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ANNEX 22

to the Commission Implementing Decision on the financing of the multiannual action plan in favour of Sub-Saharan Africa for 2022-2026 Part 2

Action Document for "Africa Trade Competitiveness and Market Access"

MULTIANNUAL PLAN
This document constitutes the multiannual work programme within the meaning of Article 110(2) of the Financial Regulation, within the meaning of Article 23 of the NDICI-Global Europe Regulation.

1 SYNOPSIS

1.1 Action Summary Table

1. Title **CRIS/OPSYS business reference** **Basic Act**	Africa Trade Competitiveness and Market Access OPSYS number: ACT-61333 Financed under the Neighbourhood, Development and International Cooperation Instrument (NDICI-Global Europe)
2. Team Europe Initiative	Yes Team Europe Initiative (TEI) on support to the Africa economic integration towards African Continental Free Trade Area (AfCFTA)
3. Zone benefiting from the action	The action shall be carried out in Sub Saharan Africa.
4. Programming document	Sub Saharan Multiannual Indicative Program 2021-2027
5. Link with relevant MIP(s) objectives / expected results	Priority 5. Sustainable growth and Decent Jobs Specific Objective 1: Increase sustainable intra-African trade and mobility, making them safer, cheaper, faster and greener; and strengthening Africa-EU trade. Result 1.1: Country, regional and continental actors have improved capacity to effectively design, manage and implement economic agreements (AfCFTA, regional measures, (i-) EPAs and multilateral agreements) in coherence with the continental economic integration process. Result 1.5: Non-tariff barriers are reduced. Specific Objective 3: An investment climate in Sub-Saharan Africa conducive to private sector development and investments, and improved business capacities and access to finance for Micro, Small and Medium Enterprises (MSMEs). Result 3.2: Regional support measures for MSMEs business capacities are enhanced at continental and regional level. Result 3.4: Improved regional environmental and social standards for responsible business conduct

<table>
<tr><th colspan="5">PRIORITY AREAS AND SECTOR INFORMATION</th></tr>
<tr><td>6. Priority Area(s), sectors</td><td colspan="4"><u>Sub-Saharan Africa Regional MIP</u>:
Priority 5. Sustainable growth and Decent Jobs
<u>DAC Sector</u>:
Sector 331- Trade policy and regulations</td></tr>
<tr><td>7. Sustainable Development Goals (SDGs)</td><td colspan="4">Main SDG: SDG 8 – Decent work and economic growth
Other significant SDGs: SDG 1 – No Poverty, SDG 5 – (Gender equality), SDG 9 – Industry, Innovation and Infrastructure, SDG 10 – Reduced Inequalities, SDG 12 - Sustainable Consumption and Production, SDG 17 – Partnerships for the Goals.</td></tr>
<tr><td>8 a) DAC code(s)</td><td colspan="4">25030 - Business development services -30%
32130 - Small and medium-sized enterprises (SME) development – 20%
33110 - Trade policy and administrative management – 25%
33130 - Regional trade agreements -25%</td></tr>
<tr><td>8 b) Main Delivery Channel</td><td colspan="4">40000 - Multilateral Organisations
10000 – Public Sector institutions
60000 - Private sector institution</td></tr>
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☒Climate
☐ Social inclusion and Human Development
☒Gender
☐ Biodiversity
☐ Education
☐ Human Rights, Democracy and Governance</td></tr>
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(from DAC form)</td><td>General policy objective @</td><td>Not targeted</td><td>Significant objective</td><td>Principal objective</td></tr>
<tr><td>Participation development/good governance</td><td>☒</td><td>☐</td><td>☐</td></tr>
<tr><td>Aid to environment @</td><td>☐</td><td>☒</td><td>☐</td></tr>
<tr><td>Gender equality and women’s and girl’s empowerment</td><td>☐</td><td>☒</td><td>☐</td></tr>
<tr><td>Trade development</td><td>☐</td><td>☐</td><td>☒</td></tr>
<tr><td>Reproductive, maternal, new-born and child health</td><td>☒</td><td>☐</td><td>☐</td></tr>
<tr><td>Disaster Risk Reduction @</td><td>☒</td><td>☐</td><td>☐</td></tr>
<tr><td>Inclusion of persons with Disabilities @</td><td>☒</td><td>☐</td><td>☐</td></tr>
<tr><td>Nutrition @</td><td>☒</td><td>☐</td><td>☐</td></tr>
<tr><td>RIO Convention markers</td><td>Not targeted</td><td>Significant objective</td><td>Principal objective</td></tr>
<tr><td>Biological diversity @</td><td>☒</td><td>☐</td><td>☐</td></tr>
<tr><td>Combat desertification @</td><td>☒</td><td>☐</td><td>☐</td></tr>
<tr><td>Climate change mitigation @</td><td>☐</td><td>☒</td><td>☐</td></tr>
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<table>
<tr><td></td><td>Climate change adaptation @</td><td>☒</td><td>☐</td><td>☐</td></tr>
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☐
☐
☐
☐
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☐
☐
☐
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☒</td><td></td></tr>
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energy
transport
health
education and research</td><td>YES
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☐
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☐</td><td>NO
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☐</td><td></td></tr>
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<tr><td>Reduction of Inequalities @
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<tr><td>Covid-19</td><td>☒</td><td>☐</td><td>☐</td></tr>
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14.020120: EUR 55 250 000 (West Africa)
14.020121: EUR 80 250 000 (Eastern and Central Africa)
14.020122: EUR 69 500 000 (Southern Africa)
Total estimated cost: EUR 205 000 000
The contribution is for an amount of EUR 150 000 000 from the general budget of the European Union for 2022:
14.020120 : EUR 50 000 000 (West Africa);
14.020121 : EUR 35 000 000 (East & Central Africa);
14.020122 : EUR 65 000 000 (Southern Africa)
The contribution is for an amount of EUR 55 000 000 from the general budget of the</td></tr>
</table>

[1] Calculated as follows: The Continental component (15 000 0000 €) was split along the 3 budget lines as such: 35% on West Africa line (5 250 000), 35% on East and Central Africa line (5 250 000), 30% on Southern and Indian Ocean line (4 500 000). Each regional budget line contributes 100% to its respective regional components. The COMESA component was allocated to the Southern and Indian Ocean line.

	European Union for 2023 14.020120 : EUR 5 250 000 (West Africa); 14.020121 : EUR 45 250 000 (East & Central Africa); 14.020122 : EUR 4 500 000 (Southern Africa) Subject to the availability of appropriations for the respective financial years following the adoption of the relevant annual budget, or as provided for in the system of provisional twelfths. This contributes to the TEI in support to Africa integration towards AfCFTA to which Belgium, Denmark, France, Germany, Finland, Ireland, the Netherlands, Portugal and Sweden are also contributing.
MANAGEMENT AND IMPLEMENTATION	
13. Type of financing	**Direct management** through: - Grants - Twinning grants **Indirect management** with the entity(ies) to be selected in accordance with the criteria set out in section 4.4.2 The **contribution to the African Investment Platform** shall be implemented in indirect management by the entities indicated in the appendix to this Action Document, in accordance with the African Investment Platform's award procedure.

1.2 Summary of the Action

The intra Africa trade has remained very low over the years notwithstanding the effort consented to boost it. Trade competitiveness has been impeded by non-tariff barriers (NTBs), including Technical Barriers to Trade (TBT) and sanitary and phyto-sanitary (SPS) measures, stemming in particular from the lack of standards harmonization and from the inefficient quality infrastructure. Across different Regional Economic Communities, many African countries face challenges of variations in standards and standards implementation. These divergences make formal cross-border trade contentious and expensive.

The action will have two main pillars.
First, the programme will help the African countries to benefit from trade opportunities by being able to conform with standards and technical regulations, which requires establishing efficient testing, certification and accreditation mechanisms that conform to the requirements of the SPS and TBT agreements and enjoy international recognition.
Second, in order to maximise MSMEs export potential and support them to enter new markets, the action will also address other market access constraints or enablers: enhance value addition and export capacities through marketing, labelling, branding strategies, sustainability and environmental issues, technology transfer and processing for export, business promotion through market linkages and capacitate trade and investment support institutions.

Support will be provided both at institutional and policy level (looking at the existing agreements that set the regulatory framework in Africa on this matters – African Continental Free Trade Agreement (AfCFTA), Regional Economic Communities' (REC) regulations, national regulations and bilateral agreements with the EU), as well as at private sector level, with a primary focus on selected key export-oriented regional priority value chains. Particular focus on intra-African exports as well as exports to the European Union will be given, so regions can fully exploit their trade-driven growth potential, with a view to contribute to sustainable growth and jobs creation, and further integrate EU-Africa value chains.

