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Report No: PAD4300

INTERNATIONAL DEVELOPMENT ASSOCIATION

PROJECT APPRAISAL DOCUMENT
ON

A PROPOSED GRANT
IN THE AMOUNT OF SDR 67 MILLION
(US$90 MILLION EQUIVALENT)
TO THE REPUBLIC OF BURUNDI

A PROPOSED GRANT
IN THE AMOUNT OF SDR 56.6 MILLION
(US$76 MILLION EQUIVALENT)
TO THE DEMOCRATIC REPUBLIC OF CONGO

A PROPOSED CREDIT
IN THE AMOUNT OF US$76 MILLION
TO THE DEMOCRATIC REPUBLIC OF CONGO

AND A PROPOSED GRANT
IN THE AMOUNT OF SDR 6 MILLION
(US$8 MILLION EQUIVALENT)
FROM THE IDA REGIONAL WINDOW
TO THE COMMON MARKET FOR EASTERN AND SOUTHERN AFRICA

FOR THE

GREAT LAKES TRADE FACILITATION AND INTEGRATION PROJECT

May 19, 2022

Finance, Competitiveness, and Innovation Global Practice
Eastern and Southern Africa Region

.

CURRENCY EQUIVALENTS

Exchange Rate Effective April 30, 2022

Currency Unit =	US
US$1 =	SDR 0.74

FISCAL YEAR
January 1–December 31 (Burundi, DRC and COMESA)

Regional Vice President:	Hafez M. H. Ghanem
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ABBREVIATIONS AND ACRONYMS

AfCFTA	African Continental Free Trade Area
AFAB	Association of Women Entrepreneurs of Burundi
AFRABU	Association of Repatriates of Burundi
AMPF	Maritime, Port, and Railway Authority
APA	Alternate Procurement Arrangements
ASGP	Assistant Secretary General - Programs
BBN	Burundi Bureau of Standards and Quality Control
CAADP	Comprehensive Africa Agriculture Development Program
CAF	COMESA Adjustment Facility
CAS	Country Assistance Strategy
CERC	Contingent Emergency Response Components
CFCIB	Federal Chamber of Commerce and Industry of Burundi
CI	Cellule Infrastructure
COMESA	Common Market for Eastern and Southern Africa
COVID-19	Coronavirus Disease 2019
CPF	Country Partnership Framework
DA	Designated Account
DGDA	General Directorate of Customs and Excise
DGM	Directorate General of Migration
DRC	Democratic Republic of Congo
EAC	East Africa Community
ERR	Economic Rate of Return
ESIA	Environmental and Social Impact Assessment
ESMF	Environmental and Social Management Framework
ESMP	Environmental and Social Management Plan
ESRS	Environmental and Social Review Summary
ESS	Environmental and Social Standard
FA	Financing Agreement
FCV	Fragility, Conflict and Violence
FI	Financial Intermediary
FM	Financial Management
GBV	Gender-Based Violence
GEMS	Geo-Enabling initiative for Monitoring and Supervision
GLR	Great Lakes Region
GLTFP	Great Lakes Trade Facilitation Project
GLTFIP	Great Lakes Trade Facilitation and Integration Project
GPC	Growth Poles Project
GRM	Grievance Redress Mechanism
GRS	Grievance Redress System
HEIS	Hands-on Enhanced Implementation Support
HIV/AIDS	Human Immunodeficiency Virus/Acquired Immunodeficiency Syndrome
ICR	Implementation Completion and Results Report
ICT	Information Communication Technology
IDA	International Development Association

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IEG	Independent Evaluation Group
IFC	International Finance Corporation
IPF	Investment Project Financing
IPP	Indigenous Peoples Plans
IPPF	Indigenous Peoples Planning Framework
IPR	Independent Procurement Review
ISR	Implementation Status Report
IT	Information Technology
JBC	Joint Border Committee
JET	Jobs and Economic Transformation
LMP	Labor Management Procedures
M&E	Monitoring and Evaluation
MTTIT	Ministry of Trade, Transport, Industry and Tourism
MIPW	Ministry of Infrastructure and Public Works
MoA	Ministry of Agriculture
MoC	Ministry of Commerce
MFBEP	Ministry of Finance, Budget, and Economic Planning
MPA	Multiphase Approach
MTR	Mid-Term Review
MTTIT	Ministry of Trade, Transport, Industry and Tourism
NPV	Net Present Value
OBR	Burundi Revenue Authority
OCC	Congo Office of Control
OHS	Occupational Health and Safety
OSBP	One Stop Border Post
PAD	Project Appraisal Document
PBC	Performance Based Contract
PCU	Project Coordination Unit
PDO	Project Development Objective
PIM	Project Implementation Manual
PIU	Project Implementation Unit
PND	National Plan for Development (Plan National de Développement)
PNHF	National Program for Border Health
PPA	Project Preparation Advance
PPSD	Project Procurement Strategy for Document
PSC	Project Steering Committee
PTC	Provincial Technical Committees
RAP	Resettlement Action Plan
RCC	Regional Coordination Committee
RIFF	Regional Infrastructure Finance Facility
RPF	Resettlement Planning Framework
SADC	Southern Africa Development Community
SCD	Systematic Country Diagnostic
SEA	Sexual Exploitation and Abuse
SH	Sexual Harassment
SME	Small and Medium Enterprise

.

SOP	Series of Projects
SORT	Systematic Operations Risk-Rating Tool
SPS	Sanitary and Phyto-Sanitary
SQAH	Animal and Fish Quarantine Service
SQV	Plant Quarantine Service
STEP	Systematic Tracking of Exchanges in Procurement
STR	Simplified Trade Regime
TA	Technical Assistance
TFTA	COMESA-EAC-SADC Tripartite Free Trade Area
TID	Trade Information Desk
TIDO	Trade Information Desk Officer
TOR	Terms of Reference
UGP	Program Management Unit (Unité de Gestion de Programme)
UN	United Nations
USD	United States Dollar
VC	Value Chain
WBG	World Bank Group
ZMW	Zambia Kwacha

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DATASHEET

BASIC INFORMATION

Country(ies)	Project Name
Africa, Burundi, Congo, Democratic Republic of	Great Lakes Trade Facilitation and Integration Project

Project ID	Financing Instrument	Environmental and Social Risk Classification
P174814	Investment Project Financing	High

Financing & Implementation Modalities

[ ] Multiphase Programmatic Approach (MPA)	[✓] Contingent Emergency Response Component (CERC)
[ ] Series of Projects (SOP)	[✓] Fragile State(s)
[ ] Performance-Based Conditions (PBCs)	[ ] Small State(s)
[ ] Financial Intermediaries (FI)	[ ] Fragile within a non-fragile Country
[ ] Project-Based Guarantee	[✓] Conflict
[ ] Deferred Drawdown	[ ] Responding to Natural or Man-made Disaster
[ ] Alternate Procurement Arrangements (APA)	[ ] Hands-on Enhanced Implementation Support (HEIS)

Expected Approval Date	Expected Closing Date
09-Jun-2022	30-Jun-2028

Bank/IFC Collaboration
No

Proposed Development Objective(s)

The development objective of the project is to facilitate trade and enhance the commercialization of selected value chains, primarily targeting small-scale and women traders in the borderlands of the Great Lakes Region.

Components

Component Name	Cost (US$, millions)

Component 1. Improving Policy and Regulatory Environment for cross border trade	43.00
Component 2: Improving Core Trade Infrastructure	147.50
Component 3: Supporting Commercialization of Selected Cross-border Value Chains	37.50
Component 4: Supporting Implementation and Monitoring and Evaluation	22.00
Component 5: Contingent Emergency Response	0.00

Organizations

Borrower:	Republic of Burundi Democratic Republic of Congo Common Market for Eastern and Southern Africa
Implementing Agency:	Cellule Infrastructures-DRC Unite de Gestion de Programme, DRC Ministry of Trade, Transport, Industry and Tourism - Burundi COMESA Secretariat

PROJECT FINANCING DATA (US$, Millions)

SUMMARY

Total Project Cost	250.00
Total Financing	250.00
of which IBRD/IDA	250.00
Financing Gap	0.00

DETAILS

World Bank Group Financing

International Development Association (IDA)	250.00
IDA Credit	76.00
IDA Grant	174.00

IDA Resources (in US$, Millions)

	Credit Amount	Grant Amount	Guarantee Amount	Total Amount
Burundi	0.00	90.00	0.00	90.00

National PBA	0.00	30.00	0.00	30.00
Regional	0.00	60.00	0.00	60.00
Congo, Democratic Republic of	76.00	76.00	0.00	152.00
National PBA	25.33	25.33	0.00	50.67
Regional	50.67	50.67	0.00	101.33
Africa	0.00	8.00	0.00	8.00
Regional	0.00	8.00	0.00	8.00
Total	**76.00**	**174.00**	**0.00**	**250.00**

Expected Disbursements (in US$, Millions)

WB Fiscal Year	2022	2023	2024	2025	2026	2027	2028
Annual	0.00	15.00	50.16	55.00	60.00	55.00	14.84
Cumulative	0.00	15.00	65.16	120.16	180.16	235.16	250.00

INSTITUTIONAL DATA

Practice Area (Lead)

Finance, Competitiveness and Innovation

Contributing Practice Areas

Agriculture and Food, Transport

Climate Change and Disaster Screening

This operation has been screened for short and long-term climate change and disaster risks

SYSTEMATIC OPERATIONS RISK-RATING TOOL (SORT)

Risk Category	Rating
1. Political and Governance	Substantial
2. Macroeconomic	Substantial
3. Sector Strategies and Policies	Moderate
4. Technical Design of Project or Program	Substantial
5. Institutional Capacity for Implementation and Sustainability	High

6. Fiduciary	Substantial
7. Environment and Social	High
8. Stakeholders	Substantial
9. Other	
10. Overall	High

COMPLIANCE

Policy

Does the project depart from the CPF in content or in other significant respects?

[ ] Yes [✓] No

Does the project require any waivers of Bank policies?

[ ] Yes [✓] No

Environmental and Social Standards Relevance Given its Context at the Time of Appraisal

E & S Standards	Relevance
Assessment and Management of Environmental and Social Risks and Impacts	Relevant
Stakeholder Engagement and Information Disclosure	Relevant
Labor and Working Conditions	Relevant
Resource Efficiency and Pollution Prevention and Management	Relevant
Community Health and Safety	Relevant
Land Acquisition, Restrictions on Land Use and Involuntary Resettlement	Relevant
Biodiversity Conservation and Sustainable Management of Living Natural Resources	Relevant
Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities	Relevant
Cultural Heritage	Relevant
Financial Intermediaries	Not Currently Relevant

NOTE: For further information regarding the World Bank's due diligence assessment of the Project's potential environmental and social risks and impacts, please refer to the Project's Appraisal Environmental and Social Review Summary (ESRS).

Legal Covenants

Sections and Description
Burundi: Not later than three months after the Effective Date, the Recipient, through the MTTIT, shall recruit: (a) a junior accountant; (b) an independent firm to carryout internal audit; (c) an independent firm to carry out the external audit of the Projects financial statements; and (d) a junior procurement specialist (Section 1.A.5 of Schedule 2 to the Financing Agreement).

Sections and Description
Burundi: Not later than six months after the Effective Date, the Recipient, through the MTTIT, shall train the junior procurement specialist and the Recipient's Project tender committee on the Procurement Regulations, the use of the Association's online procurement planning and tracking system and recordkeeping (Section 1.A.6 of Schedule 2 to the Financing Agreement).

Sections and Description
DRC: No later than 30 days after the Effective Date, the Recipient shall establish a protocol to govern the

collaboration between the MC and the MIPW for Project implementation (Section I.A.1(B) of Schedule 2 to the Financing Agreement).

Sections and Description
DRC: The Recipient, through the MC, shall no later than three months after the Effective Date: (a) recruit an Administration and Finance Officer and an accountant; (b) recruit an internal auditor; and (c) recruit an independent firm to carry out the external audit of the Projects financial statements; all with terms of reference acceptable to the Association (Section I.A.7.a of Schedule 2 to the FA).

Sections and Description
COMESA: Not later than three months after the Effective Date, the Recipient shall adopt a manual for monitoring and evaluation that has been agreed with the Participating Countries (Section I.A.5 of Schedule 2 to the FA).

Sections and Description
COMESA: Not later than three months after the Effective Date, the Recipient shall recruit the following additional staff with qualifications, experience and under terms of reference satisfactory to the Association: Project coordinator, monitoring and evaluation specialist, and senior finance assistant (Section I.A.2 of Schedule 2 to the FA).

Conditions

Type	Financing source	Description
Effectiveness	IBRD/IDA	Burundi: The Recipient has adopted the Project Implementation Manual in accordance with the provisions of Section I.B of Schedule 2 to the Financing Agreement (Section 5.01(a) of the Financing Agreement).
Type	Financing source	Description
Effectiveness	IBRD/IDA	Burundi: The Recipient, through the MTTIT, has established a Steering Committee in accordance with Section I.2 of Schedule 2 to the Financing Agreement (Section 5.01(b) of the Financing Agreement).
Type	Financing source	Description
Effectiveness	IBRD/IDA	Burundi: The Recipient has transferred the tutelage of the PIU from the MFBEP to the MTTIT (Section 5.01(c) of the Financing Agreement).
Type	Financing source	Description
Disbursement	IBRD/IDA	Burundi: No withdrawal shall be made under Category (2) unless a bilateral agreement between the Participating Countries on simplification of procedures for small-scale traders and policy reform has been signed and is in effect (Section III.B.1(b) of Schedule 2 to the Financing Agreement).

Type	Financing source	Description
Disbursement	IBRD/IDA	Burundi: No withdrawal shall be made under Category (4) unless the resettlement action plan for the Rumonge border market has been prepared and implemented with the Recipient's funds (Section III.B.1(c) of Schedule 2 to the Financing Agreement).
Type	Financing source	Description
Disbursement	IBRD/IDA	Burundi: No withdrawal shall be made under Category (5) unless the Sub-grants Manual has been prepared and adopted in accordance with Section I.C.3.a of Schedule 2 to this Agreement (Section III.B.1(d) of Schedule 2 to the Financing Agreement).
Type	Financing source	Description
Disbursement	IBRD/IDA	Burundi: No withdrawal shall be made for Emergency Expenditures under Category (6), unless and until all of the following conditions have been met in respect of said expenditures: (i) (A) the Recipient has determined that an Eligible Crisis or Emergency has occurred, and has furnished to the Association a request to withdraw Financing amounts under Category (5); and (B) the Association has agreed with such determination, accepted said request and notified the Recipient thereof; and (ii) the Recipient has adopted the CERC Manual and Emergency Action Plan, in form and substance acceptable to the Association (Section III.B.1(e) of Schedule 2 to the Financing Agreement).
Type	Financing source	Description
Effectiveness	IBRD/IDA	DRC: The Recipient has adopted the Project Implementation Manual in accordance with the provisions of Section I.B of Schedule 2 to the Financing Agreement (Section 5.01(a) of the Financing Agreement).
Type	Financing source	Description
Effectiveness	IBRD/IDA	DRC: The Recipient, through the MoC, has established a Steering Committee in accordance with Section I.2 of Schedule 2 to the Financing Agreement (Section 5.01(b) of the Financing Agreement).
Type	Financing source	Description
Effectiveness	IBRD/IDA	DRC: The Recipient, through the MoC, has: (i) established the Project Implementation Unit; and (ii) has recruited for the Project Implementation Unit the following additional staff with qualifications, experience and under terms of reference satisfactory to the Association: a national coordinator, a Project manager for trade, monitoring and evaluation specialist and a communication expert; all in accordance with Section I.A.1.a. of Schedule 2 to the Financing Agreement (Section 5.01(d) of the Financing Agreement).

Type	Financing source	Description
Effectiveness	IBRD/IDA	DRC: The Recipient, through the MIPW, has recruited the following additional staff with qualifications, experience and under terms of reference satisfactory to the Association: a gender-based violence specialist and a security specialist (Section 5.01(e) of the Financing Agreement).
Disbursement	IBRD/IDA	DRC: No withdrawal shall be made under Category (2) unless a bilateral agreement between the Participating Countries on simplification of procedures for small-scale traders and policy reform has been signed and is in effect (Section III.B.1(b) of Schedule 2 to the Financing Agreement).
Effectiveness	IBRD/IDA	COMESA: The Recipient has appointed an interim Project coordinator with qualifications, experience and under terms of reference satisfactory to the Association (Section 5.01(c) of the Financing Agreement).
Disbursement	IBRD/IDA	DRC: No withdrawal shall be made under Category (6) unless the Sub-grants Manual has been prepared and adopted in accordance with Section I.C.3.a of Schedule 2 to this Agreement (Section III.B.1(c) of Schedule 2 to the Financing Agreement).
Effectiveness	IBRD/IDA	COMESA: The Recipient has adopted the Project Implementation Manual in accordance with the provisions of Section I.B of Schedule 2 to the Financing Agreement (Section 5.01(a) of the Financing Agreement).
Effectiveness	IBRD/IDA	COMESA: The Recipient has established the Project Steering Committee in accordance with Section I.A.3 of Schedule 2 to the Financing Agreement (Section 5.01(c) of the Financing Agreement).
Disbursement	IBRD/IDA	DRC: No withdrawal shall be made for Emergency Expenditures under Category (7), unless and until all of the following conditions have been met in respect of said expenditures: (i) (A) the Recipient has determined that an Eligible Crisis or Emergency has occurred, and has furnished to the Association a request to withdraw Financing amounts under Category (5); and (B) the Association has agreed with such determination, accepted said request and notified the Recipient thereof; and (ii) the Recipient has adopted the CERC

		Manual and Emergency Action Plan, in form and substance acceptable to the Association (Section III.B.1(d) of Schedule 2 to the Financing Agreement).
Type	Financing source	Description
Effectiveness	IBRD/IDA	COMESA: The Recipient has established the Technical Committee in accordance with Section I.A.4 of Schedule 2 to the Financing Agreement (Section 5.01(d) of the Financing Agreement).

I. STRATEGIC CONTEXT

A. Regional and Country Context

1. **The global Coronavirus Disease (COVID-19) has had unprecedented economic impacts on all countries.** One of its most visible effects was a steep decline in international trade. The global and local cascade of lockdowns slowed down trade as countries instituted containment measures to deal with the pandemic. In developing regions, the disruptions to value chains continue to affect livelihoods and food security. One of the most affected regions has been the Great Lakes Region (GLR) of Africa, [1] where a significant proportion of trade occurs through informal channels. Reopening these economies to trade, especially at subregional and regional levels, is critical in these uncertain times.

2. **The disruptions caused by the pandemic came at a time of great promise to the trade environment of Africa.** Prior to the pandemic, the continent was preparing to start trading under the African Continental Free Trade Agreement (AfCFTA), one of the largest free trade agreements in the world. In general, the agreement aims to reduce tariffs among African economies. It includes policy areas such as trade facilitation and trade in services, regulatory measures (such as sanitary standards), and technical barriers to trade. The AfCFTA entered into force on January 1, 2021. It builds on a layered network of subregional and regional agreements on trade, all of which point to the importance that African economies attach to trade as an engine of growth and poverty eradication. The Common Market for Eastern and Southern Africa (COMESA) is one of the main contributors to and a building block of broader trade integration on the continent. Since its inception in 1994, COMESA has been at the forefront of trade reform initiatives. It has introduced several regional instruments for trade policy and regulation, trade facilitation, and trade-related infrastructure—including frameworks that are specific to gender and that provide support for women in trade. More recently, COMESA joined with the East African Community (EAC) and Southern African Development Community (SADC) in the COMESA-EAC-SADC Tripartite Free Trade Area (TFTA). The TFTA agreement calls for an improved and harmonized trade regime that aims to reduce the cost of doing business and to extend market opportunities to a population of 625 million people in 26 African countries.

3. **Trade across the continent must contend with various challenges that hamper realization of the objectives of regional trade agreements and initiatives.** Key constraints for cross-border trade include (a) poor border management and institutional practices, (b) inappropriate or inadequate border infrastructure and associated transport and logistics services, (c) nontariff barriers, and (d) a lack of transparency in trade regimes, especially for agricultural products that tend to dominate regional trade flows. In addition, small and medium enterprises (SMEs) and individual traders face additional hurdles that include inadequate post-harvest conservation, transport, and market infrastructure; limited ability to process and add value to products; lack of access to technical and marketing expertise; poor capacity to conform to standards to facilitate certification of exports; weak negotiating power due to their small scale; and lack of or limited access to information, capacity, and networking opportunities.

4. **Small-scale trade flows are particularly sensitive to cross-border trade barriers.** However, the implementation of practical remedial measures has been slow, despite the adoption of policy measures that have had beneficial impacts elsewhere. These include the Simplified Trade Regime (STR) adopted by COMESA and EAC, and the Framework for the Comprehensive Support for Women and Youth Cross Border Traders in the COMESA

[1] There are 12 countries that are members of the International Conference on the Great Lakes Region: Angola, Burundi, Central African Republic, Republic of Congo, Democratic Republic of Congo, Kenya, Rwanda, South Sudan, Sudan, Tanzania, Uganda, and Zambia. See https://www.icglr.org/index.php/en/background.

Region. Although the COMESA STR was officially adopted on July 29, 2016, it has not yet been rolled out to all border crossing points across the COMESA region. As a result, small-scale traders continue to suffer onerous requirements. These problems continue despite COMESA's adoption of the Regulations on Minimum Standards for Treatment of Small-Scale Cross-Border Traders. Implementation of the regulations at different border crossings has been shown to improve the relationship between traders and border officials, thereby improving conditions for small-scale cross-border trade.

5. **A lack of (or dilapidated) trade infrastructure at the border contributes to a poor environment for trade.** The condition of infrastructure is particularly bad in fragility, conflict, and violence (FCV) environments. Across the GLR, but especially in Burundi and the Democratic Republic of Congo (DRC), many of the designated border crossing points are in poor condition for both traders and border agencies. Critical services are not always available at each border crossing, especially those needed to store, test, and certify tradeable products. It is also quite common for small-scale traders to use undesignated border crossing points, adding complexity to the proper facilitation and regulation of trade.

6. **The limited trade infrastructure in the GLR is vulnerable to climate change.** The climate screening that was carried out for Burundi and DRC pointed to increasing risks, particularly of flooding and droughts. There were unprecedented floods in the DRC town of Uvira in February 2002, which resulted in a loss of life and property as well as damage to key infrastructure. Similar events were experienced in 2020, when the levels of Lake Tanganyika rose significantly, flooding the Gatumba-Kavimvira border post as well as its access roads on both sides of the border. Recurring droughts also affect the availability of food, underscoring the importance of trade to meet basic needs.

7. **Yet, small-scale cross-border trade is strongly associated with a reduction in conflict involving citizens, in particular gender-related violence.** There is strong evidence that trade facilitation in conflict zones can (a) enable agricultural producers to sell their goods more quickly, leading to more business and increased returns; (b) improve access to agricultural inputs (seeds and fertilizers), enabling rural communities to cope with shocks and enhancing their food security; (c) save costs and time for traders, raising incomes and allowing them to spend more time on other daily activities; (d) create a more competitive business environment, resulting in greater choice of products and lower prices for consumers; and (e) help to dispel ethnic and other stereotypes, decreasing the possibilities for political or armed mobilization.[2] Since many of those who participate in cross-border trade are women and youth, these benefits are more likely to be directly invested in the household, further decreasing vulnerability to shocks.[3]

8. **Small-scale traders and SMEs in the borderlands are not always able to respond to improvements in the regional cross-border trading environment.** They face constraints in their supply response and are often hampered by a lack of capacity to increase trade volumes, poor quality and processing of products, and a general inability to meet the requirements of regional and international markets. The evidence suggests that providing support to overcome these impediments has the potential to significantly improve the livelihoods of traders, smallholder farmers, and communities in the borderlands by increasing food and nutritional security and encouraging the commercialization and resilience of local and regional value chains. A major constraint is a general lack of resources, especially capital and technical know-how to invest in critical infrastructure so traders can better manage and nurture local value chains.

[2] World Bank. "Can Trade Terminate Turmoil? Local Impacts of Cross-Border Trade on Conflicts" (Unpublished paper, World Bank, Washington, DC, 2016).
[3] World Bank. *Women and Trade in Africa: Realizing the Potential* (Washington, DC: World Bank Group, 2013).

9. **Women are important value chain participants in cross-border trade.** [4] Women are heavily involved in regional value chains around Lake Tanganyika, particularly in agriculture, and almost all traders selling fish and agricultural products in the local markets are women. In each of the GLR countries, women are extensively involved in market trade at port and border locations and are the main producers of agricultural products and other goods, including dried fish, fresh vegetables, and palm oil (frequently traded with the DRC). Many Congolese women from border towns and other locations regularly travel to neighboring countries (and sometimes across Lake Tanganyika) to buy goods to sell in markets and shops back home. Enhancing agriculture value chains in the border regions has the potential to raise incomes for border communities and boost the welfare of rural households.

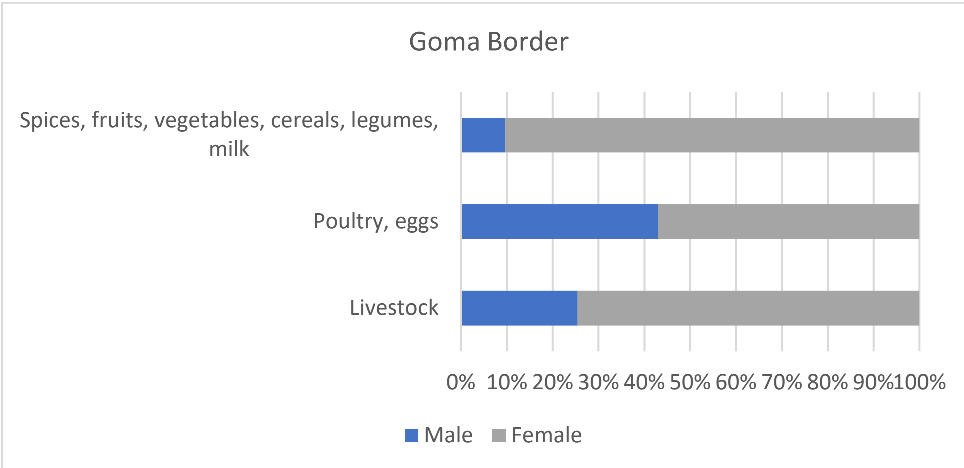
10. **Despite the important role that women-owned businesses play in regional value chains, significant gender gaps in profitability have been observed.** Women's businesses in the region make lower profits than those of men, with a gap of 49 percent in DRC. [5] A recent analysis by the Africa Gender Innovation Lab has shown that this gap can partly be explained by the fact that women-owned businesses typically have less equipment and machinery (a gap of 72 percent in DRC) and fewer employees (a gap of 15 percent in DRC). [6] Women are also less likely to use good business practices than are men (a gap of 23 percent in DRC) and tend to work in less profitable sectors. For example, recent data from the Goma border (Figure 1) show that women are dominating cross-border value chains that depend on more perishable products, which in turn are likely to have more variable profits and higher post-harvest losses from spoilage. Relieving the constraints underlying these gender gaps is instrumental to ensuring that women can equitably participate in and profit from cross-border trade.

