Reference no: P-Z1-KZ0-066
Investment Sovereign Operation

Language: English
Original: English

# AFRICAN DEVELOPMENT FUND

**PROJECT APPRAISAL REPORT:**

**CATALYSING INTEGRATED TRADE AND INDUSTRIAL POLICY REFORM: IMPLEMENTING THE AFCFTA/AIDA IMPACT ASSESSMENTS IN SELECTED AFRICAN ECONOMIES IN TRANSITION**

# MULTINATIONAL

## (Cameroon, Chad, Togo, Comoros, and Madagascar)

June 2026

| | |
|---|---|
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| | Dovi Charles AMAZOU, Chief Programme Coordinator, PISA |

## CURRENCY EQUIVALENTS

Exchange rate effective 11/20/2025

| Currency Unit[1] | Equivalent |
|---|---|
| 1 Unit of Account | 1.37097 USD |
| 1 United States Dollar | 0.72941 UA |

## FISCAL YEAR

| |
|---|
| 1 January 2026 – 31 December 2026 |

## WEIGHTS AND MEASURES

| | |
|---|---|
| 1 Metric ton | 2,204.62 Pounds (lbs) |
| 1 Kilogramme (kg) | 2.20462 lbs |
| 1 Meter (m) | 3.28 Feet (ft) |
| 1 Millimetre (mm) | 0.03937 Inch (“) |
| 1 Kilometre (km) | 0.62 Mile |
| 1 Hectare (ha) | 2.471 Acres |

[1] Add any additional foreign or local currencies relevant to the project and their currency equivalents.

## ABBREVIATION AND ACRONYMS

| | |
|---|---|
| **AfCFTA** | African Continental Free Trade Area |
| **AIDA** | Accelerated Industrial Development of Africa |
| **AU** | African Union |
| **AUDA-NEPAD** | African Union Development Agency – New Partnership for Africa's Development |
| **AfDB** | African Development Bank |
| **ADF** | African Development Fund |
| **ADF-16** | African Development Fund, 16th Replenishment |
| **RPG** | Regional Public Goods |
| **RISF** | Regional Integration Strategic Framework |
| **RISP** | Regional Integration Strategy Paper |
| **SDGs** | Sustainable Development Goals |
| **STYIP** | Second Ten-Year Implementation Plan (Agenda 2063) |
| **CPIA** | Country Policy and Institutional Assessment |
| **RECs** | Regional Economic Communities |
| **AUC** | African Union Commission |
| **Afreximbank** | African Export-Import Bank |
| **JICA** | Japan International Cooperation Agency |
| **WTO** | World Trade Organization |
| **UNDP** | United Nations Development Programme |
| **UNIDO** | United Nations Industrial Development Organization |
| **ITC** | International Trade Centre |
| **PIDA** | Programme for Infrastructure Development in Africa |
| **G20** | Group of Twenty |

# PROJECT INFORMATION SHEET

## CLIENT INFORMATION

| | |
|---|---|
| **Project Name** | Catalyzing Integrated Trade and Industrial Policy Reform: Implementing the AfCFTA/AIDA Impact Assessments in Selected African Economies in Transition |
| **Sector** | Multi-Sector |
| **Grant Recipient** | African Union Development Agency – New Partnership for Africa's Development (AUDA NEPAD) |
| **Project Instrument** | ADF16 RPG Grant |
| **Executing Agency** | AUDA NEPAD |

## REGIONAL AND STRATEGIC CONTEXT

| | |
|---|---|
| **Regional Integration Strategy Paper Period:** | Regional Integration Strategic Framework (RISF 2018 – 2025)<br>Southern Africa RISP 2020 - 2026<br>East Africa RISP 2023 - 2027<br>West Africa RISP 2018 – 2025, being extended to 2027<br>Central Africa RISP 2019 – 2025 |
| **Regional Integration Strategy Paper Priorities supported by Project:** | Pillar 2 on trade and investment of RISF<br>• Market integration and industrialization<br>• Supporting regional enterprise development<br>• Support economic diversification and strengthen intra-regional trade |
| **Government Program (PRSP, NDP or equivalent):** | AU/AUDA-NEPAD Documents |
| **Project classification:** | Cardinal Point 2: Reform and Consolidate Financial Systems, Institutions, and Governance<br>Cardinal Point 3: Harness Demographic Transformation |
| | Primary alignment - SDGs 8 and 9, promoting sustainable economic growth, decent work, resilient infrastructure, and industrialization<br>Secondary/cross cutting alignment - SDG 5 on Gender Equality; SDG 10 on Reduced Inequalities; SDG 13 on Climate Action, and SDG 17 on Partnerships for the Goals |
| | ~~[Selectivity priority/ies]~~ |
| **Country Performance and Institutional Assessment[2]:** | N/A |
| **Projects at Risk in the region portfolio:** | 29% (13 May 2026) |

## PROJECT CATEGORISATION

| | |
|---|---|
| **Environmental and Social Risk Categorization** | Category 3 (2 July 2025) |
| **Does the project involve involuntary resettlement?** | No |
| **Climate Safeguards Categorization:** | Category 3 |
| **Fragility Lens Assessment:** | Yes |

[2] Obtain CPIA rating here - Country Policy and Institutional Assessment (afdb.org) (VPN required)

| | |
|---|---|
| **Gender Marker System Categorization:** | Category 2 |

**ADF/ADB KEY FINANCING INFORMATION**

| | | |
|---|---|---|
| **Total Project Amount** | UA 2.794 Million | |
| **Amount of Bank Group Financing** | UA 2.54 Million | |
| **Co-financiers and / or Trust fund Financing:** | Name Co-financier 1 | Currency, Amount |
| | AUDA-NEPAD | I~~i~~n-kind contribution of UA 0.254 million |
| | | |
| **Is there a valid Country Financing Parameter (CFP)?** | N/A | |
| **Government Counterpart Funding Contribution:** | - | |
| **Compliance with Counterpart Funding Thresholds[3]** | Yes | |
| **Project preparation grant requirement:** | N/A | |

**PROJECT PROCESSING SCHEDULE TO BOARD APPROVAL**

| | |
|---|---|
| **Identification** | Oct 2024 |
| **Preparation mission** | 16-18 July 2025 |
| **Appraisal Mission** | 14-15 July 2026 |
| **Planned Board Presentation** | 29 June 2026 |
| **Project Implementation period** | September 2026 – August 2029 |

[3] *ADB Countries:* ADB Contribution should be no more than 50% of the project cost unless special circumstances warrant a different percentage. *ADF Countries*: ADF contribution should be no more than 90% of the project and program costs and no more than 95% for studies, unless special circumstances warrant a different percentage. Any deviation from these figures requires robust justification in the document.

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# A. STRATEGIC CONTEXT

## A. Country Context, Strategy and Objectives

1. Africa's economic development priorities are shaped by the need to promote inclusive growth, eradicate poverty, create jobs, and address infrastructure deficits, industrialization, and economic integration. These priorities are encapsulated in the African Union's Agenda 2063, a strategic framework for the continent's socio-economic transformation. Despite strong continental commitments under the African Continental Free Trade Area (AfCFTA) and Accelerated Industrial Development of Africa (AIDA), many African countries face significant constraints in generating the granular, policy-relevant evidence required to guide industrialization and trade strategy. Existing analyses remain largely focused on macro-level projections, with limited sector-specific, gender-disaggregated, and climate-sensitive data. This constrains governments' ability to identify competitive sectors, assess distributional impacts, and align national industrial policies with AfCFTA opportunities. These challenges are further compounded by shifts in global trade and industrial dynamics, including the reconfiguration of global value chains, increasing emphasis on green industrialization, and the digitalization of trade. These trends underscore the urgency for African countries to strengthen analytical capacity to position themselves competitively within emerging global production and trade systems. The project addresses a cross-cutting policy and institutional gap that is highly relevant across Cameroon, Chad, Comoros, Madagascar, and Togo. Although these countries differ in economic structure, geography, and levels of institutional capacity, they converge around a set of development priorities that are directly relevant to the project: economic diversification, industrial transformation, stronger trade competitiveness, value addition, institutional strengthening, resilience, and improved participation in regional and continental markets (please reference Annex 1-5 on Project Participating Country Selection Rationale).