The proposed programme will be developed through several regional components, building on existing or previous regional programmes (WACOMP in West Africa, MARKUP in East Africa, PIQAC in Central Africa, RECAMP and RISP in Southern Africa). This action aims to connect all these components, and maximise their coherence and joint impact with a common view to contribute to the AfCFTA and economic integration.

Having a single framework action, with several geographic components, will ensure a structured approach and coherence between the different components of the action.

This action will primarily contribute to SDG 8 (Promote inclusive and sustainable economic growth, employment and decent work for all) as well as to SDG 9 (Build resilient infrastructure, promote sustainable industrialisation and foster innovation) , SDG 12 (Responsible Consumption and Production) and SDG 5 (achieve gender equality and empower all women and girls).

2 RATIONALE

2.1 Context

In February 2022, during the EU- AU summit, the EU and AU leaders committed to boost regional and continental African economic integration, particularly through the African Continental Free Trade Area (AfCFTA) and the progressive and mutually beneficial integration of the respective continental markets, and recognized that the existing trade agreements between the EU and some African countries have contributed to strengthening and deepening trade and economic development between the two continents. The leaders further announced the Global Gateway Africa-Europe Investment Package to help build more diversified, inclusive, sustainable and resilient economies, *inter alia* supporting industrialisation and the development of sustainable and resilient value and supply chains. This action will contribute to the deployment of the Global Gateway Investment Package by strengthening economic integration at regional and continental levels with the aim to achieve sustainable and inclusive growth and decent job creation, as well as, promoting transformative and competitive economies and the further integration of EU-African value chains.

Moreover the action will support the objectives of the EU Trade Policy Review (February 2021) laying down the conditions for an 'Open, Sustainable and Assertive EU Trade Policy'[2]. It underlines the importance of a deeper engagement with the African continent and countries towards a closer economic integration of both continents, in a number of key areas including the implementation of the Africa-EU Trade agreements, but also the promotion of responsible and sustainable value chains. The action will also contribute to the implementation of the Gender Action Plan - GAP III, and, particularly, to its thematic area of engagement "Promoting economic and social rights and empowering girls and women".

Looking at African partners' domestic policy, support under this priority area builds on the momentum for African integration with the start of trading under the AfCFTA as a first step to build progressively a Continental Common Market and on the progress with the sub-regional economic integration processes. The AfCFTA is one of the African Union flagship projects under the ten-year implementation plan of its Agenda 2063[3] whose main objective is to "create a single market for goods and services with free movement of people and investments", thus expanding intra-African trade across the continent, enhancing competitiveness, and supporting economic transformation in Africa. Also the AfCFTA explicitly mentions the promotion of gender equality as a key objective. Considering that trade policies may affect women's socio-economic status and opportunities differently than men, the AfCFTA Secretariat prepares a Women and Youth in Trade Protocol.
More importantly, the AfCFTA agreement includes individual countries' commitments to address nontariff barriers to trade (NTBs), it includes two specific protocols on TBT and SPS that countries are expected to comply with, as part of ensuring that traded goods are of acceptable quality and pose no threats to the health and safety of consumers and the environment.

[2] https://trade.ec.europa.eu/doclib/docs/2021/february/tradoc_159438.pdf
[3] https://au.int/en/agenda2063/overview

The European Union is the first trade partner for African products, primary Aid for Trade provider and key partner for sustainable and green investment in Africa. EU is the strategic partner to support the African economic integration agenda and to share good practices in building an efficient regulatory framework for quality infrastructure – with the aim to ensure safe and compliant products, which are a major facilitator of regional, continental and global trade and investment. The EU and EU Member States have joined forces under a Team Europe approach – specifically through a TEI on support to the AfCFTA - as a new way for a joint EU engagement in order to provide a more coordinated, comprehensive and targeted support to African partners. This action is part of this TEI.
Moreover under this particular action it is key to flag the main strategies and policy frameworks related to the areas of focus in the action, namely TBT and SPS.

An 'Africa Quality Policy' was adopted in September 2021[4]. The overall objective is to have an effective African Quality Infrastructure (QI) capable of raising the quality of goods and services, thus increasing Africa's export- led growth and leading to industrial expansion and diversification in line with the African Agenda 2063, the AfCFTA and boosting Intra-African trade (BIAT). This action intends to contribute to implementing this policy.

The basis of the continental SPS governance lay on the AU Sanitary and Phytosanitary (SPS) Policy Framework implementation strategy. The strategy is an Africa-wide instrument that AU Member States and RECs will be called upon to integrate into their development plans. The AU SPS policy framework is the agreed instrument to support the operationalization of Annex 7 (SPS) of the Protocol on Trade in Goods of the AfCFTA.

It is important to flag that these continental strategies co-exist with a number of regional and national strategies that set the regulatory frameworks and policy orientations at a more detailed level, in African sub-regions. The regional treaties as well as the regional development strategies designed by the different RECs set the wider framework and are then further detailed with specific SPS strategies, regional Value Chain Plans , industrialization policies, export promotion strategies, etc.

The policy context includes among others the following key regional and national strategies that could be considered:

- Sixth EAC Development Strategy 2021/22–2025/26;
- EAC Export promotion Strategy 2020-2025;
- EAC Fruits and Vegetables Value Chain Strategy and Action Plan 2021-2031;
- EAC Private Sector Development Strategy;
- EAC Investment Policy 2019-2024;
- COMESA Medium-Term Strategic Plan 2021-2025;
- COMESA Gender Policy and Planning Guidelines;
- COMESA SPS strategy;
- COMESA Regional Micro, Small and Medium Enterprises Policy;
- COMESA's industrialization policy and strategy;
- ECCAS' 2021-2025 strategic plan;
- Economic and Monetary Community of Central Africa - EMCCA's (CEMAC) vision;
- African Development Bank's Regional Integration Strategy Document 2019-2025 – ECCAS;
- National strategies for the implementation of AfCFTA;
- National strategies for the implementation of the EPA and i-EPAs;
- ECOWAS Regional Competition Policy Framework;
- West African Common Industrial Policy (WACIP);
- ECOWAS Quality Policy (ECOQUAL);
- ECOWAS MSME Strategy;
- ECOWAS Strategic Framework for Private Sector and Enterprise Promotion;
- SADC industrialisation Strategy and Roadmap;
- SADC Protocol on Industry;
- SADC Protocols on Trade in Goods (TBT and SPS Annexes);

[4] http://www.paqi.org/wp-content/uploads/2021/11/AU_Africa_Quality_Policy2021_EN-WEB.pdf

2.2 Problem Analysis

While the trade potential in global and regional value chains is huge, the integration of Africa into the world trade has remained low despite numerous bilateral, sub-regional and multilateral trade agreements both at continental and global levels. Intra-African exports as a share of Africa's total exports are only 14.2 % , compared to a figure of 57.5% for the EU. Intra-African trade is underexploited due to high tariff and non-tariff trade costs in the region. African countries' exports face average tariffs of 6.3% with non-African partners and 11.8% with African countries, and thus experience higher protection rates from one another than from non-African countries.

According to International Trade Center (ITC) surveys, technical barriers to trade and sanitary and phytosanitary measures account for the largest share of NTM-related trade obstacles in Africa. Inadequate infrastructure, including digital infrastructure, increases the production costs for industries that rely heavily on imported intermediates and undermine the competitiveness of Africa's export firms. Africa's trade and investment environment is further challenged by border-related and local distribution deficiencies, such as corruption, expensive settlement payments, cumbersome customs requirements and inefficient services including logistics. Trade and value addition is constrained by a lack of widely available trade finance for the African business community and an inadequate supply of productive capacities. This is particularly true for the MSMEs run by women, that account for close to 60% of Africa's GDP and generate about 450 million jobs.

Moreover the African continental SPS governance remains a key challenge for African Member States due to the large differences in political, technical, economic and institutional capacities, articulation at three levels (continental, regional and national), and most importantly divergent interests between the protection of public health (consumers and producers of agrifood commodities and other agricultural products) and the promotion of free trade. The former requiring strong public institutions and highly performing competent authorities, the latter driven by very strong private interests.

When looking at a more granular level, Sub Saharan Africa sub regions, despite the strong efforts in the promotion of economic integration at sub regional level, the challenges and bottlenecks for intra-regional trade level remain high and impede unblocking the potential of cross border trade among neighbouring countries. However it is important to flag the significant difference in the level of achievements in integration across the different regions.

In Central Africa, intra-regional trade has remained very low (less than 2%) over the years notwithstanding the efforts to boost it. Furthermore, it is the region that trades the least with the rest of the continent (2.2%). Trading between African countries is impeded by a number of constraints related to obstacles in the supply side, market access and competitiveness. Those include the low level of production of tradable goods, an embryonic industry, lack of infrastructure, poor investment climate and business environment and numerous tariff and non-tariff barriers. The non-tariff barriers (TBT) and sanitary and phytosanitary (SPS) barriers are of particular concern considering the poor level of quality infrastructure and insufficient investment by companies to ensure compliance. In addition, the financial system provides limited instruments to cover long term ambitious investments and does not always fit the needs for SME financing.