11. **Reduced cross-border trade has a direct impact on poverty rates and livelihoods in the border areas.** Border areas in the GLR are often areas of high poverty and socioeconomic vulnerability. However, evidence in the region suggests that linkages exist between cross-border trade and poverty reduction. For example, in DRC poverty rates are generally high in eastern border areas, where roads to the country's central regions are extremely limited. As a result, people in DRC's eastern provinces look to their neighbors to the east for external markets, particularly to source goods and export locally produced products. Moreover, local cross-border trade, if properly facilitated, can be an important means for addressing food security issues faced by poor populations in the border areas.

12. **The Great Lakes Trade Facilitation and Integration Project (GLTFIP) aims to improve the environment for cross-border trade in the borderlands of the GLR, with a focus on Burundi and DRC.** It is one of the interventions employed by the World Bank and other agencies to contribute to political and economic stabilization at the local level in the two countries. The project has a multisectoral approach that combines improvements to infrastructure, connectivity to markets across the borders through policy and procedural reforms, capacity building of border agencies and traders (including women's and youth groups), and commercialization of selected value chains to increase the supply of tradeable products.

[4] World Bank. "Barriers, Risks, and Productive Potential for Small-Scale Traders in the Great Lakes Region," in *Women and Trade in Africa: Realizing the Potential*., pp 27–42 (Washington, DC: World Bank Group, 2013).
[5] World Bank. *Profiting from Parity: Unlocking the Potential of Women's Businesses in Africa* (Washington, DC: World Bank Group, 2019).
[6] Ibid.

Figure 1: Participation of Men and Women in Different Trade Clusters in Goma, 2021



Source: World Bank based on data collected by Government of DRC, 2021.

13. **Regional coordination is imperative to maximize the positive spillovers of the project.** Although the project focuses on only two countries, its interventions are a practical implementation of the measures necessary to achieve the ideals and objectives of trade integration across Africa, at the continental and regional levels. In fact, the AfCFTA provides a solid policy platform for African countries to accelerate economic transformation, promote regional value chains, and enhance intracontinental trade. [7] It is at the regional level that many concrete actions are needed to address major constraints to trade integration. Within that context, regional economic communities such as COMESA provide specificity to local and regional constraints and solutions. Under the GLTFIP, COMESA is expected to provide the subregional policy framework, building on its long experience with trade facilitation projects and solutions and exploiting its convening power and institutional structure to curate lessons and scale up successful interventions. The measurement of progress with regional trade integration is also best pursued at the regional scale.

B. Sectoral and Institutional Context

14. **The COVID-19 pandemic has had significant social and economic impacts on Burundi and DRC**. The pandemic is projected to increase the risks of fragility and poverty in both countries. Economic growth was estimated at only 0.8 percent in DRC in 2020, down from 4.4 percent in 2019; for Burundi the growth rate was even lower at an estimated 0.3 percent. Moderate growth prospects were forecast for 2021. The assessments point to the disproportionate impact on women, many of whom work in informal sectors affected by the closure of borders and markets and are further constrained by restrictions on movement. Reopening markets and border facilities has a direct bearing on the ability of women to provide for their families.

15. **COVID-19, together with instability and conflict, has compounded DRC's inability to benefit from its rich and diverse endowment of natural resources and vast expanse of arable land.** While the country benefits from climate, land, and water resources suitable for agricultural development, imports of agricultural products are still significant. The country is unable to export its production because of violence and conflicts outside urban areas, especially along the border. The critical lack of basic infrastructure for production and export and of a business

[7] Hippolyte Fofack and Andrew Mold, "The AfCFTA and African Trade—An Introduction to the Special Issue," *Journal of African Trade* 8, no. 2, (December 2021): 1–11.

environment that facilitates investments in the productive area also hinders export capability. Both physical and legal insecurity are a challenge for the private sector and the small-scale traders. For example, the eastern provinces of the DRC are structurally deficient in maize and depend on imports from neighboring countries (Table 1). Maize, together with cassava, are the two staple foods in eastern DRC. However, the market supply of imported maize in DRC is constrained by the trade policies and practices of neighboring countries, including Burundi. Trade facilitation is gaining even greater importance given the vulnerability of the region to climate risks, especially flooding and droughts. An increase in the frequency of climate events will require policies that allow a smoother flow of products between regions to meet any resultant shortages in supply.

Table 1: Eastern DRC Maize and Cassava Commodity Balance, 2017

	Maize (000 metric tons)	**Cassava (000 metric tons)**
Production	1,264	4,172
Imports	53	70
Total Supply	1,317	4,242
Domestic Requirements	4,353	5,489
Exports	—	1,264
Total Demand	4,353	6,753
Domestic Balance	(3,036)	(2,511)
Self-Sufficiency	29%	76%

Source: FEWS NET, *Supply and Market Outlook: Democratic Republic of Congo,* 2018.

16. Trade volume between Burundi and DRC is small but growing. Trade between the two countries increased more than 2,500 percent between 2015 and 2019, most of it comprising Burundi exports to the DRC (Table 2). Eastern DRC, especially South Kivu, is the second largest export market of Burundi. [8] Burundi exports to DRC were estimated at US$32 million in 2019, representing around 12 percent of Burundi's total exports and 35 percent of its export volumes (excluding coffee, tea, and minerals). Burundi's exports to DRC are primarily goods processed in Burundi, mainly agricultural and agribusiness products. Burundi's imports from DRC in 2019 were estimated at US$0.7 million (primarily agricultural products). Trade between both countries is usually performed by small and medium traders. Most of the available data reflect only recorded trade, yet significant flows are handled through informal channels and are not captured in official statistics.

Table 2: Burundi-DRC Trade Volumes

	Year				
	2015	**2016**	**2017**	**2018**	**2019**
Burundi Exports to DRC (USD)	674,484	5,073,394	18,043,707	22,988,316	32,747,104
Burundi Imports from DRC (USD)	587,519	466,348	485,553	1,107,297	713,677

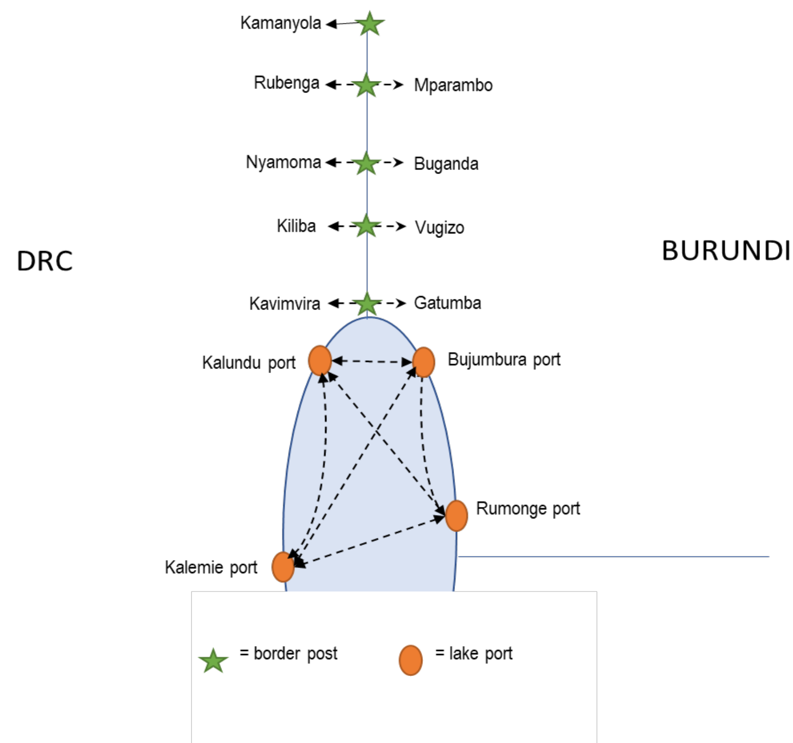
Source: Burundi Revenue Authority (OBR).

[8] International Trade Centre, Burundi, General Trade Performance, https://www.intracen.org/country/Burundi/General-Trade-Performance/.

17. **A contributing factor to the low volumes of recorded trade between the two countries is the currency exchange rate misalignment in Burundi**. The World Bank[9] estimates that the gap between the official and parallel exchange rates is quite significant, with a parallel market premium of 70 percent in mid-December 2020. The premium has been growing over time. As a result, Burundi exporters increasingly use informal, often small-scale channels for exports and subsequently sell the proceeds on the parallel market. Many of these informal and small-scale transactions are not recorded in official statistics such as those in table 2. Evidence from elsewhere in the GLR suggests that informal trade flows are much larger than the official ones.

18. **Overland trade between Burundi and DRC is handled through several pairs of border posts as well as at ports and landing points on the shores of Lake Tanganyika**. While there are numerous such trade gateways, most of the trade is handled at only a few facilities, specifically the ports of Bujumbura and Rumonge in Burundi and Kalundu and Kalemie in DRC, as well as four pairs of border crossing points: Gatumba-Kavimvira, Vugizo-Kiliba, Buganda-Nyamoma and Mparambo-Rubenga (see figure 2).

Figure 2 Schematic Diagram of Trade Gateways Between Burundi and DRC



19. **A long stretch of the common border between Burundi and DRC is on Lake Tanganyika.** The lake is shared by four countries: Burundi, DRC, Tanzania, and Zambia. The Burundi shoreline of the lake is approximately 159 kilometers long. The lake is the second deepest in the world, with an average depth of 570 meters and 1,470 meters at its deepest point. It is on average 50 kilometers wide extending to 72 kilometers at its widest. The lake holds more than 250 species of fish, most of which live along the shoreline. Estimates are that the lake produces about 200,000 tons of fish per year. Fish are a primary source of protein for consumers in the region. The lake provides employment for around 100,000 people operating from approximately 800 fishing villages along the

[9] World Bank. 2020. *Breaking out of Fragility: Towards Inclusive and Sustainable Growth*. *Burundi Country Economic Memorandum*. World Bank. Washington, DC.

shoreline. The immediate environs of the lake are home to an estimated 10 million people. Most of the trade between the lake communities is in agricultural products and fisheries. A large proportion of fish from Lake Tanganyika is traded on a small scale using wooden dhows rather than commercial shipping vessels, similar to other regionally produced goods. However, fishing activities are constrained by the isolated location of most landing sites, the steep escarpments surrounding most of the lake, and a general lack of port infrastructure.

20. **Cross-lake and cross-border trade has strong backward and forward links to local producers and distribution markets.** Assessments of trade in the borderlands in general (including across Lake Tanganyika) suggest that the majority of traded goods originate from and are destined to nearby markets in the border region. Table 3 offers data that are based on a survey that was carried out in late 2021. The table shows that three-quarters of traders passing through targeted border posts live within 20 kilometers of the border. At only a few crossings (like Nyamoma) do a significant number of traders travel distances in excess of 100 kilometers.

21. **Goods traded in the border lands reflect the local economy but are mostly composed of natural products and some manufactured items**. For example, in Rubavu, Rwanda (adjacent to Goma, DRC), fresh produce accounts for 45 percent of trade volumes, whereas at Rumonge, Burundi, close to 40 percent of volumes are manufactured items (although fish are the single largest traded item). In general, crops, including maize, cassava, potatoes, and vegetables grown by local farmers around the lake and along the land borders, make up a large proportion of cross-border trade flows. More sophisticated commodities, including processed foodstuffs (for example, salt, sugar, cooking oil, and soft drinks), building materials, manufactured goods, and clothing, tend to come from slightly more distant places within the borders of the exporting country. Small-scale traders also report goods coming from countries outside the GLR, such as southern Africa, China, and Dubai. The goods are typically shipped through neighborhood seaports (such as Dar es Salaam) and delivered to local markets that supply surrounding communities.

Table 3 Travelling distance of traders from place of purchase to border (percent)

	Goma	Kavimvira	Kiliba	Nyamoma	Uvira	Gatumba	Rumonge	ALL
0 to 5 km	65	18	44	26	36	38	58	41
6 to 20 km	33	62	41	38	37	48	21	34
21 to 50 km	0	15	10	8	12	6	6	8
51 to 100 km	0	3	2	4	12	2	6	4
101 to 500 km	2	0	0	6	4	0	0	1
500+ km	0	2	0	16	0	0	1	2
No information	0	0	3	2	0	6	8	11

Source: IPSOS Public Affairs, Survey of Great Lakes Small a Scale Cross-Border Trade, Unpublished survey results for World Bank, 2021.

22. **The trade interactions between Burundi and DRC are vulnerable to periodic disruptions.** The two countries have had a vibrant trade in all manner of products, as well as close ties between communities on either side of their shared border. However, intermittent periods of conflict have taken a heavy toll on human life and have disrupted the regional economy. Consequently, border communities often remain in a state of acute socioeconomic vulnerability and suffer disproportionately from poverty and displacement. Empirical evidence suggests that improving economic opportunities through facilitation of cross-border commerce is an effective way to enhance economic and social welfare and improve regional stability. [10]

[10] World Bank. *Trading Away from Conflict: Using Trade to Increase Resilience in Fragile States* (Washington DC: World Bank Group, 2015).

23. **Trade between Burundi and DRC suffers from several common constraints.** One of the most apparent handicaps to trade is the prevalence of inadequate, inappropriate, and generally poor trade infrastructure, both at the borders and around Lake Tanganyika. Dilapidated and inadequate infrastructure at the border and lake ports results in a poor environment for handling and processing goods and people. Throughout the project area, many of the most active border posts for small-scale trade lack basic amenities such as water, sanitation, electricity, and warehousing. Pedestrian and vehicular traffic are often unsegregated (without dedicated lanes), and certain services are unavailable because of a lack of information communication technology (ICT) connectivity. In the case of lake borders, high costs and unsuitable infrastructure have resulted in small-scale trade being conducted mainly via small beach ports. In addition, the lack of a secure and transparent environment (including lack of lighting and border or port area surveillance systems) enables corruption and harassment.

24. **The problems created by poor trade infrastructure are compounded by complex, opaque, and time-consuming procedures at the borders.** These procedures include long and expensive visa requirements, uncertain or variable fees, complex trade requirements (especially for agricultural products), and delays for tests on products (often on a consignment-by-consignment basis), among others. More recently, COVID-19-related tests have added to the cost to comply with all requirements to cross the border. Background analysis conducted in the project countries (Burundi and DRC) have identified insecurity, harassment, corruption, complex and time-consuming procedures at the border, lack of clarity on and unavailability of simplified trade regimes, and poor public services provided at the borders (due to weak institutional capacities, corruption, and gender-based violence) as key constraints on cross-border trade. Trade rules with minimal transparency, together with weak governance structures to control, monitor, and prevent abuse and corruption have led to a situation in which traders, particularly women, are highly vulnerable to extortion and physical harassment. In a recent study, more than a third of traders surveyed at three different lake towns indicated that they had witnessed or had been victims of sexual harassment. [11] At Gatumba (on the border between Burundi and DRC), physical and sexual assaults of women have been consistently reported. According to the survey, 97 percent of traders at Kalemie (in DRC) report that bribery of border officials and police is common. [12]

25. **DRC and Burundi are committed to simplifying procedures for small-scale traders.** During preparation of the GLTFIP, the two countries negotiated and in April 2022 signed a bilateral agreement to facilitate trade between them. The agreement includes the designation of additional border crossing points and lists of products to be traded using the STR. In addition, the two countries have agreed on specific steps to implement the COMESA Minimum Standards for Treatment of Small-Scale Cross-Border Traders in the COMESA Region, [13] which define the basic rights and obligations of border officials and small-scale cross-border traders. The standards reflect detailed analytical work across several countries in East and Southern Africa. They articulate measures necessary for a clear, transparent, and predictable relationship between traders and officials at the border. In the case of Burundi and DRC, the two countries are also bound to implement the COMESA Gender Policy Implementation and Tracking Plan and the Framework for the Comprehensive Support for Women and Youth Cross Border Traders in the

[11] Bakija, "Analyzing Trade Patterns Along and Across Lake Tanganyika: Study Report" (Background study commissioned for GLTFP-2 preparation, May 2016).

[12] At Kipushi, Zambian traders and transporters report that they are reluctant to cross into the DRC because of numerous unofficial fees demanded by border officials, police, and army officers along the trade route. Although Congolese officials claim that the fees are the result of traders not carrying the right documents, traders said there is no clear stipulation of what is required or how much is to be paid. In the DRC, many border officials are reportedly not on the government payroll and thus are expected to fend for themselves, creating strong incentives for bribery and corruption.

[13] "Minimum Standards for the Treatment of Small Scale Cross-Border Traders in the COMESA Region," http://gltfp.comesa.int/wp-content/uploads/2017/09/171015_Minimum-Standards-for-the-Treatment-of-Small-Scale.pdf.

COMESA Region. Lastly, in terms of policy to anchor their trade relationships, DRC, and Burundi (as well as Rwanda and Uganda) have ratified the AfCFTA as well as the COMESA-EAC-SADC Tripartite Free Trade agreement to further boost intraregional trade and deepen economic integration. Both countries are also members of the EAC, after DRC was admitted as a member in March 2022. However, the countries are at different stages of implementing the different trade agreements. The project will support the countries in implementing and realizing the objectives of the regional and continental agreements.

26. **The design of the project is cognizant of the potential for capture of tradeable products and value chains in the borderlands by local elites or protagonists in conflict**. Value chains in fragile regions such as the borderlands of the GLR suffer from a lack of transparency, discriminatory practices against some groups, harassment (especially of women), and alienation of property. These are compounded by weak institutional capacity with respect to regulation and general governance. Despite such instability, there is potential to make real change to ensure that communities in the borderlands can benefit from growth of select value chains, especially those dominated by women or involving their significant participation.[14] In Bangladesh a 5–16 percent increase in employment, sales, and productivity was estimated as a result of financial, technical, and marketing assistance for micro and small enterprises, primarily in the agricultural sector. While there are many projects that support production at the farm level, there are few that build capacity for enhanced cross-border market access. Selling goods over long distances or across borders requires product-dependent minimum volumes, proper packaging, and product quality. Interventions to enhance the supply of goods that can be traded successfully across borders need careful assessment. In fragile environments such as Burundi and DRC, that would entail the identification of women-led value chains, provision of facilities and infrastructure to aggregate volumes and preserve the quality of products, capacity building to manage cross-border supply chains, financial management, and other support. There is need also for border agencies to be alert to the specific needs of association- or cooperative-driven value chains.

C. Relevance to Higher Level Objectives

27. **The proposed project is fully in line with the World Bank Group's (WBG) twin goals of reducing poverty and promoting shared prosperity.** The operation targets some of the poorest and most vulnerable groups in the GLR and seeks to enhance economic opportunities through trade. It focuses on geographic areas with high poverty levels and continuing insecurity. There is enormous potential for trade to drive growth and poverty reduction in the region and support achievement of the twin goals**.** The nascent peace and relative stability provide a window to deepen traditional trade links. For many communities, key markets are situated across a border. Trade across-borders is essential to improve access and lower prices for critical inputs into economic activities including the exports of other goods and services. And it can have a significantly positive impact on consumers by normalizing prices for critical food staples across borders (reducing vulnerability to price shocks). There are also considerable opportunities to increase trade in services, including professional services, logistics services, construction services, education and health, and financial services.

28. **The project is aligned with and represents a practical implementation of the WBG Fragility, Conflict, and Violence Strategy 2020–2025**.[15] It aims to realize, at a local and regional level, the WBG's shift to measures that are aimed at prevention of conflict. In particular, the project addresses the cross-border drivers of conflict as defined under Pillar 1 of the strategy, as its interventions tackle gender inequalities and perceptions of grievance

[14] J. Sarder, D. Ghosh, and P. Rosa, "The Importance of Support Services to Small Enterprises in Bangladesh," *Journal of Small Business Management* 37, no. 2 (April 1997): 26–36.
[15] World Bank, *World Bank Group Strategy for Fragility, Conflict, and Violence 2020–2025* (Washington, DC: World Bank Group, 2020).

and harassment of traders and aims to strengthen sources of community resilience by supporting the commercialization of select value chains with significant cross-border dimensions. This focus of the project is based on empirical evidence suggesting that communities that trade together are less likely to enter into conflict, as the opportunity cost of such conflict will be very high. The project's design prioritizes inclusive approaches, especially for small-scale traders and border communities. In addition, consistent with the strategy approach, the project is cognizant of the potential for high risks and has enhanced the capacity of several environment and social practices, especially in eastern DRC, where significant project activities will be implemented. The project also prioritizes the use of digital data in monitoring and evaluation (M&E), especially the Geo-Enabling initiative for Monitoring and Supervision (GEMS), to ensure effective tracking of project outcomes. These measures are an integral part of the suite of solutions to monitor project effects in a data-poor environment.

29. **The proposed project is consistent with the Burundi Country Partnership Framework (CPF) for FY19–FY23 discussed by the Board on July 11, 2019 (Report 122878-BI)** [16] which under Focus Area 2 makes a compelling case for the importance of regional connectivity in energy, trade, and transport to expand opportunities for growth, reduce poverty, and dismantle binding structural constraints. Specifically, the CPF argues that facilitating Burundi's integration in the GLR through better cross-border regional transport and logistics infrastructure (among other dimensions) will provide opportunities for Burundi to expand markets. This will contribute to growth and job creation and have positive impacts on human capital development, poverty, gender, and youth.

30. **The proposed project is consistent with the CPF for DRC for FY21–FY26 discussed by the Board on February 22, 2022 (Report No. 168084-ZR) as it aims to contribute significantly to the government's efforts to alleviate extreme poverty**. In particular, the project contributes to Focus Area 1 of the CPF where priority is attached to strengthening regional integration and cross-border trade in the GLR. The proposed project is also consistent with the newly published DRC Systematic Country Diagnostic (SCD), [17] which recognizes the DRC's geographic position in Central Africa as strategic to improve cross-border trade and connections to regional markets. In addition, the SCD identifies transport as key to increasing agricultural and mining production, boosting trade, reconnecting isolated communities, and improving security. Further, the SCD prioritizes the development of agriculture and agribusiness as important for promoting long-term economic and social development. By supporting the development of selected agricultural value chains with strong economic potential, the proposed project is in line with the national strategy of DRC and the Comprehensive Africa Agriculture Development Program (CAADP) and its priorities on the participation of women and youth in agriculture value chains.

31. **The Great Lakes Region is one of the four priority FCV regions under the World Bank's Regional Integration and Cooperation Assistance Strategy Update for the Period FY21–FY23.** [18] The project is consistent with Pillar 2 of the strategy "Promoting Trade and Market Integration." The project's development objective gives practical effect to the goal of increasing the value of agricultural and related products and promoting harmonization of standards and regulations that encourage the commercialization of markets for agricultural inputs and outputs. In addition, the project also contributes to the strategic objective of helping countries

[16] World Bank Group, "Burundi—Country Partnership Framework for the Period FY19–FY23" (Washington, DC, World Bank Group, 2019), http://hdl.handle.net/10986/32114.

[17] World Bank Group, *Democratic Republic of Congo Systematic Country Diagnostic: Policy Priorities for Poverty Reduction and Shared Prosperity in a Post-Conflict Country and Fragile State* (Washington, DC: World Bank Group, 2018), https://openknowledge.worldbank.org/handle/10986/30057.

[18] World Bank Group, *Supporting Africa's Recovery and Transformation: Regional Integration and Cooperation Assistance Strategy - Update for the Period FY21–FY23* (Washington, DC: World Bank Group, 2020), *https://documents.worldbank.org/en/publication/documents-reports/documentdetail/249911623450779120/supporting-africa-s-recovery-and-transformation-regional-integration-and-cooperation-assistance-strategy-update-for-the-period-fy21-fy23*

transition out of fragility toward stabilization. The overall project supports regional peace and stability through programs to improve livelihoods in border areas, promote cross-border trade, and strengthen economic interdependence. There is ample evidence that increased trade interactions increase the opportunity cost of conflict and enhance the resilience of vulnerable communities. The GLTFIP will support the two countries in their endeavors toward bilateral cooperation and regional cooperation with other neighbors. This will be achieved through support for the implementation of regional trade commitments under COMESA as well as by improving key infrastructure that handles trade with other economies in the eastern and southern Africa regions. In addition, by enhancing the capacity of border agencies, the project aligns with priorities of the World Bank Africa strategy, making institutions more efficient and accountable.

32. **At a regional level, the project contributes to strengthening capacity to track progress toward regional integration.** Regional and continental commitments to trade integration in Africa are supposed to be implemented in the participating states within given time periods. To that end, the World Bank and other development agencies have supported various programs and initiatives. However, the COMESA region lacks a robust system to track progress with regional trade integration. Previously, the monitoring of integration in COMESA has largely relied on checking whether Member States have transposed regional integration initiatives into national law. For example, the COMESA Adjustment Facility (CAF) uses a menu of compliance indicators to establish whether Member States are making sufficient de jure progress toward the regional integration objectives to qualify for CAF support. The menu of indicators provides Member States with specific targets for the domestication of regional provisions over a three-year timeframe. These indicators are drawn from the COMESA strategic plans, which also focus on de jure compliance with the COMESA Treaty[19] provisions. The project seeks to strengthen COMESA's capacity to track progress with integration, using a set of indicators that are useful for policy making and deciding on priorities for further investment.

II. PROJECT DESCRIPTION

A. Project Development Objective

33. **Project development objective (PDO) statement:** The objective of the project is to facilitate trade and enhance the commercialization of selected value chains primarily targeting small-scale and women traders in the borderlands of the Great Lakes Region.

34. In the context of the project, commercialization refers to the transformation of goods and value chain management practices to supply more volume at higher value across the border.

