Development (DFID)

Customs Development Trade Development Facility (CDTF) in South Sudan

Contract Number: PO 40061164

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This document has been approved for submission by Coffey's Project Director, based on a review of satisfactory adherence to our policies on:

- Quality management
- HSSE and risk management
- Financial management and Value for Money (VfM)
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Jeremy Swainson



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Annex 1: Annual Review - Summary Sheet

This Summary Sheet captures the headlines on programme performance, agreed actions and learning over the course of the review period. It should be attached to all subsequent reviews to build a complete picture of actions and learning throughout the life of the programme.

Title: The TradeMark East Africa (TMEA) South Sudan Country Programme			
Programme Value:			Review Date: October – November 2014
Overall budget 2010-16	Original budget 2013/14 ¹	Revised budget 2013/14	Actual spend 2013/14
24.948	6.147	2.140	2.442

Summary of Programme Performance

Year	2012/13	2013/14						
Programme Score	A	B						
Risk Rating	Medium	Medium						

Summary of progress and lessons learnt since last review

Over the review period the TMEA South Sudan (TSS) Country Programme has been interrupted due to political and security reasons from December 2013 to May 2014. During this period the TMEA country staff had to be evacuated from the country and all projects were interrupted until May 2014. Since May 2014 the programme has resumed and the establishment of the National Oversight Committee (NOC) for the programme has been an important accomplishment (the first NOC meeting took place after the end of the review in October 2014). It is chaired by the Deputy Minister of Finance and has wide stakeholder representation. In terms of project activities progress has been in the following areas:

- The consultancy providing assistance to the South Sudan Customs Services (SSCS) was the first project (and only one to-date) to have resumed in May 2014. As a result, progress has been made in the area of customs reform with the adoption of a new customs law in May 2014 and the finalisation of an HS based tariff system. Progress has also been achieved in introducing human resource development systems and training of staff and in improving customs practices at the Nimule border. An effort to improve the processing of humanitarian aid at the Nimule border has been made, but this is largely done on an ad-hoc basis.
- Progress has been made with regards to the Nimule One Stop Border Post (OSBP): a Design and Supervision contract has been signed, the National Oversight Steering Committee (NOSC) has been established and the titling of the land.
- Assistance to the South Sudan Bureau of Standards (SSBoS) has not yet resumed but a consultant is currently being contracted and will focus on a review of the operations and facilities of the National Standards Office, training of staff and on the identification of equipment needs.
- The government also strengthened its commitment to joining the East African Community (EAC) and requested TMEA assistance for the conducting of an impact study.
- Finally in the area of Non Tariff Barriers (NTBs), terms of reference for a scoping mission on existing NTBs (which were already available at the time of last year's review) have been strengthened to include gender-specific provisions.

The main lessons learnt since the last review are that it is important to develop a clear understanding of the responsibilities of the project vis a vis those of the beneficiary bodies (signing of Memoranda of Understanding) and that high priority should be given to capacity building through training, twinning with regional partners and on-the-job coaching. Furthermore, it was learned that more attention should be paid to gender and environment.

Summary of recommendations for the next year

- Finalise and signing of outstanding Memorandums of Understanding (MoUs) with stakeholders.
- Business plans should be prepared for major project interventions involving capital outlays. These business plans should address (i) institutional set up and structure, (ii) measurable targets with respect to reducing constraints to trade and (iii) financial sustainability in terms of covering costs of operation and maintenance. In this context business plans are proposed to be prepared for the OSBP and the SSBoS.
- A more structured approach should be applied with respect to the support of customs to be based on a systematic review of processes and procedures identifying key constraints to be addressed and resulting in measurable improvements of processing time.
- Conducting of customs training based on the new customs law and its regulations.;
- Development of Integrated Border Management (IBM) to be introduced at the OSBP and compatible with those applied in Uganda.
- Introduce more systematic monitoring of processing times distinguishing between humanitarian aid, other exempted cargo and non-exempted cargo, possibly further breaking this down into containerised and non-containerised trucks.

¹ As per business plan 2013-14, programme cost plus project management.

- Involvement of Private Sector Organisations (PSOs) and Civil Society Organisation (CSO) in advocacy related to the TMEA programme and research.
- Ensure close cooperation with other development partners involved in trade and private sector development.

A. Introduction and Context (1 page)

The TSS country programme operates on the basis of committed funding of US\$11.01 million from the UK's Department for International Development (DFID) as well as a contribution from core funding of TMEA, for a total overall budget for the period 2011-2016 of US\$24.9 million.

TSS operates with four staff (the Country Director, a programme manager, PSO/ CSO officer and a Finance and Administration Officer). It should be noted that the Country Director has been working in South Sudan on a part-time basis since the resumption of TSS in May 2014.

TSS has high quality and well equipped offices in the centre of Juba.

Impact, outcome and outputs of the South Sudan country programme are derived from TMEA's overall intervention logic.

The expected **impact** of the South Sudan country programme is increased trade and reduced processing time at the border. The programme has 4 **outcomes** which are expected to be achieved through 7 major **outputs**:

- Strategic outcome 1.1.1: Reduced transport costs
 - Output 1.1.1.1: One-Stop Border Posts (OSBPs) in East Africa constructed
- Strategic outcome 1.1.2: Reduced trade regulatory and operating costs
 - Output 1.1.2.1: Integrated border management processes used at selected border posts
 - Output 1.1.2.3: Customs management systems upgraded
- Strategic outcome 1.1.3: Reduced non-tariff measure costs
 - Output 1.1.3.1: Product standard testing facilities upgraded
 - Output 1.1.3.2: Regional and national non-tariff barrier (NTB) elimination mechanisms operational
- Strategic outcome 2.1.4: EAC improves regional and national coordination of the implementation of agreements
 - Output 2.1.4.2: South Sudan commences implementation of the EAC accession process
 - Output 2.1.4.5: Communication and training on regional integration implemented

With the resumption of the project in May 2014, streamlining of procedures for humanitarian aid inputs is considered an additional output (in fact, it was a pre-condition for the resumption of TSS), which should be reflected in the intervention logic.

The main change in the context of the country since last year has been the rebellion that started in mid-December 2013, when fighting between heavily armed rebel groups and the army broke out in Juba and quickly spread to other states, fuelled by a mix of political and inter-ethnic rivalry. The fighting was particularly intense in the oil producing states, with key cities taken by rebels and retaken several times by the army. Since then a Peace Agreement has been concluded in Addis Ababa between the government and the rebels in May 2014 which has resulted in the return to normalcy in Juba, though in some of the regions fighting flares up from time to time.

The DFID Operational Plan for South Sudan for the period 2011 to 2015 has last been updated in 2012. No later updates have been made so far.

The TMEA project suffered a significant setback as it had to be closed when the political and security situation worsened with the outbreak of the conflict in December 2013. The project only resumed in May June 2014, though this was earlier than most donor-supported programmes. Even before that project implementation suffered because of political instability leading to frequent cabinet changes which also translated in frequent changes of senior civil servants as was the case for Customs. Nevertheless, progress had been made in the period before the project's closure in December 2013 and activities were restarted with the resumption of the project. When the project resumed, TMEA proposed a resumption on a partial basis with a focus on customs in general and on streamlining exemption processes aimed at facilitating customs procedures for humanitarian aid in particular. Since then work on other project components has also resumed.