2. At the continental level, this project is aligned with Aspirations 1 and 2 of Agenda 2063: 'A Prosperous Africa, based on Inclusive Growth and Sustainable Development' and 'An Integrated Continent Politically united and based on the ideals of Pan-Africanism and the vision of African Renaissance'. In alignment with the Second Ten-Year Implementation Plan (STYIP) of Agenda 2063, the attendant Aspirations speak to a high standard of living, transformed economies, climate-resilient communities, and a united Africa. The proposed project also aligns with SDGs 8 and 9, promoting sustainable economic growth, decent work, resilient infrastructure, and industrialization.

3. At the country level, the project demonstrates strong and differentiated alignment with national socio- economic development frameworks & priorities and the Bank's country strategies. In Cameroon, national priorities are framed by Vision 2035 and the National Development Strategy 2020–2030 (SND30), which place strong emphasis on industrialization, competitiveness, structural transformation, and regional integration. The Bank's Country Strategy Paper (CSP) 2023–2028 is anchored on two pillars: developing infrastructure to promote the agro-industrial sector and strengthening human capital and governance to improve the institutional and business environment. The proposed operation aligns closely with both by strengthening the country's capacity to identify and prioritise competitive sectors and value chains, while also reinforcing the institutional systems and analytical capacity needed to formulate evidence-based trade and industrial policy.

4. In Comoros, as articulated in the Emerging Comoros Plan (Plan Comores Émergent) and the Accelerated Growth and Sustainable Development Strategy, national priorities include infrastructure development, institutional strengthening, resilience, and structural transformation in a small island and fragile context. To this effect, the Bank's Country Strategy Paper 2021–2025 focuses on sustainable and quality basic infrastructure in transport and energy, with governance, gender, and climate as cross-cutting priorities. While it does not finance infrastructure, the proposed project strengthens the institutional and policy underpinnings required for infrastructure-led transformation by improving the coherence of industrial and trade policy, enhancing national analytical capacity, and supporting more evidence-based decision-making. This is particularly relevant in a small, fragile, and climate change-vulnerable economy where weak coordination and limited data represent a clear development challenge.

5. In Madagascar, national priorities under Vision 2030 and the Madagascar Emergence Plan (Plan Émergence Madagascar) are centred on productive transformation, competitiveness, value addition, infrastructure development, and climate resilience. Likewise, the Bank's Country Strategy Paper 2022–2026 supports these priorities through two pillars: energy and transport infrastructure for inclusive growth, and agricultural transformation and manufacturing development. By strengthening the application of climate-responsive and inclusive assessment methodologies, the project directly supports the identification of priority value chains and sectors that can underpin industrialization and trade expansion. It also complements the country's broader objective of improving competitiveness and resilience through evidence-based guidance for productive investment prioritisation, sector specific policy reform, and improved alignment between trade and industrial policy.

6. In Togo, as defined by the Togo 2025 Government Roadmap, the national policy direction seeks to accelerate structural transformation, job creation, resilience, and positioning the country as a logistics and industrial hub. The Bank's Country Strategy Paper 2021–2026 is structured around developing inclusive growth poles and social inclusion policies, and the strengthening of financial and sector governance. In supporting this transition, the project supports the national ambition to leverage trade and logistics for industrial development by improving the quality of evidence available for trade and industrial policymaking, strengthening institutional coordination, and enabling more targeted value chain development. It also contributes to stronger governance by improving policy coherence, data use, and institutional capacity for evidence-based implementation, monitoring, and evaluation.

7. In Chad, the strategic context is defined by the imperative of diversification, institutional strengthening, and resilience in a fragile and climate-vulnerable environment. The country's development priorities, reflected in the National Development Plan 2025–2030 and in Bank diagnostics, emphasize the need to reduce dependence on primary commodities, strengthen institutions, and improve resilience. In the absence of a recent standalone Country Strategy Paper in the reference set, alignment is assessed through the Bank's 2025 Chad Country Report and the Central Africa Regional Integration Strategy Paper 2019–2025, which explicitly covers Chad's national priorities, emphasizing diversification, institutional strengthening, resilience, and regional integration. In alignment

with this strategic direction, the project responds directly to Chad's institutional and analytical capacity constraints by supporting stronger policy coordination, evidence generation, and country-level application of trade and industrial assessment tools in a high-fragility setting.

8. In addition, several Regional Economic Communities (RECs), including those covering the project countries, have developed regional industrialization strategies, reinforcing the multi-level policy framework for industrial development and regional value chain integration. The project also finds expression in the various RISPs: the Southern Africa RISP with its focus on market integration and industrialisation as one of the twin pillars; the East Africa RISP with one of the strategic focus areas being market integration and industrialisation; the West Africa RISP with its focus on supporting regional enterprise development; while the Central Africa RISP also seeks to support economic diversification and strengthen intra-regional trade. These frameworks reinforce the project's regional logic by linking country-level evidence generation to broader regional integration and industrial development priorities.

9. Taken together, this country-level alignment demonstrates that the project is not merely continentally & regionally relevant in principle and priorities. It is also operationally grounded in the national priorities and strategic frameworks of each participating country. In all five cases, the project addresses a common bottleneck identified in national, regional, and continental strategies and, most importantly in the Bank's respective country engagement, namely the need to strengthen the institutional and analytical foundations required to translate trade opportunities into industrial transformation, value addition, and more resilient economic structures. The project is therefore best understood as a regional policy-support and institutional-strengthening intervention with strong national relevance. It supports the implementation of AfCFTA and AIDA not as an abstract continental agenda, but as a practical country-level process of identifying competitive sectors, assessing socio-economic and climate implications, and designing coherent trade and industrial policies that are aligned with both national development strategies and regional integration objectives.

## B. Sector and Institutional Context

10. In line with Agenda 2063, the African Union is advancing economic transformation through two key initiatives: AIDA and AfCFTA, shifting African economies from dependence on raw material exports toward more diversified, value-added production systems. AfCFTA, by establishing a single continental market for goods and services, is projected to expand Africa's economy by up to USD 690 billion by 2043, contingent on effective and inclusive implementation. AIDA further complements this by promoting industrial development through manufacturing, technology, and value addition. However, reviews of AIDA highlight the need for more focused, well-resourced interventions with stronger governance and monitoring to translate policy commitments into tangible outcomes, which also apply for AfCFTA and other relevant African frameworks.

11. The central constraint to effective implementation of AfCFTA and AIDA is not the absence of policy frameworks, but the lack of operational, evidence-based policymaking systems at country level. While AfCFTA provides a continental market framework and AIDA promotes industrial development, their impact depends on countries' ability to translate these frameworks into coherent and actionable policies. This gap is driven by analytical and

institutional constraints. Existing assessments of AfCFTA impacts remain focused on academic macro-level projections and do not provide the sector-specific and disaggregated insights required for policy design, implementation and monitoring and evaluation. At the same time, critical data gaps, particularly on MSMEs, informal trade, gender, youth, and climate-sensitive sectors, limit the ability to design more inclusive and resilient policies. Institutional arrangements are also fragmented, with weak coordination across ministries responsible for trade, industry, and planning, compounded by outdated AfCFTA implementation strategies that no longer reflect evolving trade dynamics. While the AfCFTA/AIDA Standard Impact Assessment Guide has been developed and piloted to address this limitation, its application remains limited and has not been institutionalized within national systems. As a result, countries lack a consistent and operational framework for generating and applying policy-relevant, sector-level evidence. As a result, countries face difficulties in identifying competitive value chains, aligning trade and industrial policies, and translating continental commitments into effective national frameworks. Effective participation in AfCFTA preferential trade is also contingent upon compliance with Rules of Origin, which are designed to promote value addition within the continent. This reinforces the importance of industrial development and the need for sector-level analysis to identify viable production and value chain opportunities.