35. **PDO level indicators:** The expected results indicators for the project are as follows:

(a) Average time for traders to cross at targeted border crossings (in minutes, disaggregated by gender)

(b) Quality of public services–degree of satisfaction with border management services (percentage, disaggregated by gender)

(c) Value of trade through targeted trade infrastructure (amount in USD)

(d) Change in value of final products traded by beneficiary traders' associations in regional markets (percentage, disaggregated by gender)

[19] COMESA Treaty Establishing the Common Market for Eastern and Southern Africa. COMESA. Lusaka, Zambia.

B. Project Components

36. **The proposed project will use the Investment Project Financing (IPF) lending instrument financed by International Development Association (IDA) grants and credits to the Democratic Republic of Congo and Burundi and a grant to COMESA, totaling US$250 million.** The IPF is proposed as the most appropriate and effective instrument because both countries need significant investment in physical infrastructure and technical assistance (TA) to improve border infrastructure and to strengthen border management and capacities for coordination in border administration. Project Preparation Advances (PPAs) have been used in Burundi and DRC to finance necessary designs and environmental and social risk assessments in advance of planned infrastructure interventions. In the DRC, provisions, and resources under the Great Lakes Trade Facilitation Project (GLTFP) were also used for the preparation of some assessments (Box 1).

37. **The proposed project would leverage regional IDA resources and it meets the eligibility criteria under the IDA19 Replenishment.** Specifically, the proposed project

(a) Comprises two participating countries, both of which are FCV regions.

(b) Demonstrates clear evidence of country ownership of the project, which is reflected in a desire to implement trade measures under regional communities such as COMESA as well as the DRC's recent application to join the EAC, of which Burundi is a member.

(c) Has the potential to result in cross-boundary spill-over effects, targeting and supporting livelihoods among some of the most vulnerable communities in both countries.

(d) Is expected to provide a solid platform for high-level efforts to harmonize and implement agreed trade policy measures as evidenced from the GLTFP (P151083) between DRC, Rwanda, and Uganda (Box 1).

(e) Proposes a grant to COMESA that meets all relevant IDA19 criteria for grants to regional organizations. COMESA will contribute to achieving high-level policy harmonization regarding the treatment of small-scale traders.

Criteria for determining Project intervention locations

38. **Objective criteria have been applied to determine specific sites for possible project interventions (map in annex 2).** Based on assessments and discussions with client governments, the following principles were agreed for the selection of project sites, consistent with the proposed PDO:

(a) *Volume of trade, especially small-scale trade:* Ports and border posts with a high volume of small-scale trade and many small-scale traders are the priority.

(b) *Potential impact on poverty and livelihoods.* Interventions are included that help improve access to livelihood assets and the ability of poor communities in the borderlands to reduce vulnerability to shocks and stresses.

(c) *Complementary investments in connecting infrastructure:* Such investments can be through other World Bank–financed projects or by other development agencies; attention to the potential risk of overlap or crowding out from other World Bank or development agency projects is also considered.

(d) *Interest and complementary investments in the neighboring country:* To be effective, there should be demand for project support on both sides of the border at any site or complementing a road link. The scale and scope of interventions need not be the same on both sides, but they need to be complementary.

(e) *Unfunded interventions under the GLTFP in DRC:* The GLTFP was meant to finance the construction of three border markets along the borders of DRC with Rwanda and Uganda. However, some costs were much higher than the available resources and not all interventions could be implemented. Specific outstanding interventions in the DRC that remain relevant and viable were reassessed for their fit with the PDO of the current project.

(f) *Scope to support commercialization of value chains with high potential for export:* Preference is given to project sites with the greatest potential for high economic returns through cross-border value chain development and improved resilience to fragility, particularly at the local level. Attention will also be paid to candidate sites that help alleviate traffic congestion and bottlenecks at existing hubs.

(g) *Minimizing resettlement of people.* Physical interventions have been sited to minimize the displacement of people as much as possible. Although the borderlands and border crossing points in the GLR tend to have large settlements, the placement of project interventions will in the first instance be designed to avoid resettlement unless conditions dictate otherwise.

39. The project combines investment in “hard” and “soft” improvements due to their complementary and mutually reinforcing benefits. Though most project costs will go toward hard infrastructure that facilitates trade (60 percent of proceeds) and supports small-scale trade, these investments are backed by procedural reforms and institutional changes to be effective and to maximize socioeconomic returns. The project is, therefore, structured around five components: (a) Improving policy and regulatory environment for cross-border trade, (b) Improving core trade infrastructure, (c) Supporting commercialization of selected cross-border value chains, (d) Supporting implementation and monitoring and evaluation and (e) Contingent Emergency Response. The interventions under each project component are described in the following sections.

Component 1. Improving Policy and Regulatory Environment for Cross-Border Trade (US$43.0 million IDA equivalent). (Burundi: US$13.5 million; DRC: US$23.5 million; COMESA: US$6.0 million)

40. Proposed interventions under this component seek to improve the policy and procedure environment of trade at the border. Focus is on dialogue at the regional, national, and local levels on the reform agenda; building awareness of the critical reforms; training of border officials, traders, and trader associations; and the introduction of innovative information technology (IT) tools to ease the burden of crossing the border and to promote the use of information and networking platforms by female traders and service providers. Proposed interventions are described in the following subsections.

Box 1. Great Lakes Trade Facilitation Project (P151083)

The AFR RI Great Lakes Trade Facilitation Project GLTFP (P151083) is a regional project that involves the DRC, Rwanda, Uganda, and the Common Market for Eastern and Southern Africa (COMESA). The development objective of the project is to *facilitate cross-border trade by increasing the capacity for commerce and reducing the costs faced by traders, especially small-scale and women traders, at targeted locations in the borderlands.* The project was approved by the Board on September 25, 2015 and is due to close in Rwanda and Uganda on June 30, 2022 and in DRC on June 30, 2024.

The project was the first in the World Bank to specifically target small-scale trade in the borderlands of the Great Lakes Region. Statistics at some border crossing points in the region suggest that the volume of small-scale trade is greater than that of formal, large-scale flows. However, the traders, many of whom are women, face many hurdles; some hurdles are due to complex requirements and others are due to a corrupt control regime. The project has direct impact on poverty and the livelihoods of the border communities.

The GLTFP takes a multisectoral approach to improving the trade conditions at five key border crossings and surrounding areas between the DRC, Rwanda, and Uganda, and it enhances regional integration through partnership with COMESA. The project has four components: (a) improvements to core trade and commercial infrastructure in the border areas (specifically upgrading border facilities; improving safety through segmented traffic, lighting, and cameras; constructing border markets; and rehabilitating Kamembe airport in Rwanda); (b) policy and procedural reforms and capacity building to simplify border crossing procedures and improve the standards of treatment of traders and officials; (c) improved border management reform through application and enhancement of performance-based management; and (d) the development of robust monitoring and evaluation systems for the project and for small-scale cross-border trade, as well as support for project implementation, communication, and regional coordination. The project is the first World Bank lending operation to explicitly focus on small-scale traders.

The project has registered some important results so far, including (a) improved relations and coordination at a policy level between the DRC and the other two countries, such as, at a practical level, traders and officials now cooperating on facilitating trade, each side viewing the other with less suspicion; (b) greater accountability and less impunity of officials at the border, which is reflected in declining rates of perceived harassment at key borders (for example, from 78 percent to 45 percent in South Kivu and from 95 percent to 48 percent in North Kivu); (c) improvements in security at the border (as a result of new buildings, lighting, cameras, and so on) that led to the extension of the open hours of borders at Rusizi 1 (from 6 p.m. to 10 p.m.); and (d) increasing trade flows at project sites with, for example, the number of traders crossing at the Petite Barrière in Rubavu (conservatively) estimated to have increased from 20,000 to between 40,000 and 50,000 every day.

An additional financing to the GLTFP is pending to finance a cost overrun and financing gap, ensure implementation of the RAP in Goma, and civil works for a border post at Petite Barrière. The new project scales up many of the elements of the GLTFP, by financing infrastructure at additional border posts, as well as ports and access roads. Additionally, in response to the concern that the border communities lack resources to respond to improvements in trade facilitation, the new project includes specific support for value chain development and commercialization. The COVID19 pandemic encouraged small scale traders to work in associations, thereby improving their organization and enabling them to reduce their trade costs and potentially increase the quantity and quality of goods that can be traded. The new project will build on the social structures and provide support for increased commercialization of value chains that are dominated by small scale traders.

Subcomponent 1.1: Simplification of procedures for small-scale traders and policy reform (US$19.0 million)

41. Under this subcomponent, the project will support the implementation of procedures to reduce the time and cost associated with crossing the border. The project will support a set of complementary measures to ease the process of crossing the border for small-scale traders. Learning from lessons under the GLTFP (P153083) and other operations, the measures will cover customs clearance, immigration, certification, and coordination among different agencies at the border.

42. The policy framework for project interventions under the subcomponent will be based on instruments that have already been agreed at the COMESA and continental levels. Those instruments are as follows:

(a) *COMESA Simplified Trade Regime (STR).* The COMESA STR provides for simplified border clearance of small consignments of agreed-upon goods between neighbouring countries. The implementation of STR agreements is negotiated on a bilateral basis between countries. DRC and Burundi have negotiated a new bilateral trade agreement between them. The new agreement incorporates elements that are derived from the STR developed by COMESA, but it is much more ambitious and draws lessons from the challenges and difficulties encountered in the first project. New concepts have been integrated, such as the primordial role of traders' associations, grouping techniques, and new trade facilitation measures such as electronic commerce and dematerialization of acts and procedures. The project will, therefore, support the two countries in implementing the bilateral agreement, once reached, based on an agreed list of products and subject to a simplified regime. The project will support implementation of the regime at target border crossing points under the project.

(b) *Regulations on Minimum Standards for the Treatment of Small-Scale Cross-Border Traders in the COMESA Region* and the COMESA *Framework for the Comprehensive Support for Women and Youth Cross-Border Traders in the COMESA Region*. The Standards provide for a focus on gender and define basic rights and obligations for traders and border officials that are needed to formalize cross-border trade. Specifically, the project will provide training to traders and border officials and will support activities to raise awareness of and use of the regulations at all border crossing points targeted by the project. The operating environment at border posts, markets, and ports will be monitored using customer satisfaction and feedback systems such as the HappyOrNot solution. [20]

(c) *Implementation of African Continental Free Trade Area (AfCFTA)*. Both Burundi and DRC have ratified the AfCFTA and are commencing implementation of the agreement. The project will provide support to the ministries of each country responsible for trade to prepare plans and implement priority activities that are consistent with the objectives of the continental agreement.

(d) *Post-COVID-19 recovery of small-scale trade:* The project will support traders' associations and cooperatives that are inclusive and representative, to allow them to create economies of scale and improve incomes. Support will include the training of associations in financial literacy and financial management to allow them to manage their operations better and enhance their sustainability and growth, and to allow them to acquire vehicles and equipment to facilitate logistics of goods that are traded across the borders. The project will work closely with border agencies, especially customs, to design and implement policies that are conducive to the collection of taxes for grouped consignments.

Subcomponent 1.2: Implementation of smart border systems (US$18.0 million)

43. *Smart border technologies:* The project will finance the introduction of technologies to simplify customs and immigration controls at the border especially for small-scale traders and trader associations. The technologies will

[20] To learn more about the HappyOrNot solution, visit the website at https://www.happy-or-not.com/en/.

be based on sound and secure digital systems to facilitate the movement of people (traders and cross-border residents) and goods between participating countries. Specifically, the project will support the introduction of electronic multipurpose technologies to (a) identify traders; (b) generate an electronic token for border crossings, including records of entries and exits; (c) record goods, including verification of authorized goods according to the commercial category for fair trade; and (d) process payments with receipts. Development for the solution will be done in a phased and modular way so that features are added incrementally, based on priority needs. The system will also be developed following identification for development principles of inclusion, design, and governance. The project will also provide training and capacity building of border officials, traders, and border users. Benefits of the system will include the standardization and digitization of immigration and customs processes to increase transparency; reduce corruption; and centralize, harmonize, and share data in accordance with the security and data sharing policies of participating countries.

Subcomponent 1.3: Coordinating and monitoring regional integration in COMESA (US$6.0 million)

44. COMESA will implement this subcomponent. The regional body will provide the policy platform for harmonization and collaboration between the participating countries and use its convening power when major decisions are needed that can benefit from regional coordination. In addition, COMESA will coordinate training of traders and officials. COMESA has played these roles under the GLTFP and is proposed to continue doing the same under the project. COMESA has a well-defined, but still to be fully implemented STR and complementary Regulations on Minimum Standards for the Treatment of Small-Scale Cross-Border Traders and other gender/women- and youth-supportive frameworks. Further, COMESA has an online platform for women in business that will assist in disseminating information, policies, initiatives, and opportunities for traders and service providers.

45. Specifically, under this subcomponent, COMESA will:

(a) Guide the implementation of regional trade facilitating instruments and guidelines, especially STR and the minimum regulations for the treatment of small-scale cross-border traders and other gender/women- and youth-supportive frameworks, including the promotion of the online platform for women in business. This implementation will involve developing appropriate materials and conducting awareness campaigns, enhancing the capabilities and management of the platform and other capacity-building initiatives.

(b) Lead the implementation of the regulations or guidelines that have been issued by COMESA to facilitate transport and trade in response to the COVID-19 pandemic. COMESA will work at the policy level to develop and promote country-level reforms to support grouping of traders in associations and cooperatives to increase collaboration and minimize pedestrian flows across borders.

(c) Support the two countries in aligning domestic trade policy and instruments to regional trade policy and instruments, including the COMESA Free Trade Area, and in sensitizing, training, and domesticating key instruments.

(d) Use its convening power to enhance the value added created by the coordination platform that was first introduced under the GLTFP, for harmonization and collaboration between the participating countries and to synchronize project interventions at the common borders, including the establishment and operationalization of Joint Border Committees.

(e) Support the introduction of Joint Border Committees (JBCs) at the target border crossing points. JBCs bring together all stakeholders involved in border crossing and border regulation to address problems and identify effective solutions. The project would support JBCs at the main border crossings and lake ports to fulfil that role. For small-scale traders and through COMESA, the project will support the establishment of Trade Information Desks (TIDs) to provide on-the-spot information to traders, support the clearance process, seek to resolve disputes between traders and officials, and collect relevant data on cross-border trade. TIDs, with TID officers (TIDOs), have proven under other projects to be effective in supporting small-scale traders in clearing goods and engaging with border agencies. COMESA will support the two project countries to phase in a sustainable mechanism for the TIDs.

(f) Develop and implement a system to monitor regional integration in COMESA. COMESA is implementing several programs and projects—some are financed by the World Bank and all are aimed at facilitating integration among its partner states. The project will finance the design of an integrated online M&E system to track and assess synergies and complementary aspects between development partner programs and projects and their impacts. Project support will include the provision of technical support and knowledge sharing/peer learning between COMESA states, the private sector, academia, development partners, and other stakeholders to the mutual benefit of the region.

Component 2: Improving Core Trade Infrastructure (US$147.5 million IDA equivalent) (Burundi: US$58.0 million; DRC: US$89.5 million)

46. The project stakeholders used the criteria outlined in paragraph 37 to prioritize specific sites for improvement, consistent with the development objective. Each intervention is subject to detailed feasibility, technical, and Environmental and social (E&S) analyses and to stakeholder dialogue. Where specific facilities are prone to climate-related risks, different mitigation measures are considered, including relocating the facility or providing engineering modifications.

47. The project will finance studies and improvements to four types of core trade infrastructures and facilities: border posts, lake ports, border markets, and local access roads. The studies can include topics and interventions to be financed by future, similar projects. The infrastructure improvements will be supported under four subcomponents as detailed below.

Subcomponent 2.1: Rehabilitation and modernization of border posts (US$48.5 million)

48. The prioritization of border posts is based on traffic volume, importance to the supply chain of goods traded across the border, relevance to conflict dynamics in the region, and their physical condition. The critical design features of the border facilities to be implemented are (a) upgrading and improving existing facilities on the basis of the one-stop border posts (OSBP) design concept for efficient and secure traffic flows; (b) improving the efficiency of traffic flow and security for users through separation of traffic in different lanes; (c) providing cameras and lighting to secure each site and allow for eventual 24-hour operations; (d) incorporating space for traders to store their goods and minimize losses; and (e) paying special attention to allow easy access to disabled and vulnerable people. Each border facility will be provided with all the necessary equipment to be fully operational, including scanners, laboratory equipment for tests, offices, and IT equipment.

49. The existing border facilities at Gatumba (Burundi) and Kavimvira (DRC) as well as the road from Kavimvira to the town of Uvira in DRC are all in a zone that is prone to flooding due to seasonal rises in the level of Lake Tanganyika. As such, the border facilities to be financed by the project are at sites that are less at risk of flooding; in addition, the OSBPs and the road will also include engineering solutions to further lessen the risk.

50. The specific border posts to be improved by the project are as follows:

(a) *DRC: Kavimvira (US$8 million), Nyamoma (US$4.5 million), Rubenga (US$4.5 million), Kamanyola (US$8.5 million for an integrated border post and market), and Kiliba (US$2.5 million).* The project will finance new border facilities and measures to improve security, to improve the flow of traffic, and to install surveillance and other systems for the border agencies. It will also include a paved parking area for trucks and safe provision for pedestrian traffic. It will install appropriate systems to support improved border management by border agencies and increased safety. The border post at Kamanyola will include a border market as an integral facility.

(b) *Burundi: Gatumba (US$8 million), Buganda (US$4.5 million), Mparambo (US$4.5 million), and Vugizo (US$3.5 million*). The project will finance border facilities and measures to improve traffic flow and install appropriate systems that will support improved border management by border agencies and better safety for those working at and crossing borders. The logistical area will be built for border agencies and small-scale traders. The proposed improvement to the Vugizo border post is important as it is close to a new special economic zone.

The land where the border post of Gatumba will be built includes a portion that is owned by a private individual and for which a resettlement action plan (RAP) has been prepared. The cost of the RAP has been estimated at US$79,000. The amount has been included in the IDA financing of the project.

Subcomponent 2.2: Construction and development of border markets (US$16.0 million)

51. The project will finance the construction of border markets to facilitate market exchanges near the border. The markets will be located to reduce physical distances between traders and buyers. Markets will be designed to enable small-scale producers to reduce post-harvest losses and to engage more in cross-border trade without traveling long distances into neighboring countries. The markets would also help reduce the number of traders working on roadsides and contribute to greater road safety. The border markets will incorporate appropriate facilities for the secure but temporary storage of commodities to be traded. Sanitation and regulatory services will be provided to control the quality and safety of the products that are traded. Childcare and play facilities will be considered at the markets. The design of the border markets will be adapted to the dominant trade flows and to each site. During implementation, options will be explored for the operation and management of the markets by the private sector or groups of traders.

52. The project proposes to finance one market in Burundi and up to three in the DRC to facilitate cross-border transactions. Markets will be sited on existing or designated market spaces to minimize, if not avoid, the resettlement of people. The proposed markets are the following:

(a) *Burundi (US$5 million).* One market is proposed at Gatumba, where a feasibility study and designs were completed during project preparation. The authorities have proposed a second market at Rumonge, but land has not yet been secured. The project may finance the construction of this market once the land has been secured and all E&S studies completed.

(b) *DRC (US$11 million).* The project will finance four markets in key economic centers—namely, Bunagana, Bukavu, Kavimvira, and Kasindi. The locations of the markets were determined on the basis of traffic, volume of trade, and number of traders. The designs will be kept simple, incorporating lessons learned from market designs that are already used in the region.

Subcomponent 2.3: Improvement of lake ports (US$50.0 million)

53. Lake transportation is an important mode of transport for large areas along the borders between Burundi, DRC, Tanzania, and Zambia. However, many ports, especially facilities that handle small craft, are in poor condition, and traders dock their boats on the beaches and unload in challenging and dangerous conditions. Improvements are urgently needed to enhance their trade capacity and create a safe environment for small-scale traders. Although the project will not finance interventions relating to transport services, it will finance assessments to gather data on capacity, operational efficiencies, and constraints.

54. The project will finance the modernization and improvement of three ports in Burundi and DRC: Rumonge, Idjwi, and Kalundu. All these ports are important because they also handle international trade traffic passing through the Dar es Salaam and Kigoma ports in Tanzania. To the extent possible, the project will promote management of lake ports by the private sector through a public-private partnership mechanism. All port designs will include facilities for border management.

(a) *Rumonge Port in Burundi (US$20 million):* The project will finance the development of a new port dedicated to small-scale traders. It will comprise a new pier, unloading area, health and quarantine areas, storage facilities for both the Customs Department and small-scale trader associations, and facilities for the border agencies because the port is a border. The port will be used mainly by small-scale traders who import and export through the lake from Rumonge to Kigoma and Kalundu. The commercial vessels used by traders can carry up to 100 tons; hence the facilities will be adapted to fit this size. The port will allow traders to trade with the lake's neighboring countries securely and economically. The new Rumonge Port will be built partially on private land, therefore a RAP was developed. The cost of the RAP has been estimated at US$315,000. That amount has been included in the IDA financing of the intervention.

(b) *Idjwi jetty and market in DRC (US$7 million).* Idjwi Island is located on Lake Kivu. The island is a commercial center between the DRC mainland and Rwanda, exporting fruits and coffee to Rwanda and importing livestock. The Idjwi Port will complement a jetty at Nyamasheke that was financed under the GLTFP. The project will finance the construction of a jetty, quarantine area for the imported livestock, border facilities, logistic zone, and a market. The model for the jetty will be like the one in Rwanda. This infrastructure will allow trade activity to be more organized, especially livestock trade between the two countries. The government intends to control traffic on Lake Kivu and eliminate smuggling by using the new facility.

(c) *Kalundu Port in DRC (US$23 million).* Kalundu Port was once the second largest port in the DRC after the one in Bas Congo (Matadi Port). However, the traffic at Kalundu is now limited by the poor infrastructure. Availability of the facility is also vulnerable to seasonal rises in the levels of Lake Tanganyika. The project will finance the renovation of the existing port facilities including the raising of the dock area to reduce the frequency of flooding during the rainy season. The project will develop a logistic zone on the port perimeter to allow small-scale traders to store their goods and organize their activities. Storage facilities will be provided to business associations with charter boats. Trade on Lake Tanganyika is well organized, and traders pool their goods and resources and share transportation costs.

Subcomponent 2.4: Construction and rehabilitation of local access (US$33.0 million)

55. *Access roads to ports, border posts, and markets:* A lesson learned from the GLTFP is the necessity to accompany improvements to core trade infrastructure with local access roads. Most traders only travel about 10 kilometers from borders to buy and sell produce, which limits the hinterland of the facilities and consequently trade volumes. Project interventions will include rehabilitation of roads, with appropriate road safety features, and laying of optical fiber to the border stations. The works will aim to enhance climate resilience. Tentatively, roads totaling approximately 29 kilometers in length have been proposed for rehabilitation under the project. Priority roads will be those that connect to project border posts, lake ports, or markets facilities. The tentative list of roads and associated bridges include the following:

(a) *Burundi: Access road to Vugizo border post of 8 kilometers in length (US$6million).* The renovation of the existing access road TR6 will go from national road RN5 to the Buganda border post. The project will finance rehabilitation of the existing road to ensure it is trafficable throughout the year.

(b) *Burundi: Access road to Mparambo border post of 4 kilometers in length (US$2.5 million)*. The renovation of the existing access road will go from national road RN5 to the Mparambo border post. The project will finance rehabilitation of the existing road to ensure it is trafficable throughout the year.

(c) *DRC: Access road to Nyamoma border post of 10 kilometers in length (US$8 million).* The project will finance the renovation of the existing road. The construction of the bridge on the Ruzizi River will be financed through the Regional Agriculture Project (P161781) and will connect Buganda and Nyamoma.

(d) *DRC: Access road to Kavimvira border post of 7 kilometers in length (US$8.5 million).* The rehabilitation of the existing road from the border post to national road N5 will improve connectivity between Bujumbura and Uvira because this road is the main road link between the two cities.

(e) *Burundi/DRC bridge over the Ruzizi River (US$8 million)*. The project will finance the construction of a new bridge that will connect two border posts (Rubenga and Mparambo). The bridge will allow small-scale traders to cross all year without having to use small-scale craft. The allocation for Burundi is US$4 million and the allocation for the DRC is US$4 million.

56. The project will pay special attention to environmental and social measures to protect society and the environment. The project will adapt and apply the instruments that were developed under the GLTFP (P153083) relating to sexual exploitation and abuse (SEA) and sexual harassment (SH). These areas are key topics given the general social, political, and FVC context of the project. In addition, the project will build capacity to address potential grievances that might arise during project design and implementation, including those related to SEA and SH incidents.

Component 3: Supporting Commercialization of Selected Cross-Border Value Chains (US$37.5 million IDA equivalent). (Burundi: US$11.5 million; DRC: US$26 million)

57. The objective of Component 3 is to support value chain actors in the borderlands of the GLR (specifically traders' associations and SMEs that provide market access services and light transformation of products for export) to increase and improve local and regional capacity to trade and add value to mostly agricultural products. Given that other projects and programs (for example, the National Agriculture Development Program, P169021, and the Regional Great Lakes Integrated Agriculture Development Project, P143307) support production at the farm level, the project's focus is on activities relating to logistics for market access (consolidation, processing, sorting, clearance, and shipment of products) to the other side of the border. Interventions under the component will be guided by four design principles that specifically prioritize value chains that (a) have high growth and export potential in the region, especially those that are currently hampered by high costs of trade; (b) best leverage the trade facilitation interventions under the project; (c) enhance economic opportunities for the youth and women; and (d) build on appropriate local economic systems and practices. Based on available evidence and consultations with intended beneficiaries, the interventions under the project are organized around three subcomponents: (a) infrastructure, (b) export promotion, and (c) meeting regulatory requirements for export.

Subcomponent 3.1: Investments in the development of processing chains and infrastructure for the production of high value-added export goods (US$21.5 million)

58. A lack of proper facilities for the collection, consolidation, processing, packaging, labeling, and storage of goods to be traded is one of the major constraints faced in the borderlands. Proper handling of goods post-production is important for preserving value and maximizing returns. Because of the small-scale nature of trade flows at an individual level, two mechanisms can help build scale and address the apparent market failures, in the form of associations of small-scale traders and of SMEs. Each group faces different constraints with respect to ability

to invest in the required facilities and equipment. Associations often lack the legal standing to borrow for long-term commitments while SMEs often are not able to mobilize the capital needed to build infrastructure with returns spread over the medium term. Consequently, project support will depend on the characteristics of specific value chains for small-scale trader cooperatives or associations. Beneficiary associations will be selected based on predetermined selection criteria and a transparent procurement selection process, both elaborated in a manual to be adopted before the project takes effect. The eligible beneficiaries will be invited to submit their business plans through an open call for proposals and an outreach campaign that assures equality of opportunity.