B: PERFORMANCE AND CONCLUSIONS (1-2 pages)

Annual outcome assessment

The 2013 Annual review concluded that “The only outcome indicator to which TMEA could attributably claim effect is ‘Reduced time to clear an assignment out of customs at Nimule, Juba and customs headquarters (inbound)’: This is because the OSBP has not been constructed, work on NTBs has not commenced and work on standards is still in its infancy. Only support to the development of the SSCS is sufficiently mature to be able to attribute a measurable outcome. The only baseline that currently exists is for Nimule: a USAID-funded South Sudan corridor diagnostic study (September 2012) found that the customs processing time at Nimule stood at 24 hours, but the TMEA-funded TTS (June 2013) found this to have reduced to 22 hours – a measurable achievement.”

This conclusion is very much valid for this year’s review and the 2013/14 AR mission also tried to determine whether further improvements have taken place in the processing times over the past year. However, from the available evidence on customs processing times no hard conclusions could be drawn on whether these processing times have been further reduced. Processing times appear to be variable generally varying between 2 to 3 days. In recent months the processing may have been a bit faster, but this has been due more to a reduction in cross border traffic than the speeding up of procedures. This conclusion also applies to humanitarian aid, although efforts are made to speed up the processing of aid cargo no systematic effort has been made to measure processing times so far. The customs processing is still done manually, a multitude (8) of fees are levied adding up to close to US\$ 200 per truck, about 6 fold the fees levied at other borders in the region.

Overall output score and description

The calculated score applying the weightings provided in the results frameworks is “B”. Overall performance was adversely affected by the need to close the project for a 6 month period. Consequently, the project could not achieve the performance reflected in the target indicators in most of the output areas. Most progress was made in the area of customs reforms and the OSBP, though it was only in June that the customs consultancy team returned in the field and that activities picked up again. Work with the SSBos came to a halt in December 2013 and has not resumed as of October 2014. No work was done on NTBs and initiatives to support to South Sudan’s integration into the EAC only resumed after June 2014.

Key lessons

The main lessons learnt since the last review are that it is important to develop a clear understanding of the responsibilities of the project vis a vis those of the beneficiary bodies (signing of MoUs) and that high priority should be given to capacity building through training, twinning with regional partners and on-the-job coaching. Furthermore, it was learned that more gender mainstreaming and environmental issues need to be dealt with more explicitly in the various project components.

Key actions

Recommendation 1. The inclusion of output 1.1.1.1 “Humanitarian aid operations in Nimule and Juba streamlined” in the SS results framework was a pre-condition set by the donors for the resumption of the consultancy providing support to the South Sudan Customs Services. While this new component has been reflected in the Consultant’s Terms of Reference, no overarching strategy /action plan on how the project / consultancy should address humanitarian aid issues has been developed. As a result the support provided seems to be very much ad-hoc. We recommend that a clear strategy and action plan is developed. This should be based on an assessment of border procedures for humanitarian aid which should lead to identifying key constraints and proposing measures to address these constraints with specific action plans.

Recommendation 2. A business plan should be prepared for the Nimule OSBP to be constructed at Nimule. This business plan should identify the operator of the facility and elaborate on the cooperation between the agencies that will be part of the OSBP. The business plan should also present a financing plan with costs of operation and maintenance and how these are going to be covered by revenues from fees/rentals to be collected at the facility. The availability of such a business plan should be a condition for approving the go ahead of construction activities.

Recommendation 3. A critical review should be made of the design of the Nimule OSBP to ensure that gender and environmental issues (including the disposal of waste) are sufficiently addressed.

Recommendation 4. Priority should be given to the development of IBMs for the Nimule OSBP that will take into account gender aspects. The IBMs should be synchronised with practices at border posts in neighbouring countries, particularly Uganda and Kenya.

Recommendation 5. Work on establishing a gender sub-committee within the NOSC should be finalised.

Recommendation 6. The MoU that has been drafted for the SSCS should urgently be finalised and signed.

Recommendation 7. A plan should be developed for follow up on the present work on customs reform. The future support should be developed based on a more strategic approach than the ad hoc approach adopted so far, which is now possible given the introduction of a new law and regulations. The strategic focus should be on (i) IT development, (ii) human resource development and training.

Recommendation 8. Careful consideration should be given to the delivery mechanism of formal training. The mechanism should focus on sustainability of the training programme and should ensure that the SSCS is able to continue delivering formal training beyond the project duration. It is therefore recommended to insist on the role of the Training Manager (which should be a permanent SSCS staff) and the potential participation of regional training institutes to training delivery.

Recommendation 9. Support to SSBoS should be focused on trade facilitation. For instance the provision of lab equipment by TMEA, as well as the training of staff, should focus on the reduction of transport time at the border. It should for instance be considered to prioritise the supply of equipment for facilities at the border.

Recommendation 10. As part of the TA, a business plan should be developed presenting an approach to be applied to standards development and conformity assessment addressing key food quality and safety issues in a systematic manner taking into account what should be done at the border and at HQ level in Juba. The business plan should also present a sustainable financing plan of the operations of the SSBoS taking into account maintenance and operations costs of the equipment to be acquired and the revenues to be generated from testing fees and fees from other services provided by the SSBoS.

Recommendation 11. A MoU with the SSBoS should be finalised and signed.

Recommendation 12. The MoU between TMEA and the Ministry of Commerce, Industry and Investment needs to be finalised and signed urgently.

Recommendation 13. A NTB National Monitoring Committee (NMC) should be established. The NTB NMC should be established with support from the NTB consultant who will advise on the institutional structure, prepare terms of references and provide support to the NMC once it has been established.

Recommendation 14. The study on the socio-economic impact of joining the EAC should be used as a key input in deciding on and further planning and programming of support to the GoSS in joining the EAC.

Recommendation 15. If a decision to move forward with training on regional integration is made, it should be made clear that training should be delivered in coordination with an overall plan for project support to EAC accession.

Recommendation 16. The Country Director should be based in Juba full-time.

Has the logframe been updated since the last review?

Several drafts have been prepared for a new logframe with new outputs related to speeding up the customs processing of humanitarian aid. These drafts are still under discussion. In the logframe that is currently being used the impact weights of some of the outputs have been adjusted, increasing the impact weights for customs reforms and the introduction of Integrated Border Management processes. In this logframe no impact weight was attached for the output related to the construction of the OBSP at Minule. It should also be noted that a new Theory of Change for the TMEA Programme as a whole was approved during the review period and that a new TMEA Results Framework is currently being designed by TMEA headquarters. Therefore the review / update of the TSS logframe will need to be finalised once the new overall TMEA Results Framework are available.

C: DETAILED OUTPUT SCORING

Output Title	Humanitarian aid operations in Nimule and Juba streamlined		
Output number per LF	1.1.1.1	Output Score	B
Risk:	Medium	Impact weighting (%):	None
Risk revised since last AR?	Yes, not covered in the last AR	Impact weighting % revised since last AR?	

Indicator(s)	Milestones	Progress
Dedicated lane for humanitarian aid established		<ul style="list-style-type: none"> ▪ Trucks with humanitarian aid have been allocated a separate parking area within the customs compound; ▪ An entirely new customs enclosure for processing trucks with exempted goods is being established 10km out of Nimule on the road to Juba.
Formalised working arrangements with humanitarian aid agencies		<ul style="list-style-type: none"> ▪ Contact has been established with the logistics cluster that is led by the World Food Programme; ▪ Meetings have been held with aid agencies; ▪ Ad hoc assistance is provided by the TA team on problems arising with individual shipments.
Documented procedures for humanitarian aid in place		A proposal has been made to reduce the number of examinations. No new procedures specifically dealing with humanitarian aid cargo have yet been established.