In Eastern Africa intra-EAC export trade currently stands at less than 20% and exports to more lucrative markets are not reaching their full potential. The relatively high growth rates and substantial increase in foreign investors' interest, is in part due to the emerging middle-class with purchasing power increasingly adopting western consumption patterns. This trend, along a high population growth, leads to strong demand for more, higher quality and better processed and packaged agribusiness products. Moreover, worldwide agricultural demand will continue to outgrow agricultural supply. Therefore the potential is there to increase exports both at intra-EAC, African and extra-African level, including to the EU. However, the region remains to face both supply side constraints, including inadequate production and processing capacities - with limited use of green, energy and resource-efficient technologies, as well as market access constraints. These constraints relate mainly to the challenges in ensuring that production conforms to trade requirements - in particular conformity with TBT and SPS measures, as well as with voluntary industry certification schemes.

In COMESA despite the comparative advantage of the region linked mainly to its natural resources but also to their potential in agro-processing, textiles and garments, etc., trade remains low compared to other regions, at around 11% of total COMESA exports, with many traded products being of low added value. Intra-regional trade is constrained by inadequate financing towards strategic investments aimed at making the region's private sector competitive. Other issues include prohibitive regulatory frameworks across member states, absence of good regulatory environment and investment climate, high compliance costs and limited knowledge on potential private sector development reforms across the value chains.

There are several policy gaps that exist in SADC Member States that hinder effective operation of regional value chains. Regional value chain actors must overcome incongruence in policy and regulatory frameworks, coordination and linkages failures, market failures as well as the competitiveness constraints at the national and regional levels. These gaps must be addressed in order to take advantage of opportunities to add value and migrate to new high-level activities along the value-chain. SADC countries face intense, growing competition across all products and markets and score poorly in global competitiveness league tables. There are policy and regulatory bottlenecks in legislation and regulation for intra-SADC processing and value addition leading to unpredictability, lack of transparency and investor uncertainty. There are no clear mechanisms for consultations on the operationalization of regional value chains. Moreover, private sector business associations in SADC are for the most part, weak and under-resourced, there is a strong case for creating and strengthening business associations at the regional level.

In West Africa, intra-regional trade has remained low (around 12%) and is characterized by a lower degree of processing compared to global patterns. The region trade pattern shows important share of primary commodity in the exports as well as important share of final consumption in the imports. In terms of perspectives, the region shows potentials in terms of trade of agricultural and agro-based products. However, despite the efforts in terms of trade liberalization, trade with other regional economic communities in Africa remain low.
Obstacles to intra-African trade include lack of transport infrastructure, low manufacturing production and low quality of exported products, weak integration of African quality infrastructure, non-alignment of regional quality policies with African quality policy, mismatch between the needs of other regions in Africa and exports West African countries, technical barriers to trade, tariff and non-tariff barriers, lack of connection between actors in the African private sector, weak financial integration at the intra-regional and African level, the lack of information on existing opportunities in other African regional communities.

Moreover overall across Africa, enterprises, including large ones and SMEs, especially women and youth led, within the continent, continue to face challenges that hinder their ability to participate effectively in sustainable intra African and EU-Africa trade. Limitations in institutional capacities across the public and private sectors due to their limited ability to address bottlenecks in agricultural value chains across member states remain paramount. It has been widely documented that member states exports mostly consist of raw materials, especially in agriculture and mining. Heightened by poor market linkages, low vertical and horizontal integration in manufacturing industries, African partners recognize the need to upgrade existing regional value chains in agriculture and other commodities by expanding their productive capacities, entrepreneurship, production linkages and industrial clusters. There is an overall need to empower enterprises, to add more value and participate in regional trade.
The private sector has not only challenges to comply to a variety of SPS market requirements across the region, but also in meeting voluntary certification standards that are of increasing importance at regional and global markets, towards a more sustainable trade system.

Finally, it is important to add that the co-existence of multiple trade agreements and regulatory frameworks in Africa creates a lot of confusion for SMEs to fully understand and comply with the requirements for trade. The entering into force of the AfCFTA is an important step in the path of regional integration, as well as towards Africa's integration to the world trade, however it also adds an additional level of complexity and new regulatory provisions for the SMES to comply with.
In this sense it is critical to ensure the adequate support for the complementarity, simplification and rationalisation of the regulatory frameworks, standards and trade requirements that can boost and promote trade by eliminating NTBs. In this exercise it is also important to consider the strong EU market requirements in terms of standards and quality compliance measures to which African SMEs are to comply for trading with Europe.

Identification of main stakeholders and corresponding institutional and/or organisational issues (mandates, potential roles, and capacities) to be covered by the action:

Under this action we can identify two main stakeholders' groups, private sector related stakeholders and public stakeholders.

On the one hand, the **private sector actors** will be main beneficiaries of the action. **SMEs and cooperatives** in selected value chains, will be benefitting from capacity building to sustainably increase their business and exports, and accessing improved quality conformity with the market demand, financial advisory, logistic and trade and investment promotion services so as to increase their export towards African and European markets. This will, in turn, benefit value-chain workers and farmers and companies who are not always aware of growth opportunities related to trading across borders. Expertise and know-how sharing from Value Chain Lead Enterprises (VCLE), will also be promoted.

A key role will be played by **Business Support Organisations (BSO), trade and investment agencies,** including private sector apex bodies (like the Africa Business Council, East African Business Council) and value-chain-specific associations whose role is to advocate for a better investment climate, business environment, conditions for better economic integration. These associations will be strengthened to pursue their role as key actors for the promotion and lobbying of the Pan-African Business interests, along with ensuring regular inclusive dialogue with the mandated public authorities. They will be capacitated to improve their offer, including for the removal of trade barriers and for facilitating increased and seamlessly access to lucrative markets. Moreover, the programme will involve, through collaborative partnerships, sector-specific EU BSO and knowledge repositories.

The **financial system** has a critical role to play in trade deepening through trade operations and value chains development financing. For this role to be fulfilled, financial actors need to be equipped with new and innovative financing instruments, despite not being the core stakeholders of the action synergies will be found with these and potential support under the EFSD+ activities.

Within **the public sector actors**:

Continental, regional and national authorities including the AfCFTA Secretariat ; The African Union Commission (AUC); and the Regional Economic Communities (ECOWAS, WAEMU, ECCAS, COMESA, SADC, EAC), who are the mandated institutions for economic integration and trade matters, are essential stakeholders and will have both: an important coordination role, informing about the regional priorities as regards to the action as well as in reorienting them; and they will also be benefiting from technical assistance to strengthen their governance mandate, supporting the review of relevant policies including the effective implementation and transposition at national level. Moreover national authorities will also be engaged and benefit from the action, namely the Partner States' Ministries and Agencies covering trade, industry, environmental protection, labour law, agriculture and technical and sanitary standards.

Quality Infrastructure Institutions. Quality and standards regulatory agencies exist in most African countries but have different capacity levels. Metrology institutions, accreditation institutions and certification bodies will be key beneficiaries of the action with the aim of strengthening their capacities and the efficiency of their services. Conformity assessment firms, such as analysis, testing and inspection laboratories, exist in very few numbers and can be supported to acquire accreditations that can allow them to deliver reliable certificates in many more areas than it is currently the case. Consumer unions have a key role to play in forcing the SMEs to comply with standard and therefore to reinforce their capacities to access export market. By raising their awareness on the role they can play by requesting goods and services of acceptable quality, they can help achieving the objective of the action.