12. While relevant policy frameworks may exist, including national trade strategies and industrial policies, these are often insufficiently aligned with sector-level realities. Through leveraging respective initiatives and frameworks at all levels, the project does not necessarily require structural policy reforms. It instead supports the updating and strengthening of existing frameworks by improving the availability and use of policy-relevant evidence and enhancing institutional coordination mechanisms. It also aligns with the African Union decision on AfCFTA and AIDA impact assessments and leverages existing work on scaling up the broader AfCFTA/AIDA Impact Assessment Project, as a springboard for accelerating economic transformation across Africa. The project builds on and complements ongoing continental and partner-supported initiatives. It aligns with the African Union mandate on AfCFTA and AIDA impact assessments and leverages existing work on the development and piloting of the Standard Impact Assessment Guide. It also complements broader initiatives such as the G20 Initiative on Supporting Industrialization in Africa and Least Developed Countries, the African Development Bank's African Industrialization Index, and the Programme for Infrastructure Development in Africa (PIDA), as well as other AU-led programmes supporting industrialization and regional integration. By focusing on the institutionalization and scaling of a standardized assessment methodology, the project avoids duplication and strengthens the link between analytical tools and policy application.

13. Across participating countries, these constraints vary but converge in a common challenge: the limited ability to systematically generate and apply sector-level, policy-relevant evidence in trade and industrial policymaking. The project addresses this by institutionalizing the already validated AfCFTA/AIDA Impact Assessment tools (i.e., across five countries) within national systems of the target countries, enabling a strategic shift from one-off diagnostics to sustained, evidence-based policymaking, monitoring, and evaluation in support of accelerated AfCFTA and AIDA implementation. This strategic objective has emerged as a key driver of success during the pilot phase of the AIDA/AfCFTA Impact Assessment Project.

## C. Rationale for Bank's Involvement

14. The central constraint to effective implementation of AfCFTA and AIDA is not the absence of policy frameworks, but the absence of operational, evidence-based policymaking systems at the country level. AfCFTA establishes a single continental market for goods and services, with the potential to expand Africa's economy by up to USD 690 billion by 2043, AIDA complements this by providing a framework for industrial development through value addition, manufacturing, and technological upgrading. Together, these initiatives are intended to shift African economies from dependence on raw material exports toward diversified, value-added production systems. However, early implementation experience, particularly for AfCFTA, has revealed a persistent gap between continental ambition and country-level execution. This gap is fundamentally analytical and institutional. First, the evidence-based analytical tools for policymaking are insufficiently granular and not policy-oriented. Existing assessments of AfCFTA impacts remain largely focused on theoretical macroeconomic projections, including GDP growth and trade expansion, but do not provide the sector-specific and disaggregated insights required for policy design. Second, critical data gaps limit the ability to design inclusive and resilient policies, with a special focus on MSMEs, informal trade, women & youth, and climate change-related issues. Third, institutional arrangements for trade and industrial policy remain fragmented, with limited coordination across respective ministries, compounded by weak monitoring and evaluation systems and outdated national trade strategies. Fourth, existing initiatives have focused primarily on strategy development and analytical studies, rather than on embedding well-established assessment tools and processes within national institutions.

15. Across target countries, these constraints manifest differently depending on economic structure, institutional capacity, and exposure to fragility and climate risks. However, they converge in a common challenge: the inability to systematically generate and apply sector-level, policy-relevant evidence in the formulation and revision of trade and industrial policies. The result is a persistent disconnect between trade policy and productive capacity, strategic intent and implementation, and continental frameworks and national outcomes.

16. In response to these challenges, the Seventeenth Extraordinary Session of the Assembly of Heads of State and Government mandated AUDA-NEPAD, in collaboration with the AfCFTA Secretariat and the African Union Commission, to support the conduct of country-level impact assessments of AfCFTA and AIDA, with a view to improving alignment between trade and industrial policies. Within this context, in its pilot phase funded by JICA and concluded in March 2026 across five African countries: Ghana, Kenya, Namibia, Seychelles, and Egypt), the project played a critical role in supporting these pilot countries in aligning their respective national policies with the aspirations of the AfCFTA and AIDA. This successful approach is therefore highly recommended to be further scaled through replication across the target countries, with due consideration for their respective national contexts.

17. Within this context, along with supporting the scaling up of the broader AIDA/AfCFTA Impact Assessment Project, the project envisages supporting the economic transformation of the target five countries, through the institutionalization of the already validated assessment frameworks of AfCFTA and AIDA within the national systems of each of the participating countries. It focuses not only on generating evidence, but on strengthening the processes through which that evidence is validated, implemented, and monitored to inform

more sustainable and inclusive policy reforms at the national levels, with a special focus on informal trade, MSMEs, women, youth, fragility, and climate change related issues, among others.

18. The project is closely aligned with the Bank's Four Cardinal Points, primarily as a systems-level, enabling intervention that strengthens the policy and institutional foundations required to deliver on these priorities. It contributes most directly to Cardinal Point 2 (Reform and consolidate financial systems and institutions) by strengthening institutional coordination, improving policy coherence, and embedding evidence-based decision-making processes within national trade and industrial policy systems. It also supports Cardinal Point 3 (Harness demographic transformation) by enabling the design of more inclusive and targeted policies through improved analysis of MSMEs, informal trade, women, and youth participation in value chains. It is also aligned with the twin objectives of the Bank's Ten-Year Strategy (2024-2033): accelerating inclusive green growth and driving prosperous, resilient economies. It also aligns with the Regional Integration Strategic Framework (RISF) (2018-2025), particularly Pillar 2 on trade and investment, which emphasizes intra-African trade, private sector investment, and industrialization as drivers of income growth and development. The proposed project will enhance both industrialization and intra-African trade aligning with the Bank's Strategy for Addressing Fragility and Building Resilience in Africa (2022–2026), which addresses the drivers of fragility through stronger institutions, resilient societies and catalysing private investment in countries in transition.

19. The Bank has played a central role in supporting the operationalization of AfCFTA, including through significant investments in regional infrastructure, trade facilitation systems, and institutional support to the AfCFTA Secretariat. While these interventions address connectivity and market access constraints, they require complementary policy-level interventions to translate improved market access into productive capacity and value chain development. The Bank is uniquely positioned to financially support the broader AfCFTA/AIDA Impact Assessment Project, leveraging on its technical co-leadership and emerging partnership with all respective stakeholders since the project inception, and in developing and validating the AfCFTA & AIDA assessment tools that will be used in this project. This project is a logical next step in advancing and proving the tool developed. This project will strengthen the Bank's evidence base for designing future technical assistance projects on trade, industrial policy and industrialization, as well as regional integration. The project builds on prior work supported by development partners, including the development and initial piloting of the AfCFTA/AIDA Standard Impact Assessment Guide. The pilot phase demonstrated the operational value of the Guide as a structured methodology for country-level assessment of AfCFTA/AIDA implementation priorities, while also revealing areas requiring methodological strengthening, including gender, climate, SME integration and fragility-sensitive analysis. The Bank-financed phase therefore focuses on scaling, refining and institutionalizing the methodology in five additional transition economies. However, this earlier phase did not extend to systematic country-level institutionalization or large-scale application. The Bank's intervention therefore addresses a critical gap by scaling the use of the Guide across multiple countries, strengthening institutional capacity for its application, and embedding it within national policymaking processes. This ensures that the Guide evolves from a technical tool into a sustained, policy-relevant instrument supporting AfCFTA and AIDA implementation.

### D. Development Partners Coordination

20. The project is implemented within a broader, multi-partner continental initiative supporting the accelerated operationalization of AfCFTA and AIDA, led by the African Union Development Agency (AUDA-NEPAD), the AfCFTA Secretariat, and the African Union Commission, in line with the decision of the African Union Assembly to undertake country-level policy-oriented impact assessments. Development partners have contributed at different stages of this initiative. Technical and financial support to date has focused primarily on concluding the initial two phases of the project, focusing on developing the AfCFTA/AIDA Impact Assessment Guide and its initial piloting across five countries. The initial outcomes reflect that the AIDA/AfCFTA Impact Assessment Project has a potential critical role in supporting countries in aligning their respective national policies with the aspirations of the AfCFTA and AIDA. This successful approach is therefore highly recommended to be further scaled through replication across the target countries, with due consideration for their respective national context.