Key points

This is a new output which was not present in the logframe at the time of last year's review, but was formulated when the programme resumed. This new output reflects the priority for the project to support the speeding up of the border processing of humanitarian aid. This output was not impact weighted in the results framework that was amended to take into account this new output. Key points related to this output include:

- About 60 percent of food aid is imported through Nimule. For the year this has meant 210,000 tons (out of a total of 350,000 tons of food aid imports) translating into 7,000 truckloads, or 20 trucks per day.
- After the resumption of the project in May/June 2014, increased attention has been paid to facilitate customs processing of humanitarian aid at the request of the donors.
- A separate parking place has been allocated to exempted goods that include humanitarian aid and a completely new customs area dedicated to exempted goods is being constructed with representation of selected other border agencies.
- Ad-hoc assistance has been provided to humanitarian shipments encountering problems at customs.
- Contact has been established with the logistics cluster led by WFP.

Recommendations

Recommendation 1. The inclusion of output 1.1.1.1 "Humanitarian aid operations in Nimule and Juba streamlined" in the SS results framework was a pre-condition set by the donors for the resumption of the consultancy providing support to the South Sudan Customs Services. While this new component has been reflected in the Consultant's Terms of Reference, no overarching strategy /action plan on how the project / consultancy should address humanitarian aid issues has been developed. As a result, the support provided seems to be very much ad-hoc. We recommend that a clear strategy and action plan is developed. This should be based on an assessment of border procedures for humanitarian aid which should lead to identifying key constraints and proposing measures to address these constraints with specific action plans.

Output Title	OSBPs in East Africa constructed		
Output number per LF	1.1.1.1	Output Score	B
Risk:	Medium	Impact weighting (%):	None
Risk revised since last AR?	No	Impact weighting % revised since last AR?	Yes, in the previous AR: 20 %

Indicator(s)	Milestones	Progress
<p><u>Indicator 1.1.1.1.f:</u> Progress in border post construction at Elegu/Nimule (Uganda-South Sudan)</p>	<p><u>Target by end of 06/14:</u> Cadastral survey completed at Nimule</p>	<p><u>Achievement as of June 2014:</u></p> <ul style="list-style-type: none"> ▪ A cadastral survey has been conducted delineating the land belonging to the Customs Service. The Customs Service has been formally provided with a 20 year lease of this land by the State. Documentation confirming this has been provided to the TMEA office. A formal handover ceremony, presided over by the Minister of Transport, Roads and Bridges, has taken place in August 2014; ▪ A contract for Design and Supervision (D&S) was signed with a Kenyan architect in May 2014; ▪ An MOU has been signed between Trade Mark East Africa (TMEA) and the South Sudan Ministry of Transport, Roads and Bridges (MoTRB) defining the responsibilities of the parties with respect to the design and construction of the OSBP; ▪ The contractor started work in August 2014 and submitted a first design in October 2014 which was presented and discussed with stakeholders including members of the Adam Smith International Customs team. Based on comments made, a revised design has been made. This revised design is currently subject to further review. It is expected that construction will start in the second half of next year. <p><u>Comments by AR mission:</u></p> <ul style="list-style-type: none"> ▪ The MOU with the MoTRB specifies that a border agency will be appointed and will be allocated a budget for operating and maintaining the facility. It is not clear who this border agency will be, nor has a financial analysis been made of the operation of the OSBP. The issue of who will operate the OSBP has been discussed in the NOSC, without reaching a conclusion on this issue. Options are that customs will operate the OSBP or that an independent operator will be established either in the public sector or from the private sector based on a Public Private Partnership (PPP); ▪ Financially issues to be determined are whether there should be a special fee levied on vehicles and their loads processed through the OSBP to cover operation and maintenance costs in addition to the high fees already levied or whether these costs can be recovered from the rentals paid by the agencies that will occupy space in the buildings to be constructed; ▪ It also appears that an economic cost benefit analysis has not been made, which would have set out the costs of constructing and operating the facility against the savings in processing times to be achieved.
<p><u>Output Indicator 1.1.1.5a:</u> Percentage of infrastructure projects which incorporate environmental impact assessments completed</p>	<p><u>Target by end of 06/14:</u> Environmental considerations included in the design of the Nimule OSBP.</p>	<p><u>Achievement as of June 2014:</u> The initial design for the Nimule OSBP contains a separate section on environmental considerations that have been taken into account. It is mentioned that the Design Proposal will maximise on natural ventilation and lighting throughout the facility. Rainfall water will be harvested to enhance the water supply. Solar panels for low-voltage use and for night lighting is proposed. Proper drainage facilities will be constructed.</p>

Key Points

- The land issue has been resolved, as the land that has been allocated to customs has been surveyed and delineated and customs has been given a 20 year lease on the land.
- An NOSC has been established in December 2014 and has met twice.
- An MoU has been concluded with the MoTRB on the construction of the OSBP;
- A bilateral agreement has been concluded on the development of OSBPs on both sides of the border.
- A Design and Supervision (D&S) contract has been concluded and the contractor produced an inception report with a first design which was presented to stakeholders. Further review based on comments from stakeholders is taking place.
- Gender and environmental aspects have been taken into account in the design.

Summary of responses to issues raised in previous annual reviews

2013 A/R Recommendation	Progress as at October 2014
Recommendation 1. We recommend that, if at all legally possible, the terms of reference for the design and supervision contract for Nimule OSBP should be amended to include specific requirements for gender mainstreaming and environmental friendliness.	Implemented: Gender mainstreaming and environmental safeguards are explicitly being taken into account in the design of the OSBP.
Recommendation 2. We recommend that TMEA enter into a formal written agreement with the SS Ministry of Transport and/or South Sudan Roads Authority to define the different responsibilities of the parties with respect to the design and construction of the OSBP. The agreement should set as a precondition for awarding a contract for the construction of the OSBP the compulsory purchase by the Government of South Sudan using their own resources of all necessary lands.	Implemented: An MOU between the MoTRB and TMEA for the implementation of the Nimule/Elegu OSBP was signed on 1 Aug 2014. This defines the different responsibilities of the parties with respect to the design and construction of the OSBP.
Recommendation 3. We recommend that the TMEA-financed Customs consultancy team should be consulted on the designs of the OSBP at Nimule before these are finalised: it seems clear that given their huge experience their input would benefit the final design.	Implemented: The Customs consulting team was represented at the presentation of the inception report and the initial design of the Nimule OSBP in October 2014.

Recommendations

Recommendation 2. A business plan should be prepared for the Nimule OSBP to be constructed at Nimule. This business plan should identify the operator of the facility and elaborate on the cooperation between the agencies that will be part of the OSBP. The business plan should also present a financing plan with costs of operation and maintenance and how these are going to be covered by revenues from fees/rentals to be collected at the facility. The availability of such a business plan should be a condition for approving the go ahead of construction activities.

Recommendation 3. A critical review should be made of the design of the Nimule OSBP to ensure that gender and environmental issues (including the disposal of waste) are sufficiently addressed.