3 DESCRIPTION OF THE ACTION

3.1 Objectives and Expected Outputs

The Overall Objective (Impact) of this action is to contribute to **increase sustainable intra-African and EU-Africa trade**

The Specific(s) Objective(s) (Outcomes) of this action are to

1. Enhanced market access for selected value chains
2. Enhanced export competitiveness for SMEs in selected value chains

The Outputs to be delivered by this action contributing to the corresponding Specific Objectives (Outcomes) are :
contributing to Outcome 1 (or Specific Objective 1)

1.1 Market access barriers are identified and reduced
1.2 Quality compliance and standards are strengthened
1.3 Facilitate a value-chain revision mechanism

contributing to Outcome 2 (or Specific Objective 2)

2.1 Enhance value addition and diversification
2.2 SME capacities and opportunities for business and export are enhanced

3.2 Indicative Activities

Activities will take place at different levels including continental, regional and national level. Indicative activities will include, not limited to:

<u>Activities related to **Output 1.1 - Market access barriers are identified and reduced:**</u>
Reduce trade barriers and ensure transparency and efficiency of trade-related procedures, by:

- Expanding market access barriers **identification and assessment** through a specific value chain approach studies and mappings **- Value Chain diagnostic** developed, updated and expanded to inform regional policy dialogues.
- Identifying and distinguishing **specific barriers and Non-Tariff Measures (NTMs)** in sub-regional markets, intra-African markets and European market for the relevant value chains.
- Undertaking **pilot national surveys** on the contribution of identified value chains/ sectors and the existing national barriers.
- Establishing and promoting value-chain specific **Trade Obstacles Alert and Resolution Mechanism**.
- Strengthening and promoting specific **market information platforms/portals (VCs specific)** and promote access to and use of relevant market access regulations tools, including, Trade Facilitation Portals, Market Access Map, regional observatories and the African Trade Observatory.
- Providing technical assistance and capacity building **support to mandated institutions around market access and TBT topics**. Strengthening the institutional capacity to promote progressive negotiation for removal, elimination, reduction of Tariff and Non-Tariff Barriers (TNTB) to trade and subsequently address obstacles affecting the value chains competitiveness.
- **Capacity strengthening of Trade Facilitation Committees (TFC) and advocacy of business associations** to participate in the identification and removal of TNTBs.
- **Supporting and promoting the reforms** needed to remove identified trade barriers and obstacles to trade on selected intra-regional and extra-regional trade flows in coordination with the Trade Facilitation Committees (TFC) and other stakeholders, with specific reference made to identified value chains.
- **Improving and harmonizing practices of non-custom agencies at the borders** (e.g. standard operating procedures, risk management, clearance of perishable products)
- Including **dialogue structures under identified value chains** to improve the business environment and

effective participation of women, men and youth.

- Strengthening **gender mainstreaming and targeted support** through identification of gender related barriers to market access in the selected value chains.

Activities related to Output 1.2 **- Quality compliance and standards are strengthened**:
Strengthen the quality infrastructure framework and services, as well as SME compliance, by:

- Supporting **good governance in the quality infrastructure system**. Promoting the revision and/or adoption of the relevant continental/regional quality policies. National quality policies are effectively developed, adopted (or adapted wherever necessary), in line with the continental/regional quality policy and accompanied with all the implementation decrees.
- **Supporting regional standard harmonization,** contributing to the efforts to harmonize regulatory TBT and SPS frameworks (with key attention on pesticides, labelling etc.). This harmonization should be done in line with existing African and regional quality frameworks and in alignment with international standards.
- Supporting the harmonization of policies to **promote mutual recognition,** focusing on metrology, standardisation, inspection and testing, quality management and conformity assessment, including certification and accreditation.
- Providing technical assistance and **capacity building to standards agencies and other competent authorities** to address identified capacity gaps and to prioritize food safety, animal and plant health hazards and risks, including contaminants, at continental, regional and national levels.
- Supporting the promotion of **quality infrastructure institutions of reference**. Promoting the creation and where existent, improving coordination of and access to conformity testing and certification in a regional logic (e.g. regional governance, regional centres of excellence, metrology laboratory etc.), and mutual recognition (including accreditation, proficiency testing etc.).
- Promoting **regional certification, testing and analysis laboratories** in priority values chains. Identify support needs for the equipment of national food control laboratories to ensure the quality of exports. Including provision of equipment.
- Strengthening SPS reference laboratories to build market confidence in testing competences of the region. And support them in the e**stablishment of electronic SPS certification** and early warning and emergency response system. Develop and validate phytosanitary regulations in accordance with international standards (Codex Alimentarius, OIE, IPPC, and EU).
- Strengthen the capacities of staff of **National Plant Protection Organizations** (NPPOs) in the areas of surveillance, inspection, diagnosis of harmful organisms, risk analysis and phytosanitary certification.
- **Strengthening border inspection bodies' capacities** and, where necessary, elements of National Quality Infrastructure in direct benefit of targeted value-chains.
- **Improving storage infrastructure in border facilities**, airports and ports (Storage space for dry and fresh products; Standard cold chain; Installation of stored treatment products).
- Supporting development and implementation of the "**Made in Africa" label** linked to rules of origin and quality standards and defines a governance structure for the management of an associated label with a brand engagement strategy for MSMEs and consumers.
- Supporting interventions on **consumer product safety across sustainable value chains** and promoting quality and safety culture, including through regional Quality Awards and campaigns, the regional Quality Portal, and consumer organizations.
- Support to **SME compliance with standards** (SPS, OTC), particularly EU standards (in terms of packaging; labelling, traceability and product uniformity); through the improvement of services to SMEs, including through Quality Champions Programme and Quality Associations as well as technical assistance for their quality/regulatory compliance upgrading.
- Improve **access to financing for SMEs and quality infrastructure institutions**. This activity aims at providing the regional financial system with adapted and targeted financing instrument for the purpose of quality upgrading. It will be implemented, where possible, in line with the ESFD+ instruments, especially, the blending and guarantees.

Activities related to Output 1.3 **- Facilitate a value-chain revision mechanism**:

- Establishment of an **Inter-REC competitiveness platform** to provide an umbrella system to monitor trade competitiveness across Africa by consolidating the REC level.

- **Map out the state of play of value chains** in the selected industry sectors for priority CVCs and connecting them in different part of the continents.
- Support industry **value chain analysis across production stages**, to detect vulnerabilities to market fluctuations and hidden costs in upstream nodes of the chain, factors driving production costs etc., which might have an impact on operators downstream the chain.
- In relation with key value-chains, **build a shared strategic cross-regional vision** among key institutions and stakeholders on future business trends, related key bottlenecks & opportunities and possible policy interventions.
- Assess the level of **potential inter-dependence between the selected value chains** with the up and downstream value chains at regional level.
- Provide technical **thematic-specific 'supervision and coordination'** of activities across all components and implementing partners.
- Promote **intra-regional commercial alliances** among the interdependent value chain actors, to enhance quality, standardization, and competitiveness.
- **Build the capacity of players in the commercial alliances** to produce intermediate inputs, which meet the increasing quality, technical and sustainable specifications of the associated (interdependent) value chains.

<u>Activities related to Output 2.1 **- Enhance value addition and diversification**:</u>

- **Support mandated institutions in the promotion of regional and continental value chains**. Including the elaboration of development plans and roadmaps, for selected priority value chains including development of detailed, gender, and climate-smart analysis of selected value chains, and the design of regional and sustainable value chains' development strategies with an overall vision as well as concrete actions to address existing bottlenecks for each sector.
- Study, review and better **enshrine green, circular and climate-neutral aspects** in revised sustainable development policies and strategies at regional level (RECs), as well as at national level linked to the selected value chains. Support fair, green and organic product certification schemes.
- **Engage industry captains** to champion priority value chains.
- **Supporting SMEs in selected sectors by strengthening marketing and certifications** i.e. certifications for voluntary sustainable standards, branding, marketing and packaging including promotion of local consumption and supply chain transparency/traceability.
- **Promote technology transfer and processing** to increase SME competitiveness i.e. post harvesting and processing (including also mechanisation services), capacity in processing and preservation technologies resource and energy efficiency and sustainability, including development of and matching with providers of green solutions, and technology transfer and digitalisation (for farm management, processing and supply chain management) including via networking with EU knowledge repositories.
- Value-chain financing frameworks, supporting countries in need to **identify, regulate and promote value-chain appropriate financing modalities** e.g. repurchase agreements, trade receivables finance, trade finance, warehouse returns, and including commodity finance. Where possible, to be deployed, in line with the ESFD+ instruments, especially, the blending and guarantees.

<u>Activities related to Output 2.2 **- SME capacities and opportunities for business and export are enhanced**:</u>

- **Support Business Promotion organisations** including the regional business council as well as the operationalisation of the African Business Council. Strengthening the capacity to support African SMEs to harness the new market opportunities offered by the multiple trade agreements. Developing manuals and guidelines can be prepared to embed knowledge and maximise impact. Trainings of trainers to expand support.
- Increase participation **of women and youth run SMEs in value chains,** including through support to women business support organisations.
- Raise awareness and **strengthen the African Trade Observatory** to enhance SME awareness on trade agreements related market opportunities; increase preference utilisation, and facilitate monitoring of the implementation of trade agreements.
- Support the **AfCFTA secretariat and regional economic communities to assist MSMEs**, women and youth entrepreneurs to benefit from the AfCFTA and the regional trade agreements.
- Enhance **MSMEs and cooperatives' business and export skill**s in targeted sectors through capacity building (i.e. business strategy and planning, financial management, cross-border compliance, supply chain management etc.), including youth and women entrepreneurship and competitiveness. Enhance business management

performance and export skills of SMEs.