59. *Grants to associations.* Grants will be offered to traders' associations and cooperatives to support the development of facilities and to acquire equipment for logistics and supply chain management of traded goods. One of the measures adopted by governments to reopen borders to small-scale trade during COVID-19 has been the organization of traders in cooperatives or associations. Such groups have shown great potential to reshape the nature of small-scale trade and increase economic returns for participants. However, given the novelty of the mechanism, the associations still face various constraints in infrastructure and organizational management capacity. The project will build on the lessons learned from GLTFP (P151083) in which support was provided to some associations to acquire motorized vehicles (tricycles), which in turn increased the income of members to the extent that some associations were able to reinvest in additional vehicles and offer microloans to their members. Based on assessments of needs carried out during project preparation, the total amounts of grants will be US$4.0 million and US$10.0 million for associations based in Burundi and DRC, respectively. Associations will be eligible for grants of up to US$40,000 each (Table 4). Grants that are more than this amount may be subject to a no-objection of the World Bank.

Table 4. Summary of Grants to Support Commercialization of Selected Value Chains

Criteria	**Characteristics**
Candidates	Associations or cooperatives involved in trade in agricultural products
Target number of associations	Up to 300
Eligible expenditures	Infrastructure, equipment, logistics, IT, TA
Limits	Up to US$40,000 and 90 percent of project costs. Amounts that are higher than this limit will require justification and approval of the World Bank. Association contribution can be in kind

60. *Technical assistance.* In addition to the grants, the project will provide technical assistance (TA) to beneficiary associations and SMEs to enhance their capacity to manage their value chains and improve the return on investment from the received grants. In addition, given the limited capacity that has been observed with women's groups, they will be eligible for technical support to prepare proposals. The TA to establish the economic viability of the submitted business plans shall be conducted by an independent panel of experts according to transparent criteria. To ensure objectivity of the process, the proposals will be anonymized. Detailed grant manuals will be prepared and are disbursement conditions for the implementation of the grants sub-component of the project in Burundi and DRC, respectively. The amount of TA will be US$2.0 million and US$5.5 million for associations in Burundi and DRC, respectively.

61. Implementation of the TA will include several steps, among them the following:

- Communication about the program, to include promoting the groupage system and the grants scheme.
- Formalization of traders' associations and their capacity enhancements.
- Support for preparation of business plans and financial proposals with a focus on access to markets, value creation partnerships, and achieving economies of scale to reduce unit costs of trade.

- Comprehensive training program for trader associations; the training will be individualized (à la carte) to respond to the needs of each traders' association. The training programs will be reflected in the business plans and will be based on two elements: (a) principles of action, and (b) active learning (learning by doing). The training will reinforce skills in business and management, market valuation and pricing, supply, and demand, and understanding the regulatory environment and access to finance. Participants also will be coached in entrepreneurial skills.

62. The content of business plans will be adapted to the needs of women and could include activities that will expand women's networks and connections between female entrepreneurs through fairs or women-centered networking events. Female entrepreneurs need training that allows them to overcome social gender roles and an aversion to risk and to develop an "entrepreneurial mindset."

63. The project will work with local partner organizations (universities, technical and vocational education and training, incubators, etc.) for delivery of entrepreneurship skills training. Individual trainers and firms will be selected in advance to create a pool of experts available to respond to the identified need of each trader association. Although the project will not finance SMEs directly, it will collaborate with the two upcoming jobs and economic transformation projects in the DRC and Burundi: Empowering Women Entrepreneurs and Upgrading MSMEs for Economic Transformation and Jobs in DRC project (TRANSFORME DRC) DRC (P178176) and Jobs and Economic Transformation (JET) Project (P177688), respectively. The two projects include financing for SMEs that provide services for market access for specific value chains through matching grant or conditional subsidy schemes. SMEs will be eligible to receive grants and TA to address market gaps related to long-term investment in the agribusiness infrastructure and other requirements to preserve, add value, or get products to cross-border markets. Eligible SMEs will include Congolese or Burundian-registered firms that provide logistics and other support services in the locations targeted by the project.

64. The project will conduct monitoring and evaluation of the grants under this subcomponent, to assess their impacts, effectiveness, and sustainability of supported activities.

Subcomponent 3.2: Export promotion activities of selected products (US$7 million)

65. Because the project will be able to support only a relatively small number of value chains, associations, and SMEs, the project will finance training and other TA to private sector actors and cooperatives that are involved in cross-border trade in the target areas. This subcomponent will aim to improve entrepreneurship, marketing skills, product labelling, and market research with a focus on downstream activities in the value chain. The project will finance linkages identification (for example, business-to-business) with major buyers, processing industries and traders in the subregion, and internationally. The project will also finance support for activities that bring together cross-border sellers and traders to increase their negotiating power, achieve synergies in product transport, and facilitate border formalities. The project will finance a platform for cross-border sellers and traders to network and exchange best practices and business opportunities and link them with international partners (for example, international chambers of commerce and others). The project will also finance export promotion events, such as forums and fairs, to promote selected, locally made products and provide additional networking and showcasing opportunities. The project will promote the use of digital platforms to sell products and reach new markets.

66. Specifically, the project will target the professionalization of women's cooperatives for them to become champions in downstream segments of selected value chains and it will support the structuring of women's and youth associations and cooperatives, focusing on value chains dominated by women and youth that are not yet organized or are still only weakly organized.

67. The project will also support producers and traders of selected products to meet those products' various certification requirements for export.

Subcomponent 3.3: Support the labeling, certification, and conformity of selected products (US$9 million)

68. Poor compliance with standards, packaging, and labeling requirements is a common impediment to trade in the GLR. Under the subcomponent the project will support the use of modern information technology (IT) solutions to enable the certification and tracking of selected products traded across the border. Interventions in the DRC and Burundi will include (a) innovative solutions to label products (potential technologies are the use of Quick Response or bar codes), which will assist with tracking and tracing of goods processed at selected value chains; and (b) certification agencies will establish a handbook on norms and standards of selected products for producers, traders, and industrials. In addition, the project will finance the accreditation process of relevant agencies and will support the publication of these certifications on appropriate sites for regional and international recognition. The interventions will include capacity-building activities for these agencies via a partnership with an international certification agency. The objective is that over time, national agencies will deliver valid certification up to international standards.

Component 4: Supporting Implementation and Monitoring and Evaluation (US$22 million IDA equivalent) (Burundi: US$7 million; DRC: US$13.0 million; COMESA: US$2.0 million)

Subcomponent 4.1: Implementation support and communication (US$16 million)

69. This subcomponent includes support for building the implementation capacity of government agencies and communication activities. Implementation support will be provided in a strategic and sustainable way. The project will finance staffing, logistics, procurement, environmental and social risk management, financial management, and other critical functions to support effective implementation at the central and local levels. The project will also finance various training courses to enhance service delivery, leadership, communication, and M&E to ensure sustainability. Throughout project preparation, potential champions were identified and engaged to support implementation. In addition, the project will provide support to prepare the operational manuals and finance-related operational training to project teams, the audit for the financial management, the accounting system, and office equipment (vehicles, personal computers, printers, office furniture, etc.), and it will run cost throughout the project's life. The project will also finance meetings between country Project Implementation Units (PIUs) and implementing partners to promote knowledge exchange, lessons learned, and best practices to harmonize implementation. In the DRC, the project will finance the renovation of the offices where the provincial PIUs will be housed in Bukavu. These offices are the same offices that housed the provincial PIUs of the GLTFP.

70. Experience with similar World Bank-funded projects indicates that innovative communication is a powerful way to raise awareness and encourage policy makers to take action. The project will finance various communication activities at the national and regional level, including short documentary videos, other media programs, websites, and use of social media to raise awareness of cross-border trader conditions and proposed reforms. These communication activities will also aim to encourage small-scale cross-border traders to join trader associations and cooperatives to increase formality and raise awareness of the benefits of digital tools and devices to increase adoption and usage. Training modules, informal peer-to-peer discussions, and informal meetings of experts will also be used to share knowledge and increase awareness of project objectives.

Subcomponent 4.2: Project M&E (US$6.0 million)

71. The project will develop a robust M&E system and build capacity of public sector statistics agencies or research institutions to assess the cross-border trade environment. Key indicators will cover the efficiency of cross-border trade procedures, the relationships between officials and small cross-border traders and service providers and impact on conflict affected communities. The system will provide feedback to the implementing agencies to identify and make necessary adjustments over the life of the project. The JBCs, which will be supported under Component 1, will also play a key role in M&E and as a platform for supervising and coordinating activities on the ground, notably reviewing performance indicators, and, when necessary, recommend procedural streamlining. Furthermore, the project will develop a set of socio-economic indicators to measure changing trade patterns and perceptions between traders and border officials.

72. The project will support systems for collecting data on cross-border trade flows as an input into policy and border management decisions. In addition to the project-specific M&E activities, this project will support coordinated information gathering on small-scale cross-border trade at focal borders. The project will provide support for the implementation of regional guidelines for monitoring small-scale cross-border trade as well as IT platforms to collect, report, and share trade data.

73. Measures implemented to contain and manage the COVID-19 pandemic are reflected in the design of the M&E component of the project. Under the GLTFP, lockdown measures that had been put in place during the first half of 2020 made it impossible to collect and report data needed to assess the performance of the project and effect any possible interventions that might be needed to ensure targets are met. Consequently, the project will deploy alternative data collection information communication technology (ICT) tools such as remote sensing, mobile data collection applications and the Geo-Enabling initiative for Monitoring and Supervision (GEMS) for enhanced supervision and monitoring. The GEMS was launched by the World Bank to enhance M&E and supervision in FCV countries. As of 2019, the GEMS has been implemented in over twenty countries, including Burundi and DRC. To effectively implement GEMS, the project will support capacity-building training for local PIUs across the project countries and COMESA and WBG staff supervising the project.

74. Data collection will be based on a monitoring and evaluation manual to be developed by COMESA and agreed with the two countries. Each of the two project countries will be responsible for the collection of data on their territory while COMESA will be responsible for ensuring the data collection, processing and analysis methodologies are robust and consolidating the data for reporting as part of the results framework of the project. The countries will endeavor to engage statistical agencies or institutions of higher learning to support the collection and analysis of M&E data under the project.

Component 5: Contingent Emergency Response (US$0 million)

75. **A contingent emergency response component (CERC)** is included in the project to provide immediate response to an eligible crisis or emergency, as needed. This inclusion will allow for rapid reallocation of project funds in the event of a future natural or man-made crisis during the implementation of the project, to address eligible emergency needs under the conditions established in the project’s financing agreement. This component will have no funding allocation initially and will draw resources from the other expenditure categories at the time of activation.

76. The project countries shall prepare, and adopt, with World Bank approval, manuals for Component 5. The manuals shall provide detailed implementation arrangements for the CERC, including: (i) any structures or

institutional arrangements for coordinating and implementing the Contingent Emergency Response; (ii) specific activities which may be included in the Contingent Emergency Response, Eligible Expenditures required, and any procedures for such inclusion; (iii) financial management arrangements for the Contingent Emergency Response; (iv) procurement methods and procedures; (v) documentation required for withdrawals of Financing amounts to finance Emergency Expenditures; (vi) a description of the environmental and social assessment and management arrangements for the Contingent Emergency Response Part; and (vii) a template Emergency Action Plan. The Emergency Action Plans are subject to approval of the World Bank. Each country shall ensure that the structures and arrangements referred to in the CERC Manual are maintained throughout the implementation of the Contingent Emergency Response, with adequate staff and resources satisfactory to the World Bank. Activities under the Contingency Emergency Response shall be undertaken only after an eligible crisis or emergency has occurred.

Project Financing

77. Financing of country-level activities supported by the project will be through IDA credits and grants of SDR 67 million (US$90 million equivalent) for Burundi and SDR 113.2 million (US$152 million equivalent) for the DRC, reflecting the IDA financing terms applicable to each country. In addition, COMESA will receive a SDR 6 million (US$8 million equivalent) IDA grant, from the IDA Regional Window to implement regional activities that are linked to the project as well as activities that support the strategic objectives of IDA on regional integration. The project will be implemented in close coordination with other development partners that may finance complementary interventions. A summary of the costs of the project is provided in table 5.

78. The proposed project meets the criteria for IDA Regional Window Financing as (a) it covers a post conflict country (the DRC and Burundi), and contiguous and economically inter-dependent countries (DRC, Burundi); (b) it enhances trade connectivity among these countries; (c) the expected gains from trade cannot be fully achieved without the direct and integrated involvement of both countries as they share borders; and (d) the expected benefits can only be achieved through the simultaneous implementation of an integrated set of infrastructure investments backed by complementary trade policy and procedure reforms in the countries sharing borders including borders around Lakes Kivu and Tanganyika. Interventions will be coordinated through the Regional Coordinating Committee as well as through direct interactions between the implementing agencies.

Table 5 Summary of Project Costs

Component and sub-component	Burundi	DRC	COMESA	Total
Component 1: Improving policy and regulatory environment for cross-border trade				***43.0***
1.1 Policy reform and Simplification of procedures for small scale traders and	6.5	12.5		
1.2 Implementation of smart border system	7	11		
1.3 Coordination and Monitoring Regional Integration			6	
Sub-total	***13.5***	***23.5***	***6***	
Component 2: Improvements to core trade infrastructure				***147.5***
2.1 Rehabilitation and modernization of border posts	20.5	28		
2.2 Construction and development of border markets	5	11		
2.3 Improvement of lake ports	20	30		
2.4 Rehabilitation of local access roads	12.5	20.5		
Sub-total	**58**	**89.5**		
Component 3: Support to commercialization of cross-border value chains				***37.5***
3.1 Investments in facilities to add value to products	6	15.5		
3.2 Promoting exports of select products	2.5	4.5		
3.3 Labeling, certification, and conformity of selected products	3	6		
Sub-total	***11.5***	***26***		
Component 4: Implementation and monitoring and evaluation				***22.0***
4.1 Implementation support and communication	5	10	1	
4.2 Project M&E	2	3	1	
Sub-total	***7***	***13***	***2***	
Component 5: Contingent Emergency Response				***0.0***
Total	**90**	**152**	**8**	**250.0**

C. Project Beneficiaries

79. The primary beneficiaries of the project are (a) cross-border traders, including women and youth; (b) producers, including smallholder women and youth farmers; (c) trade service providers (for example, transporters, boat operators), market vendors including women and youth in the border areas; (d) port authorities and border officials, medium and small scale enterprises and (e) trade officials in COMESA states.

D. Results Chain

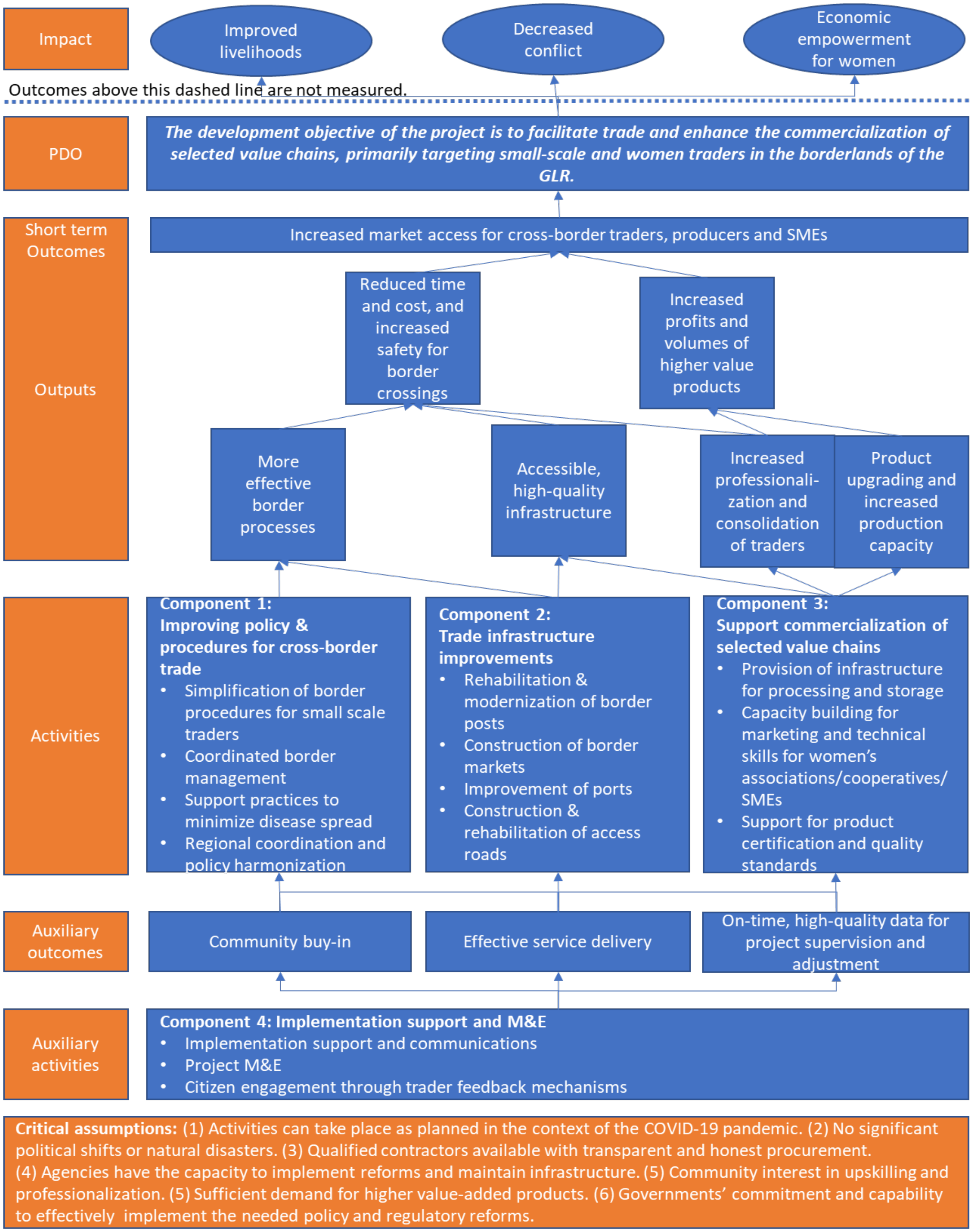
80. The GLTFIP was developed through a consultative process with recipients, and beneficiaries. The PDO reflects the project's target group (beneficiaries) and the measurable benefits that the group will accrue through the successful implementation of the project. The project's theory of change is, therefore, intended to be directly responsive to the PDO and provide the logical framework linking the particular interventions to the overall objective, as measured through the indicators. This logical framework, or "Theory of Change chain," is illustrated below in Figure 3.

81. The fundamental constraints to increased trade in the GLR are a result of a mix of poor infrastructure, insecurity, cumbersome trade requirements, poor handling of products post-production, and limited trust between traders and border agencies, among other factors. The project design therefore incorporates interventions to address several of the constraints, combining policy and procedure reforms, improvements to infrastructure, training and capacity building and technical assistance to improve the supply of goods to markets across the international borders. The interventions are designed to reduce the cost and time to trade, and improve the volume and quality of goods that are traded. In the medium and long term, the project outcomes should reflect in improved livelihoods for traders, and based on empirical evidence, reduced probability of conflict among the trading communities in the borderlands.

E. Rationale for Bank Involvement and Role of Partners

82. The World Bank offers significant value to the proposed operation through its capacity to combine the provision of financing, TA, and ability to convene communities, governments, and regional entities. The World Bank has significant experience in developing and supporting the implementation of geographically based growth-oriented trade programs. Both DRC and Burundi are fragile environments, and the World Bank can draw upon a wealth of experience in both countries, along with other FCV environments. The project also builds directly upon work done from the preceding GLTFP project, as described below. Based on its experience in improving trade infrastructure and supporting small-scale producers (in existing and pipeline projects across sub-Saharan Africa and globally), the World Bank can directly reflect lessons learned from these programs into the design of the current project.

Figure 3: Project Theory of Change



83. The World Bank has a comparative advantage in supporting the implementation of multisectoral and multi-country projects, and the World Bank has an important portfolio of projects in the GLR that are complementary to the proposed operation. Experience of the GLTFP (P151083), consultations with government authorities, women associations, traders, statistical offices, donors, and United Nations agencies in each country, as well as the considerable analytical work by the World Bank and others, confirm the project interventions are the mix needed to improve trading conditions in the borderlands of the GLR. The World Bank brings the necessary global and local operational experience, the analytical base, and the country engagement in both Burundi and the DRC to support this high risk and high reward operation.

F. Lessons Learned and Reflected in the Project Design

84. **The design of the project reflects several lessons from similar operations but more specifically the GLTFP (P151083).** Some of the pertinent lessons are the importance of:

(a) *Engaging all stakeholders but especially small-scale traders, women, and youth, to identify key constraints and bottlenecks in cross-border trade*. Preliminary discussions have helped define the potential scope of the proposed interventions on value chains. As implementation commences, it will be necessary to work with a team consisting of key stakeholders and leaders and elaborating the objectives they will commit to achieve within defined time periods.

(b) *Advancing technical designs and ESF instruments.* One source of delay with the GLTFP was the time it took to finalize engineering designs for civil works and the procurement processes afterward. Some of the critical designs and tender documents have been drafted and will be finalized before appraisal of the proposed project.

(c) *Retaining flexibility.* The GLTFP had to contend with several risks, including health (Ebola, COVID-19), political economy, boundary demarcations, etc. Given that the proposed project is a high-risk operation on several fronts, it is important to adopt a flexible approach in project design and implementation. This will entail learning from experience in implementing each component of the project and adapting approaches and strategies for subsequent components. This is deemed quite critical given the fragile and continually changing nature of the context.

(d) *Continuing analytical work.* Complementary to the above approach, it is proposed to, in parallel, continue analytical work by working with different partners. Available Trust Funds and other resources will be sought to support analytical work with these or similar institutions. These initial ideas will be further defined as the project moves forward.

(e) *Providing close supervision.* The innovative nature of project interventions in a dynamic environment requires close implementation support from the World Bank. The World Bank's implementation support plan should envisage physical presence in the eastern DRC, in either Bukavu or Goma, to follow-up on activities, engage with stakeholders, and to provide timely inputs.

(f) *Applying appropriate synchronization and sequencing:* The World Bank Independent Evaluation Group recommended the importance of a proper sequencing of interventions in FCVs in order to build confidence and transform institutions. In addition, the Independent Evaluation Group (IEG) among others, recommends having a strong country commitment to regional cooperation; matching the scope of objectives with national and regional capacities; and ensuring sustainability after external support ends. The recommendations have been confirmed in the GLTFP and will be adopted for the proposed project, especially under Components 2 and 3.

(g) *Working with a regional organization to share knowledge and scale up interventions:* Under the GLTFP COMESA has been particularly effective at coordinating among the countries to share knowledge on emerging lessons beyond the group of countries participating in the project. Knowledge sharing was particularly valuable and timely during the COVID-19 pandemic, when the GLTFP pioneered some of the lessons that have since been adopted in a few other countries. It is expected that COMESA will play a similar role under the proposed project. However, it is important that the project also benefits from COMESA's technical expertise. Such expertise will be available to the project through a Project Steering Committee to be composed of Directors of different divisions of COMESA.

(h) *Adapting value chain interventions to specificities of products and chain organization:* A review of more than 100 other value chain projects that have been supported by the World Bank in different regions[21] found that, among other factors: (a) each scheme has to be tailored to local conditions and specific market failures; (b) each scheme should be specific, to types of investments and beneficiaries; (c) subsidies for agricultural projects need to be carefully calibrated so as not to distort the market; (d) each scheme needs clear economic objectives and economic analysis; and (e) there should be a specific manual setting out the process for grant application, evaluation, disbursement, and monitoring.

85. All the above lessons have been incorporated in the design of the project. More specifically, the project builds on and complements the GLTFP (P151083) that has been under implementation since 2015. The GLTFP focuses on cross-border trade between the DRC, Rwanda and Uganda. The complementarities would be in the thematic focus of both projects on facilitating small scale trade in the GLR. The proposed project scales up some of the interventions under the GLTFP, including those introduced in response to the COVID-19 pandemic. However, and in addition, the proposed project then also explicitly includes improvements to transport connectivity, the regulation and facilities for trade in agricultural products and the development of selected value chains of importance to the border communities. The GLTFP offers several lessons that are to be reflected in the design of the current operation, mainly regarding how to maximize synergies between policy and procedure reforms and infrastructure improvements to facilitate trade, especially by small producers and scale traders.

86. The proposed operation builds on or complements several other World Bank projects in the GLR. These include the Regional Great Lakes Integrated Agriculture Development Project (P161255) being implemented in the context of the WBG's Great Lakes Strategy and the closed East Africa Agriculture Productivity Project (P112688). For instance, the proposed improvements to Buganda and Nyamoma border posts complements the investment in a bridge between the two that will be funded under the Regional Integrated Agriculture Development Project (P161781). In South Kivu, the project will build on studies and work of the Regional Great Lakes Integrated Agriculture Development Project and the work done under the Regional Integrated Agriculture Development Project (P161781), the Local Development for Jobs Projects (P155060) and TradeMark East Africa, that have identified several commodities with a big potential of regional trade. The proposed project will also complement relevant national projects that are supporting competitiveness and growth by delivering improved border infrastructure and a policy environment that facilitates regional market access and trade. These include the Burundi Agro-Pastoral Productivity and Markets Development Project (P107343), and the DRC Eastern Recovery Project (P145196). In addition, the project is being developed in close consultation with the proposed Burundi Road Infrastructure Resilience Project (P172988) which aims to improve a section for a key road in Burundi (RN3) that connects Bujumbura to the port of Rumonge in the south. The project will also complement projects being implemented by development partners in the region, such as the Agence Française de Développement, African Development Bank and TradeMark East Africa.

[21] World Bank. "Agriculture Finance Note #1—Lessons Learned from World Bank Projects Using Matching Grants" (World Bank, Washington, DC, 2017).