Output Title	Integrated border management processes used at selected border posts		
Output number per LF	1.1.2.1	Output Score	B
Risk:	Medium	Impact weighting (%):	20%
Risk revised since last AR?	No	Impact weighting % revised since last AR?	Yes (was 10%)

Indicator(s)	Milestones	Progress
Output Indicator 1.1.2.1a: Number of upgraded border posts operating in accordance with IBM processes	Target by end of 06/14: ▪ N/A	Achievement as of June 2014: <ul style="list-style-type: none"> ▪ The NOSC and expert technical committees were established in Dec 2013. It has an executive of 10 members; ▪ A planning workshop for the OSBP held in Kampala in May 2014 has been supported by the project; ▪ Bilateral cross country meetings have taken place in July 2014 resulting in a bilateral agreement between South Sudan and Uganda on the cooperation between the OSBPs at the Nimule/Elega border crossing; ▪ Two NOSC meeting have taken place. The executive committee of the NOSC travelled twice to Nimule to assess preparatory work for the OSBP on the ground; ▪ However, no progress was made in developing IBM processes.
Output Indicator 1.1.2.1b: Percentage of targeted borders that incorporate gender sensitive procedures as part of IBM	Target by end of 06/14: ▪ N/A	Achievement as of June 2014: <ul style="list-style-type: none"> ▪ NOSC is still in the process of establishing a technical sub-committee drawing expert members from MDAs and agencies with appropriate competencies for gender sensitising the future IBM procedures and utilisation processes at the Nimule/Elegu OSPB facilities.

Key Points

- Land titling issues have been resolved and an MoU has been signed with the MoTRB though this MoU does not specify which the agency will run the OSBP at Minule.
- A D&S contract has been concluded after the resumption of project activities in May 2014 and work has started on the design to be completed by April 2015.
- Construction is expected to start end 2015 and is scheduled to be completed by mid-2017.
- Gender sensitivity and environmental issues are addressed in the design, but need monitoring.

Summary of responses to issues raised in previous annual reviews

2013 A/R Recommendation	Progress as at October 2014
Recommendation 4. We recommend that TMEA urge the NOSC to establish an advisory expert technical committee to consider gender sensitising the future IBM procedures and utilise the findings of specific research in this area commissioned by TMEA.	Partially implemented: NOSC is in the process of establishing a technical sub-committee drawing expert members from MDAs and agencies with appropriate competencies for gender sensitising the future IBM procedures and utilisation processes at the Nimule/Elegu OSPB facilities.

Recommendations

- Recommendation 4.** Priority should be given to the development of IBMs for the Nimule OSBP that will take into account gender aspects. The IBMs should be synchronised with practices at border posts in neighbouring countries, particularly Uganda and Kenya.
- Recommendation 5.** Work on establishing a gender sub-committee within the NOSC should be finalised.

Output Title	Customs management systems upgraded		
Output number per LF	1.1.2.3	Output Score	B
Risk:	Medium	Impact weighting (%):	40%
Risk revised since last AR?	No	Impact weighting % revised since last AR?	Yes (was 30%)

Indicator(s)	Milestones	Progress
Indicator <u>1.1.2.3.c:</u> GoSS customs act, regulations, business processes and procedures updated.	Target by end of 06/14: <ul style="list-style-type: none"> ▪ Amendments to existing legislation and regulations identified and developed ▪ Business process manuals and guides, taking into account existing processes and procedures, completed and disseminated 	Achievement as of June 2014: <ul style="list-style-type: none"> ▪ Customs law passed by National Parliament in May 2014 and signed by the President; Draft customs HS based tariff developed pending approval of the Ministry of Finance; ▪ Draft regulations are being developed as Annexes to the Customs Law; ▪ Business process manuals have not yet been developed pending the finalisation of regulations and procedures; ▪ The project contributed to the debate about establishing Revenue Authority; ▪ The SSCS strategy 2012 to 2017 was updated during a workshop in Kampala and a Modernisation Plan based on this strategy has been developed.
Indicator <u>1.1.2.3.d:</u> GoSS customs management systems installed and operational.	Target by end of 06/14: <ul style="list-style-type: none"> ▪ GOSS agrees on preferred customs management system 	Achievement as of June 2014: <ul style="list-style-type: none"> ▪ Interim computerised system, the South Sudan Customs Management System as installed at Nimule in collaboration with Uganda Revenue Authority (URA) before the end of 2013, involving computer equipment and software. Officers (10) were trained in operating the system. The system has been tested, but it had not become operational by the time the customs project team was pulled out in December 2013. When project activities were resumed, it was found that some of the equipment, particularly the cabling had been damaged by rodents and is still not functional. There have also been problems in making the system compatible with the systems used in Uganda to which it should be linked; ▪ The project contributed to various measures to increase the efficiency of customs procedures and practices, including the payment of customs duties through a designated bank since November 2013, direct collection of papers by SSSC officials from the customs office on the Ugandan side, the construction of a protective shed for examination and verification of loads, the erection of a secure entry system at the examination office; restricting access to the customs area for clearing agents, risk assessment based examinations. These measures have made procedures more transparent and have reduced the scope for corruption, though this is still an issue at the border post; ▪ A comprehensive review of border operations in Nimule was conducted, identifying areas of improvement; processing flow charts were updated; ▪ Work on developing a five-year IT strategy for SSCS has started and is planned to be completed before the end of this year (2014).
Indicator <u>1.1.2.3.e:</u> Number of GoSS customs officers trained.	Target by end of 06/14: <ul style="list-style-type: none"> ▪ 60 customs officers trained on new procedures 	Achievement as of June 2014: <ul style="list-style-type: none"> ▪ An update was carried out in June 2014 of the training needs assessment that had been started in 2013; ▪ Training of 10 staff on the new customs law during two seminars. ▪ Several basic trainings in customs practices were provided to the customs staff in Nimule and also in Juba with an estimated 130 persons participating; ▪ A rolling programme of short training seminars was delivered to the Examination Team of Customs in Nimule with 30 participants; ▪ Considerable hands-on training was also provided by the customs experts based in Nimule to the senior customs staff; ▪ Assistance was provided in developing and establishing a new Human Resource Division in the Customs Service; ▪ A first activity of the HR Division was to undertake an inventory of staff

(1200) in collaboration with the Ministry of Public Service facilitating gearing personnel planning to the needs of the organisation, recruitment and other human resource policies. Also a document was drafted on future activities of the HR Department.

Key Points

- The Customs TA implemented by Adam Smith International had to be evacuated in December 2013, but restarted operation in May/June 2014. There are 3 experts attached to the headquarters of the Customs Service in Juba and 3 at Nimule.
- A MoU with Customs Services has been drafted, but has not yet been signed.
- An important reform has been the introduction and approval of a new customs law accompanied by a modern HS tariff scheme and regulations, processes and procedures for implementation. The latter are still under development. The regulations based on the new law will facilitate more systematic training and the development of business manuals.
- A good deal of capacity building has taken place in the form of mentoring and the implementation of basic training on various aspects.
- The project has contributed to the introduction of more transparent operational procedures at the Nimule border post which have reduced but certainly not eliminated the scope for corruption.
- The support that the project has started to provide to improve verification based on risk management will result in an important reduction in processing times.
- Efforts are currently being made to rationalise the operations of clearing agents aiming at reducing their numbers limiting their access to the customs area and ensuring their quality by registration.
- The introduction of an automated customs management system involving computer equipment and manuals has so far not been successful. The system has not yet been made operational.
- The longer term target in 4-5 years for customs is to implement Asycuda World.