- Strengthening **financial advisory services** (including to access EU investment facilities) and related information e.g. Financing Gateway etc. and supporting SMEs investment plans.
- **Strengthen distribution services** (i.e. connecting MSMEs to retail and wholesale markets, including through intra-regional e-commerce, on-line auctions, backward linkages and export consortia) and customised logistic services.
- Strengthen trade and investment promotion i.e. **scale-up B2B activities and events**, in partnership with Business Support Organisations (BSOs) and sector associations, facilitate regional business collaboration deals (including investments for consolidated regional value-addition), and promote trade and investment with the EU (including through linking EAC and European BSOs and private sector networks, investor missions,etc.), as well as related capacities and networks of Business Support Organisations.
- Design a **regional framework for promoting commercial cross border / regional alliances** between SMEs clusters with producers/manufacturers or lead buyers, and build the capacity of all relevant actors in support to the effective implementation of these alliances.

The commitment of the EU's contribution to the TEI to which this action refers, will be complemented by other contributions from other partners, in a Team Europe approach. It is subject to the formal confirmation of each respective partner's meaningful contribution as early as possible. In the event that the TEIs and/or these contributions do not materialise, the EU action may continue outside a TEI framework.

3.3 Mainstreaming

Environmental Protection & Climate Change

Increased international trade may have certain negative or positive impacts on environment and climate change. On the one hand, more trade and investment activities can put more pressure on the environment (land, air, water, coastal area, fisheries, etc) and contribute to further climate change. On the other hand, with the revenue and income generated from the increased trade and investment, authorities may have more financial resources to tackle environmental problems and promote the agenda for sustaibale and green economies. Moreover this action will particularly focus on improving and strengthening quality standards and certifications, including environmental standrads and sustainability/green related certifications and accreditations that add value and increase competitiveness of the MSMEs in selected value chains and contribute to mitigate climate change and environmental impact, not only by "doing no harm" but by having a positive impact.

Outcomes of the SEA screening

The Strategic Environmental Assessment (SEA) screening concluded that no further action was required.

Outcomes of the EIA (Environmental Impact Assessment) screening

The EIA (Environment Impact Assessment) screening classified the action as Category C (no need for further assessment)

Outcome of the CRA (Climate Risk Assessment) screening

The Climate Risk Assessment (CRA) screening concluded that this action is no or low risk (no need for further assessment)

Gender equality and empowerment of women and girls

As per the OECD Gender DAC codes identified in section 1.1, this action is labelled as G1. This implies that the action is relevant to the promotion of gender equality and women empowerment and girls. Throughout the assessment of key value chain and the sectoral strategies, particular attention will be payed to the role of women in each of the steps within the value chains. Moreover, activities focusing on support to the Business Promotion Organisations will also include specific support for Women Business Associations at the different continental, regional and national levels, ensuring the engagement and empowerment of women entrepreneurs and enhancing their trading and export capacities.

Human Rights

Despite not being the core target of the action it is relevant to flag that some of the national Human Rights And Democracy Country Strategies include links between human rights (including fundamental labour rights), security and social stability, environmental degradation and climate change. This involves among other supporting private/public-sector dialogue and responsible business conduct, and engaging with the business community on upholding human rights, anti-corruption measures and best practices on responsible business conduct.
The action will integrate a rights-based approach and will contribute to ensuring that rights holders, including vulnerable groups, are taken into account. The action will encourage active participation of a wide range of stakeholders in economic groupings and industry clusters aimed at generating benefits at community level.
At all stages gender-responsive human rights-based approach principles participation, non-discrimination/equality, accountability and transparency applying to all rights will guide the planning and implementation of the Action.

Disability
As per OECD Disability DAC codes identified in section 1.1, this action is labelled as D0. This implies that no specific action targeting disability is foreseen.

Democracy
Development of clear regulatory frameworks will be promoted with a strong emphasis in ensuring good governance and transparency in the policy and regulatory adoption. The engagement of civil society and private sector organization in advocacy will be promoted to ensure more inclusive and transparent governance structures that reply to the needs of private sector and consumers.

Conflict sensitivity, peace and resilience
The action will not have a core focus on peace and resilience, however in line with the development- security nexus, it is important to flag the relevance of economic sustainable growth with decent job creation for stabilization and sustainable development.

Disaster Risk Reduction
The action will not focus on disaster risk reduction, however the promotion of stronger quality and product safety standards (namely with the SPS component) can contribute to avoid or mitigate food crises and also possible diseases risks linked to sanitary and phytosanitary indications).

Other considerations if relevant
NA

3.4 Risks and Lessons Learnt

Category	Risks	Likelihood (High/ Medium/ Low)	Impact (High/ Medium/ Low)	Mitigating measures
External environment	Relevance and impact of interventions is negatively affected by rapid market and industry changes	Medium	High	The programme foresees: i) building a sector-specific strategic vision, through business studies and private-public consultation; ii) a strong participation and drive of private sector associations, both in the governance and operational implementation - as capacity building beneficiaries and partners of implementation agencies; iii) involvement of highly specialised implementation agencies, mobilising top sector-expertise and local context knowledge

People and organisations	Lack of political will and bureaucratic reactivity to endorse and implement African trade-related reforms	Medium	Medium	Prepare and disseminate evidence/information on the opportunities of regional integration in Africa and connecting to global value chains (including for resilience to crises, job creation, industrial development etc.), which will help to make the case for trade-related reforms and ensure/sustain the political will required to drive timely and effectively their implementation;
External environment	Inability to ensure coherent action across the different regions. Especially in the case of regions that have dual/overlapping RECs	High	Medium	Ensure a good engagement of all relevant stakeholders. In regions were two regional economic communities are present, strengthen the communication and ensure that both are equally into consideration in the actions, on the bases of their roles and responsibilities.
People and organisations	Difficulties to efficiently trigger the activities at country level.	Medium	High	Ensure ownership and engagement of each country, ensuring the necessary consultations to understand the needs/requests for support. Request implementing partners to develop country specific plans under each component to show the specific activities, including assessment of domestic vs. regional regulations related to the action. Strong engagement of EU bilateral national delegations.
People and organisations	Overlaps on the actions in MS that have multiple RECs membership	High	Medium	Stronger coordination will be requested to this RECs with the support of the implementing partners. The national country plans that may be developed under the actions for these member states will be shared and discussed with the relevant RECs to ensure coherence across components
People and organisations	Lack of financial and human capacity of MSMEs to make the required changes in business operations	Medium	High	Organise joint advocacy, trainings, sensitisation and awareness raising events on the provisions and opportunities of the AfCFTA and other trade agreements (including with the EU). Improve the competitiveness of MSMEs through a single window package which could include quality/standards compliance, value addition, trade finance, e-commerce solutions and business

				promotion.
People and organisations	Complex inter-institutional dynamics and mandates between AU organs and between AU organs and RECs	High	Medium	Maintain overview of the overall policy and political developments, including EU outreach towards African partners' institutions. Send common messages across actions and initiatives. Take fully into account the respective mandates (policy, implementation, promotion) of the mandated AU organs and sub-regional organisations.

Lessons Learnt:

Most of the components under this program are building upon previous programs that aimed at promoting market access and strengthening quality infrastructure in Africa.

Key lessons learned from ongoing and past EU regional programs in this thematic priority, include:

- The relevance and sustainability of interventions requires a strong representation and active drive from the private sector, with Business Support Organisations both benefitting from capacity building and taking part in delivering on the proposed solutions;
- There is a critical need to engage further with the private sector at national and regional levels, in particular BSOs which can serve as multipliers in the field and help get the word out across the continent. These partners can also help to inform improvements in the design of tools and identification of additional features and data to help further support the business community
- There is need to have a strong engagement of national actors. Projects that were not conceptualised with member States resulted in outputs that were fragmented which, could not be consolidated to give a solid picture of how the activities contributed to regional integration
- The need to work coherently in the implementation and capacitation of institutions on the multiple trade agreements in an efficient manner.
- The need to build a sector-specific vision at the regional level, based on strategic business studies and public-private dialogues;
- There is need to streamline the contractual and managerial structure of the programme, and to better align regional and national interventions, in complementarity with EU bilateral portfolios; under the EDF the EU had dedicated different envelopes to cover pan-African initiatives, sub regional initiatives and national initiatives which led to overlaps in the implementation. NDICI offers a new scenario for this.
- There is need to place more emphasis on value-addition and its drivers, including investment, technology and access to remunerative markets.
- The need to foster circular economic model development and to support trade in services in complementarity with the prioritized value chains
- Interesting to engage in B2B with European companies, to facilitate technology transfer, especially concerning investments in green technology
- Prioritizing investments in market access through capacity building is a critical factor to regional integration across all the member states
- There is need to support statistical capacity development and monitoring capacities of member states to measure the contribution of SMEs and the production capacity of targeted value chains.
- Crucial to better ensure that there is sufficient interaction between implementing partners and beneficiaries (an aspect that was assessed as insufficient in the evaluations), and to secure sufficient ownership among the beneficiary countries in the implementation.
- In addition, the existence of overlapping RECs in some regions requires additional efforts in the coordination with and between them. Important to optimise the support modalities and work on subsidiarity aspects seems necessary

3.5 The Intervention Logic

Market access and competitiveness are two key enablers to allow sustainable trade that can unlock economic growth. This Action will address the challenges around these two key enablers: Market access and competitiveness.

