

# **BANKABLE PROJECT GUIDANCE WITH A FOCUS ON AID FOR TRADE**

## **Outline and Selection Process**

### **1. General Principles**

The best practices and guidelines on programming and operations applied to the bankable project should be simplified as much as possible to allow for faster implementation of the activities funded by different Facilities. The operations are undertaken in accordance with the Results-Based Management approach (RBM), where results form the basis for project/programme identification, preparation, appraisal and reporting. This approach will focus the activities on results and allow appropriate feedback to improve performance by comparing and analyzing actual results against planned results through regular monitoring and evaluation, reporting and making the necessary adjustments to programmes. The procedures outlined in the next section provide the general orientation for processing requests. It is based on the approach followed by the African Development Bank.

### **2. Project Identification**

**2.1 *Sources of Projects:*** The responsible department/Facility will build-up its pipeline of projects from many sources including the following: i) proposals sent directly by eligible Government and sub-sovereign entities, Regional and sub regional organizations; ii) projects emanating from identification missions and; iii) Proposals emanating from the Department/administration.

**2.2 *Call for Proposals:*** a call for proposals shall be made to all eligible entities to ensure a demand-driven, flexible, open and transparent approach allowing equal opportunities for all stakeholders to apply for grants.

**2.3 *Identification Mission:*** projects can also be identified through identification missions by staff of the Facility/administration. The mission will assess the needs and explore whether there is demand for the project. However, it is important to highlight that Aid for Trade is a demand-driven programme that responds to the needs of recipient countries.

**2.4 *Pipeline of Projects:*** the Facility will build a pipeline of projects after careful selection in line with the Department focus defined by the Governing Council. The Director shall maintain a list of all projects submitted to the Facility for consideration (pipeline of projects), indicating the status of each: i) date submitted; ii) actual or requested amount of grant; iii) actual or planned dates of completion of project concept (identification report), finalizing appraisal, board submission and expected outputs project completion.

### **3. Project Preparation**

Task Managers shall prepare a report for each project before appraisal. The report should include at least the following elements: i) objectives and anticipated results and impact; ii) the cost of the project or activity; iii) time-bound details on implementation of the project and its individual components; iv) schedule of procurement actions; v) schedule of disbursement actions, including source of funds additional to the grant; (vi) assessment of fiduciary control environment and funds flow arrangements; vii) provision for accounting for project finances, including reporting and auditing; viii) contributions of the beneficiaries and; ix) reference/performance of the implementation agencies.

### **4. Project Appraisal and Negotiation**

Projects require field appraisal: i) The proposal is the administration's first working relationship with the originator; ii) Implementation would involve a multi-stakeholder process; iii) Information provided for the Appraisal reports after requests to the recipient still requires investigation or confirmation; iv) Procurement and disbursement arrangements require clarification.

## **5. Approval**

The decision making process for the review and approval of grants needs to be flexible and fast. It is proposed that the hierarchy would delegate to the Management the authority to approve grants up to a specified amount.

## **6. Aid for trade Grant signing**

In order to consider the Aid for Trade financing option, the project has to be linked by the national government/administration to trade integration, increased trade capacity or increased capacity to formulate trade policies and trade adjustment measures. Furthermore, the donor must be convinced that a positive and sufficient effect on the trade capacity of the beneficiary will be the outcome. The project has to address donor priorities (relevance, effectiveness, impact and sustainability) as well.

## **7. Grant Effectiveness**

The grant must be declared effective before the Facility may make any disbursement of funds. The Director may declare the activity effective immediately upon signature of the Agreement. If there are “conditions precedent to the effectiveness of the grant”, compliance shall be monitored and grant effectiveness pronounced only when these conditions have been met.

## **8. Project Supervision**

- ✓ Identifying necessary supervisory skills
- ✓ Identifying the conceptual model of situational supervision
- ✓ Using a supervisory check list

## **9. Project Completion Report**

- ✓ Shifting focus from monitoring resources to measuring outcomes
- ✓ From reporting on what is being done to what has been achieved
- ✓ Why was the project needed? How will results be sustained?
- ✓ What was the objective, and to what extent was it reached?
- ✓ What was the outcome, and to what extent was it reached?
- ✓ Which outputs were delivered?
- ✓ How were the beneficiaries involved? What was the benefit on trade?
- ✓ What did the donor partnership achieve?

## **10. Monitoring and Evaluation**

### Problems encountered

- Lack of inter-institutional communication
- Lack of private sector engagement
- Capacity constraints
- Quasi-government institutions

### Results achieved

- Strengthened public-private civil society sector channels
- Increased visibility
- Greater organization and confidence