87. On the proposed value chain interventions, the proposed project will learn from the experience of other projects in both Burundi and DRC. Two WBG projects are currently supporting the development of agricultural value chains in Burundi. The Regional Integrated Agriculture Development Project (P161781) is focusing on three agricultural value chains (VCs) (maize, rice, and dairy milk in the specific region, the Cibitoke-Makamba corridor), while the Local Development for Jobs Project (P155060) is supporting SMEs active in fruits and fishing value chains. In DRC, the Regional Great Lakes Integrated Agriculture Development Project (P143307) is focusing on several agriculture value chains, though it does not have a focus on cross border and export trade. Further, the proposed project will draw lessons from the Western Growth Poles Project for DRC (P124720) in Western Congo, regarding the organization of the support to value chain development and trade facilitation, notably the experience of working with United Nations Industrial Development Organization. The project will also draw on the sector scan by International Finance Corporation (IFC) in June 2015 to identify agricultural subsectors ready for commercial investment. The scan pointed to potential opportunities in commercial investment in rice, dairy, beef meat, cassava, maize, and wheat subsectors, as well as opportunities for import of fisheries, potatoes, and palm oil. Further, TradeMark East Africa, have identified several commodities with a big potential of regional trade, specifically fisheries, fruits, palm oil, rice, maize, dairy, vegetables, potatoes, tomatoes, essential oils (patchouli, moringa), as well as opportunities for import of cassava, maize, beef meat, etc. The project will coordinate closely as well with the two jobs and economic transformation (JET) projects, the pipeline one in Burundi (P177688) and a recently approved operation in DRC (P178176). Whereas the project focuses on commercialization of trade related value chains in the borderlands, the JET projects have a wider scope in terms of both geographical, SME, and value chain coverage.

III. IMPLEMENTATION ARRANGEMENTS

A. Institutional and Implementation Arrangements

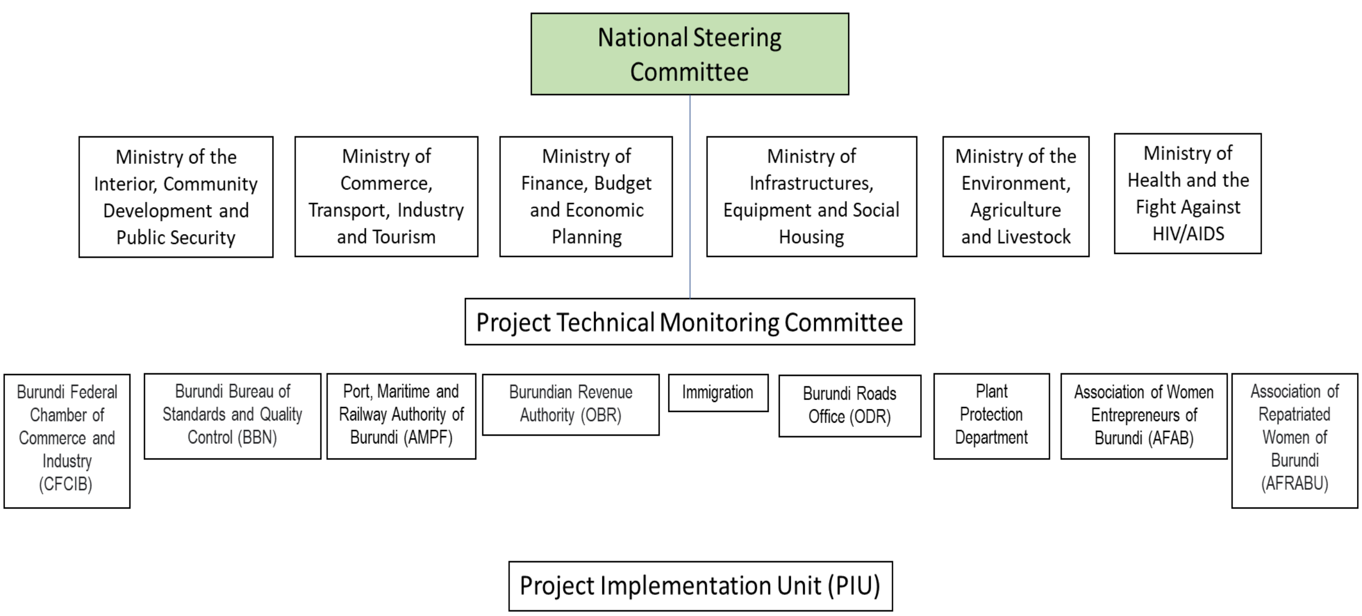
88. **Burundi**: The PIU, under the Ministry of Finance and Budget and Economic Planning (MFBEP), was responsible for the preparation of the project. Before the project becomes effective, the PIU will be transferred to the Ministry of Commerce, Transport, Industry and Tourism (MTTIT) where it will be responsible for the planning, implementation, and management of all components, financial management, procurement, communication, and M&E of the project. Project preparation advances (PPAs) totalling US$3 million were approved and disbursed to Burundi in 2017 and 2021. The PPAs were used to operationalize and build capacity for project implementation and management. The PIU has already hired several key staff with PPA funds (Project Coordinator, Trade Facilitation and Private Sector Specialist, Procurement Specialist, Administrative and Financial Officer, Environmental and Social E&S Officer, M&E Officer). The organizational structure of the PIU is illustrated in Annex 1. The PIU has an effective mandate to exercise its authority and has been able to use the advance to: (a) conduct Environmental and Social Impact Assessment (ESIA) and draft bidding documents for proposed project interventions; (b) conduct feasibility studies for infrastructure works; (c) conduct limited baseline studies as part of M&E for key performance indicators; and (d) establish an accounting system and arrange for the training of PIU staff for the management of World Bank-financed projects. The PIU will lead implementation of all aspects of the project, in close coordination with line agencies and ministries of the government.

89. Above the PIU, a National Steering Committee was established during preparation and will be maintained to provide policy guidance and oversight to the beneficiaries and implementing agencies of the project. The Committee is chaired by the Minister of Commerce, Transport, Industry and Tourism and is composed of the Permanent Secretaries General of the ministries of Finance, Budget, and Economic Planning; Commerce, Transport, Industry and Tourism; Infrastructure, Equipment and Social Housing; Interior, Community Development and Public

Security; Environment, Agriculture and Livestock; and Public Health and the Fight Against HIV/AIDS. The heads of technical agencies such as Commissioner General of the Burundi Revenue Office (OBR), the Commissioner General at the Office of Immigration, the Director General of the Burundi Bureau of Standardization and Quality Control (BBN), and the Director General of the Burundi Road Agency, the Director General of the Maritime, Port and Railway Authority (AMPF), and the President of the Federal Chamber of Commerce and Industry of Burundi (CFCIB), will participate by invitation in meetings of the National Steering Committee.

90. A Project Technical Monitoring Committee was created in April 2021, comprising focal points from the public and private sectors, including the Ministry of Commerce, Transport, Industry and Tourism; the Ministry of Infrastructure, Equipment and Social Housing; the Association of Women Entrepreneurs of Burundi (AFAB); the Association of Repatriates of Burundi (AFRABU); the General Commissariat of Migration; the Burundi Revenue Office; the Federal CFCIB; and so on. The role of the Technical Committee, chaired by MTTIT, is to represent the main stakeholders of the project and to lead the technical coordination and monitoring of its implementation. The Committee oversees the project strategy and implementation, reviews the quarterly report, and reports to the National Steering Committee. The Project Technical Monitoring Committee meets at least once a quarter or as often as needed upon invitation of the Chair and deputy chair in case of the latter's absence. Specific meetings of the Technical Monitoring Committee will be held when necessary, involving only the direct beneficiary agencies (Ministry of Commerce, Transport, Industry and Tourism, the Burundi Revenue Office, the General Commissariat for Migration, the Ministry of Infrastructures, Equipment and Social Housing). The roles of the different levels of the implementation arrangements in Burundi will be defined in the Project Implementation Manual.

Figure 4: Schematic Representation of Implementation Structure for Burundi



91. **DRC**: The implementation structure established under the GLTFP (P151083) will continue to manage the project. The two units are the *Unité de Gestion de Programme* (UGP) and the Cellule Infrastructure (CI) of the Ministry of Infrastructure and Public Works. Decentralization should be the main principle for project implementation. The project office will be in South Kivu, which is where the coordinator will be based. A liaison office will remain in Kinshasa to coordinate the policy dialogue with the authorities.

92. Based on experience and feedback from the GLTFP, the project will recruit a project coordinator and a dedicated team of specialists for Environment and Social, including Gender-Based Violence (GBV) specialists, Financial Management and Procurement specialists, and a Security specialist. These experts will be responsible for all components of the project and will work for both UGP and CI. Overall management will be provided by the two coordinators. The overall organizational structure of the implementation arrangements in the DRC is illustrated in Figure A1.2. Capacity building will be organized for the environment and social team on E&S instrument implementation in line with the World Bank's new Environmental Socials Framework, including the Good Practice Note for addressing sexual exploitation and abuse and sexual harassment in IPF involving Major Civil Works.

93. The Inter-Ministerial Project Steering Committee chaired by the Ministry of Commerce Extérieur (MoC) was created as an oversight mechanism for the GLTFP, consisting of ministers and Director Generals from the MoC (Secretariat), Finance, Interior, Public Works, Agriculture, General Directorate of Customs and Excise (DGDA), General Directorate for Migration (DGM)**,** Standards Office (*Office Congolais de Contrôle*), Plant Quarantine Service (SQV), Animal and Fish Quarantine Service (SQAH) and Health/Hygiene. Under the proposed project, the Governor of South Kivu will join the Inter-Ministerial Committee and will oversee all activities on the ground and provide overall strategic direction and supervision, including approving annual work and budget plans and reviewing regular progress reports. The steering committee will also communicate recommendations to other institutions engaged in trade. The project will be implemented under the overall coordination of the UGP that was established within the MoC's Secretariat General. The difference during implementation is that UGP will be based in Bukavu and not Kinshasa. Only one officer of UGP, the Trade and Regional Integration Expert, will be based in Kinshasa while the rest will be based in Bukavu. UGP will be responsible for implementation of Components 1, 3, and 4, overall planning implementation of the project, M&E, and coordination with other beneficiaries and the provincial PIU. The implementation of Component 2 will be entrusted to the CI, a technical body of the Ministry of Infrastructure and Public Works (MIPW) with recognized technical expertise and experience regarding donor financed infrastructure projects in the eastern DRC.

94. A National Consultation Committee (*le Conseil Consultatif*) will be established in Kinshasa and will be chaired by the PS (Secretaire General Trade). It will include all focal points from the ministries listed for the National Steering Committee and all beneficiaries of the project. A focal point will be designated in each beneficiary agency, namely, DGDA, DGM, PNHF, OCC, SQV, SQAH and Hygiene. The National Consultation Committee will oversee the project implementation and will be the bridge between the national level and the provincial level and they will review quarterly reports, financial reports, and other strategic documents and they will report to the National Steering Committee.

95. **Decentralized implementation.** A provincial technical committee (PTC) has been created in South Kivu to identify areas of intervention, validate subprojects, and engage with beneficiary groups and civil society. This committee creates a forum for two-way communication between traders and the provincial administration. The PTC will be chaired by the Governor and will include provincial ministries of Trade, Finance, Infrastructure, and Transport, and provincial directors of the DGDA, DGM, PNHF, OCC, SQV, SQAH and Hygiene and representatives of small-scale traders and civil society. The PTC will take the lead in the coordination of the agencies and the implementation of all activities on the ground for all components.

96. A designated account will be opened in South Kivu, which is where the UGP will be located. Another designed account will be opened in Kinshasa where CI is located.

97. **COMESA:** Although the two project countries will be responsible for implementing activities at the national level, COMESA will play a convening role, supporting regional knowledge sharing and advocacy efforts on facilitating small-scale cross-border trade. A more detailed description of implementation arrangements at COMESA is provided in Annex 1.

98. COMESA is the most appropriate regional institution to support the project given its wide membership and its established work program supporting small-scale traders through its regulations on small-scale trade and its STR. To that end, COMESA will implement specific activities under Component 1 related to trade facilitation and policy harmonization. The project will leverage the existing regional coordination committee (RCC) established under the GLTFP, but transform it so that Burundi and DRC become core members. Other countries may participate (by invitation) in the discussions of the RCC but the participation of Burundi and DRC will be required to form a quorum for meetings of the RCC. The RCC will comprise the representative of each of the project countries from the national steering committee and it will be chaired by one of the members in rotation. At least twice a year, the RCC will be formally organized to assess the state of project implementation, discuss progress with harmonization of policies, rules, and regulations; provide necessary oversight and guidance on implementation; as well as to monitor and evaluate results of the project. The COMESA Secretariat will undertake the responsibility of secretary for organizing meetings of the RCC. At the COMESA Secretariat level, the Assistant Secretary General – Programmes (ASGP) will represent the Secretary General during the RCC meetings. The Director of Trade and Customs, the Head of Resource Mobilization and International Cooperation, and the Project Coordinator will participate in the RCC meetings ex officio to service the meetings. Additional staff from both the Secretariat and the national level can be invited to attend the RCC on a case-by-case basis and based on the agenda items to be discussed. The Secretary General will ensure high-level representation of each of the project countries.

99. At COMESA, the project will have a Project Steering Committee (PSC) that is housed within the ASGP's office and serviced by the Unit of Resource Mobilization and International Cooperation. The PSC will be composed of the Directors of Trade and Customs, Gender and Social Affairs, Budget and Finance, Industry and Agriculture, Infrastructure and Logistics, and the Heads of Governance, Peace and Security, Strategic Planning and Research, and Statistics. Its role is to effectively oversee project implementation and coordinate among the stakeholders. The PSC will meet at least twice a year. The Division of Trade and Customs, in collaboration with the Resource Mobilization and International Cooperation Unit, will take the lead in organizing the PSC and the RCC meetings, in consultation with the office of the ASGP. The Resource Mobilization and International Cooperation Unit will provide the necessary technical support at the policy level through the PSC and ensure maximum synergies and no duplications with other development partner projects. The Gender and Social Affairs Division will also play an important role in the project, including providing technical guidance on the gender awareness raising activities, capacity building for women and youth, and promotion of the digital platform for women in business. The Division of Trade and Customs will host the overall project implementation unit like the one under the GLTFP but with slight modification to ensure full integration and sustainability of the project activities, long after the World Bank funding.

Figure 5 Implementation Structure for DRC

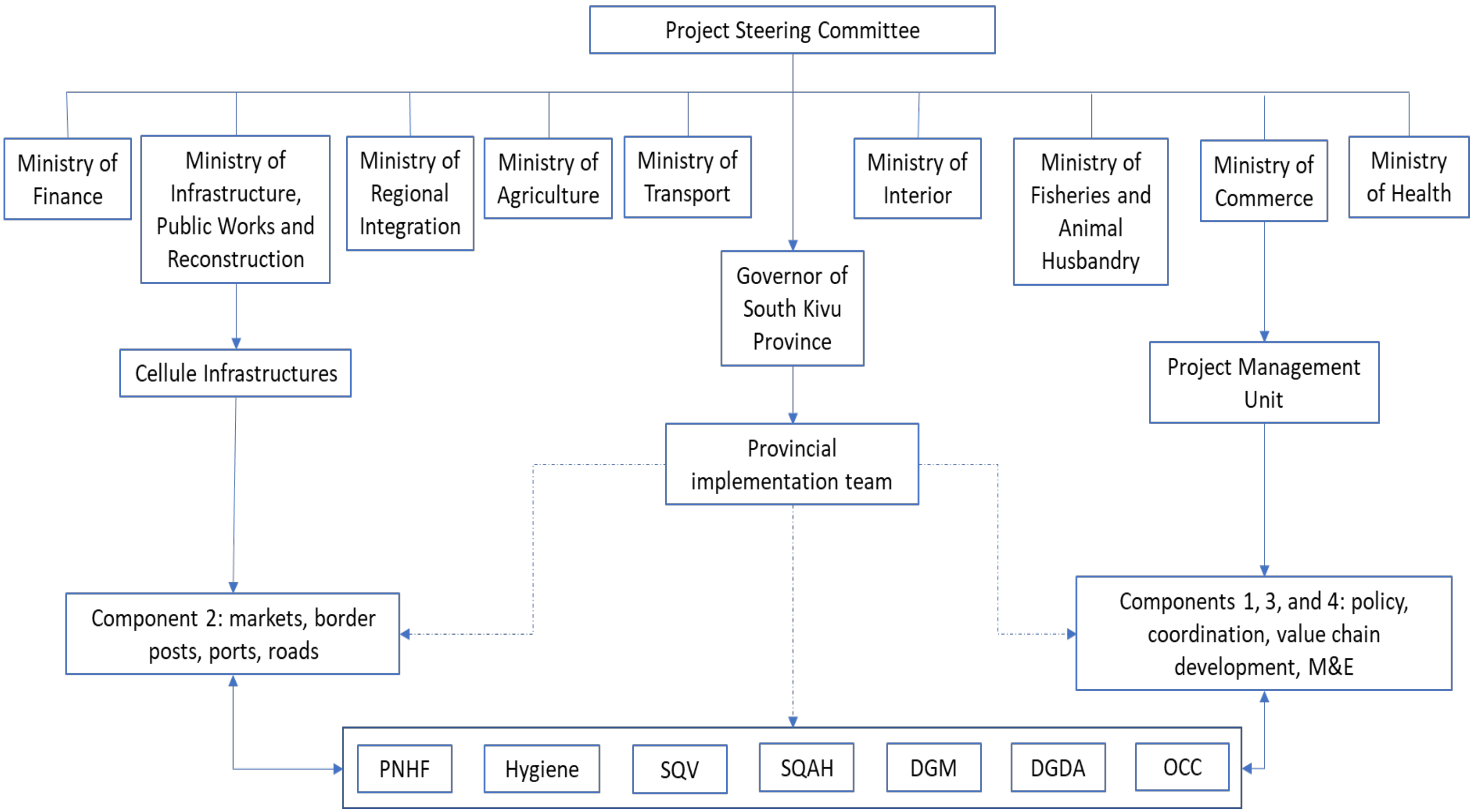
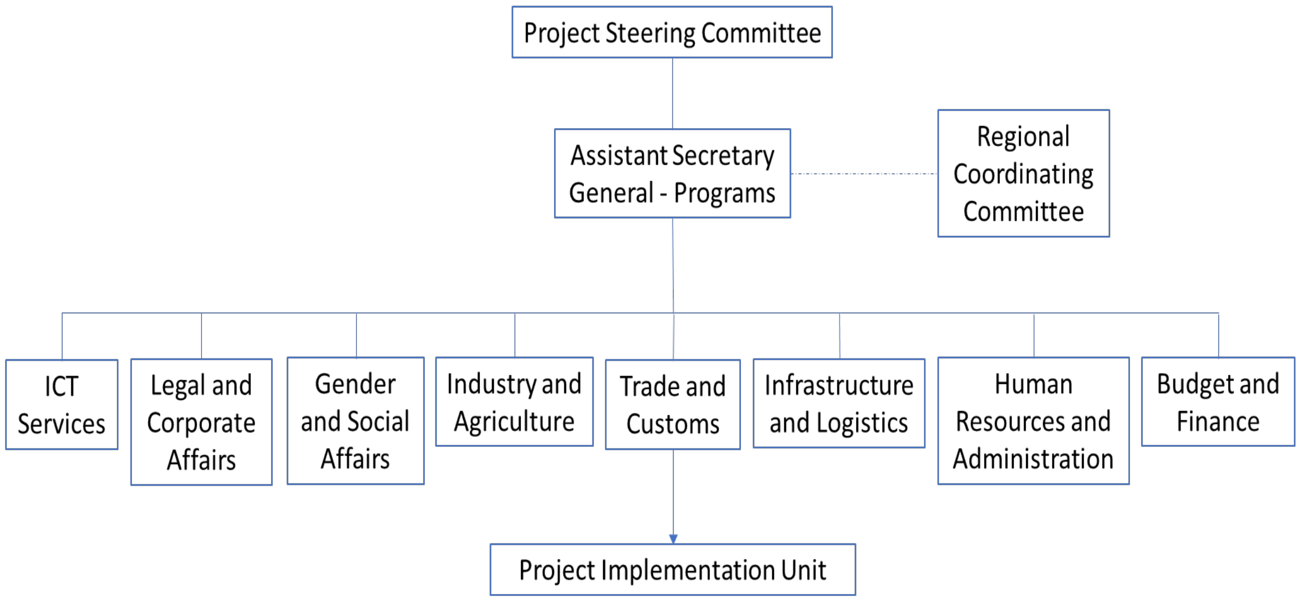


Figure 6 Implementation Structure for COMESA



100. It is further proposed that a formal Technical Implementation Team/Committee, consisting of technical officials/experts from the COMESA Secretariat for each of the project's thematic areas (components), namely Trade and Customs, Gender and Social Affairs (Policy and Regulatory Reforms), Infrastructure and Logistics (Infrastructure component), Industry and Agriculture, Resource Mobilization and International Cooperation, Public Relations, Monitoring and Evaluation (for Regional Coordination, Communication and M&E component) be established to provide the necessary technical support to the Division of Trade and Customs in ensuring overall institutional ownership and smooth implementation of the project. These experts shall be nominated by their respective heads of divisions and units from regular staff and shall work closely with the PIU to support implementation of the specific components and to increase participation of the respective divisions and units in the implementation of project activities. The technical implementation team will be formalized so the project can benefit from COMESA's broader technical expertise.

101. The COMESA Secretariat will appoint a project counterpart from its senior staff within the Division of Trade and Customs. The appointed counterpart will work closely with the team of experts to be recruited to support the implementation of the project. This support team will include the Project Coordinator, Trade Expert, the Procurement Expert, M&E Expert, Regional TIDO Coordinator, Project Accountant, and Administrative Assistant. The organizational structure of the implementing unit at COMESA is illustrated in Annex 1. The project team will be supported as needed with consultants experienced in technical, legal, environmental, social, and sexual exploitation and abuse/sexual harassment (SEA/SH) areas, and in trade facilitation.

B. Results Monitoring and Evaluation Arrangements

102. Each country and COMESA will be responsible for managing the collection and reporting of data under each component and at the PDO level for project M&E purposes. This includes, among other things, monthly, biannual, and end-of-project surveys as needed. Resources under Component 4 of the project are provided to support the project implementation agencies to either coordinate or conduct (or both) the M&E activity, and to build the capacity to do so.

103. The ultimate responsibility for project M&E falls to the lead implementing agency in the two countries and COMESA (Ministry of Commerce in the DRC, Ministry of Commerce of Burundi, and the Division of Trade at COMESA). Each lead agency, through its PIU, will manage the collection of data, including conducting project surveys or other data collection activities as necessary following the survey methodologies agreed to by the parties and detailed in a manual. The lead agencies will coordinate where appropriate with relevant agencies (for example, customs agencies, revenue agencies, or national statistics bureaus) and may contract organizations or consultants to collect or access data for use in M&E reporting. It is the responsibility of each lead agency to develop a comprehensive M&E plan, designating responsibilities for data collection, processing, and reporting at the country or organization level. M&E plans for each project party are to be included in the manual.

104. Resources have been allocated where necessary for the lead agency to retain an M&E specialist to oversee project M&E on behalf of the recipient. The M&E specialist should have experience conducting M&E of World Bank or other donor projects and a background or training in M&E methods and data collection and analysis. The specialist should also have the capacity and willingness to work in the field at the project locations, manage teams of enumerators in undertaking surveys, and develop relationships with partner agencies in the government (for example, statistics bureaus and customs/revenue) or outside organizations as needed to acquire and manage data for M&E purposes. The specialist will also be tasked with coordinating M&E activities with counterparts in the other project countries and COMESA.

105. Though project countries and COMESA will have independent responsibilities for managing their own data collection, COMESA will coordinate across the parties for data aggregation and project-level reporting.

106. Implementing agencies are responsible for providing the required information to feed mandatory project reports as detailed in each recipient's Financing Agreement (FA) (see Schedule 2 Section II(A)). Reports include twice-yearly Implementation Status Reports (ISRs), the Mid-Term Review (MTR), and the Implementation Completion and Results Report (ICR). For each of these reports, the project teams should provide updated results for the indicators. The results framework, therefore, should be updated twice per year with as up-to-date data as are available (from monthly and twice a year surveys or other data collection activities).

107. ISRs: The World Bank will conduct twice a year supervision missions and complete the ISRs thereafter based on information received from the implementing agencies and the RCC. Across the life of the project, ISRs are due six months from the date of previous sequence approval. Implementation support missions will be planned to precede these dates. Project teams should plan M&E data collection and reporting to take place prior to the ISR deadlines.

108. MTR: Per FA Schedule 2 Section II(A)2., the implementing teams must provide the World Bank a draft report no later than two months before the due date of the MTR, which is 30 months following the effectiveness date. Because of different effectiveness dates between the project parties, the precise deadlines for providing the MTR will vary. Nevertheless, for M&E-related input to the MTR, project teams should use the numbers generated in the most recent M&E report prior to the MTR deadline.

109. ICR: The final project report will include the final M&E data for all indicators in the results framework collected and analyzed at the close of the project. The ICR is due six months from the project closing date and will include borrowers' ICR and comments to the draft World Bank ICR.

C. Sustainability

110. The project will be implemented using existing arrangements in both Burundi and the DRC and at COMESA. The project will be managed by the structures that were established during preparation in Burundi and for the GLTFP in the DRC and at COMESA. The capacity of each entity was assessed during appraisal and regular reviews and enhancements will be made as needed during implementation of the project. The project would also finance various training courses for leadership, change management, communication, project cycle management, M&E, and financial management, with the aim of ensuring sustainability and creating operational capacity within the administration.

111. Through the JBCs to be established or strengthened, the project will support the mechanisms for sustainable management and maintenance of infrastructure at the borders. At present, each agency has had to maintain its own facilities, but as integrated facilities are introduced it would be important to have clear governance structures for their maintenance. Bridges shared by pairs of countries are also critical. The implementing agencies for the infrastructure components are agencies that normally maintain transport infrastructure in each country so the project will support the development of clear procedures for such shared facilities.

112. The development of a robust system of M&E in the administration is a feature of the project. The project will develop a system to capture progress in improving conditions for cross-border trade, including, inter alia, the efficiency of cross-border operations, the relationships between border officials and cross-border traders, and the broader impact on conflict-affected communities. The project will include a specific and concrete set of measurable indicators upon which project progress can be monitored, measured, and evaluated. Monitoring of those indicators will be undertaken by the responsible administration in each country and will be part of the performance evaluation sheet for the customs and immigration officers to develop their ownership and responsibility and to ensure sustainability of the actions.

113. The creation of a Regional Steering Committee and JBC among the concerned border management services, which will be created under Component 1, will play a key role in the sustainment of policy dialogue and the coordination of the cross-border management at the regional level.