On the one hand market access is closely related to the trade barriers. For that reason under outcome 1 the focus will be put on identifying and addressing technical barriers to trade, strengthening the overall quality infrastructure governance and improved exchange on the issues.
Thanks to the experience on the sector and previous programs, it is noted that a critical element for success will be to complement the overall governance with a stronger value chain approach ensuring that market access is improved for specific value chains.
These value chains will be selected in consultation with relevant stakeholders during the program inception phase. To its maximum extent possible the program will aim at selecting common value chains to promote the coherence, harmonization and effective implementation of the action on key products.

On the other hand, the action will be strongly axed around the second enabler, competitiveness. In this sense, the strengthening of SMEs capacities, compliance with requirements and understanding of the trade regulatory frameworks applicable at every level (continental, regional, bilateral–EPAs) will be at the core of the outputs on outcome 2. Under this outcome the business associations (namely regional) will have a key role in ensuring the effective roll out of services that can improve competitiveness and exploit the opportunities for SMEs.

Therefore, given that technical barriers are identified, reforms proposed are implemented, challenges to enterprises export capacities are addressed, and effective solutions and services are deployed to support SMEs competitiveness, SSA will be able to tackle the two key enablers to trade in goods and an increase in trade in goods should be observed.

Provided that a strong commitment takes place at national level to deepen regional integration all along the activities foreseen by the Action, the increase in trade in goods will in turn scale up the volume of intra-regional, continental, and bilateral Trade. Thus, SSA will benefit from an enriched integration in global value chains and significant returns from all trade agreements. The RECs, as mandated organisations in the implementation of trade policies and economic measures in line with international, continental and regional trade agreements, will be in the lead of the sub-regional components. They will be beneficiaries for the strengthening of their capacities and also coordinators of the overall implementation of Quality Infrastructure policies and reforms (Specific Objective 1) as well as facilitation to increase market access (Specific Objective 2)

Under these sub-regional components, activities will be implemented mainly at country level. Each sub-region throughout the inception phase together with the implementing partners will develop national work-plans for the member states with indicative “soft-earmarking” of funds to develop country-specific interventions complementary to the continental and regional wide activities and with EU bilateral programs. These country-level activities will also include when relevant activities to ensure the coherent implementation of provisions in line with the Economic Partnership Agreements with the EU. For countries where there is an overlap of membership, the program implementers of the sub regional component, will discuss and assess the proposal under other regional components, to ensure the mitigation of overlaps, stronger coordination will be needed here.

Moreover, when relevant and to avoid excluding certain SSA countries, some of the regional components will need to cover countries that are not part of their official Member States but that they have either been traditionally considered as part of the region’s scope under EU funded programs, and/or that have strong linkages with their RECs mandate and integration process (i.e. Mauritania and the ECOWAS region).

At continental level, in addition to the continental interventions, the component will ensure the exchange of experiences between the different regions, monitor and create synergies in the implementation of the different components. Synergies and linkages will be found with existing dialogue and policy platforms to avoid duplication of creation of alternative exchange channels *(i.e. inter-institutional Steering Committee on regional value chains, convened by the AUC Department for Economic Development, Trade, Industry and Mining.)*

3.6 Logical Framework Matrix

This indicative logframe constitutes the basis for the monitoring, reporting and evaluation of the intervention.
On the basis of this logframe matrix, a more detailed logframe (or several) may be developed at contracting stage. In case baselines and targets are not available for the action, they should be informed for each indicator at signature of the contract(s) linked to this AD, or in the first progress report at the latest. New columns may be added to set intermediary targets (milestones) for the Output and Outcome indicators whenever it is relevant.

- At inception, the first progress report should include the complete logframe (e.g. including baselines/targets).
- Progress reports should provide an updated logframe with current values for each indicator.
- The final report should enclose the logframe with baseline and final values for each indicator.

The indicative logical framework matrix may evolve during the lifetime of the action depending on the different implementation modalities of this action.
The activities, the expected Outputs and related indicators, targets and baselines included in the logframe matrix may be updated during the implementation of the action, no amendment being required to the Financing Decision.

PROJECT MODALITY (3 levels of results / indicators / Source of Data / Assumptions - no activities)

Results	**Results chain (@): Main expected results (maximum 10)**	**Indicators (@): (at least one indicator per expected result)**	**Baselines (values and years)**	**Targets (values and years)**	**Sources of data**	**Assumptions**
Impact	To increase sustainable intra-African and EU-Africa trade	1. Value and volume of non-commodity products (manufactured) in the intra Africa (over the whole Africa trade) 2. Value an volume of non-commodity products (manufactured) of Africa's export to the EU	1tbd 2tbd	1tbd 2tbd	1Africa Trade Observatory 2 EUROSTAT	*Not applicable*

Outcome 1	1. Enhanced market access for selected value chains	1.1 Number of Non-Trade Barriers relevant for target value-chains removed/ reduced thanks to programme support 1.2 Number and proportion of rejections at the EU borders due to SPS or TBT reasons to the overall exports (in volume) 1.3 Number of complaints and reports of companies facing non-tariff obstacles to trade	1.1 tbd 1.2 tbd	1.1tbd 1.2 tbd	1.1Program internal monitoring 1.2 EUROSTAT/ DG TRADE 1.3 Alert mechanisms platforms (regional, continental)	
Outcome 2	2. Enhanced export competitiveness for SMEs in selected value chains	2.1 Volume of SME trade export to the EU and its share in total trade 2.2 Number of SMEs who moved up the value addition stage in their sector and value chain (from commodity to product transformation or differentiation) thanks to programme support 2.3 Global competitiveness index of Africa and each of the regions	2.1 tbd 2.2 tbd	2.1 tbd 2.2 tbd	2.1Program reporting 2.2Program reporting 2.3 Competitiveness Index	

Output 1 **relating to Outcome 1**	1.1 Market access barriers are identified and reduced	1.1.1 Number of position papers, reflecting private sector views, on how to improve regulatory and market access procedures for target products 1.1.2 Number of TBT policies and technical recommendations adopted and implemented to facilitate trade in the selected VC 1.1.3 Number of market-led policies and reforms implemented in favour of the competitiveness of MSMEs in selected regional value chains. 1.1.4 Number of public officials trained in relevant trade topics who can demonstrate an increased knowledge in these areas, disaggregated by sex, age, work sector and other relevant groups	1.1.1 tbd 1.1.2 tbd	1.1.1tbd 1.1.2tbd	1.1.1 1.1.2	
Output 2 **relating to Outcome 1**	1.2 Quality compliance and standards are strengthened	1.2.1 Number of harmonised standards and SPS measures developed (updated or new) as a result of programme support 1.2.2 Number of certified quality and food safety trainers/advisors trained by the programme 1.2.3 Number of countries and RECs domesticating the continental SPS policy frameworks through relevant legislation, funding, institutions and regular reporting. 1.2.4 Number of firms or individuals supported to comply with standards and technical requirements (disaggregated by sex, age and firm size)	1.2.1tbd 1.2.2tbd	1.2.1tbd 1.2.2tbd	1.2.1 1.2.2	

Output 3 **relating to Outcome 1**	1.3 A value-chain revision mechanism has been set-up	1.3.1 Number of Public Private Dialogues based on regional strategic value-chain in Africa 1.3.2 A clear system to monitor VC competitiveness in Africa in place 1.3.3 Number of cross-regional meetings around common value chains promoited by the program	1.3.1tbd 1.3.2tbd	1.3.1tbd 1.3.2tbd	1.3.1 Program reporting 1.3.2 Program reporting 1.3.3 Program reporting	
Output 1 **relating to Outcome 2**	2.1 Value addition and diversification have been enhanced	2.1.1 Number of SMEs having acquired certifications for Voluntary Sustainability Standards thanks to programme support 2.1.2 Number of specific implementation roadmaps for VCs identified 2.1.3. Value added of selected sector/value chain (% GDP) 2.1.4 Number of new products exported	2.1.1tbd 2.1.2tbd	2.1.1tbd 2.1.2tbd	2.2.1 Program reporting 2.2.2 (based on trade statistics)	

Output 2 **relating to Outcome 2**	2.2 SME capacities and opportunities for business and export are enhanced	2.2.1 Number of trainers, business associations and SMEs trained (disaggregated by type of beneficiary and also for trainings in: business planning, financial management, export readiness, supply chain management etc.) 2.2.2 Number of SMEs participating to B2B events thanks to programme support 2.2.3. Number of SMEs operating in the selected value chains which are exporting either to Africa or to the EU supported by the program	2.2.1tbd 2.2.2tbd	2.2.1tbd 2.2.2tbd	2.2.1 Program reporting 2.2.2 Program reporting	

4 IMPLEMENTATION ARRANGEMENTS

4.1 Financing Agreement

In order to implement this action, it is envisaged to conclude financing agreements with the RECs Secretariats (ECOWAS, SADC, COMESA, ECCAS/EMCCA)

Program component	FA signatory
West Africa component – ECOWAS	ECOWAS
Southern Africa component - SADC	SADC
Southern Africa component- COMESA	COMESA
Central Africa component - ECCAS	ECCAS and EMCCA

4.2 Indicative Implementation Period

The indicative operational implementation period of this action, during which the activities described in section 3 will be carried out and the corresponding contracts and agreements implemented, is 72 months from the date of entry into force of the financing agreement and for the components were no financing agreement is signed, from adoption by the Commission of this Financing Decision.
Extensions of the implementation period may be agreed by the Commission’s responsible authorising officer by amending this Financing Decision and the relevant contracts and agreements.