Summary of responses to issues raised in previous annual reviews

2013 AR Recommendation	Progress as at October 2014
<p>Recommendation 5. We recommend that TMEA enter into a formal agreement with the South Sudan Customs Service in which the rights and responsibilities of both parties are clearly defined. This should include areas such as: responsibility for on-going maintenance and insurance of equipment provided by TMEA; restrictions on use of equipment provided by TMEA; and operational budget of the SSCS.</p>	<p>Partially implemented: SSCS reforms and modernisation strategies developed as part of the 2012 – 2017 strategic plan. Discussions on formalising this arrangement through an MOU with SSCS are underway. TMEA SS programme has initiated drafting processes of an MOU to clearly stipulate, amongst other things, responsibility for on-going maintenance and insurance of equipment provided by TMEA; restrictions on use of equipment provided by TMEA; and operational budget of the SSCS. This envisaged to be finalised by Nov 2014.</p>
<p>Recommendation 6. We recommend that TMEA ensure a high level of skills transfer from the Customs Consultancy team to the South Sudan Customs Service: the former should be advised that their success will be judged on the sustainability of their achievement and not just by the achievements during the duration of their contract.</p>	<p>Not implemented: This has been factored into the TMEA SS re-engagement strategy and current consultancy contract with ASI/CA which is due to end in May 2015. The deployment of HR consultant will also strengthen the SSCS HR department which has been staffed. Key amongst the SSCS consulting team milestones, are: supporting Customs with policies that help manage the interim period going into the Revenue Authority; supporting Training Manager design training courses; and to support the Customs Training School in working with established Regional Customs Institutions such as Uganda, Kenya and Rwanda.</p>

Recommendations

Recommendation 6. The MoU that has been drafted for the Customs Service should urgently be finalised and signed.

Recommendation 7. A plan should be developed for follow up on the present work on customs reform. The future support should be developed based on a more strategic approach than the ad hoc approach adopted so far, which is now possible given the introduction of a new law and regulations. The strategic focus should be on (i) IT development, (ii) human resource development and training.

Recommendation 8. Careful consideration should be given to the delivery mechanism of formal training. The mechanism should focus on sustainability of the training programme and should ensure that the SSCS is able to continue delivering formal training beyond the project duration. It is therefore recommended to insist on the role of the Training Manager (which should be a permanent SSCS staff) and the potential participation of regional training institutes to training delivery.

Output Title	Product standard testing facilities upgraded		
Output number per LF	1.1.3.1	Output Score	B
Risk:	Medium	Impact weighting (%):	15%
Risk revised since last AR?	No	Impact weighting % revised since last AR?	No

Indicator(s)	Milestones	Progress
Indicator 1.1.3.1.e: Number of laboratories upgraded.	Target by end of 06/14: new equipment installed in 1 laboratory	Achievement as of June 2014: A TA has been in place until December 2013 assisting the SSBoS in improving practices and assessing equipment needs. A tender was issued but had to be cancelled because of the temporary closure of the project in December 2013. After the resumption of the TMEA project, procurement for a new TA was carried out resulting in the same consultant being engaged as in the previous TA. He will start work in November 2014. An early task will be reviewing equipment needs. He will also be expected to assist in training, provide advice on policies and continued work on technical regulations and in developing of job descriptions of departments.
Indicator 1.1.3.1.f: Number of laboratory technicians trained in identification of substandard goods and laboratory equipment use (disaggregated by gender)	Target by end of 06/14: 10 lab technicians trained	Achievement as of June 2014: No additional lab technicians were trained.

Key Points

- Progress was made until December 2013, when the project activities had to be suspended.
- A major achievement was the merger between Metrology and Standards.
- Based on the Standards Law draft technical regulations were formulated.
- A list of equipment needs was specified and tendered. The tender had to be stopped because of the December events.
- Contacts were established with the SBs in Rwanda, Kenya and Uganda and MoUs on areas of cooperation were concluded.
- Training in English language will start for 50 staff in November jointly with the staff of Customs.

- After the resumption of the project in May/June 2014, a new TA was procured based on a competitive tender.

Summary of responses to issues raised in previous annual reviews

A/R 2013 Recommendation	Progress as at October 2014
Recommendation 7. We recommend that TMEA enter into a formal agreement with the South Sudan Bureau of Standards in which the rights and responsibilities of both parties are clearly defined. This should include areas such as: responsibility for ongoing maintenance and insurance of laboratory equipment provided by TMEA; restrictions on use of equipment provided by TMEA; and operational budget of the SSBoS.	Partially implemented: A draft MoU has been prepared but has not yet been signed.
Recommendation 8. We recommend that TMEA actively pursue a twinning link between SSBoS and the standards authority of an EAC member state to develop the former's capacity: the practical transfer of skills and knowledge should be highly beneficial ² .	Partially implemented: Links have been established with Standards Bureaus in other EAC countries and visits have been made to them.

Recommendations

Recommendation 9. Support to SSBoS should be focused on trade facilitation. For instance the provision of lab equipment by TMEA, as well as the training of staff, should focus on the reduction of transport time at the border. It should for instance be considered to prioritise the supply of equipment for facilities at the border.

Recommendation 10. As part of the TA, a business plan should be developed presenting an approach to be applied to standards development and conformity assessment addressing key food quality and safety issues in a systematic manner taking into account what should be done at the border and at HQ level in Juba. The business plan should also present a sustainable financing plan of the operations of the SSBoS taking into account maintenance and operations costs of the equipment to be acquired and the revenues to be generated from testing fees and fees from other services provided by the SSBoS.

Recommendation 11. A MoU with the SSBoS should be finalised and signed.

Output Title	Regional and national NTB elimination mechanisms operational		
Output number per LF	1.1.3.2	Output Score	B
Risk:	Medium	Impact weighting (%):	15%
Risk revised since last AR?	No	Impact weighting % revised since last AR?	No

Key Points

- Efforts are made by the Government to clear the roads of informal collection points. Other key NTBs include licencing
- Terms of Reference (ToR) for NTB scoping study has been prepared including specific attention for gender sensitive NTBs. The consultant is also expected to support the establishment of the National Monitoring Committee.

² SSBoS already have a working relationship with KEBS (so that SSBoS can test products at KEBS facilities) and a draft MoU between SSBoS and KEBS has been prepared – a proper twinning arrangement is one of the final objectives. SSBoS also plans to have also a MoU with UNBS. KEBS was actually involved in a training workshop on hygiene in food production funded by TMEA (79 participants – roughly 50% SSBoS staff, 50% private sector stakeholders – have been trained during 3 days): the main trainer was from KEBS and TMEA HQ in Nairobi negotiated conditions with KEBS.

Indicator(s)	Milestones	Progress
Indicator 1.1.3.2.e: Priority NTB removal plan developed and implemented.	Target by end of 06/14: Mapping exercise of existing NTBs undertaken	Achievement as of June 2014: Mapping exercise had not been undertaken. A ToR for such an exercise had already been developed at the time of last year's review. During the current review period, the ToR has been adjusted with a special requirement to identify NTBs with a gender impact. It is expected that the procurement process will start by December 2014.
Indicator 1.1.3.2.f: NTB National Monitoring Committee (NMC) operational.	Target by end of 06/14: Design institution mechanism for NMC[End Dec 2015]	Achievement as of June 2014: ToR for scoping study developed and discussed with implementing partners but procurement halted due to December 2013 events. The ToR appear not to have been shared with the Ministry of Commerce, Industry and Investment.
Indicator 1.1.3.2.g: Quarterly monitoring reports submitted within a month of the end of the quarter.	Target by end of 06/14: N/A	Achievement as of June 2014: N/A

Summary of responses to issues raised in previous annual reviews

A/R 2013 Recommendation	Progress as at October 2014
Recommendation 9: We recommend that TMEA sign a MoU with the Ministry of Commerce, Industry and Investment with respect to the early establishment of the NTB National Monitoring Committee.	Partially implemented: A MoU has been drafted but not yet signed with the Ministry of Commerce, Industry and Investment with respect to the establishment of the NTB National Monitoring Committee (NMC).
Recommendation 10: We recommend that the terms of reference for the NTB mapping/elimination should be adjusted to ensure that gender-specific NTBs are considered and appropriately eliminated.	Partially implemented: The ToR have been adjusted to include in the study to what extent NTBs have a gender bias. The NTB consultant will support the establishment of the NMC.