IV. PROJECT APPRAISAL SUMMARY

A. Technical and Economic Analysis

114. The project design proposes innovative practical solutions to improve trade integration at the local level in the GLR. It aims to address issues that affect some of the most vulnerable members of society, especially women in commerce in the borderlands who face harsh trading conditions that expose them to bureaucratic hurdles and harassment. The proposed operation is based on extensive research in eastern and southern Africa over several years and would support continued analysis during implementation. The design reflects the knowledge the World Bank has gained from operations in FCV environments and the recommendations that have been made to manage attendant risks. Deliberate steps were taken to adapt the design while maintaining the inherent coherence and complementary aspects of the proposed interventions.

115. The analysis of the expected economic impact of the project uses two approaches: first, a component-by-component analysis, followed by a combined analysis to better account for the complementary nature of project interventions. The estimation of the economic rate of return is based on the estimation of potential increased incomes to small-scale traders and the growth in overall trade volumes (and value) because of the project activities and investments. For the analysis, increases in income and trade values are estimated as project income—therein applying the discounted cash flow model for financial analysis of private investments within the context of the project. The combined analysis applies higher impact assumptions to account for the fact that the combined effect of project interventions is greater than the sum of the parts.

116. Data for the analysis were collected through project counterparts, supplemented by internationally available data (for example, Famine Early Warning Systems Network and World Food Programme data), along with benchmarks from similar countries where the required data are not available. The following describes the approach for the component-by-component analysis.

117. **Components 1 and 2**: Activities and investments under Components 1 and 2 address constraints to trade at the border from different angles. In essence, the more effective border processes supported under Component 1 and better and more accessible infrastructure supported under Component 2 contribute to reduced time and costs for cross-border trade. Empirical evidence such as that documented by Nordas, Pinali, and Geloso Grosso [22] and Fafchamps, [23] shows that time and cost barriers reduce trade volumes, increase inventories and spoilage, and reduce the likelihood that firms enter export markets. Activities that address trade constraints reduce trade time and costs and thus contribute to an increase in trade volumes. Given that evidence, our analysis of these components focuses on expected increases in trade value by comparing scenarios with and without the project interventions. Without the project, we estimate that total trade values are a function of the number of transactions and average transaction value, while the number of transactions is expected to increase under the project scenario.

118. Based on the difference in expected trade values with and without the project, the economic rate of return (ERR) for investments under Components 1 and 2 is estimated at 26 percent. The Net Present Value (NPV) at two discount rates is provided in Table 6.

Table 6 Estimated net present value of Components 1 and 2 of the project

Discount rate	NPV
15%	US$84 million
12%	US$136 million

119. **Component 3**: This component will support agribusiness trade, with specific value chains targeted. We assume that the effects will be achieved through increased revenues for producers/traders receiving financing and technical support. Based on empirical literature such as Tan and Lopez-Acevedo, [24] Diao et al., [25] and Sarder,

[22] H. K. Nordas, E. Pinali, and M. Geloso Grosso, "Logistics and Time as a Trade Barrier" (OECD Trade Policy Working Papers, no. 35, OECD Publishing, 2006), doi:10.1787/664220308873.
[23] M. Fafchamps, Chapter 7, “Inventories and Contractual Risk” in *Market Institutions in Sub-Saharan Africa* (Cambridge, MA: MIT Press, 2004), 137–49.
[24] The World Bank, “Evaluating Training Programs for Small and Medium Enterprises: Lessons from Mexico” (Policy Research Working Paper 37602005, World Bank, Washington, DC, 2005).
[25] X. Diao and others, “Accelerating Africa’s Food Production in Response to Rising Food Prices” (International Food Policy Research Institute IFPRI Discussion Paper 00825, 2008).

Ghosh, and Rosa, [26] we assume that increased professionalization of traders and product upgrades will lead to higher revenue growth rates for traders and smallholders operating in the targeted value chains. Because interventions are targeted at improving the quality and certifications of traded goods, we estimate the impact will be in addition to historically observed price growth rates.

120. With the assumptions noted previously, the component ERR is estimated at 16 percent. Table 7 shows the NPV at two discount rates.

Table 7 Estimated Net Present Value of Component 3

Discount rate	NPV
15%	US$1.8 million
12%	US$6.6 million

121. **Component 4**: Project interventions under this component were not included in the analysis. However, the costs of the activities will be included in the combined analysis, as they are an integral part to the full implementation of the project.

122. **Combined analysis:** Given the support provided by the various studies noted earlier, we estimate the combined impact of the various project interventions. The premise for this combined analysis is that while the different project components would affect local beneficiaries in the regions where project interventions are planned, the complementarity of these components results in a much larger benefit than any of these individual interventions. Constraints in the institutional framework for trade are addressed under Component 1, while Component 2 finances better transport infrastructure to access border crossings. Component 3 provides support to improve the quality and consistency of goods to be traded at these border crossings. In combination, these investments and activities can address direct constraints to trade, but also facilitate the development of other sectors, such as broader growth within the agribusiness industry. To account for these benefits, we amplify our assumptions related to the project's channels of impact across the components.

123. With the assumptions noted previously, the combined ERR of the project is estimated at 26 percent. Table 8 shows the NPV at two discount rates.

Table 8 Estimated Economic Rate of Return of the Project

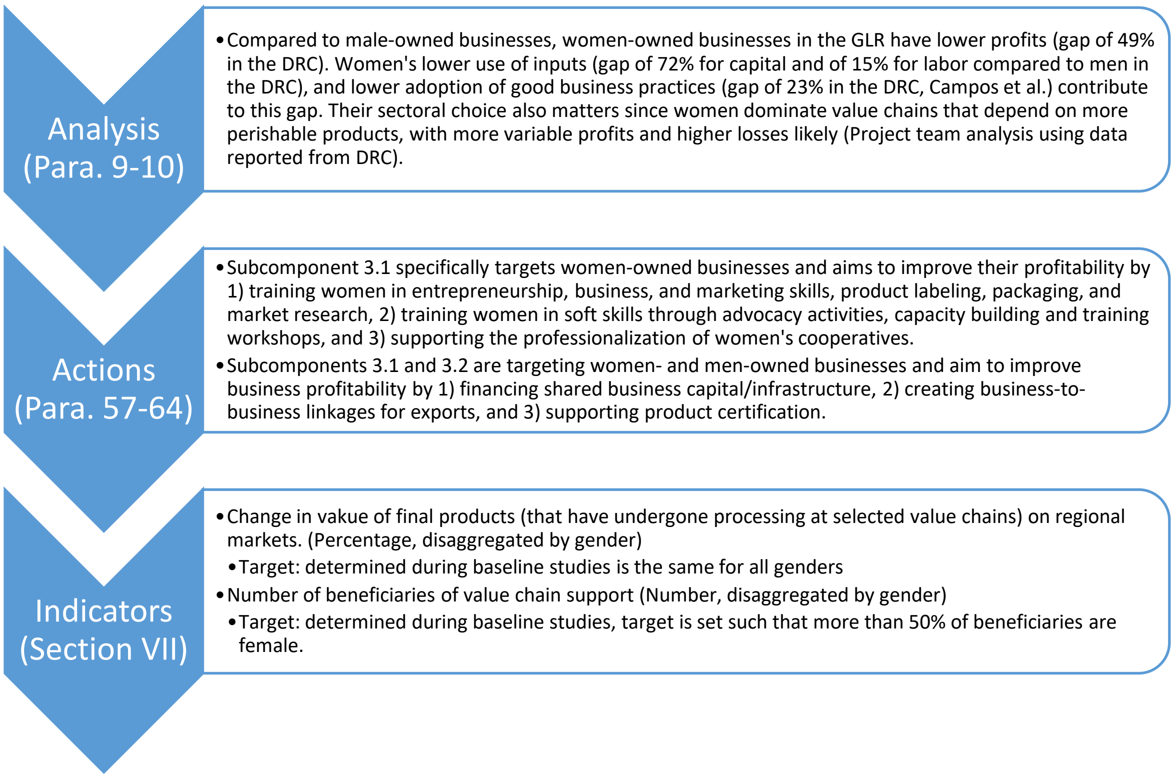
Discount rate	NPV
15%	US$99 million
12%	US$160 million

B. Impact on Women

124. The logical chain to address the gap in profitability for female traders and producers active in the value chains in the GLR compared to men is summarized in figure 7, with references to the relevant sections of this document.

[26] J. Sarder, D. Ghosh, and P. Rosa, "The Importance of Support Services to Small Enterprises in Bangladesh," *Journal of Small Business Management* 37, no. 2 (April 1997): 26–36.

Figure 7: Logical Chain to Address the Gender Gap in Profitability for Female Traders and Producers



125. The project also seeks to address gender gaps and constraints that female traders face at the border. Although there are more female than male traders (85 percent at some border crossing points) female traders also report higher levels of harassment and sexual violence than their male counterparts. The project has interventions that are designed to reduce the hurdles that are brought about by inappropriate procedures and infrastructure at the border and low capacity of the traders themselves. Under Component 1, the project will support policy and procedure measures to simplify the requirements as traders cross the border. In addition, the project will also train both border officials and traders on their rights and obligations and also on gender-based violence. The training will be based on the Trader's Charter, which is one of the main instruments for improving operating conditions at the border. In addition, the infrastructure improvements have been designed to separate the flow of pedestrian and vehicular traffic at the border and to make for a cleaner and more transparent regime. Such measures have been proven at other border posts to significantly reduce harassment and extortion of traders. The effects of these measures will be tracked through specific PDO indicators that are gender disaggregated. The specific indicators that will be used are time to cross and change in value of final products that are traded across the border. In addition, intermediate indicators under Component 1 include perceptions of harassment and extortion of bribes from traders as they pass through the border posts that are targeted for improvement under the project. The utility of such data has already been demonstrated under the GLTFP (P151083) and will be continued under the project.

C. Fiduciary

(i) Financial Management

126. A financial management (FM) assessment was conducted on the FM arrangements for the GLTFP. The objective of the assessment was to determine whether the implementing entities have acceptable FM arrangements in place to ensure the following: (a) project funds will be used for purposes intended, in an efficient and economical way; (b) the project's financial reports will be prepared in an accurate, reliable, and timely manner; and (c) the entities' assets will be safeguarded. The assessment covered budgeting, funds flow, accounting, internal control, financial reporting, and auditing arrangements. The assessment was done for the following implementing entities:

Regional Implementation Arrangements: The Secretariat of COMESA will be responsible for the implementation of subcomponents 1.4, 4.2 and 4.3 of the project.

DRC: CI under MIPW will implement Components 2, 4 (with respect to Component 2) and 5 of the project while the MoC will implement Components 1.1, 1.2, 3, 4 and 5 of the project. CI will supervise one Provincial Project Team (PPT) in South Kivu. Management of activities under the CI will mainly be in Kinshasa and Bukavu, with some missions to Goma.

Burundi: the implementation of Components 1.1, 1.2, 2, 3, 4 and 5 of the project will be led by the existing Implementation Unit that was established during project preparation (and responsible for PPAs IDA V1000 and IDA V3250). Whereas the PIU was under the Ministry of Finance, Budget, and Economic Planning it will be transferred for implementation of the project to the Ministry of Commerce, Transport, Industry and Tourism.

Budgeting Arrangements

127. The COMESA Secretariat and all national implementing entities of DRC (CI and UGP), and Burundi (MTTIT) will each prepare an annual budget based on the procurement and work plans to be submitted to the World Bank at least two months before the beginning of the project's fiscal year. The budgets will follow budgeting guidelines in the FM manuals or Project Implementation Manuals. All budgets should be approved by steering committees and receive the non-objection of the World Bank before the beginning of the financial year. During the financial year, budgets will be monitored on a quarterly basis using Interim Financial Reports (IFRs) for national entities. The IFRs will compare the budget and actual expenditures and significant variances will need to be explained.

Accounting Arrangements

128. **Accounting Policies and Procedures:** COMESA has developed comprehensive project Financial Policies and Procedures Manuals for World Bank-financed projects. DRC and Burundi must each prepare a Financial Management Manual that is adequate for the project, including specific FM arrangements not covered in the current existing FM manuals, especially grants, decentralization of activities, and new funds flow arrangements.

129. The FM assessment revealed that COMESA has adequate capacity to manage the project. It has a well-staffed accounting department headed by qualified accountants. COMESA has developed comprehensive project Financial Policies and Procedures Manuals for World Bank-financed projects. COMESA has experience in managing World Bank-financed projects as the implementing agency for the GLTFP and Regional Infrastructure Financing Facility (RIFF) (P171967). COMESA has an effective internal audit department. The capacity of the COMESA internal

audit function has already been enhanced by the hiring of an additional internal auditor financed by the RIFF project. COMESA will designate a qualified project accountant to handle the project activities. The overall FM residual risk rating is **Moderate**.

130. **Accounting Staff**: COMESA will designate the accountant under RIFF to handle the project activities and to oversee the project accounting, financial reporting, and audit requirements. A senior finance assistant will be recruited to assist the finance expert in the execution of financial duties and ensure segregation of duties. The sharing of some staff with the RIFF project will be continuously reviewed and additional staff may be recruited depending on need and with the approval of the Association.

131. **Burundi**: The team has experience in managing World Bank-financed projects and is currently in charge of the Burundi COVID19 Preparedness and Response Project (P173845). Considering the additional workload linked to the project, the unit will be reinforced with at least one junior accountant.

132. **DRC** (Ministry of Commerce) needs to recruit a qualified and experienced finance manager, and an accountant and cashier who will be based in Goma, while DRC (CI-MIPW) needs to recruit a qualified and experienced accountant to ensure funds allocated to Component 2 are managed in a satisfactory manner. The South Kivu PPT will need to recruit an assistant finance manager, an accountant, and a cashier to manage project funds received in the sub-designated accounts.

133. The recruitment of any FM staff will need to be conducted within three months of project effectiveness.

134. **Accounting Information Systems:** The existing systems are adequate for COMESA. Burundi (PIU) needs to update the configuration of the existing accounting software to include the grant. DRC (CI/MIPW) will update the existing software by creating a new window for the project with sites for provincial offices. A specific training will be organized for the staff to instruct them on the use of the new software version.

135. **Accounting Standards**: COMESA will use International Financial Reporting Standards. Burundi will use the national accounting system and DRC will use the accounting standards of the Organization for the Harmonization of Business Law in Africa (*Organisation pour l'Harmonisation en Afrique du Droit des Affaires*).

136. **Internal Controls**: The internal control procedures will be documented in the FM manuals and project implementation manuals to ensure an effective internal control system. COMESA, DRC (MoC and CI/MIPW), and Burundi (MFBEP) will need to update the existing project implementation manuals to consider specificity of the project.

137. **Internal Audit**: **COMESA** has an effective internal audit department. The capacity of the COMESA internal audit function has already been enhanced by the hiring of an additional internal auditor financed by the RIFF project. Internal Audit Departments of COMESA will conduct semester risk-based internal audit reviews of project activities. The annual audit program will be shared with the World Bank at least one month before the beginning of the year. Copies of these project internal audit reports (incorporating comments from management and time-bound action plan on how any internal control weaknesses will be addressed) will be submitted to the World Bank within two months after the end of the semester.

138. **Burundi** (MTTIT) and **DRC** (MoC/ CI-MIPW) will each need to recruit a qualified and experienced internal auditor to strengthen internal audit arrangements for the project. Internal auditors should provide an annual work plan in the beginning of the year and an internal audit report on a quarterly basis.

139. **Governance and Anti-Corruption Arrangements**: All implementing entities of the countries involved will follow existing anti-corruption laws when dealing with fraud and corruption while COMESA will follow its existing rules and procedures. FM arrangements will ensure that there are internal control systems and audits conducted to prevent and detect fraud and corruption. In addition, there are the World Bank Anti-Corruption Guidelines with which the project should comply.

Funds Flow Arrangements

140. **Designated and Project Accounts**: COMESA, Burundi (MTTIT), and DRC (CI-MIPW and UGP) designated accounts will be denominated in U.S. dollars. These accounts will be maintained either at the Central Bank or a commercial bank acceptable to the World Bank.

141. The project will adopt the interim financial report method of disbursement for COMESA. The Secretariat will open a designated account (DA) denominated in U.S. dollars and a Zambia Kwacha (ZMW) Operations account in a commercial bank acceptable to IDA. Payments in U.S. dollars will be made from the DA and payments in ZMW will be made from the ZMW Operations account. The disbursement methods will include advances to the DA, reimbursement, direct payments, and special commitment. COMESA will prepare and submit to the World Bank quarterly IFRs 45 days after the end of every calendar quarter. COMESA will also submit annual audited financial statements six months after the end of each financial year. The audit will be conducted based on audit terms of reference (TOR) cleared by the World Bank and by an external audit firm approved by the World Bank. See figure 8.

142. In Burundi, a Designated Account, maintained at the central bank and denominated in US dollars shall be opened. The DA to consider will be the one of the ongoing PPA. Moreover, a subaccount in local currency will be opened at the Central Bank level to facilitate the monitoring of activities' refunds and DA - Operations receipts. See figure 9.

143. The DRC will have two designated accounts, one for each implementing entity (Figure 10). The account for the Ministry of Commerce will be opened in Bukavu where the national coordinator will be based. The account for CI will be opened in Kinshasa with a subaccount in Bukavu to monitor decentralized activities of the implementing agency. Because the DRC is under "lapsed loans" status, the DAs will be opened when the country's suspension is lifted.

Figure 8: Funds Flow: COMESA

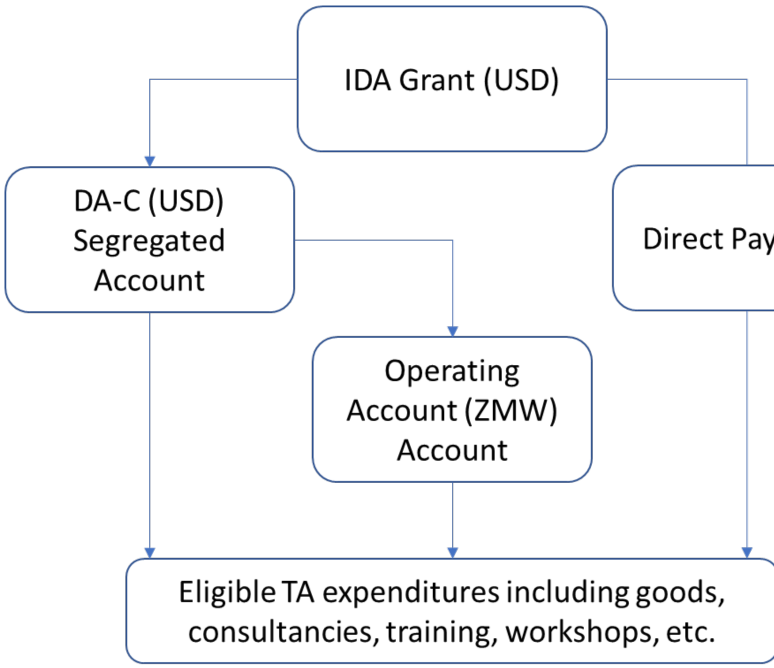


Figure 9: Funds Flow: Burundi

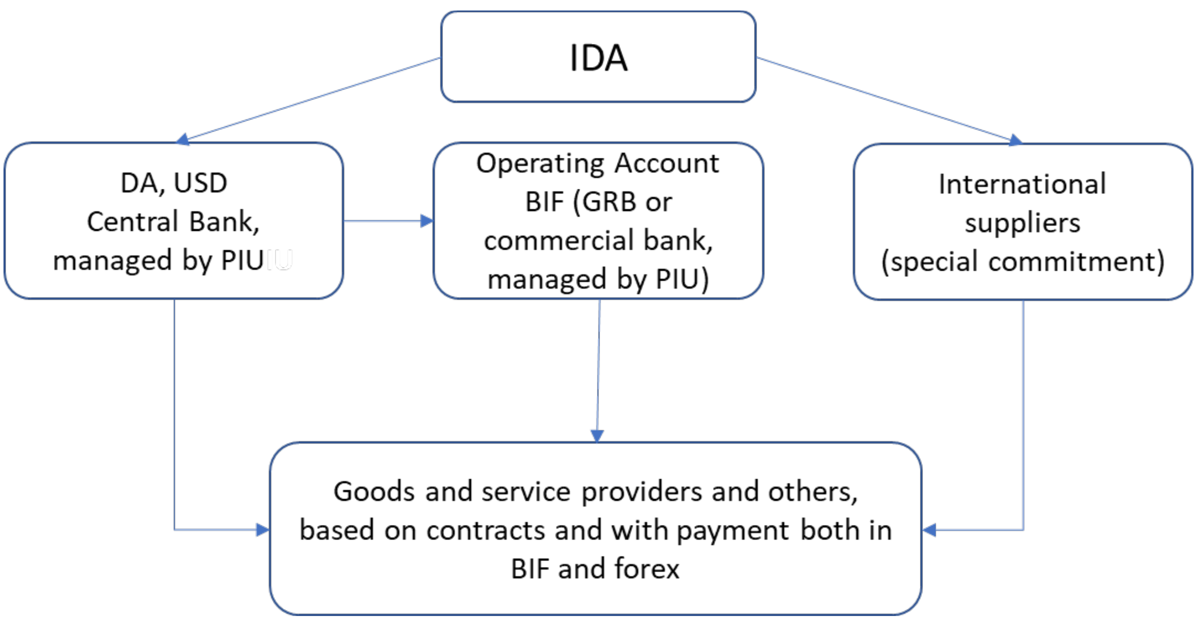
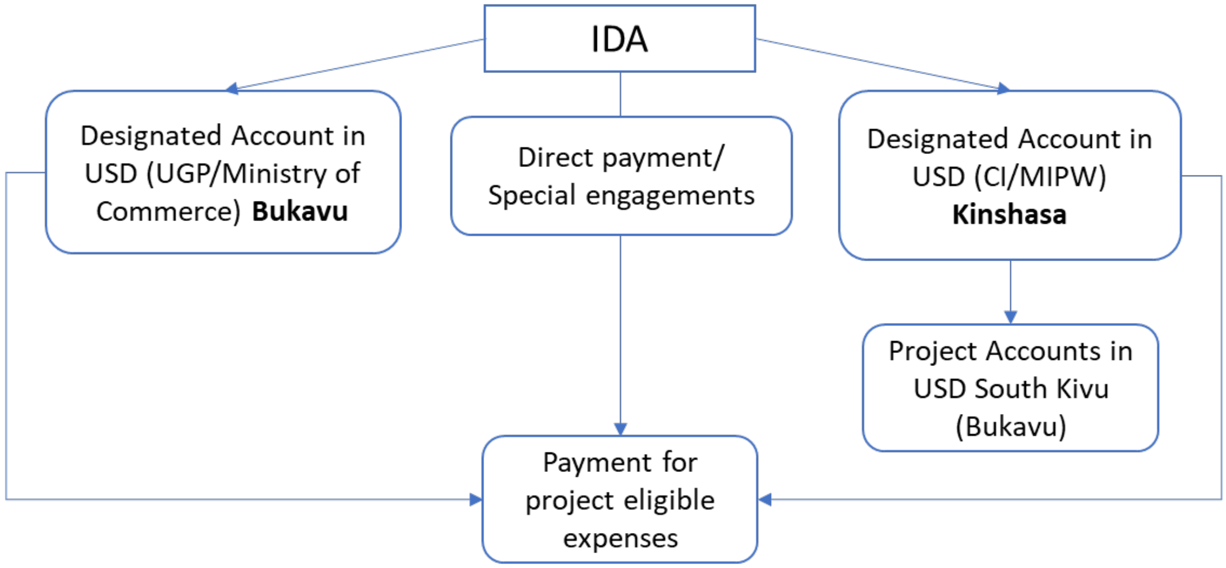


Figure 10: Funds Flow: DRC



Disbursements, Financial Reporting, and Audit Arrangements

144. The Statement of Expenditures is the adopted method of disbursement for the two countries. This statement will include advances to the DA, reimbursement, direct payments, and special commitment. The signatories to these accounts should be in line with the FM manuals of the implementing entities and they should be submitted to the World Bank between the signing of the credits and grants and the date they become effective. If ineligible expenditures are found to have been made from the Designated or Project Accounts, the borrower will be obligated to refund the same. If the DA remains inactive for more than six months, the World Bank may reduce the amount advanced. The World Bank will have the right, as reflected in the terms of the FA, to suspend disbursement of the funds if significant conditions, including reporting requirements, are not complied with. Additional details regarding disbursement will be provided in the disbursement and financial information letters.

Financial Reporting Arrangements

145. COMESA, the national implementing entities in DRC (CI-MIPW and UGP), and Burundi (MTTIT) will prepare quarterly unaudited IFRs in form and content satisfactory to the World Bank and must submit them to the World Bank within 45 days after the end of the quarter. The format and contents of the IFR should be agreed between the World Bank and the national implementing entities no later than the effectiveness date.

146. All national implementing entities will also prepare the project's annual accounts and financial statements.

External Audit Arrangements

147. The external audits of COMESA, Burundi, and DRC will be conducted based on audit TOR and a short list cleared by the World Bank and by an external audit firm approved by the World Bank. An external auditor should be appointed for each entity within six months after effectiveness. Audit reports together with management letters should be submitted to the World Bank within six months after the end of the government's fiscal year. Audit reports will be publicly disclosed by the World Bank in accordance with the World Bank's disclosure policy.

Conclusion of the FM Assessment

148. The results of the assessment indicate that the overall FM arrangements satisfy the World Bank's minimum requirements and are therefore adequate to provide, with reasonable assurance, accurate and timely information on the status of the project as required by the World Bank. The FM residual risk is assessed as Substantial for the project as a whole, with Moderate for COMESA and Substantial for Burundi and DRC.

149. The financial management plan for the project is summarized in table 9.

(ii) Procurement

150. **The procurement risk is assessed as Moderate.** The procurement for the project covering the activities under the participating countries of (a) Burundi and (b) DRC and the COMESA Secretariat under the components covered by the project will be carried out in accordance with the "World Bank Procurement Regulations for Borrowers under IPF," Fourth Edition, dated November 2020, hereafter referred to as "Procurement Regulations." The project will be subject to the World Bank's "Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants" dated July 1, 2016. The procurement regulations will apply to components where procurement will be carried out in Burundi and DRC and the COMESA Secretariat, an intergovernmental institution that operates based on its own procedures and systems. All governments and the COMESA Secretariat have basic procurement regulatory frameworks to meet their own institutional requirements.