4.3 Implementation of the Budget Support Component

N/A

4.4 Implementation Modalities[5]

The Commission will ensure that the EU appropriate rules and procedures for providing financing to third parties are respected, including review procedures, where appropriate, and compliance of the action with EU restrictive measures.

4.4.1 Direct Management (Grants)

Grants: (direct management)

(a) Purpose of the grant(s)
Under some of the regional components, a grant may be awarded to support associations and organisations that provide support business promotion, increase SMEs capacity through capacity building activties, and support the use of trade agreements (AfCFTA, EPA) by the SMEs in the region.

(b) Type of applicants targeted

The targeted applicants are Business support organisations (BSOs) or Business promotion organisations (BPOs) in Sub-Saharan Africa that contribute to the competitiveness of the MSMEs, and align to the following criteria:

- have a sub-subregional and/or country anchor and coverage in Sub-Saharan Africa;
- has an expertise in a specific sector or multisectorial coverage;
- can provide services and expertise to promote MSMEs competitiveness or trade/export capacities;

[5] www.sanctionsmap.eu. Please note that the sanctions map is an IT tool for identifying the sanctions regimes. The source of the sanctions stems from legal acts published in the Official Journal (OJ). In case of discrepancy between the published legal acts and the updates on the website it is the OJ version that prevails.

- can provide or aim to provide MSMEs with networking and B2B opportunities.

Grants: (direct management with twinning)

(a) Purpose of the grant(s)
Under some of the regional components, a grant may be awarded to selected private sector associations tasked to support business promotion, implement SMEs capacity building activties, and support the use of trade agreements (AfCFTA, EPA) by the SMEs in the region.

Moreover grants may be awarded to EU Member States' administrations and their mandated quality and standards bodies through twinning modality to promote adoption of regulations in line with EU market requirements and standards and promote compliance of enterprises to export to EU.

(b) Type of applicants targeted

The targeted applicants for the potential twinning interventions are EU member states administrations and their mandated quality and standards bodies, and align to the following criteria:

- have a core expertise on standards, certification, metrology or other quality infrastructure matters;
- can provide technical expertise and capacity building in the assessed needs and areas of the action;

4.4.2 Indirect Management with a pillar assessed entity

A part of this action may be implemented in indirect management with different entities, which will be selected by the Commission's services using the following criteria:

i) Sound experience with quality infrastructure and support to private sector in Africa; ii) Core mandate in the area of expertise; iii) Experience working with pan African institutions and organs as well as regional organisations; iv) Operational capacity, value addition, transparency and absence of conflict of interest.

Each of the different components may select different implementing partners that are familiar with the specific context of the component. When possible, implementing partners should be able to cooperate and to promote joint implementation.

The implementation by these entities will entail the implementation and achievement of the specific objective 1 "Market access is enhanced for selected value chains" and the achievement of specific objective 2 "Export competitiveness is enhanced for SMEs in selected value chains" for some of the components as indicated below in the budget table.

Moreover, in regions where the RECs are pillar assessed, a part of the action may be implemented by pillar assessed regional economic communities to ensure the steering and coordination of the program component.

4.4.3 Contribution to African Investment Platform (AIP)

This contribution may be implemented under indirect management with the entities, called Lead Finance Institutions, identified in the appendix to this Action Document.

This will be done in relation with activities under output 1.2 and 2.1 supporting access to financial services for export and trade promotion as well as value chains development and quality and standards compliance.

4.4.4 Changes from indirect to direct management mode (and vice versa) due to exceptional circumstances (one alternative second option)

Should the implementation through direct management reveal not be possible due to circumstances outside of the Commission's control, the Commission will revert to indirect management with a pillar assessed entity, which will be selected by the Commission's services using the following criteria:

i) Sound experience with quality infrastructure and support to private sector in Africa; ii) Core mandate in the area of expertise; iii) Experience working with pan African institutions and organs as well as regional organisations; iv) Operational capacity, value addition, transparency and absence of conflict of interest.

The implementation by these entities will entail the implementation and achievement of the specific objective 1 “Market access is enhanced for selected value chains” and the achievement of specific objective 2 “Export competitiveness is enhanced for SMEs in selected value chains” for some of the components as indicated below in the budget table.
Similarly, should the direct contribution to the AIP reveal not be possible due to circumstances outside of the Commission’s control, the Commission will revert to indirect management with pillar assessed entities, which will be selected by the Commission’s services using the following criteria:

i) Sound experience with quality infrastructure and support to private sector in Africa; ii) Core mandate in the area of expertise; iii) Experience working with pan African institutions and organs as well as regional organisations; iv) Operational capacity, value addition, transparency and absence of conflict of interest.

The implementation by these entities will entail the implementation and achievement of the specific objective 1 “Market access is enhanced for selected value chains” and the achievement of specific objective 2 “Export competitiveness is enhanced for SMEs in selected value chains” for some of the components as indicated below in the budget table.

4.5. Scope of geographical eligibility for procurement and grants

The geographical eligibility in terms of place of establishment for participating in procurement and grant award procedures and in terms of origin of supplies purchased as established in the basic act and set out in the relevant contractual documents shall apply, subject to the following provision.

The Commission’s authorising officer responsible may extend the geographical eligibility on the basis of urgency or of unavailability of services in the markets of the countries or territories concerned, or in other duly substantiated cases where application of the eligibility rules would make the realisation of this action impossible or exceedingly difficult (Article 28(10) NDICI-Global Europe Regulation).

4.6. Indicative Budget

Indicative Budget components	**Total EU contribution (amount in EUR)**	**2022 budget** (amount in EUR)	**2023 budget** (amount in EUR)	**Third-party contribution, in currency identified**
Implementation modalities – cf. section 4.4				
Continental component	**15 000 000**	**0**	**15 000 000**	**N.A.**
Indirect management with a pillar assessed entities – cf section 4.4.4	15 000 000	0	15 000 000	
West Africa component - ECOWAS	**50 000 000**	**50 000 000**	**0**	**N.A.**
Indirect management with a pillar assessed entities –cf section 4.4.2	49 000 000	49 000 000	0	
Grants (direct management) – cf. section 4.4.1	1 000 000	1 000 000	0	
Southern Africa component - SADC	**25 000 000**	**25 000 000**	**0**	**(tbc)**
Indirect management with a pillar assessed entities –cf section 4.4.2	24 000 000	24 000 000	0	tbc
Grants (direct management) – cf. section 4.4.1	1 000 000	1 000 000	0	

Eastern Africa component- EAC	**40 000 000**	**0**	**40 000 000**	**(tbc)**
Indirect management with a pillar assessed entities –cf section 4.4.2	40 000 000	0	40 000 000	tbc
Southern Africa component-COMESA	**40 000 000**	**40 000 000**	**0**	**N.A.**
Indirect management with a pillar assessed entities – cf section 4.4.2	40 000 000	40 000 000	0	
Central Africa component - ECCAS	**35 000 000**	**35 000 000**	**0**	**N.A.**
Indirect management with a pillar assessed entities –cf section 4.4.2	19 000 000	18 000 000	0	
Contribution to African Investment Platform (AIP) - cf. section 4.4.3	9 000 000	9 000 000	0	
Grants (direct management) – cf. section 4.4.1	7 000 000	7 000 000	0	
Grants – total envelope under section 4.4.1	9 000 000	9 000 000	0	
Evaluation – cf. section 5.2 **Audit** – cf. section 5.3	The evaluation may be covered by another Financing Decision	N.A.	N.A.	
Totals	**205 000 000**	**150 000 000**	**55 000 000**	**(tbc)**

4.7 Organisational Set-up and Responsibilities

The underlying intervention logic for this action is that there will be one framework programme with several geographic components. The objective is to put together a structured approach promoting coherence between the different components of the action.