Recommendations

Recommendation 12. The MoU between TMEA and the Ministry of Commerce, Industry and Investment needs to be finalised and signed urgently.

Recommendation 13. A NTB National Monitoring Committee should be established. The NTB NMC should be established with support from the NTB consultant who will advise on the institutional structure, prepare terms of references and provide support to the NMC once it has been established.

Output Title	South Sudan commences implementation of the EAC accession process		
Output number per LF	2.1.4.2	Output Score	B
Risk:	Medium	Impact weighting (%):	5%
Risk revised since last AR?	No	Impact weighting % revised since last AR?	No

Indicator(s)	Milestones	Progress
Indicator 2.1.4.2a: Proportion of terms for entry to the EAC negotiated	Target by end of 06/14: Regional integration strategy developed	Achievement as of June 2014: The Minister of Finance has requested the project to support a study on the socio-economic impact of SS entry into EAC. ToRs have been developed and agreed by GoSS and a consultant has been selected to undertake these studies.

Key Points

- A High Level Ministerial Committee has been established to oversee the EAC integration process (members: Ministry of Finance, Ministry of Commerce, Industry and Investment and the Ministry of Foreign Affairs) with a secretariat.
- The new Minister of Finance took the initiative to request the project for studies on the socio-economic impact of EAC membership for South Sudan
- A consultant has been recruited and will start work before the end of the year.

Summary of responses to issues raised in previous annual reviews

A/R 2013 Recommendation	Progress as at October 2014
Recommendation 8. We recommend that the Country Director, South Sudan (in discussion with the DCEO Country Programmes and the Senior Director of the TEPP) determine the extent to which TMEA can add value to South Sudan's process of membership negotiation and the nature of that support. If it is determined that TSS can add value to the process then the actions to be undertaken should be defined in a realistic and achievable action plan with milestones defined which can be attributed to TMEA's input.	Partially implemented: GOSS has formally requested TMEA to support it in conducting studies to analyse the social, economic and regulatory impact of SS potential accession to EAC. TMEA SS programme has developed ToRs and PAR for this assignment to enable GOSS gain insights into benefits of EAC accession; develop appropriate accession strategies and mechanisms for engagement of the private sectors and civil society at large. The EAC SG recently visited SS and held several senior level meetings with GOSS officials on a cross-range of issues; paramount amongst which is SS accession plans.

Recommendations

Recommendation 14. The study on the socio-economic impact of joining the EAC should be used as a key input in deciding on and further planning and programming of support to the GoSS in joining the EAC.

Recommendation 17.

Output Title	Communication and training on regional integration implemented		
Output number per LF	2.1.4.5	Output Score	B
Risk:	Medium	Impact weighting (%):	5%
Risk revised since last AR?	No	Impact weighting % revised since last AR?	No

Indicator(s)	Milestones	Progress
Indicator <u>2.1.4.5.c:</u> Number of people trained in regional integration (disaggregated by gender).	<u>Target by end of 06/14:</u> ▪ N/A	<u>Achievement as of June 2014</u> No training has been carried out.

Key Points

No training has been carried out.

Summary of responses to issues raised in previous annual reviews

N.A, as no training was carried out. In general the project has concentrated its training and capacity building activities on the staff of the institutions that it is currently involved with (SSCS, SSBoS, SS Roads Authority, SS Ministry of Transport) and key new structures (such as the NOSC). The training has been practical on-the-job training as well as involving twinning links with more mature MDAs in EAC member states.

Recommendations

Recommendation 15. If a decision to move forward with training on regional integration is made, it should be made clear that training should be delivered in coordination with an overall plan for project support to EAC accession.

D: VALUE FOR MONEY & FINANCIAL PERFORMANCE (1 page)

Key cost drivers and performance

Key costs and cost drivers

The main funding source is DFID which funds a three year programme with an amount of US\$ 11.1 million. In addition the project is expecting to rely on TMEA core funding for specific project components. This applies in particular to the funding of the Nimule OBSP and the IBM. So far no non-DFID funds have been spent. Accumulated expenditure by the project up to 2013/14 amounts to US\$ 5.8 million. This would mean that approximately 52% of the US\$ 11.1 million allocated by DFID for South Sudan have been utilised since programme commencement. The projected expenditure on the project has been reduced a number of times to take into account limitations in spending ability. The most drastic cut was made after the resumption of the project in May/June 2014, when the budget for the year 2013/14 was reduced to US\$ 2.1 million and for 2014/15 from US\$ 9.3 million to US\$ 3.4 million. However, there appears to be a reluctance to reduce the overall projected expenditure on the project of close to US\$ 25 million. Consequently the budget for 2015/16 has been substantially increased from US\$ 8.6 to US\$ 15.9. It seems unlikely that this amount of budgeted expenditure can be spent.

The total budget of the South Sudan country programme over the period 2010 to 2016 is USD 24.948 million; actual spend in 2013/14 was USD 2.443 million. The key cost drivers are, in terms of projects (see annex, Table 1-Table 3), the Support Programme to the SSCS (USD 10.481 million or 42% of total budget/59% of expenditure in 2013/14), the Nimule OSBP (27%/0%), and support to the SSBoS (5%/3%). In terms of strategic outcomes, SO2 (45% of total/59% in 2013/14) and SO1 (30%/1%) account for about three fourth of the budget, while SO3 accounts for a mere 10%. Programme management accounts for the remaining share (16% total/37% in 2013/14), and is thus comparatively high (Table 5). In terms of cost categories, services and consultants (66% of total expenditure so far/60% in 2013/14) and personnel costs (17%/17%) are the key costs, followed by general expenses (6%/9%) – again comparatively high. The importance of consultancy/technical assistance costs can be explained by the low capacity of some partners, including SSCS and SSBS, as well as the commissioning of studies to prepare the infrastructure projects, such as at the OSBP. In this regard, the fact that expenditures on materials and supplies (mostly, for infrastructure/construction) is still well below services costs – is an indication that the programme is not yet mature and has not yet moved from project preparation to implementation.

VfM performance compared to the original VfM proposition in the business case

In the business case the main drivers of cost were assumed to be the cost of time of TMEA staff and consultants, and the procurement of some major capital items (such as laboratory equipment for the SSBoS. It was expected that the capital procurement will be contracted according to international best practice by TMEA.

Economy: Procurement is, in our view, undertaken efficiently and rapidly. Most stakeholders in South Sudan while complaining about delays accepted that procurement was more rapid than the national system or those of most donors. Some measures have been undertaken by TMEA in the review period to enhance procurement:

- Introduction of independent bid evaluation review that has to be conducted within 2 weeks of evaluation prior to contract award;
- Introduction of due diligence prior to contract signing;
- Increased use of framework contracts.

The counterparts are generally satisfied with the speed of procurement by TMEA. However, in a number of cases there have been delays, such as in the engagement of the Standards consultant.

Efficiency: With 23% of the total budget spent and outputs behind schedule, the country programme is considered to be moderately efficient. Whilst programme spend has been slower than anticipated, this reflects the unstable political environment within which the programme operates and the low capacity of the beneficiary organisations. Delays have also to some extent been the result of lack of management capacity at the SSTMEA office, as the project director is frequently absent and is not adequately replaced by the other senior staff in the office. Nevertheless, we consider that the programme demonstrates reasonable efficiency given the circumstances. Examples of enhancing the efficiency include the utilisation of video conferencing facilities (instead of travelling) and hosting meetings at partner offices. However, project management costs are much higher than in most other country programmes.