21. The project builds directly on this foundation and complements ongoing partner support by focusing on scaling implementation, strengthening institutional capacity, and embedding the well-established assessment frameworks within national systems of the participating countries. This establishes a clear division of labour and proper alignment, with partner interventions concentrated on upstream analytical development and pilot activities, and the project addressing the downstream gap of sustained application and policy integration. Coordination is ensured through existing institutional arrangements and technical engagement platforms involving AUDA-NEPAD, the AfCFTA Secretariat, the African Union Commission, and the RECs, among other partners. These mechanisms support alignment with continental frameworks, facilitate knowledge sharing across countries, and help avoid duplication of efforts. The project also benefits from ongoing collaboration with development partners engaged in trade facilitation, industrial policy, and private sector development, ensuring complementarity at both continental and country levels. While the project is not designed as a co-financing operation, it leverages existing partner investments by extending the application of the assessment framework, strengthening institutional capacity, and enabling the use of analytical output in policy processes.

## 2. PROJECT DESCRIPTION

### A. Project Development Objective

22. The project aims to strengthen evidence-based, inclusive, and climate-responsive trade and industrial policymaking, and address persistent gaps in institutional capacity, data quality, and policy coherence that limit effective industrialization and trade policymaking in Cameroon, Chad, Comoros, Madagascar, and Togo, thus enabling more effective implementation of AfCFTA and AIDA commitments. National institutions often operate with insufficient access to reliable, disaggregated, climate-relevant data and fragmented coordination mechanisms that constrain their ability to design aligned, inclusive, and evidence-based policies. The project responds by delivering a standardized, analytically robust, and context-sensitive methodology for assessing industrial and trade dynamics; strengthening technical capacities of government experts; and building the institutional systems necessary to generate, interpret, and apply new evidence. Through high-quality assessments, enhanced analytical tools, targeted capacity development, and strengthened coordination, the project enables participating countries to identify competitive sectors, understand distributional and climate implications, and integrate gender, youth, and MSME considerations into policy processes. In doing so, the initiative supports more coherent,

climate-responsive, and inclusive policymaking for AfCFTA and AIDA implementation. The principal institutional change sought by the project is the systematic use of the AfCFTA/AIDA Impact Assessment Guide and related evidence-generation processes within national trade and industrial policymaking systems, with inclusion, climate responsiveness and policy coherence treated as core dimensions of that institutionalization process. This will enable participating countries to more effectively identify competitive sectors, align trade and industrial policies, and support the development of value-added production systems within the AfCFTA framework.

## B. Theory of Change

23. The project addresses structural constraints that limit the ability of participating countries to translate AfCFTA opportunities and AIDA objectives into coherent and actionable trade and industrial policies. These constraints include insufficient sector-level and disaggregated data, limited analytical capacity, and fragmented institutional arrangements across ministries responsible for trade, industry, planning, gender, environment, and statistics. As a result, national strategies remain weakly aligned with industrial policy objectives, and governments face difficulties in identifying competitive value chains, assessing distributional and climate impacts, and designing targeted interventions.

24. The project intervenes by strengthening institutional capacity, improving the availability and quality of disaggregated data, and supporting the structured application of the well-established AfCFTA/AIDA Impact Assessment frameworks. Through targeted training, applied analytical work, and technical support, national institutions are equipped to generate and interpret sector-specific, policy-relevant evidence. Country-level assessments produce validated analyses on value chains, competitiveness, gender, climate, and socio-economic impacts, which are used to inform policy processes. By embedding these analytical processes within government systems, the project shifts the role of evidence from one-off diagnostics to a systematic input into policy formulation, implementation, and monitoring and implementation. This enables governments to identify priority sectors, align trade and industrial policies, and design more targeted, inclusive, and climate-responsive interventions. The project is designed to move beyond assessment reports by supporting national institutions to use assessment findings in trade, industrial, AfCFTA and AIDA-related policy processes, including sector prioritization, policy dialogue, strategy updates and monitoring frameworks. It does not directly finance policy implementation or legislative reform, but strengthens the evidence base and institutional processes that inform such decisions.

25. The project will generate three core outputs: (i) strengthened institutional and technical capacity; (ii) validated, sector-specific and disaggregated analytical evidence; and (iii) knowledge products and harmonized assessment frameworks that support cross-country learning. These outputs will contribute to three outcomes: (i) sustained use of evidence in trade and industrial policymaking; (ii) improved integration of social and environmental priorities into national trade & industry frameworks; and (iii) enhanced regional coordination to support coherent AfCFTA/AIDA implementation. The realization of these outcomes depends on key assumptions, including sustained political commitment, availability and quality of disaggregated data, effective inter-ministerial coordination, institutional uptake and continued use of the assessment methodology, and stable engagement of national and continental institutions in supporting implementation.

## C. Project Components

26. ***Component 1: Capacity Development and Technical Support for National Assessments – Cost: UA 0.825 million (USD 1.131 million)***

The AfCFTA/AIDA Standard Impact Assessment Guide has been developed and piloted but has not yet been widely institutionalized across countries. The project therefore focuses on scaling its application, building capacity for its use, and embedding it within national policymaking processes. This component will strengthen the technical, analytical, and institutional capacity of relevant national stakeholders in project countries to effectively participate in the AfCFTA/AIDA Impact Assessment process. The objective is to strengthen national expertise by supporting sectoral assessments through targeted analytical and methodological training, complemented by experience-sharing sessions that allow country experts to exchange insights and lessons from their respective sectoral and policy contexts. Emphasis will be placed on integrating gender equality, climate-proof trade infrastructure planning, including design, operation and maintenance, and climate-smart procurement, youth empowerment, SME participation, environmental sustainability, and fragility-sensitive approaches into trade and industrial policymaking.

### Sub-component 1.1: Institutional and Technical Capacity Strengthening

This sub-component will focus on equipping policymakers, technical officers, civil society actors, and private sector representatives with the skills to apply the AfCFTA/AIDA Impact Assessment Guide and use its web-based platform. The sub-component will also focus on training-of-trainers and the development of professional curricula for regional trade and critical infrastructure centers of excellence, aimed at strengthening technical and operational capacity for climate-resilient trade infrastructure planning. This will target ministries of trade, planning, and infrastructure, and AUDA-NEPAD centers of excellence in the selected countries, as well as other regional centers of excellence

- **Key Activities:** Context-sensitive training programmes; multilingual training materials; practical data collection and validation exercises; on-the-job coaching.
- **Target Beneficiaries:** Ministries of Trade, Industry, and Planning; RECs; SME associations; AUDA-NEPAD centers of excellence; women's business organizations; civil society groups.

### Sub-component 1.2: Inclusive Policy Formulation, Monitoring, and Evaluation

This sub-component will build on existing national and partner initiatives to strengthen the integration of cross-cutting priorities into policy frameworks, ensuring a targeted, complementary, and data-driven approach that avoids duplication.

- **Key Activities**: Policy formulation, monitoring, and evaluation methodologies; embedding gender, climate change, and SME indicators into M&E systems; national workshops to validate findings and co-develop policy recommendations.
- **Target Beneficiaries:** Policymakers, national M&E units, SME support institutions, women- and youth-led enterprises.

27. ***Component 2: Evidence Generation and Assessment Methodology Strengthening – Cost: UA 1.06 million (USD 1.45 million)***

This component will ensure that AfCFTA and AIDA implementation is underpinned by robust, socially inclusive, and policy-relevant evidence. It will focus on producing granular, sector-specific, and context-sensitive data to guide decision-making, while enhancing the

AfCFTA/AIDA Impact Assessment Guide so that it remains a fit-for-purpose decision-support tool across diverse Member States.