151. In line with the World Bank's New Procurement Framework, Burundi and DRC as well as COMESA each prepared a Project Procurement Strategy for Development (PPSD) and procurement plans for the first 18 months of project implementation. The PPSDs cover the best procuring approaches or solutions that will guide procurement under the project in each of the two countries. They include a summary on procurement risk, mitigation, action plan, and procurement implementation support and supervision plan. The Procurement Plans will be updated at least once in 12 months, or as required, to reflect the actual project implementation needs, but each update shall require World Bank approval. All Procurement Plans will be publicly disclosed in accordance with the WBG's disclosure policy.

152. **Burundi**: Burundi's procurement procedures may be used with the requirements set forth or referred to in the guidelines, paragraphs 5.3 to 5.6 relating to national procurement procedures. For national competition, the Borrower and the World Bank will agree on provisions to consider for the bidding document to be used for consistency between national procurement procedures and the Procurement Regulations. Those provisions will include, among others, provisions for confirming the application of, and compliance with, the World Bank's Anti-Corruption Guidelines, including without limitation, the World Bank's right to sanction and the World Bank's inspection and audit rights. The requirements for national open competitive procurement are given in table 10.

Table 9 Financial Management Action Plan

Pillar	Country or entity	Action	Responsibility	Due date
Accounting	COMESA	Designate the RIFF project accountant as accountant of the project.	COMESA	Before effectiveness date
	COMESA	Recruit a senior financial assistant.	COMESA	3 months after effectiveness date
	Burundi	Recruit a junior accountant and an internal auditor.	PIU	3 months after effectiveness date
	DRC	Recruit an Administration and Finance Officer for the MoC and accountants in charge of provincial office under MIPW.	MoC; CI-MIPW	3 months after effectiveness date
	DRC	Update the software of CI for project accounting.	CI-MIPW	1 month after effectiveness date
Internal control	Burundi	Ensure that the grants manual has been approved, which must be done before any related disbursement.	PIU	
	DRC	Prepare a procedures manual that includes specific FM arrangements and for grants.	MoC; CI-MIPW	Prior to disbursement under Component 3.1
	DRC	Recruit an internal auditor.	MoC; CI-MIPW	3 months after effectiveness date
External audit	Burundi/COMESA/DRC	Recruit an independent firm for the external audit of the project's financial statement.	COMESA/ PIU/ CI-MIPW MoC	3 months after effectiveness date

Table 10 Procurement Requirements, Burundi

Requirements for national open competitive procurement	Actions
(a) Begin advertising of the procurement opportunity at the national level.	No action needed.
(b) The procurement is open to eligible firms from any country.	No action needed.
(c) The request for bids/request for proposals document shall require that Bidders/Proposers submitting Bids/Proposals present a signed acceptance at the time of bidding to be incorporated in any resulting contracts, confirming application of, and compliance with, the Bank's Anti-Corruption Guidelines, including without limitation the Bank's right to sanction and the Bank's inspection and audit rights.	The form elaborated by OPCS must be added to each contract agreement with bidders/consultants.
(d) The contracts have an appropriate allocation of responsibilities, risks, and liabilities.	No action needed.
(e) Contract award information is published.	No action needed.
(f) The World Bank has rights to review procurement documentation and activities.	The requirement should be included in the Procurement Plan.
(g) An effective complaints mechanism exists.	The Project Implementation Manual (PIM) must develop an effective complaints mechanism in line with World Bank regulations.
(h) Records of the Procurement Process are maintained.	The PIM must spell out the practical modalities and the appropriate documentation to archive.

153. **Procurement Capacity Assessment:** The existing PIU in place who is managing the PPA already has a Procurement Specialist among its core staff hired during the PPA implementation. The Procurement Specialist will be assisted by consultants when needed. The Procurement Specialist is one of the most qualified and experienced in Burundi in the implementation of projects financed by the World Bank. The experience and the success of GLTFIP team make it popular; this team is in great demand to support IDA-financed operations. Thus, the team is already in charge of the procurement activities for the Burundi COVID-19 Preparedness and Response Project (P173845), and the Additional Financing of the Burundi COVID-19 Preparedness and Response Project (P177769). In addition, the team managed a PPA that supported preparation of the Skills for Jobs—Women and Youth Project (P164416) and has been designated to manage the PPA of the Burundi Transport Resilience Project (P172988) and the Burundi Digital Foundations Project (P176396). With the added responsibilities, it is important to reinforce the team with additional staff and means. Hence, the main recommendation of the capacity assessment is to strengthen the GLTFIP fiduciary team with at least one Junior Procurement Specialist and other Procurement Specialists dedicated to each project. This aspect will be elaborated on in the PIM. The measures usually taken to assist a new PIU will be applied, including (a) training on the World Bank's Procurement Regulations; (b) training and assistance for the use of the Systematic Tracking of Exchanges in Procurement (STEP); (c) training in recordkeeping; and (d) recruitment of consultants to assist the PIU in drafting of TORs and technical specifications for key activities.

154. **Oversight and monitoring arrangements for Procuremen**t: The client has an obligation to elaborate and submit to IDA for approval a project implementation manual (PIM) with a Procurement section. The PIM will define the project's internal organization and its implementation procedures and will include, among other things, all the relevant procedures for calling for bids, selecting consultants, and awarding contracts. The project monitoring arrangements for procurement will be analyzed and developed.

155. **Procurement Risk Rating and mitigation measures:** The main risks are those inherent to the country, and given the context of the country, the project procurement risk before the mitigation measures is **High.** The risk will be reduced to a residual rating of **Substantial** upon consideration of successful implementation of the mitigation measures.

156. According to Procurement risk **assessment** the procurement mitigation measures in Table 11 are proposed.

Table 11 Measures to Lessen Procurement Risks, Burundi

Implementing agency	Procurement mitigation measures	By when
MTTIT/PIU	Recruit a Junior Procurement Specialist.	3 months after effectiveness date
MTTIT/PIU	Elaborate and submit to IDA for approval a PIM with Procurement section.	By effectiveness date
MTTIT/PIU/World Bank	Train the Junior Procurement Specialist and the tender committee in the (a) Bank Procurement Regulations and (b) use of the STEP. and in recordkeeping.	6 months after effectiveness date
MTTIT/PIU	Set up in the PIU an acceptable filing system.	Needs to be described in the PIM

157. **Democratic Republic of Congo: Procurement for DRC under the project will continue to be carried out under the responsibility of the implementation structure established under the GLTFP (P151083).** The implementation arrangements under GLTFP will remain the same by including the approach of decentralizing procurement activities at the provincial levels for more efficiency and flexibility. The two units, *Unité de Gestion de Projet* (UGP) under the Ministry of Commerce and CI under the Ministry of Infrastructure, Public Works and Reconstruction, will continue to manage procurement by delegating some activities to the provincial branches. A procurement officer will be hired and based in North Kivu to manage the field procurement matters for North and South Kivu according to the terms set out in the PIM. A liaison office will remain in Kinshasa with an experienced Procurement Specialist under UGP to coordinate and manage the key issues in procurement.

158. **The World Bank assessed the procurement capacity of the implementing agencies as part of the project preparation.** The review included procurement systems such as procurement legislation, procurement organization and staffing, procurement strategies, procurement operations, procurement performance monitoring and measurement, and procurement control and oversight mechanisms. The assessment found that CI and UGP have, overall, good experience in implementing World Bank-financed projects. The procurement risk is rated Substantial following an assessment of the capacity of the implementing agency under GLTFP, which has been carried out in December 2021 and duly recorded in the Procurement Risk Assessment Management System. Although the project will be executed through both main implementation support units (CI and UGP), with some procurement operations in North Kivu Office, Kinshasa offices will coordinate for both units and oversee the overall monitoring and reporting of project progress. The PIM will describe the roles and fiduciary responsibilities of each unit including its working relationship with provincial offices.

159. **Main Procurement Risks:** The World Bank assessed the risks to the implementation of project procurement. The key issues and risks concerning procurement for implementation of the project include the following: (a) limited knowledge and experience with the new procurement framework; (b) occurrence of delays in the development of technical specifications and terms of reference; (c) occurrence of delays with the evaluation of bids; (d) occurrence of delays with the implementation of contracts ; (e) occurrence of delays in procurement and implementation of

contracts because of the persistence of COVID-19 and the related movement restrictions; (f) limited local market at the local community level with required experience may result in less competition; and (g) the project will be implemented in post-conflict areas with high risks linked to insecurity of project environment.

160. Because there are general allegations of forced labor risks associated with the polysilicon suppliers in source markets, the Borrowers will require bidders to provide two declarations: a Forced Labor Performance Declaration (which covers past performance), and a Forced Labor Declaration (which covers future commitments to prevent, monitor, and report on any forced labor, cascading the requirements to their own subcontractors and suppliers). In addition, the Borrowers will include enhanced language on forced labor in the procurement contracts.

161. **The World Bank will provide oversight of procurement activities through prior and post reviews.** To mitigate the risks, the World Bank will regularly assess and update the procurement risk level. Based on the assessed risk level, the World Bank will carry out regular procurement supervision missions twice a year and carry out a procurement post review, independent procurement reviews (IPRs), or both on an annual basis. Contracts not subject to prior review will be subject to post review by the World Bank according to procedures set forth in the Procurement Regulations, annex II, Procurement Oversight. The sample contracts for procurement post reviews and IPRs will be selected on a risk-based approach.

162. **Proposed mitigation measures:** Several risk mitigation measures including action plans have been analyzed and have been reflected in the PPSD, including the following: (a) introducing flexibility in the qualification criteria, waiver of bid security and performance guarantee, considering FCV issues and approaches in procurement, and so on; (b) preparing a PIM that includes full financing requirements and procurement procedures (for both CI and UGP); (c) using PIM to ensure fiduciary compliance; (d) providing hand-holding support by the World Bank for implementing procurement activities; (e) regular advertisement of procurement plan, procurement notices, and contract awards (including list of bidders) even for small-value contracts; (f) use of monitoring tools to closely monitor procurement and implementation of contracts; (g) increasing the awareness of local enterprises and consultants; (h) monitoring complaints; (i) conducting field and virtual supervision missions; (j) ensuring the hiring of a qualified procurement specialist for each PIU including a Junior Procurement Specialist for North Kivu to provide support in managing procurement issues and contracts management under the project; and (k) hiring consultants to support the team in procurement and a procurement consultant to provide comprehensive training to PIUs on New Procurement Framework and contract management.

163. **Procurement frameworks**: The procurement framework for the COMESA Secretariat is relatively well developed. COMESA has experience in managing World Bank-financed projects because it is the implementing agency for the GLTFP and RIFF projects. COMESA has also implemented other projects such as the CAADP project, which was funded by the World Bank in the past. COMESA, therefore, has reasonable experience of implementing procurement in Bank-financed projects. The governments of Burundi and DRC similarly have experience in implementing World Bank-funded projects. All have specialized departments or units that are charged with undertaking procurement. These departments are staffed with adequate regular staff and, as required, are able to hire individual consultants as procurement specialists/officers, some of whom have been involved in implementing previous World Bank-financed projects and ensuing procurement contracts in which the use of the World Bank's procurement regulations and standard procurement documents have been applied. The activities to be procured are essentially goods and non-consultant services and the selection of consulting firms and individual consultants, many of which will not be large or overly complex. It is expected that the project may also include procurement of goods and technical assistance to support the requirements for Burundi, DRC, and the COMESA Secretariat respectively to successfully implement the project as required for meeting any capacity gaps. The procurement approach and methods will be analyzed and presented in the simplified PPSD, which is being prepared by each implementing agency.

D. Legal Operational Policies

	Triggered?
Projects on International Waterways OP 7.50	Yes
Projects in Disputed Areas OP 7.60	No

164. The project includes interventions on Lake Tanganyika, which is an international waterway that is shared by Burundi, DRC, Tanzania, and Zambia. The World Bank, on behalf of the Government of Burundi, notified the other riparian countries, Zambia and Tanzania, of the proposed Project with respect to the investments in new port infrastructure on Lake Tanganyika. The notifications were sent on February 1, 2022 with a deadline of March 3 for responses from the two countries. There were no objections to the Project from either of the two countries. . The Regional Vice President approved on April 4, 2022 the determination that the remainder of project activities fall under the exception to the notification requirement, and that the proposed project will not cause any appreciable harm to the quantity or quality of water flowing to or from any of the riparians of the concerned international waterways.

E. Environmental and Social

165. The project is being prepared under the Environmental and Social Framework and, given the fragile environment, the proximity of some subproject sites to lake waterbodies, and the density of population around certain sites, the following 10 Environmental and Social Standards (ESSs) are relevant to the proposed investments: ESS1, ESS2, ESS3, ESS4, ESS5, ESS6, ESS7, ESS8, ESS9 (to be determined), and ESS10.

166. Regarding the management of environmental and social risks (E&S) several instruments were prepared, consulted upon, adopted, and disclosed in-country and on the World Bank external website (dates of disclosure in parenthesis): (a) Environmental and Social Management Framework (ESMF) for DRC (November 15, 2021) and Burundi (November 30, 2021); (b) Environmental and Social Commitment Plan (ESCP) for Burundi (February 17, 2022), DRC (March 30, 2022) and COMESA (February 28, 2022); (c) environmental and social impact assessment/environmental and social management plan (ESIA/ESMP) for the construction of Kavimvira border post in DRC (November 30, 2021); (d) ESIA/ESMP for Rumonge Port (November 5, 2021) and Gatumba Market in Burundi (November 5, 2021). Instruments for other sites where the project will finance interventions will be prepared, consulted and disclosed before the commencement of any civil works.

167. All terms of reference and final deliverables for any technical assistance including the grant manual and feasibility studies to be carried out under the project will be prepared in form and substance satisfactory to the Association and consider the Association’s ESSs relevant to the project. Site-specific studies to assess the occurrence of harassment of traders, particularly of women (gender-based violence, sexual harassment, etc.) will be undertaken as part of the relevant E&S studies (ESMF, ESIAs/ESMPs) and based on the findings, appropriate action plans will be prepared and implemented. Training modules aimed at sensitizing officials (and beneficiaries) on prevention and management of gender-based violence, sexual harassment, and related issues will be developed.

168. **Environmental standards.** Anticipated environmental risks under the project are related to the construction of physical facilities such as lake ports, border posts, markets and access roads. The construction and

operation of such facilities have inherent risks including waste generation, soil erosion and runoff, dust and air emissions, traffic safety risks, workplace safety, potential for hazardous materials and oil spills associated with heavy equipment and vessel operations and fueling activities. To mitigate these risks, site specific Environmental and Social Impact Assessments (ESIA)/Environmental and Social Management Plans (ESMP) have been prepared for some sites (Rumonge and Gatumba in Burundi, Kavimvira border post in DRC, etc.) while others will be prepared based on the environmental and social management frameworks that were prepared and disclosed in both countries. The preparation of the site specific plans will be led and monitored by independent consultants engaged by the project implementation units. In addition, the project implementation units will each have environmental safeguards staff to oversee adherence to ESSs relevant to the assessed risks.

169. The climate screening that was carried out during preparation of the project indicated that there are three main climate and geophysical risks that are faced in the project area. These are increasing average temperatures and frequency of droughts as well as localized flooding. Taken together the trends will have significant implications for the operation of the new facilities to be financed by the project. The design of the facilities to be financed by the project include features to cope with seismic movements as well as localized flooding. In fact, the project will finance interventions that are an essential adaptation mechanism to climate risks, along two dimensions, firstly, by reducing the costs of crossing the border for people and goods, and therefore by providing a coping mechanism in the event of extreme events, and secondly, through facility designs that can better withstand extreme events compared to the existing infrastructure at some project locations.

170. **Social standards.** Anticipated key social risks, including SEA/SH, and effects include (a) land acquisition and physical and economic displacement; (b) risks associated with labor influx, including SEA/SH; (c) potential exclusion of disadvantaged and vulnerable groups from project benefits, including indigenous peoples; and (d) potential risks of increased social tension in the targeted cross border settings (for example, dispute over access to processing equipment and to market facilities, dispute over resettlement, disputes between traders and officials). These risks will be mitigated based on a Resettlement Policy Framework (RPF) and implementation of specific resettlement action plans, as well as based on an Indigenous Peoples Planning Framework (IPPF) and Indigenous Peoples Plans (IPPs) where necessary; adoption of mitigation measures proposed in World Bank Good Practice Notes on labor influx and SEA/SH, and included in the action plan annexed to the ESMFs, inclusion of disadvantaged and vulnerable groups in project activities/benefits, including provision of project-related job opportunities; and effective stakeholder engagement, including an inclusive and transparent consultation process that specifically reaches out to women and other vulnerable groups, and a functional GRM as noted earlier. Poor project performance and delays in ensuring timely compensation of project-affected persons facing physical and economic displacement under the previous GLTFP project in North and South Kivu mean additional and early attention and creative solutions will need to be devoted to this risk in the new project. The project will implement an ongoing communication and stakeholder consultation strategy to maintain ownership by the beneficiaries and to ensure its sustainability.

171. **Sexual Exploitation and Abuse and Sexual Harassment (SEA/SH) prevention, mitigation, and response**: The SEA/SH risk screening has rated the project as Substantial in both countries. The project-specific risks are related to the following: (a) planned infrastructure and civil works activities to be implemented by the project, (b) risks for abuse flowing from increased potential interactions between largely female small-scale vendors at border crossings and largely male border and customs personnel, (c) the contracting of security forces, and (d) the limited supervision of female workers in proximity with male workers. To address the issues, the preparation of SEA/SH prevention, mitigation, and response action plans is ongoing and the plans will be adopted before the project becomes effective in Burundi and DRC. The action plans include an accountability and response framework and an awareness-raising strategy, which describe how workers and local communities will be sensitized to SEA/SH

risk, workers' responsibilities under codes of conduct, and how to report cases of SEA/HS to the Grievance Redress Mechanism (GRM). The project will develop codes of conduct, one for each country, prohibiting and sanctioning SEA/SH behaviors in case of noncompliance. Regular training in local languages will be conducted by the contractor for workers on labor provisions, codes of conduct, SEA/SH risks and consequences, and the GRM sensitive to SEA/SH. In addition, the project will map the Gender-Based Violence (GBV) service providers in the areas of intervention and will assess the quality of the services offered. The GRM will develop specific protocols for handling any allegation of SEA/SH based on a survivor-centered approach, identifying referral pathways for SEA/SH survivors in areas of intervention, with at least quality health and psychological assistance and legal counsel. COMESA will comply with the requirements relating to the prevention, mitigation, and response to SEA/SH risks by developing an action plan in line with those identified by the project in Burundi and DRC and adapted to the specific aspects of its activities.

172. Given unreliable power grids at some project sites, the project interventions may include the installation of solar power systems. Such systems will likely be installed at the offices of border agencies and within the perimeters of the ports and border posts, border markets, and TIDs. Regarding the risk of forced labor, under Environmental and Social Standard 2 (ESS2), where there is a significant risk of forced labor related to primary supply workers, the Borrower requires the primary supplier to identify those risks and if forced labor cases are identified, the Borrower will require the primary supplier to take appropriate steps to remedy them. Ultimately, where remedy is not possible, the Borrower will, within a reasonable period, shift the project's primary suppliers to suppliers that can demonstrate that they are meeting the relevant requirements of ESS2. Prior to beginning the procurement process, the Borrower will undertake market analysis to identify the possible sellers of solar panels to the project. The bidding documents will emphasize forced labor risks in solar panels and components and will require that sellers of solar panels to the project will not engage or employ any forced labor among their work force. Bidders will be required to provide two declarations: a Forced Labor Performance Declaration (which covers past performance), and a Forced Labor Declaration (which covers future commitments to prevent, monitor and report on any forced labor, cascading the requirements to their own sub-contractors and suppliers). In addition, enhanced language on forced labor will be included in the procurement contracts. The Bank will prior review procurements of solar panels and components to ensure that enhanced provisions are used by the Borrower.

173. **Citizen engagement**: The project design and arrangements for implementation require robust stakeholder engagement. As described earlier, the project implementation architecture is multilayered for engagements with different groups of stakeholders, the RCC under COMESA, project steering committees in each country, JBCs and Grievance Redress Mechanisms (GRMs) sensitive to SEA/SH incidents at each port and border post, and TIDs for interactions with individual traders or groups of traders. Both Burundi and the DRC have developed and consulted stakeholder engagement plans to facilitate inclusive project design and to maintain necessary feedback during project implementation. In addition, COMESA will engage continuously with key project stakeholders within the limits of its role in the project. During project implementation, both project countries held numerous dialogues with project beneficiaries, especially traders, trader associations, SMEs, and border agencies and officials. The project engaged as well with some civil society organizations that work with local communities. During the consultations, participants articulated the challenges that they face when trading within the region and how those challenges might be addressed, including women's specific difficulties and their security concerns. The feedback is reflected in the design of the project and the scope of project interventions. Further, learning from project Great Lakes Trade Facilitation Project (P151083), the project will develop IT tools for traders and communities to provide feedback on their experiences. Finally, as part of systems for M&E, the project under Component 4 includes the use of GEMS, as per the World Bank Group FCV Strategy, 2020–2025, which will provide another capability to engage with key stakeholders. Citizen engagement will be monitored

through PDO indicator on the quality of public services. In addition to regular surveys, data for the indicator will be collected through customer experience devices that are strategically placed at facilities to be financed by the project and through focus group discussions with key stakeholders.

174. **Grievance Redress Mechanisms**. The project will be implemented in a context that has long been characterized by weaknesses in governance and where vulnerable groups, especially women, are exposed to abuse and harassment, including gender based violence. Within that context, having robust and active grievance redress mechanisms (GRM) is an imperative. GRMs will be established and provided with training before the commencement of activities at each project site. The training will be provided by civil society or non-governmental organizations recruited by the project implementation units. The GRMs will develop specific protocols for handling different types of issues, adopting victim or survivor-centered approaches, identifying clear procedures for handling and resolving grievances, and pointing affected parties to other resources as necessary. In addition to the GRMs, the project will have three other layers to address different types of other grievances. The first is the network of trade information desk officers (TIDOs), to be recruited by COMESA and deployed at the border posts and facilities where the project will have interventions. COMESA has gained considerable experience working with TIDOs to provide information on trade procedures and processes, thereby filling the information gap that is a cause of grievances at the borders. The second layer is comprised of joint border committees (JBCs), comprised of representatives of border agencies and traders associations on one side of the border as well as combined JBCs formed by bringing together the two committees, one from the two sides of a border. The JBCs provide a mechanism to address grievances that may be raised by nationals of one country when they are operating on the other side of a border. The last layer is the Regional Coordinating Committee, comprised of high level officials of the two countries and COMESA. The RCC deals with policy level issues, and therefore would be appropriate for addressing systemic issues that may come up during implementation of the project. Clear protocols will be articulated in the project implementation manuals regarding the management and reporting of any grievances that may arise during implementation of the project.

V. GRIEVANCE REDRESS SERVICES

175. Communities and individuals who believe that they are adversely affected by a project supported by the World Bank (WB) may submit complaints to existing project-level grievance redress mechanisms or the WB's Grievance Redress Service (GRS). The GRS ensures that complaints received are promptly reviewed in order to address project-related concerns. Project-affected communities and individuals may submit their complaint to the WB's independent Inspection Panel, which determines whether harm occurred, or could occur, as a result of WB noncompliance with its policies and procedures. Complaints may be submitted at any time after concerns have been brought directly to the Bank's attention, and Bank Management has been given an opportunity to respond. For information on how to submit complaints to the WB's corporate GRS, please visit http://www.worldbank.org/en/projects-operations/products-and-services/grievance-redress-service. For information on how to submit complaints to the WB Inspection Panel, please visit www.inspectionpanel.org.

VI. KEY RISKS

176. **The overall project implementation risk is rated as High.** The main risks identified relate to fragility, conflict and violence, political and governance matters, environmental and social concerns, and stakeholders. Both Burundi and eastern DRC have in recent years experienced volatile political and social situations, with recurrent episodes of violence, mass movements of people, and unstable economic environments. The mix of

factors results in a risky context with potential for delays in project implementation, exposure of some populations to gender-based violence, procurement-related risks, and technical and fiduciary challenges in implementing the project in some parts of western Burundi and along DRC's eastern border. As a result, the overall risk is rated High. The mitigation measures introduced to respond to each risk include the following: (a) engaging early and continuously with all stakeholders to ensure strong buy-in of the project and its design, (b) adapting the implementation arrangements to the specific context of Burundi and DRC's provincial organizational governance structure, (c) phasing implementation to lead with the elements on which there is already consensus to be followed by others where further consultations are necessary, (d) leveraging on experiences in the region in similar projects, and (e) working with third parties to oversee some interventions, especially on GBV and management of Component 2.

177. **Technical design of the project.** The project is one of a first generation of World Bank projects that apply an innovative combination of trade facilitation and interventions to enhance the supply of tradeable goods and services. The evidence is still evolving on the most appropriate mix of facilitation and upstream measures to enhance supply for external markets. The inherent risks with the design have been mitigated by focusing on the post-production segments of regional value chains and the provision of resources under Component 1, for the project countries and COMESA to gather data and information to learn appropriate lessons and adapt project activities as necessary.

178. **Political and Governance risk is rated as Substantial:** Burundi had peaceful elections in 2020 and a smooth transition of power in 2021. The project itself is consistent with the government's thrust toward economic transformation and leveraging regional integration, as espoused in the National Development of Burundi (*Plan National de Développement du Burundi*, PND) 2018–27. Burundi is also party to the AfCFTA, which provides a policy framework for regional and continental trade integration, as supported by PDO. Similarly, the DRC has indicated strong moves toward regional integration, applying to join the EAC and signing though not yet ratifying the AfCFTA. Although the process going forward on these political commitments is beyond the control of the World Bank, the project will maintain close engagement with the private sector beneficiaries, communities, and civil society. Other measures in mitigation will include direct support for negotiations on trade policy.

179. **Safety and security are an additional driver contributing to the Substantial rating of the Political and Governance risk:** Episodes of instability and turmoil in the two Kivu provinces are serious risks to implementation of the project. Most of these risks are beyond the Bank's control and yet will drive the speed and efficiency with which the project can be implemented, and most importantly, the extent to which households, and especially women traders, are able to benefit from improvements at the border. Increased transboundary trade also has the potential to increase risks related to community safety and security related to illegal activities (such as illegal trade and smuggling of veterinary drugs, pesticides, and agro-pastoral products). The risks will be mitigated through measures that have been defined in a security due-diligence assessment that was carried out during project preparation. A security due diligence assessment was prepared and will be used to guide security arrangements at the different sites where the project will finance activities. In addition, each of the recipients will prepare security management plans and include requirements on security in the bidding documents for works contracts under the project. Where necessary, the Recipients will seek support from the United Nations Organization Stabilization Mission in managing security risks at and between work sites.