Recommendation 16. The Country Director should be based in Juba full-time.

Effectiveness: A major step toward increased effectiveness was the revision of the ToC and the streamlining of the portfolio of existing projects to the new ToC under the project portfolio review. Also, it will enable the country programme to decline demands/requests from partners that are not within the scope of TMEA. Previously, the lack of a clear demarcation of what TMEA would be funding led to a less focussed project portfolio.

Overall, there is a need for more effective VfM monitoring based on quantifiable indicators.

Assessment of whether the programme continues to represent value for money

The business case of the project envisages the conducting of a formal Value for Money assessment at the end of Year 2. This was to be based on the following indicators:

- Evidence of reduction in transportation costs along the main trade corridors.
- Improved capacity of Customs officials.
- Customs administration and procedures established.
- Non-tariff barriers rationalised and harmonised.
- Increased capacity of private and civil society organisations to inform trade and Customs reform and monitor progress.
- Enhanced and informed capacity of South Sudan to engage in regional and global trade integration.

Project activities so far have had potentially an impact on the first three indicators. No systematic monitoring system has been put in place to measure these indicators at different points in time. Regarding transport costs we have referred to a reduction in processing time at the borders during the early stage of the project. There is no clear evidence that this improvement has continued in 2013/14.

A measure of customs capacity and procedures is perhaps the ability to increase the collection of import duties. The collection of import duties at the Nimule border has increased substantially during the early stages of the project, doubling from SSP 114 million in the first half of 2012 to SSP 228 million in the first half of 2013. After that time revenue collection levelled off to SSP 222 in the second half of 2013 and declined slightly to SSP 207 million in the first half of 2014. This decline can probably be explained by the reduction in commercial import cargo as a result of the conflict.

As per the above analysis, a clear assessment of whether the South Sudan country programme represents value for money is difficult. In sum:

- Results: The overall output score is “B”, and outcomes are expected to be partially achieved (most cannot be estimated);
- Theory of Change (ToC): the revised ToC and the subsequent portfolio review have rationalised the project portfolio and provide clear guidance for future project formulation;
- Risks, overall, are high; and
- VfM practices: the country programme implements the TMEA policies and measures for VfM.

Quality of financial management

Accumulated spend of the South Sudan country programme over the period 2010 to 2013/14 was USD 5.7 million, or 23% of the total budget. Even taking into account that major expenditures on the OSBP are still expected, it seems unlikely that the total budget can be spent by end 2016.

Determining the expenditure vs budget rate for the FY 2013/14 is not straightforward, as the budget has changed over the course of the year, from USD 6.1 million at the start of the period to USD 2.1 million mainly due to the policy situation which put an abrupt stop to the programme. Compared to the latest budget, the ratio is 114%, i.e. above target. However, compared to the start-of-period budget, underspending is 60 % (Table 4 in annex). On the positive side, the financial management procedures have allowed the country programme to adjust budget forecasts during the period and thus achieve a very low variance in final budget vs spend. However, longer term forecasting is over-optimistic – a characteristic that the South Sudan country programme shares with virtually all other TMEA programmes.

Date of last narrative financial report	Report for the year ended 30 June 2014 to be issued in early November 2014
Date of last audited annual statement	Report for the year ended 30 June 2014 to be issued in early November 2014

E: RISK

Overall risk rating: **High**

Overview of programme risk

A major risk is the low institutional capacity of the stakeholders the project is working with, which slows down internalising of training and the adoption of streamlined procedures. Resistance to change is strengthened by the persistent practice of small bribes (lunch money) of customs agent for the processing of clearance. Over its lifetime the project also has had to deal with political instability resulting in cabinet changes and changes in senior civil servants which has contributed to delays in project implementation. In 2013/14 these political problems were exacerbated by armed struggle. As a result the project had to close down and was only reopened in May/June 2014. Security risks still limit the ability to move around for the project staff. The resumption of armed struggle remains a risk.

A new risk assessment has been made particularly presenting options of what to do when armed struggle resumes.

The financial management practices of TMEA provide significant protection against the risk of funds are disappearing. So far also no bad experiences have been had with equipment that has been delivered by the project to Customs in Nimule and the SSBoS in Juba, though neglect in maintenance has resulted in damage of some equipment in Nimule.

Outstanding actions from risk assessment

None

F: COMMERCIAL CONSIDERATIONS

Delivery against planned timeframe

Overall the programme is behind schedule, for instance it seems unlikely that the construction of the OSBP will be finalised by the end of 2016, nor does it seem likely that the 100% of transactions will be done according to Integrated Border Management procedures at Nimule. Although some reasons for these delays were beyond the control of TMEA (the political and security situation in the country led to a shutting down of the programme between December 2014 and May / June 2015) it also appears that some of the targets as defined in the business case were overly ambitious given the absorption capacity of the stakeholders in South Sudan.

Work under other Strategic Objectives seem to be rather on track, although the end of project milestones for these other outputs / outcome indicators are less tangible.

Performance of partnership (s)

Development partners

TMEA works with DFID in South Sudan: no other development partner funds the programme. The DFID country office in South Sudan views TMEA as a valuable operational partner.

TMEA cooperates with a number of other **development partners**, in particular in the context of activities related to the reduction of transport costs at the Nimule Border (World Food Programme and other partners in the logistics cluster). As discussed above, there is a need to strengthen the cooperation and move away from ad-hoc support towards more strategic engagement.

Implementing partners

Cooperation with **implementing partners** is also well developed and considered a major strength of the programme. TMEA relies on a demand driven approach, i.e. projects are normally proposed by partners (with the new ToC now ensuring a coherent approach across TMEA). These play an active part throughout the project cycle. In particular, their involvement in procurement processes both contributes to ownership and ensures, in principle, that works, services and supplies provided meet the requirements of beneficiaries. At the same time, implementing partners highly value the fact the TMEA provides continuous guidance throughout the project cycle without imposing its views. In view of the fact that many partners have institutional capacity constraints, this ongoing support by TMEA is a necessary condition for projects to be successful.

TMEA's partners in South Sudan (SSCS, SSBoS, SSMoTRB) are all institutionally weak. TMEA needs to ensure that technical assistance has capacity building as an absolute priority to develop both the capability and confidence of these institutions.

Asset monitoring and control

The review team has no reasons for doubting the proper management of programme assets. However, it could be considered to make information on the status of programme assets part of the regular reporting on the project.

G: CONDITIONALITY

Update on partnership principles (if relevant)

Not applicable.

H: MONITORING & EVALUATION

Evidence and evaluation

The programme is operating in accordance with the new theory of change and results frameworks.

No changes in programme design are required. There should be a strong focus on training and capacity building.

Monitoring progress throughout the review period

Direct feedback from stakeholders, including beneficiaries: In discussions with the beneficiaries most expressed a high degree of satisfaction with the support provided by TMEA, particularly by the Customs Service, Ministry of Finance, but also by other stakeholders met during the Review mission. Positive feedback referred to TMEA's responding to priority needs, the openness and flexibility to deal with support requests, the quality of the support provided. Speed of procurement was also mentioned as a strength of TMEA.