Under the continental component, one of the implementing partners will be tasked (in addition to the continental interventions) to support the coordination and monitoring of the overall action, creating synergies between the implementation of the different components. In line with these tasks, an Overall Monitoring Group will be organized under the continental component. This group will ensure an overall overview and monitoring of the implementation of the different sub-regional components. The co-leaders for the different components will participate together with the continental actors. This meeting could take place back to back with the Technical Consultative Group of Economic Integration that includes the European Commission – AfCFTA, AUC, RECs and relevant Business Association representatives.

In addition, for each sub-component there will be:

- A Regional Steering Committee responsible for reviewing the overall policy and strategic direction of the programme as well as to monitor overall performance and coherence.

  This will be co-led by the Regional Economic Community Commission or Secretariat and the regional business council together with the regional EU Delegations, it may comprise additionally representatives of each of the following stakeholders (national ministries, business associations and representatives, quality bodies, institutions and agencies, other relevant stakeholders).The Committee will meet at senior official level or/and technical level.
- A Regional Programme Coordination Unit (PCU) may be envisaged where relevant to support the Regional

Steering Committee, ensuring programme-wide communication and visibility and consistency of implementing partners' communication and visibility activities, implement a programme-wide monitoring and evaluation system and regular reporting, facilitate the uptake of directions and lessons from the 'value-chain review mechanism' and secure the interaction with the different beneficiary countries in the region, etc.

- National level supervision and coordination will be defined at programme inception, aiming for a lean mechanism. Such mechanism will rely, where appropriate, on existing EU bilateral mechanisms and implementing agencies' platforms, and on a strategic appointment of National Focal Points. In-country coordinators may be deployed in all countries covered by the Programme where relevant.

Potential co-financement for the action by other EU Member States and key stakeholders might be envisaged at a later stage.

As part of its prerogative of budget implementation and to safeguard the financial interests of the Union, the Commission may participate in the above governance structures set up for governing the implementation of the action.

5 PERFORMANCE MEASUREMENT

5.1 Monitoring and Reporting

The day-to-day technical and financial monitoring of the implementation of this action will be a continuous process, and part of the implementing partner's responsibilities. To this aim, the implementing partner shall establish a permanent internal, technical and financial monitoring system for the action and elaborate regular progress reports (not less than annual) and final reports. Every report shall provide an accurate account of implementation of the action, difficulties encountered, changes introduced, as well as the degree of achievement of its results (Outputs and direct Outcomes) as measured by corresponding indicators, using as reference the logframe matrix (for project modality) and the partner's strategy, policy or reform action plan list (for budget support).

The Commission may undertake additional project monitoring visits both through its own staff and through independent consultants recruited directly by the Commission for independent monitoring reviews (or recruited by the responsible agent contracted by the Commission for implementing such reviews).

Roles and responsibilities for data collection, analysis and monitoring:

Given the size of the action and the important number of implementing partners across the different components and actions, the EU will request implementing partners working under a same component to ensure coordination in the reporting and monitoring of the action. This could benefit from the guidance of the regional PCU/REC in ensuring consistent reporting formats and timeframes. Joint implementation will be promoted and mechanisms to ensure the joint reporting may also be put forward.

In addition, considering the complexity of the action that covers different implementation levels it will be critical that implementing partners are able to communicate and report on the specific activities in each country (at a country-by- country level) to have a clear overview on the impact of the action at country level. While the indicator values at the logframe matrix may remain aggregated for the sake of simplification, implementing partners will need to provide - whenever relevant and feasible - the disaggregation details in their regular reporting agreed mechanisms and in line with the country plans to be developed through the reporting phase.

Moreover, the different regional subcomponents implementers will share their regular reports in a timmly manner with the Overall Monitoring Group that will ensure the overall monitoring of the action.

5.2 Evaluation

Having regard to the complex nature of the action a mid-term and a final evaluations may be carried out for this action or its components via independent consultants contracted by the Commission.

Midterm evaluation will be carried out for problem solving and learning purposes, in particular with respect to the complexity of the articulation of the action and its multiple components.

Final evaluation will be carried out for accountability and learning purposes at various levels (including for policy revision), taking into account in particular the fact that this initiative promotes an innovative approach articulating the continental, regional and national level under a single initiative through a thematic approach and that there is also a new role attributed to Regional Economic Communities.

The Commission shall inform the implementing partners at least 1 months in advance of the dates envisaged for the evaluation missions. The implementing partners shall collaborate efficiently and effectively with the evaluation experts, and inter alia provide them with all necessary information and documentation, as well as access to the project premises and activities.

The evaluation reports may be shared with the partners and other key stakeholders following the best practice of evaluation dissemination. The implementing partner and the Commission shall analyse the conclusions and recommendations of the evaluations and, where appropriate, apply the necessary adjustments.

The financing of the evaluation may be covered by another measure constituting a Financing Decision.

5.3 Audit and Verifications

Without prejudice to the obligations applicable to contracts concluded for the implementation of this action, the Commission may, on the basis of a risk assessment, contract independent audit or verification assignments for one or several contracts or agreements.

6 STRATEGIC COMMUNICATION AND PUBLIC DIPLOMACY

The 2021-2027 programming cycle will adopt a new approach to pooling, programming and deploying strategic communication and public diplomacy resources.

It will remain a contractual obligation for all entities implementing EU-funded external actions to inform the relevant audiences of the Union’s support for their work by displaying the EU emblem and a short funding statement as appropriate on all communication materials related to the actions concerned. This obligation will continue to apply equally, regardless of whether the actions concerned are implemented by the Commission, partner countries, service providers, grant beneficiaries or entrusted or delegated entities such as UN agencies, international financial institutions and agencies of EU member states.

However, action documents for specific sector programs are in principle no longer required to include a provision for communication and visibility actions promoting the programs concerned. These resources will instead-be consolidated in Cooperation Facilities established by support measure action documents, allowing Delegations to plan and execute multiannual strategic communication and public diplomacy actions with sufficient critical mass to be effective on a national scale.

Appendix 1 REPORTING IN OPSYS

An Intervention (also generally called project/programme) is the operational entity associated to a coherent set of activities and results structured in a logical framework aiming at delivering development change or progress. Interventions are the most effective (hence optimal) entities for the operational follow-up by the Commission of its external development operations. As such, Interventions constitute the base unit for managing operational implementations, assessing performance, monitoring, evaluation, internal and external communication, reporting and aggregation.

Primary Interventions are those contracts or groups of contracts bearing reportable results and respecting the following business rule: ‘a given contract can only contribute to one primary intervention and not more than one’. An individual contract that does not produce direct reportable results and cannot be logically grouped with other result reportable contracts is considered a ‘support entities’. The addition of all primary interventions and support entities is equivalent to the full development portfolio of the Institution.

The present Action identifies as:

Action level		
☒	Single action	Present action: all contracts in the present action
Group of actions level		
☐	Group of actions	Actions reference (CRIS#/OPSYS#):
Contract level		
☐	Single Contract 1	
☐	Single Contract 2	
	(…)	
☐	Group of contracts 1	

APPENDIX 2 – List of Eligible Financial Institutions

Eligible financial institutions to submit blending proposals to the Africa Investment Platform for the implementation of activities under the proposed action are entities, which are pillar-assessed for indirect management, including:

Acronym of Legal Entity	**Legal Entity (sub-entities covered (if any) via hyperlink**
AfDB	African Development Bank
EIB	European Investment Bank
IFAD	International Fund for Agricultural Development
NEFCO	Nordic Environment Finance Corporation
WBG	World Bank Group (IBRD, IDA, IFC, MIGA, ICSID)

Acronym	**National Agency, Country**
AECID	Agencia española de cooperación internacional al desarrollo, Spain
AFD	Agence française de développement, France
BIO	Belgian Investment Company for Developing Countries
CDP	Cassa depositi e prestiti S.p.A., Italy
COFIDES	Compañía española de financiación del desarrollo, Spain
DEG	Deutsche Investitions- und Entwicklungsgesellschaft mbH, Germany
FMO	Nederlandse Financierings-Maatschappij voor Ontwikkelingslanden, Netherlands
FINNFUND	Finnish Fund for Industrial Cooperation Ltd
IFU	Investeringsfonden for Udviklingslande, Denmark
KfW	Kreditanstalt fur Wiederaufbau, Germany
PROPARCO	Groupe agence française de développement, France
RVO	Rijksdienst voor Ondernemend Nederland (Netherlands Enterprise Agency), Netherlands
SIMEST	Società Italiana per le Imprese all'Estero, Italy