180. **Macroeconomic risk is rated as Substantial:** Whereas real GDP growth of both countries decelerated in 2020, because of the COVID-19 pandemic, forecasts are for modest recoveries over the period 2021 to 2023. However, there are other country-specific factors that remain a risk to the project. In Burundi, foreign currency distortions directly affect trade, especially with the DRC. The World Bank, in its Burundi Country Economic

Memorandum in 2021, estimated that the exchange rate overvaluation has increased over time, from only 1 percent in 2014 to 30 percent in 2017. It further estimated that the parallel market premium averaged 70 percent in December 2020. The exchange rate regime encourages informal exports. In the DRC, the economy remains vulnerable to internal and external economic shocks. Economic trends track developments in the key mining sector, which is thus vulnerable to fluctuations in global commodity prices. Over the period since the onset of the pandemic, the macroeconomic situation has deteriorated. It is expected that the economy will further deteriorate if there are further waves of pandemic-related infections. For those reasons, the macroeconomic risks associated with the project are rated as Substantial. At a project level, the risks will be mitigated through the selection of value chains that have potential for export within the region. In addition, PPSDs have been prepared to work out specific measures that will be taken to encourage competition in procurement of civil works contracts.

181. **Institutional Capacity for Implementation and Sustainability risk is rated as High:** The overall institutional capacity is rated as Substantial, but for different reasons in the two project countries. In Burundi preparation of the project was led by a PIU that was established under the MFBEP. However, for implementation the PIU will be remapped to the MTTIT. Placing the PIU under MITTIT provides ready access to a deep pool of technical experts on trade and transport, consistent with the PDO. However, MTTIT does not have the same convening power as MFBEP yet such power is quite important given a need to coordinate among several ministries and agencies that contribute to implementation of the project. The risk of reduced convening power has been mitigated by establishing a high level Project Steering Committee and a technical committee comprised of designated experts to work on and support implementation of the project. In DRC the risks posed by institutional and geographical distance between central and provincial governments has been mitigated through the placement of the Project Coordinator in South Kivu province where the majority of project activities will be implemented. However, as the arrangement could create a gap in Kinshasa where key policy decisions will still be made, the project team will have a trade policy specialist housed in the MoC in the capital. Project implementation risks will be further mitigated by providing increased project implementation support through the World Bank satellite office in Goma. The arrangements for implementation of the project will be reviewed on a regular basis and additional support will be provided as necessary for effective decision making.

182. **Fiduciary risk is rated as Substantial:** The project is designed in an environment with significant governance risks, which feed related risks in financial management and procurement. In Burundi, the PIU that was established under MFBEP to prepare the project has demonstrated effectiveness in financial management and procurement. The PIU will be remapped to MTTIT but will retain its current staffing. However, although the PIU has an established and experienced core staff, the risk with FM arrangements and procurement is rated Substantial. Further capacity will be provided during implementation to maintain and develop the capacity of the beneficiary agencies in project management, accounting, and M&E. In the DRC, the project will build on the capacity that has been established for the management of the GLTFP project. These include recruitment of a chief accountant and a financial controller, and establishment of an internal financial audit. The measures also concern the procurement aspects as the CI is empowered with a procurement unit with a seasoned Procurement Specialist complemented by a procurement assistant. An archiving system put in place under the GLTFP project would facilitate the system management. Additional support would be provided as and when needed.

183. **Environmental and Social risks are rated as High:** Because of the nature and type of activities to be implemented under Component 2 (improvements to core trade infrastructure including border posts, lake ports, border markets, and access roads) and Component 3 (construction of warehouses and processing of agricultural products), anticipated environmental risks are rated as High. The risks relate to (a) biodiversity and management of living natural resources such as direct conversion of natural habitats (for example, exploitation of quarries and borrow pits), indirect impacts to natural and critical habitats (for example, impacts to natural habitats from

primary suppliers of agricultural commodities), animal welfare, and impacts on ecosystem services; and (b) risks inherent to medium- to large-scale civil works, including waste generation, soil erosion and runoff, dust and air emissions, traffic safety risks, potential for hazardous materials and oil spills associated with heavy equipment operation and fueling activities, heavy traffic, risks of fuel and oil spills during enhancement of ports capacity, and occupational health and safety including unexploded ordinance risks. Site specific environmental management plans have been prepared for some sites and others will be prepared for each site before the commencement of civil works. Implementation of the plans by contractors will be closely monitored by the implementing agencies to ensure adherence to ESSs.

184. **Similar to environmental risks, social risks are rated as High; SEA/SH is rated as Substantial**: Potential risks related to labor and working conditions, such as labor influx, child labor, forced labor, work-related discrimination, and Occupational Health and Safety (OHS) risks, have been and will be assessed and addressed through implementation of labor management procedures (LMP). Key OHS risks for the project relate to the trade of agropastoral products (management of livestock facilities, storage of agricultural produce) and to construction and rehabilitation work, such as moving equipment, noise, vibration, welding, chemical hazard, working environment temperature, working at height, and safety and hygiene in worker camps and animal husbandry border facilities (where established). LMPs have either been prepared or will be prepared as part of ESMF/ESMP of each subproject, and relevant mitigation measures to address such risks will be incorporated into procurement documents. The LMP will also include a well-functioning and easily accessible grievance mechanism for project workers. In addition, a prevention, mitigation, and response SEA/SH Action Plan, according to the risk level of the project, will be developed as part of ESMF/ESMP.

185. **Stakeholders' risk is rated as Substantial:** The project has different categories of stakeholders, from individual small-scale traders, traders associations, SMEs, border communities' government agencies and officials, and other development partners. Although some of the stakeholders, especially those affiliated with governments are well organized, the others are not, and in fact may be acting in competition rather than cooperation. Stakeholder engagement plans have been elaborated, one for each of the participating countries, that detail the processes and mechanisms for consultations with the different stakeholders. In addition, the project will provide support under Component 1 to engage with traders and officials in a manner that helps each side appreciate the needs, concerns, and constraints faced by the other side during their interactions. Based on available evidence, such mechanisms have proven to be quite effective in maintaining stakeholder buy-in and support during implementation.

186. **Another stakeholder risk relates to the large number of partners that are involved in the GLR**. It will be important to ensure strong coordination while minimizing the risk of high transaction costs of dealing with multiple stakeholders. Over the course of preparation, the team held numerous discussions with many of the partners (including TradeMark East Africa, International Organization for Migration, European Union, African Development Bank, and so on.) to coordinate plans and programs. Furthermore, the project will support COMESA to ensure a seamless flow of information among the different development partners that are supporting the trade integration agenda.

VII. RESULTS FRAMEWORK AND MONITORING

Results Framework
COUNTRY: Eastern and Southern Africa
Great Lakes Trade Facilitation and Integration Project

Project Development Objectives(s)

The development objective of the project is to facilitate trade and enhance the commercialization of selected value chains, primarily targeting small-scale and women traders in the borderlands of the Great Lakes Region.

Project Development Objective Indicators

Indicator Name	PBC	Baseline	End Target
To facilitate trade and enhance the commercialization of selected value chains in the GLR.			
Average time for traders to cross at targeted border crossings (Minutes)		37.28	18.00
Of which for female traders (Minutes)		40.00	18.00
Quality of public services–degree of satisfaction with border management services (Percentage)		67.00	90.00
Of which for female traders (Percentage)		64.00	90.00
Value of trade through targeted trade infrastructure (Amount(USD))		34,000,000.00	50,000,000.00
Change in value of final products traded by beneficiary traders associations on regional markets (Percentage)		0.00	15.00
Of which for female traders (Percentage)		0.00	15.00

Intermediate Results Indicators by Components

Indicator Name	PBC	Baseline	End Target
Component 1. Improving policy and regulatory environment for cross border trade			
Reduction in incidence of bribery/solicitation of informal payments from traders (Percentage)		0.00	50.00
Reduction in incidence of physical and/or verbal harassment of traders (Percentage)		0.00	75.00
Component 2. Improvements to Core Trade Infrastructure			
Value of goods handled at improved ports (Amount(USD))		0.00	40,000,000.00
Change in average number of traders processed through the borders (%) (Percentage)		0.00	25.00
Value of goods handled at improved border crossing points (Amount(USD))		34,000,000.00	50,000,000.00
Component 3. Support to Commercialization of Selected Cross-Border Value Chains			
Number of value chains supported (Number)		0.00	5.00
Change in profit margin for supported women led value chains (Percentage)		0.00	15.00
Number of participants in supported value chains (Number)		0.00	500.00
Component 4. Implementation Support and Monitoring and Evaluation			
Project communications strategy developed and executed (Number)		0.00	3.00
COMESA regional M&E platform operationalized (Number)		0.00	1.00

Monitoring & Evaluation Plan: PDO Indicators					
Indicator Name	**Definition/Description**	**Frequency**	**Datasource**	**Methodology for Data Collection**	**Responsibility for Data Collection**
Average time for traders to cross at targeted border crossings	Time taken to complete formalities on both sides of the border, for individuals	4 days per quarter on each border. Each country can do more days depending on context.	Quarterly surveys at the border. Baseline survey was carried out in March 2022 - based on Gatumba / Kavimvira data as some border posts were still closed due to Covid 19.	Surveys by statistical agency or university contracted to collect and analyse data.	Burundi PIU, DRC UGP COMESA to aggregate and report the data
Of which for female traders					
Quality of public services–degree of satisfaction with border management services	Perception of traders regarding the quality of services provided by border agencies	Twice a year. Baseline carried out in March 2022. Based on data for Gatumba / Kavimvira as some border posts were still closed	*Survey of trade association members and individual traders.*	Survey by statistical agency or university contracted by PIU.	Burundi PIU, DRC UGP COMESA to consolidite and report data.

		due to Covid-19 pandemic.			
Of which for female traders					
Value of trade through targeted trade infrastructure	Value of goods handled through core border post and port infrastructure	Twice per year.	Data from revenue authorities and facility operators.	Data from OBR in Burundi, DGDA in DRC.	PIU in Burundi and UGP on DRC..
Change in value of final products traded by beneficiary traders associations on regional markets	Percentage change in value of final products traded by beneficiary traders associations on regional markets - gender differentiated	Twice per year.	Survey of participating value chain actors (associations)	Survey of participating value chain actors carried out by a statistical agency or university contracted by the PIU.	PIU of Burundi and UGP in DRC..
Of which for female traders					

Monitoring & Evaluation Plan: Intermediate Results Indicators					
Indicator Name	**Definition/Description**	**Frequency**	**Datasource**	**Methodology for Data Collection**	**Responsibility for Data Collection**
Reduction in incidence of bribery/solicitation of informal payments from traders	Reported incidence of solicitation of bribe by border officials.	Twice a year	Survey of traders.	Survey by statistical agency or university contracted by PIU.	PIU in Burundi and UGP in DRC.
Reduction in incidence of physical and/or verbal harassment of traders	Include all forms of harassment at the analysis level and aggregation of	Twice per year	Survey	Survey by statistical agency or university that is contracted by	PIU in Burundi and UGP in DRC.

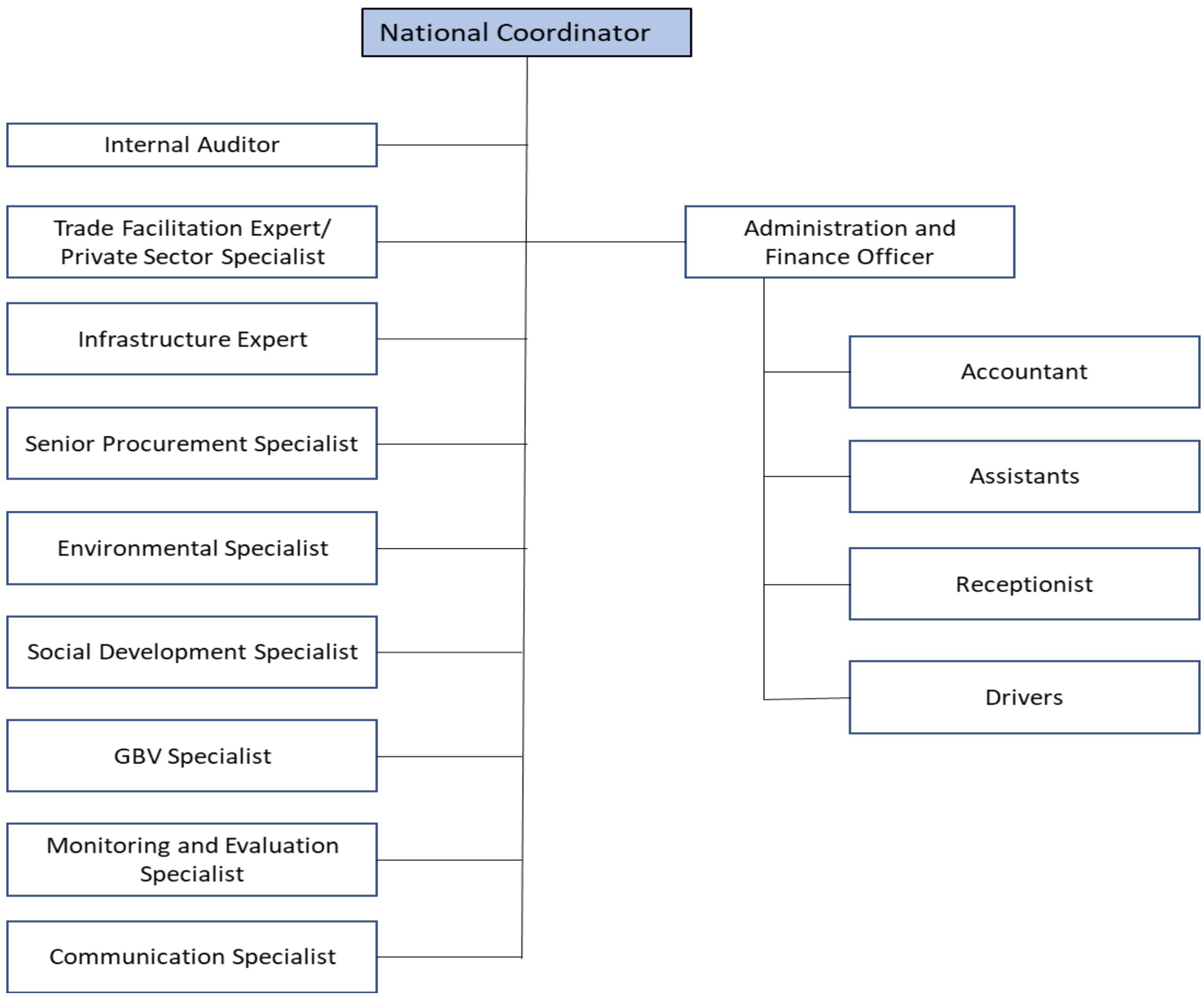
	data to reflect all data elements (harassment) while reporting. Capture of all forms of harassment at analysis provides the right disaggregation of the indicator and the right interpretation of the aggregated data.			PIU to do the collection.	
Value of goods handled at improved ports	Throughput of each port improved by the project.	Annual throughput .	Port operator	Official statistics	PIU in Burundi and CI in DRC.
Change in average number of traders processed through the borders (%)	Annual average daily number of traders passing through border post.	Twice per year	Immigration statistics.	Official records of immigration agencies..	PIU in Burundi and UGP in DRC.
Value of goods handled at improved border crossing points	Value of exports handled at the border.	Twice per year	Official statistics and data collected by any monitoring agency.	OBR and DGDA	PIU in Burundi and UGP in DRC.
Number of value chains supported	Number of value chains supported by the project	Once a year	PIU/UGP	PIU and UGP records.	PIU of Burundi and UGP in DRC.
Change in profit margin for supported women led value chains	Change in profit per unit	Twice per year	Survey of traders associations	Survey by statistical agency or university contracted for data collection.	PIU/UGP.

Number of participants in supported value chains	Number of direct participants in a value chain selected for investment.	Twice per year.	Data from member register of value chain actors.	Data reports from selected value chains.	PIU in Burundi and UGP in DRC.
Project communications strategy developed and executed	Number of communications strategies adopted for implementation.	Twice per year.	PIU and UGP.	PIU/UGP records.	PIU Burundi and UGP in DRC.
COMESA regional M&E platform operationalized	COMESA platform for monitoring regional integration.	Twice per year	COMESA	COMESA reports	COMESA

ANNEX 1: Implementation Arrangements and Support Plan

1. **Burundi**: Implementation of the project in Burundi will be led by a Project Implementation Unit that was established under the Ministry of Finance, Budget, and Economic Planning. The PIU will be responsible for the planning, implementation, and management of all components, financial management, procurement, communication, and Monitoring and Evaluation of the project. Using a project advance, the government already hired several key staff (Project Coordinator, Trade Facilitation and Private Sector Specialist, Procurement Specialist, Administrative and Financial Officer, Environmental and Social Standards Officer, and M&E Officer). The organizational structure of the PIU is illustrated in figure 1.1. A DA opened at the Central Bank of Burundi for the PPA will be used for the management of project funds. The PIU will lead implementation of all aspects of the project, in close coordination with line agencies and ministries of the government.

Figure 11 Schematic of Project Implementation Arrangements in Burundi



2. **DRC**: The project will be implemented under the overall coordination of the project coordination unit (Unite de Gestion de Programme or UGP) established within the MoC's Secretariat General but based in Bukavu, South Kivu Province. The UGP will also be responsible for the implementation of Components 1, 3,

and 4, overall planning, implementation, M&E, and coordination with other beneficiaries. UGP will work closely with the Provincial Governor to ensure effective project implementation and supervision on the ground. The management and implementation of Component 2 will be entrusted to the CI. CI is a technical body of the MIPW with recognized technical expertise and large background regarding infrastructure in the eastern DRC.

3. Using experience and feedback from the GLTFP, the project will recruit a Project Coordinator and a dedicated team of specialists for E&S, Financial Management, and Procurement. These experts will be responsible for all components of the project and will work for both UGP and CI. Overall management will be provided by the two Coordinators. The staffing and organizational structure of the implementation arrangements in the DRC is illustrated in Figure 1.2. Capacity building will be organized on ESF instrument implementation in line with the Bank's new Environmental Social Framework.

4. **COMESA:** The COMESA secretariat will have a dedicated project team. The team will include the Project Coordinator, Gender and Trade Expert, Procurement Expert, M&E Expert, Regional TIDO Coordinator, Project Accountant, and Administrative Assistant. The project team will be supported as needed with experienced consultants in technical areas, legal, environmental, and social expertise and trade facilitation. The organizational structure of the team at COMESA is illustrated in Figure 1.3. In addition, and to enhance synergies with other COMESA programs and activities, the organization will appoint a project counterpart from its senior staff within the Division of Trade and Customs. The appointed counterpart will work closely with the team of experts to be recruited to support the implementation of the project.

Figure 12 Structure of Implementation Unit at COMESA

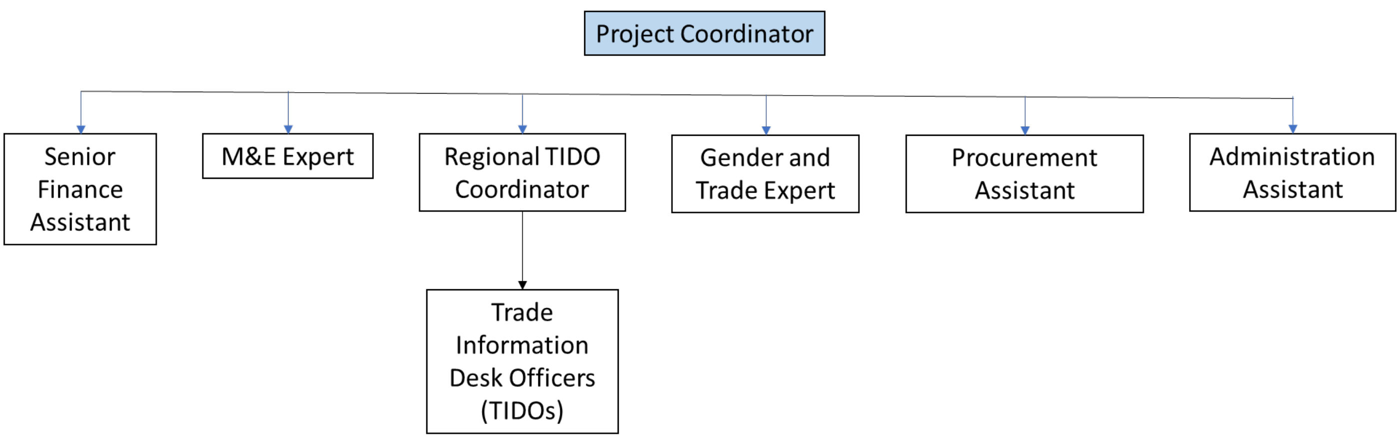
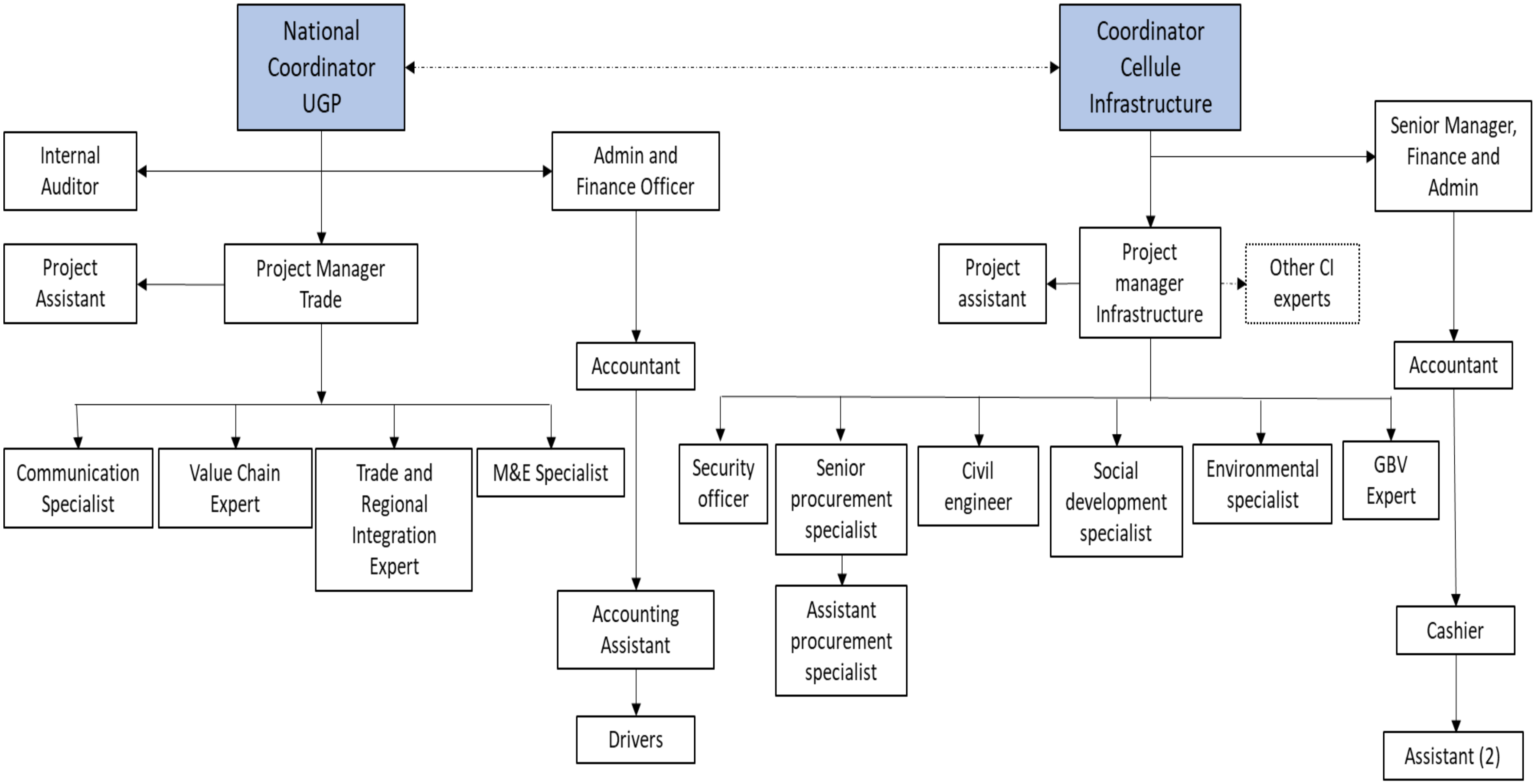


Figure 13 Schematic of Project Implementation Arrangements in DRC



Bank Implementation Support

5. The implementation support plan for the project has been developed based on the specific nature of the policy content, infrastructure development and TA activities, the existing capacity of the government counterparts, the fragile environment in the two countries involved, the complex and multi-sectoral nature of the project, and the sector and project's risk profile in accordance with the SORT. The implementation support plan aims to enhance the clients quality delivery of the project interventions and address critical issues that may affect project implementation. The support will specifically focus on: (a) strengthening technical and fiduciary capacity of the respective government and regional counterparts at the beginning of the project; and (b) regular provision of implementation support through at least two-times-a -year Bank Implementation Support Missions, including technical, institutional, ESF, M&E, and fiduciary aspects.

6. An adequate skill mix of qualified staff and consultants will be on the project. Some skills will be needed on a regular basis, while others will be required on a need basis. It is therefore proposed to establish a core team that will include expertise on trade, infrastructure, border management, security, financial, procurement, and M&E. The core team will include the following: Lead or experienced Senior Specialist (TTL), Senior Infrastructure Specialist (Co-TTL), Senior Operations Officer, Senior Trade Specialists, Senior Customs/Border Management Specialist, FM Specialists, Procurement Specialists, and GBV Specialist, E&S Specialists. Other staff will be brought in periodically, as necessary.

7. Formal implementation support missions (ISMs) and field visits will be carried out at least two times a year. The frequency of ISMs will also be flexibly augmented on a needs basis. In addition, the country-based Bank staff will conduct more frequent meetings with staff from various ministries involved in the project, as well as carry out field visits to provide ongoing assistance to clients, help identify implementation bottlenecks early, and propose remedial actions. The country-based staff will also maintain close working relationships with the other main development partners engaged in regional integration, cross border management, and trade facilitation issues.

ANNEX 2: Map of Project Intervention Locations