**Sub-component 2.1: Envisaged Country Impact Assessments**

This sub-component will generate comprehensive national evidence on socio-economic, gender, environmental, and resilience impacts of AfCFTA/AIDA implementation in the selected project countries.

- **Key Activities:** Sectoral and national assessments; targeted data collection; analytical reports; actionable recommendations tailored to country priorities.
- **Target Beneficiaries:** Government ministries, SMEs, women- and youth-led businesses, RECs, development partners.

**Sub-component 2.2: Methodology Review and Enhancement**

This sub-component will ensure the Impact Assessment Guide is updated to reflect lessons learned from the pilot and incorporate emerging priorities such as green industrialization, integrated climate-proof corridor investment planning, conflict-sensitive and fragility-responsive planning, and SME integration into value chains.

- **Key Activities:** Development of new thematic modules; validation workshops; translation and publication in AU working languages; updates to the integrated Impact Assessment Platform.
- **Target Beneficiaries:** Policymakers, trade analysts, academia, development agencies, and development partners.

28. ***Component 3: Knowledge Sharing, Advocacy, and Partnerships – Cost: UA 0.305 million (USD 0.418million)***

This component will ensure that evidence and lessons generated by the project are effectively communicated, widely disseminated, and leveraged to influence policy uptake at national, regional, and continental levels. It will also mobilize partnerships, including along the Humanitarian-Development-Peace Nexus [HDP-N], to sustain and scale the AfCFTA/AIDA Impact Assessment approach as it is being rolled out continentally.

**Sub-component 3.1: Knowledge Product Development and Dissemination**

This sub-component will transform technical outputs into accessible, actionable products for diverse audiences. The project will encourage periodic AfCFTA/AIDA assessment updates or publications, subject to country ownership and available resources, to support continuity beyond the initial assessments.

- **Key Activities:** Production of multilingual policy briefs, case studies, and country reports; dissemination through digital platforms and regional events; maintenance and updating of the Impact Assessment Platform as a central knowledge hub.
- **Target Beneficiaries:** AU Member States, RECs, policymakers, private sector, academia, civil society, and development partners.

**Sub-component 3.2: Advocacy and Partnership Building**

This sub-component will drive political and technical buy-in, with the objective of securing additional resources, and strengthening collaboration across institutions.

- **Key Activities:** Peer-learning exchanges; advocacy campaigns; engagement with AU Summits and continental platforms; targeted partnership meetings with donors and private sector stakeholders.
- **Target Beneficiaries:** Policymakers, regional institutions, donors, private sector actors.

### D. Project Cost and Financing Arrangements

29. The AfCFTA/AIDA Impact Assessment Project is valued at UA 2.794 million (USD 3.735 million), comprising an ADF-16 Regional Public Goods grant of UA 2.54 million from the AfDB and a 10% in-kind contribution (UA 0.254 million) from AUDA-NEPAD, covering technical expertise, office space, utilities, and PIU operational support. Costing is based on detailed activity budgeting, drawing on expenditure data from the impact assessment guide development process, market-tested rates for consultancy, capacity-building, and platform development, and consistent with comparable Bank-financed technical assistance projects. A 2.5% contingency covers unforeseen costs, with price-escalation risk considered moderate given the predominance of service-based expenditures over the three-year period. The design actively leverages co-financing and complementary support, with confirmed JICA resources and ongoing engagement with WTO, UNDP, and UNIDO to mobilize further technical and financial inputs and ensure that assessment results are translated into concrete trade and industrial development initiatives.

***Table 1: Estimated Cost of the Project by Component***

| **Components** | **Cost (UA m)** | **Cost (USD m)** |
|---|---|---|
| ***Component I: Capacity Development and Technical Support for National Assessments*** | 0.825 | 1.131 |
| ***Component II: Evidence Generation and Methodology Strengthening*** | 1.060 | 1.453 |
| ***Component III: Knowledge Sharing, Advocacy, and Partnerships*** | 0.305 | 0.418 |
| ***Project Management*** | 0.325 | 0.446 |
| **Sub-Total (ADF Financed)** | 2.515 | 3.448 |
| **Contingency (1%)** | 0.025 | 0.034 |
| **Total (ADF Financed)** | 2.540 | 3.482 |
| **AUDA-NEPAD in-kind contribution**[4] | 0.254 | 0.348 |
| **Total Project Cost** | 2.794 | 3.830 |

[4] AUDA-NEPAD's in-kind contribution supports technical expertise, office space, utilities and PIU operational support. It is shown separately because it is not allocated across the ADF-financed components.

## E. Project's Target Area and Population Beneficiaries, and other Stakeholders

30. The project will be implemented in five countries: Cameroon, Chad, Comoros, Madagascar, and Togo. These countries were selected based on a combination of strategic, institutional, and operational considerations, including their participation in the AfCFTA Guided Trade Initiative, demonstrated readiness to undertake impact assessments, and representation of diverse economic structures, levels of industrialization, and geographic regions. Their positioning along key trade corridors, including Central, West, and Indian Ocean trade routes, enhances the relevance and potential impact of the project in supporting

[5] AUDA-NEPAD's in-kind contribution is presented separately because it consists of non-cash support, including technical expertise, office space, utilities and PIU operational support, and has not been allocated across expenditure categories.

[6] The annual distribution of AUDA-NEPAD's in-kind contribution is indicative and assumes provision over the project implementation period. Final reporting will reflect actual in-kind support provided.

regional integration and cross-border value chain development. Across these countries, common constraints include limited industrial diversification, weak institutional coordination, and insufficient analytical capacity to support evidence-based trade and industrial policymaking. The project is designed as a first phase under Bank funding, and lessons from this first phase will inform possible scale-up to additional countries, subject to demand, implementation performance, and resource availability.

31. Direct beneficiaries are national institutions responsible for trade, industry, planning, women, youth, environment, and related sectors, including policymakers and technical staff involved in the design, implementation, and monitoring and evaluation of trade and industrial policies. These institutions will benefit from strengthened analytical capacity, improved access to disaggregated and policy-relevant data, and enhanced coordination mechanisms. The project will also directly engage private sector stakeholders, including MSME associations and women- and youth-led enterprises, through consultations and validation processes, with a target of at least 40 percent participation by women. Indirect beneficiaries include informal sector actors, civil society organizations, and communities affected by fragility and economic vulnerability. These groups will benefit from more coherent, inclusive, and evidence-based policy frameworks that improve access to markets, strengthen participation in value chains, and enhance economic opportunities. At the regional level, the project supports policy harmonization and cross-border industrial cooperation by generating comparable evidence and facilitating knowledge exchange across participating countries. At the continental level, it provides strategic inputs to African Union institutions, Regional Economic Communities, and development partners, strengthening the evidence base for coordinated AfCFTA and AIDA implementation.

32. Key stakeholders include AUDA-NEPAD, the AfCFTA Secretariat, the African Union Commission, Regional Economic Communities, national governments, and development partners. These stakeholders are engaged through established coordination mechanisms, including the Inter-Organizational Steering Committee of the project, which supports alignment, technical collaboration, and joint ownership of the assessment process.

## F. Bank Group Experience and Lessons Reflected in Design

33. The project design has benefitted from Bank experience from previous operations with regional and continental institutions, including the AfCFTA Secretariat, the AUC and

AUDA NEPAD; reviews of numerous analytical reports (Bank Evaluations of Multinational Operations (MOs) and Regional Project Performance Reports such as the Development Effectiveness Reviews, and discussions with other development partners engaged in trade, industrialisation and regional integration related activities. Key lessons learned from previous Bank regional operations have been incorporated into the project design to enhance implementation. These include:

| Lesson | Issue/Description | Mitigation |
|---|---|---|
| Institutional capacity gaps in implementing agencies delays execution. | Previous projects faced delays due to weak implementing agency capacity. | To mitigate this, training in project management, procurement, and monitoring will be provided from the outset. Ongoing targeted training will address identified |
| Coordination Challenges | Coordination challenges across AU organs and RECs weakens efficiency. | Clear governance arrangements and a structured Inter-Agency |

| | | |
|---|---|---|
| | | Steering Committee will ensure coherence and accountability. |
| Procurement and Disbursement Efficiency | Lengthy procurement processes and delays in meeting disbursement conditions were recurring issues. | The project will streamline procurement procedures and improve oversight mechanisms to minimize delays. |
| Limited National Ownership | Limited national ownership constrains policy uptake. | Strong advocacy, stakeholder engagement, and country-level ensure commitment and sustainability. |

34. Bank experience with AUDA-NEPAD highlights the need for implementation readiness, timely resource absorption and strong fiduciary discipline. Previous implementation challenges included slow disbursement and resource absorption, recurrent weaknesses in financial report submission, delayed audits, and slow justification of advances. The project responds through a dedicated PIU with financial management, procurement, and M&E capacity; Bank financial management/disbursement training at launch; quarterly interim financial reports; annual independent audits; and close Bank supervision. These measures are intended to reduce start-up delays, strengthen fiduciary compliance and support timely delivery.