Monitoring activities throughout review period: Regular monitoring of all projects takes place through the quarterly and annual progress reports produced by TMEA as well as regular reporting of the implementing partners. Adam Smith International implementing the support to customs produces monthly and quarterly progress reports. An issue is that in the case of Customs reports by the consultant are not widely disseminated among the senior staff involved as counterparts in the support programme. TMEA reports would benefit from reporting on an output basis instead of reporting activities as is the case in the reports presently produced. Regular ad-hoc meetings take place between the TMEA management and the beneficiaries. The coordination of project activities would also benefit from regular joint meetings between TMEA management and implementing consultants. Furthermore, there is a need for more regular meetings between TMEA management and responsible DFID staff.

In the meetings by the review team with the beneficiaries and implementing partners a comment was made that sometimes decision making and the taking of actions at the SSTMEA office has been slow because of the regular absence of the country director, who is not adequately replaced by the programme managers during these periods of absence. It is therefore recommended that the country director should spend more time in the country and that the capacity of the other management staff is upgraded through practical training.

Review process: The review was conducted jointly by BKP Development Research & Consulting under contract with Minbuza and Coffey International under contract with DFID. The review followed a three-stage methodology:

- i. Brief desk review of documents from 20 to 24 October 2014. Primary documents were TMEA strategies, business plans and results frameworks, quarterly progress reports, and previous annual review reports. Additional documents were also requested, provided and analysed throughout the whole review process;
- ii. A one-week field mission in South Sudan (27 to 31 October) The reviewers met with approx. 15 representatives of TMEA, MDAs, PSOs/CSOs and development partners;
- iii. Continuation of document review, cross-checking of information collected during the field mission, and reporting in November 2014.

Annex – VfM Analysis

Table 1. Key costs - projects

TradeMark East Africa Project level budget		Actual 2010	Actual 2011	Actual 2012/13	Actual 2013/14		Budget 2014/15	Budget 2015/16	TOTAL 2010/16	
Project number	Description	\$000	\$000	\$000	\$000	% of total	\$000	\$000	\$000	% of total
1401	Programme management	-	204	683	904	37	1.016	1.160	3.967	16
1411	Customs Service	-	106	2.114	1.449	59	1.400	5.411	10.481	42
1412	Nimule OSBP	-	-	17	6	0	255	6.517	6.795	27
1413	SSBoS	-	-	194	70	3	222	670	1.155	5
1414	NTBs	-	-	-	-	-	50	300	350	1
1415	New PSO/CSO advocacy campaigns	-	-	-	-	-	50	200	250	1
1416	EAC accession	-	-	-	0	0	100	250	350	1
1417	Nimule OSBP IBM	-	-	2	14	1	200	384	600	2
1418	SS Chamber of Commerce	-	-	-	-	-	150	850	1.000	4
	Total	-	310	3.009	2.443	100	3.444	15.742	24.948	100

Reviewers' calculations based on financial data provided by TMEA HQ.

Table 2. Key costs – strategic outcomes (excl. central overheads)

	Actual 2010	Actual 2011	Actual 2012/13	Actual 2013/14		Budget 2014/15	Budget 2015/16	TOTAL 2010/16	
Description	\$000	\$000	\$000	\$000	% of total	\$000	\$000	\$000	% of total
SO1	-	-	19	20	1	455	6.901	7.395	30
SO2	-	106	2.114	1.450	59	1.550	5.961	11.181	45
SO3	-	-	194	70	3	422	1.720	2.405	10
Programme management	-	204	683	904	37	1.016	1.160	3.967	16
Total	-	310	3.009	2.443	100	3.444	15.742	24.948	100

Reviewers' calculations based on financial data provided by TMEA HQ.

Table 3. Key costs by cost category

	2011 actual		2012/13 actual		2013/14 actual		2010-2014 actual	
	\$000	%	\$000	%	\$000	%	\$000	%
Fixed assets	0	0	4	0	115	5	118	2
Personnel costs	80	26	467	16	348	17	895	17
Services and consultants	175	56	2.156	72	1.261	60	3.592	66
Materials and supplies	1	0	161	5	60	3	222	4
General expenses	16	5	141	5	188	9	344	6
Travel	38	12	80	3	135	6	254	5
Total	310	100	3.009	100	2.106	100	5.425	100

Reviewers' calculations based on financial data provided by TMEA HQ.

Table 4. Budget forecast vs. spend

Responsibility Center	FY Budget 2013/14 (budget oct 2013, "original")	FY Budget 2013/14 latest	Actual	Variance actual vs original		Variance actual vs latest	
				\$	%	\$	%
01_EC:Economic Corridor	10.430.945	7.970.205	6.509.007	-3.921.938	-38%	-1.461.198	-18%
02_EA:TEPP	7.181.000	7.561.456	6.623.835	-557.165	-8%	-937.621	-12%
04_PC:PSO/CSO	6.216.352	4.577.473	4.297.084	-1.919.268	-31%	-280.389	-6%
05_ME:Results		195.302	194.788	na	na	-514	0%
06_CM:Communications & Media		508.869	306.179	na	na	-202.690	-40%
07_CS:Corporate Services		5.997.096	6.728.963	na	na	731.867	12%
08_CC:Cross-cutting issues		5.268	34.148	na	na	28.880	548%
09_KE:Kenya	12.994.165	13.360.126	9.323.125	-3.671.040	-28%	-4.037.001	-30%
10_UG:Uganda	14.545.677	8.612.669	8.482.332	-6.063.345	-42%	-130.337	-2%
11_TZ:Tanzania	12.172.607	6.451.525	6.295.528	-5.877.079	-48%	-155.997	-2%
12_RW:Rwanda	11.603.495	9.901.739	6.786.330	-4.817.165	-42%	-3.115.409	-31%
13_BI:Burundi	15.743.864	10.261.969	10.420.226	-5.323.638	-34%	158.257	2%
14_SS:South Sudan	6.147.303	2.140.792	2.442.948	-3.704.355	-60%	302.156	14%
15_ET:EATIP	18.094.886	11.471.728	13.371.121	-4.723.765	-26%	1.899.393	17%
16_TI:Infrastructure	5.223.255	1.489.159	1.202.450	-4.020.805	-77%	-286.709	-19%
17_BZ:BizAB	2.053.321	1.204.259	1.148.128	-905.193	-44%	-56.131	-5%
18_RL:Research & Learning		534.251	60.189	na	na	-474.062	-89%
19_ST:START		1.698.659	1.764.965	na	na	66.306	4%
GRAND TOTAL		93.942.545	85.991.344	na	na	-7.951.201	-8%
<i>Total operations (excl. 05, 06, 07, 08, 18, 19)</i>	<i>122.406.869</i>	<i>85.003.100</i>	<i>76.902.114</i>	<i>-45.504.755</i>	<i>-37%</i>	<i>-8.100.986</i>	<i>-10%</i>
<i>Regional programmes</i>	<i>49.199.758</i>	<i>34.274.280</i>	<i>33.151.625</i>	<i>-16.048.133</i>	<i>-33%</i>	<i>-1.122.655</i>	<i>-3%</i>

Reviewers' calculations based on financial data provided by TMEA HQ.

Table 5. Project management costs in % of country programme budgets

	2010	2011	2012/13	2013/14	2014/15	2015/16	TOTAL
Kenya	56.5	18.7	14.2	7.0	4.2	1.7	4.7
Uganda	73.6	31.6	10.8	11.8	7.0	2.4	7.0
Tanzania	100.0	86.6	24.8	15.2	9.0	4.6	12.7
Rwanda	51.9	16.7	13.4	18.1	10.4	3.8	11.3
Burundi	2.4	10.2	6.2	6.7	7.4	5.0	6.7
South Sudan	n.a.	65.8	22.7	37.0	29.5	7.4	15.9

Reviewers' calculations based on financial data provided by TMEA HQ.