## 3. PROJECT FEASIBILITY

### A. Financial and Economic Analysis

35. As a Technical Assistance project, the project is not suited to conventional economic and financial tools such as net present value (NPV) calculations. Given its technical assistance nature, the project's value for money lies in the low-cost generation of reusable public goods across five countries, including a standardized methodology, comparable country assessments, strengthened national capacity and knowledge products that can inform future trade, industrial and regional integration interventions. Its feasibility rests on the transformational potential of accelerating AfCFTA and AIDA implementation in African countries in transition—driving trade-led growth, economic diversification, and job creation, particularly for youth, women, and SMEs. Beyond economic metrics, it addresses structural inequalities, strengthens the peace–development nexus, and enhances resilience in fragile contexts. Alignment with Agenda 2063 ensures that these outcomes contribute to building economies capable of withstanding future shocks.

36. Existing projections underscore the potential scale of impact: UNECA estimates that full AfCFTA implementation could boost intra-African trade by 45% compared to a no-implementation scenario, driven by a 48% increase in industrial exports. By fostering regulatory harmonization, data-driven planning, and inclusive industrial policy reforms, the project aims to translate this potential into tangible national and regional gains, provided institutional and operational challenges are effectively addressed.

***Additional Positive Effects***

37. The AfCFTA/AIDA Impact Assessment Project is uniquely positioned to deliver substantial financial and non-financial additionalities that extend far beyond traditional trade facilitation. These effects reinforce the project's contribution to inclusive, sustainable, and resilient development, particularly in countries in transition, while aligning with the AU's

Agenda 2063, the Sustainable Development Goals (SDGs), and the Bank's strategic objectives as well.

38. Financial Additionalities include:

- **Catalytic Financing**: By demonstrating a robust commitment to the effective implementation of AfCFTA and AIDA, the project is expected to attract complementary funding from development partners, philanthropic sources, and regional financial institutions, thereby expanding the resource base for trade and industrial development.
- **Improved Creditworthiness and Investment Readiness**: Policy harmonization, institutional reforms, and enhanced data transparency supported by the project will improve investor confidence, creating pathways for concessional financing, FDI inflows, and public–private partnerships.
- **Increased Economic transformation and integration-Related Revenues**: The anticipated enhanced intra-African trade and export diversification will generate new fiscal revenues for reinvestment in infrastructure, human capital, and essential services.

39. Non-Financial Additionalities include:

- **Capacity Strengthening for Policy and Planning**: Through targeted training, technical assistance, and institutional support, national stakeholders will be equipped for evidence-based policymaking and coherent trade and industrial strategies.
- **Empowerment of Women, Youth, and MSMEs:** Gender-responsive, youth-focused, and MSME-centred approaches will ensure inclusive value chains, integration of the informal sector, and equitable participation in trade opportunities, creating trade and industry-led growth.
- **Strengthened Peace–Development Nexus**: Economic empowerment and job creation in fragile contexts will contribute to stabilization, economic resilience, and the reduction of conflict drivers.
- **Social Inclusion and Gender Equity**: Policies will be designed to reduce inequality, expand access to economic opportunities, and benefit historically excluded groups.
- **Enhanced Regional Cooperation and Integration**: The project will strengthen collaboration between governments, RECs, the private sector, and civil society for harmonized AfCFTA implementation and improved cross-border coordination.
- **Sustainability and Environmental Resilience**: Green industrialization and climate-resilient trade measures will align with continental and global climate commitments.
- **Knowledge Generation and Policy Innovation**: Country reports, policy briefs, and the web-based platform will support cross-country learning and replication of best practices.
- **Public Awareness and Institutional Engagement**: Advocacy and multi-stakeholder dialogues will deepen ownership, sustain momentum, and promote reform uptake.

## B. Environmental and Social Safeguards

***Environmental***

40. The project was categorized and validated as Category 3 on 2 July 2025. This classification is justified by planned activities to integrate environmental considerations into Africa's trade frameworks, embedding climate resilience, green industrialization, and resource sustainability within AfCFTA/AIDA impact assessments; upgrading analytical tools and guidance; and promoting green value chains, eco-friendly SME integration, and climate-smart industrial development. Additional elements include enhancing environmental data availability, knowledge sharing, and continental dialogues to align trade with sustainability and climate goals (including the Paris Agreement and AU Climate Strategy), thereby positioning trade as a driver of low-carbon, climate-resilient growth with relatively low environmental and social risks under the environmental legislation of Cameroon, the Democratic Republic of Congo, Chad, Togo, the Comoros, and Madagascar. Therefore, beyond the categorization, no additional safeguard documents are required and an ESCON confirming the compliance status of the project is attached as Annex B.

***Involuntary Resettlement***

41. The project is a technical assistance project and does not involve any involuntary resettlement.

***Climate Change and Green Growth***

42. Using the Bank's Climate Change Safeguard System (CSS), the project is classified as Category 3 and is not expected to be directly exposed to material physical climate risks nor to generate significant greenhouse gas emissions. At the same time, consistent with the opportunities identified in the Climate Change Annex, the project offers a strategic entry point to mainstream climate change and green growth considerations into trade and industrial policymaking under AfCFTA and AIDA by strengthening assessment tools, processes, and institutional capacity. Under Component 1, capacity-building will support climate-proof trade infrastructure and corridor planning (including design, operation and maintenance, and climate-smart procurement) and will broaden stakeholder engagement by bringing in climate expertise and relevant institutions. Under Component 2, the project will strengthen evidence generation and the AfCFTA/AIDA Impact Assessment Guide by (i) integrating climate-related metrics (e.g., emissions/energy use proxies and climate vulnerability/resilience considerations) into analytical modules; (ii) embedding climate criteria in product/sector and value-chain prioritization; (iii) incorporating climate policy readiness (including alignment with Nationally Determined Contributions and National Adaptation Plans, and access to climate finance and green infrastructure) within enabling-environment monitoring; and (iv) ensuring reporting and policy recommendations explicitly address climate risks and green industrialization opportunities. The digital Impact Assessment Platform will also be leveraged to store and use climate-related data alongside trade and industrial indicators, supporting cross-country learning and more climate-resilient, low-carbon investment choice. The project is classified as a technical assistance operation that enables climate-resilient and low-carbon trade and infrastructure investments in African states. By addressing both mitigation and adaptation dimensions, it contributes directly to the goals of the Paris Agreement, thus Paris aligned.

## C. Other Cross-cutting Priorities

***Poverty reduction, Inclusiveness and Job Creation***

43. The project contributes to poverty reduction and inclusive growth by strengthening the capacity of participating countries to design and implement trade and industrial policies that are more responsive to the needs of vulnerable and underrepresented groups. While the African Continental Free Trade Area is projected to generate significant economic gains, including increased income and poverty reduction, the realization of these benefits depends on countries' ability to develop policies that effectively link market access to inclusive economic opportunities. The project addresses this gap by improving the availability and use of disaggregated, sector-level evidence, including analysis related to small and medium-sized enterprises, informal trade, gender participation, and climate vulnerability. This enables policymakers to better assess distributional impacts and design targeted interventions that support the inclusion of women, youth, and informal sector actors in regional value chains.

44. By strengthening analytical capacity and institutional coordination, the project supports the development of more coherent and inclusive trade and industrial policy frameworks. These frameworks are expected to improve access to markets, enhance participation in value chains, and create conditions that are more conducive to private sector development and job creation, particularly in sectors with high employment potential. The project therefore contributes to inclusive growth not through direct job creation, but by enabling more effective and evidence-based policymaking that supports equitable participation in trade and industrial development.

***Opportunities for Building Resilience***

45. Fragile and transition contexts in Africa face structural vulnerabilities such as overdependence on raw commodities, weak governance, unemployment and inequality, conflict risks and regional disparities, which undermine trade and regional integration. The project aligns with the Bank's Strategy on Addressing Fragility and Building Resilience in Africa 2022–2026 by strengthening institutional capacity in transition contexts. Through evidence-based policymaking, standardized tools, and impact assessments, it equips institutions to anticipate and adapt to shocks while ensuring policy coherence and long-term planning. Its knowledge-sharing component fosters peer learning and regional best practice exchange, building networks of mutual support that enhance resilience and transition processes. This is critical as countries in transition often have very unique needs that are not always reflected in standardised impact assessment methodologies, making the project's focus on transition states very timely and relevant.

46. The project builds resilience in Africa's transition countries by diversifying economies, strengthening governance, and enhancing institutional capacity to manage shocks. The project builds resilience by promoting inclusive policies that integrate marginalized communities and strengthening institutional capacity and coordination. Coupled with peer learning and regional cooperation, these measures foster stability, reduce exclusion, and deliver durable development outcomes in fragile contexts, leveraging policies like the AIDA and the AfCFTA. The project will enable adaptation of assessment methodologies to fragile and conflict-affected contexts, including the development of specific modules that address fragility and resilience considerations. Conflict-sensitive data

collection and tailored capacity building for assessors should be prioritized, with a fragility expert embedded in the PIU to guide this process. In addition, mapping HDP actors and CSOs already engaged in these contexts will help identify synergies, avoid duplication, and ensure that the peace impacts of AfCFTA and AIDA implementation are adequately understood and leveraged. A detailed fragility assessment is available under Annex 3.2.

***Gender Equality and Women's Empowerment Promotion***

47. The proposed project has been classified as GEN II under the AfDB Gender Marker System, indicating a strong potential to contribute meaningfully to gender equality. The project is fully aligned with the Bank's Gender Strategy (2021–2025), particularly its focus on increasing women's access to trade opportunities, markets, and information, with a special emphasis on informal cross-border traders, many of whom are women in transition economies.

48. While the importance of gender equality is acknowledged in the broader objectives of the AfCFTA, the tools designed to assess implementation lack operational mechanisms to support gender-responsive analysis: (i) The tools do not have any requirement for sex-disaggregated data collection on trade outcomes, employment generation, or access to industrial opportunities. (ii) The tools do not incorporate any structured gender analysis mechanisms such as gender impact assessments, intersectional risk analyses, or checklists to assess gender-specific vulnerabilities. (iii) While stakeholder engagement is encouraged, there is no guidance or obligation to engage women's organisations, gender experts, or female entrepreneurs during consultations or assessment processes; and (iv) the reference to the Protocol on Women and Youth in Trade is not meaningfully reflected in the methodology or indicators within the tool.

49. To address the above gaps and ensure gender-responsive implementation of AfCFTA assessment tools, the project will take the following actions. (i) A Gender and Social Inclusion (GESI) lens will be integrated across all three tools: Future Impact Assessment, Enabling Environment Monitoring, and Industrialisation Progress Assessment; (ii) the project will develop a dedicated gender empowerment module within the updated AfCFTA/AIDA Impact Assessment Guide (Component 5). Through this module, Sex-disaggregated indicators will be introduced, including metrics such as the proportion of women-led firms exporting under AfCFTA, women's access to industrial financing, and women's employment rates in priority sectors; (iii) The social impact survey section will be revised to incorporate questions on gendered impacts; (iv) Assessors and focal points will receive training on gender-responsive trade and industrial policy assessments.

## 4. IMPLEMENTATION

### A. Institutional and Implementation Arrangements

50. The project will be implemented over a period of 36 months (September 2026 to August 2029) by the African Union Development Agency (AUDA-NEPAD), which will serve as both the grant recipient and executing agency. AUDA-NEPAD shall be responsible for overall project execution, coordination, and reporting to the Fund, through a Project Implementation Unit (PIU) composed of at least four (4) core staff – (i) Project Coordinator, (ii) Financial Management Specialist (iii) Procurement Specialist and (iv) Monitoring and Evaluation Specialist, throughout the duration of the project implementation period, each

with qualifications and terms of reference acceptable to the Fund. To accelerate start-up, AUDA-NEPAD will initiate preparatory actions for recruitment or designation of core PIU functions, including project coordination, procurement, financial management and M&E, and will prepare terms of reference, requests for expressions of interest and an implementation readiness plan linking procurement milestones to expected first disbursement. Before the full PIU is in place, AUDA-NEPAD's existing grant management and procurement functions, with support from the Bank task team, will facilitate preparatory actions for PIU recruitment and priority procurement activities. The PIU shall be responsible for, carrying out, *inter alia*, the following tasks: (i) the day-to-day implementation of the Project including preparation and submission to the Fund of progress reports, financial reports, audit reports, and any other technical reports on Project activities and results; (ii) all Project related monitoring and evaluation activities including compliance with the Fund's procurement, financial management and control requirements and supervision and monitoring of consultants and contractors performance; (iii) all Project related procurement including supervision of quality assurance, disbursement, financial management, monitoring and evaluation, and environmental and social safeguards management; (iv) consultations with stakeholders and partner organizations regarding implementation of the Project; (v) facilitation of collaborations between stakeholders and the Recipient; and (vi) overall day-to-day communication with the Fund on all matters concerning Project implementation, including seeking no objections in line with the Fund's rules and procedures and providing the operational link to the Fund on matters related to implementation of the Project.

51. At national level, each participating country will designate a focal institution and technical focal person responsible for coordinating project activities, supporting data collection and analysis, engaging stakeholders, and ensuring alignment with national policy processes. These arrangements are designed to embed the assessment process within existing institutional structures and strengthen ownership. To mitigate capacity constraints, the project includes targeted training, hands-on technical support, and continuous mentoring to enable national institutions to effectively apply the assessment methodology and sustain its use beyond the project period.

52. An Inter-Organizational Steering Committee (SC) will provide strategic guidance and oversight, ensuring alignment with continental priorities and facilitating coordination among participating institutions. The SC will comprise representatives from AUDA-NEPAD, the African Union Commission, the AfCFTA Secretariat, Regional Economic Communities, and key development partners. Its role will be limited to: providing strategic direction and validation of key deliverables; ensuring alignment with AfCFTA and AIDA frameworks; facilitating coordination and knowledge exchange across stakeholders; and reviewing progress against agreed milestones. The SC will not be involved in operational decision-making or day-to-day project management, which remain the responsibility of AUDA-NEPAD. The Bank will provide active oversight during project implementation through task manager oversight and project supervision missions, as well as periodic implementation progress reports.

### B. Procurement

53. Procurement of goods, consulting and non-consulting services shall be carried out in accordance with the Bank's Procurement Framework for Bank Group Funded Operations,

dated 2015. The specific procurement regimes to be applied and the extent of Bank's oversight (prior-review or post review) has been defined after undertaking the Procurement Risks and Capacity Assessment (PRCA) at the Sector, Project, and Executing Agency levels. Based on the Assessment, the procurement activities under this operation will be carried out using Bank Procurement Methods and Procedures (PMPs), except for operating and administrative costs, which shall follow the administrative procedures of the Implementing Agency as specified in the Procurement Manual of the African Union. Details of the assessment are contained Annex 4-5.

54. The Procurement unit of AUDA-NEPAD has qualified and experienced procurement specialists with expertise in project procurement. Though the existing staffing is sufficient to carry out the existing workload, a dedicated procurement consultant with proven experience in procurement of complex consultancy services under AfDB's procurement procedures shall be recruited to support procurement of project activities. To mitigate the risk of delayed implementation of the main project activity, recruitment of the procurement consultant shall be prioritized with review and clearance of REOIs and TORs to be done before project approval.

55. In order to accelerate implementation of the project, AUDA-NEPAD shall submit to the Bank the request for expression of interest and final TORs for recruitment of key PIU members that are required to be in place at early stage of the project implementation.

### C. Financial Management, Disbursement, and Audit

56. The Bank conducted a Financial Management (FM) assessment of the Executing Agency (EA), the African Union Development Agency–New Partnership for Africa's Development (AUDA-NEPAD), to assess its capacity to manage the financial aspects of the proposed Bank-financed Project. The assessment was undertaken in accordance with the Bank's Financial Management Manual and Implementation Guidelines (2019). The assessment concluded that AUDA-NEPAD has generally adequate financial management systems, with an overall Moderate fiduciary risk rating. The Agency operates under established Financial Rules and Regulations (2023) and Accounting Policies and Procedures (2016), supported by a robust Enterprise Resource Planning (ERP) system (SAP). These arrangements provide an adequate framework for budgeting, accounting, internal control, and financial reporting.

57. However, the assessment identified recurrent weaknesses in compliance with the Bank's reporting requirements, notably the non-submission of interim financial reports (IFRs) and significant delays in the submission of audited financial statements for ongoing projects. In addition, slow utilization and justification of advances to special accounts were observed, posing risks to cash flow management and disbursement efficiency. These weaknesses have partly been attributed to capacity constraints within the Finance Division. To address these challenges, AUDA-NEPAD has strengthened its Grant Management Unit, which is now staffed with eight qualified and experienced accountants. This has already resulted in improved utilization and justification of special accounts and is expected to enhance compliance with IFR and audit submission requirements. In addition, the Project will recruit a competitively selected Financial Management Specialist to manage day-to-day

FM activities. The Bank will also provide FM and disbursement training during Project launch and implementation.

58. Under the Project, quarterly IFRs will be prepared and submitted to the Bank within forty-five (45) days after the end of each quarter. The Internal Audit Division will conduct at least one internal audit of the Project annually, and the related reports will be shared with the Bank during supervision missions. While AUDA-NEPAD is audited by the Board of External Auditors, donor-funded projects are audited annually by private audit firms. Accordingly, the Project financial statements will be audited annually by an independent audit firm appointed by AUDA-NEPAD and acceptable to the Bank, in accordance with Bank-approved terms of reference. The audited financial statements together with the management letter will be submitted to the Bank within six months after the end of each financial year.

59. **DISBURSEMENT:** The Project will primarily use the Direct Payment and Revolving Fund (Special Account) disbursement methods for eligible expenditures. The Reimbursement and Reimbursement Guarantee methods will also be available, where required, in consultation with the Bank. AUDA-NEPAD will open a special foreign-currency account at a commercial bank acceptable to the Fund to receive ADF resources, and, where necessary, a local-currency account to facilitate payment of small eligible local expenditures. The Bank will issue a Disbursement Letter during negotiations outlining detailed disbursement procedures and requirements.

### D. Monitoring and Evaluation

60. Monitoring and evaluation (M&E) will be anchored in a results-based framework aligned with AfDB requirements, designed to track progress, support adaptive implementation, and ensure accountability. The Project Implementation Unit (PIU) within AUDA-NEPAD will be responsible for day-to-day M&E, including data collection, analysis, and reporting, in close coordination with national focal points and technical teams in participating countries. The PIU will include dedicated monitoring and evaluation specialist, with clear responsibility for results tracking, data validation, and reporting in line with Bank requirements.

61. The project will strengthen M&E capacity through targeted training, standardized data-collection and reporting protocols, and the use of harmonized tools, including the digital Impact Assessment Platform. These measures will support the generation of consistent, high-quality data across countries and enhance the comparability of results. Baseline data for key indicators, including gender- and age-disaggregated metrics, climate-related variables, and institutional capacity indicators, will be established during the inception phase through diagnostic assessments and collaboration with national statistical systems. To address capacity constraints at country level, the project will provide technical support and adopt unified data-validation procedures to ensure data quality and timeliness.

62. Stakeholder engagement will be integrated into the M&E process. National institutions, RECs, private sector associations, and civil society will contribute to data collection, validation workshops, and review of analytical outputs, strengthening ownership and supporting the use of evidence in policymaking. Progress will be tracked through

quarterly implementation reports, annual reviews, and a mid-term assessment, with a final evaluation to assess results, sustainability, and lessons learned. M&E is budgeted through a dedicated Monitoring and Evaluation Assistant, responsible for results tracking, data validation, reporting, and consolidation of country-level inputs. Additional M&E costs are embedded in the technical components through data collection, validation workshops, participant surveys, the Impact Assessment Platform, and project reporting. The Bank will provide oversight through regular supervision missions conducted at least twice per year.

## E. Governance

63. The project faces limited governance risks, primarily related to institutional coordination, data quality, and implementation capacity across multiple countries and institutions. Fragmentation of responsibilities across ministries responsible for trade, industry, planning, and statistics may affect the timely generation and use of analytical outputs. In addition, variability in data availability and capacity across countries may affect the consistency and quality of assessments. These risks are mitigated through the project's design. The use of a standardized assessment methodology and harmonized tools, including the digital Impact Assessment Platform, supports consistency and comparability across countries. Institutional coordination is strengthened through the inter-organizational steering committee and national focal point arrangements, which facilitate joint decision-making and alignment across stakeholders. Capacity constraints are addressed through targeted training, technical assistance, and ongoing mentoring to ensure effective implementation and sustained use of the methodology.

64. The project incorporates safeguards to mitigate risks of fraud and corruption, particularly in procurement and financial management. AUDA-NEPAD, as executing agency, will be responsible for fiduciary management in accordance with the Bank's rules and procedures, including procurement, financial reporting, and auditing requirements. The Project Implementation Unit will ensure compliance with established controls, while regular reporting, Bank supervision missions, and independent audits will provide additional oversight and accountability.

65. At the policy level, a key constraint is the limited alignment between existing national AfCFTA implementation strategies and evolving industrial policy priorities. In several participating countries, these strategies are outdated or insufficiently linked to sector-level analysis, reducing their effectiveness as implementation tools. The project addresses this constraint by generating updated, policy-relevant evidence and supporting its integration into national frameworks. Rather than requiring formal policy reforms as a precondition, the project facilitates incremental improvements in policymaking processes, including the adoption of evidence-based approaches, strengthened inter-ministerial coordination, and enhanced integration of trade and industrial policy. These improvements are expected to support more effective implementation of AfCFTA and AIDA at country level.

## F. Sustainability

66. While the project size is modest, its value for money derives from its regional public good characteristics and catalytic design. By developing and applying a standardized methodology across multiple countries, the project generates replicable and scalable knowledge that can be extended to additional countries in future phases. The use of

harmonized tools, regional coordination mechanisms, and shared analytical frameworks reduces duplication of effort and lowers the cost of policy development across participating countries. The project's focus on institutionalizing analytical processes further ensures sustained impact beyond the life of the project, enhancing its cost-effectiveness relative to one-off analytical studies. The sustainability of the project is also underpinned by demonstrated country commitment, strong institutional anchoring, and a design focused on capacity transfer and systems integration. Participating countries have confirmed their engagement through formal expressions of interest, designation of national focal points, and alignment of project activities with existing AfCFTA, AIDA, and national development strategies. These elements provide clear evidence of ownership and ensure that the project responds to national priorities.

67. The project is further supported by existing policy and institutional frameworks for trade and industrial development, within which its outputs will be integrated. By embedding the AfCFTA/AIDA Impact Assessment Guide, associated analytical tools, and the digital Impact Assessment Platform within government systems and national planning processes, the project ensures that its outputs are not standalone products but part of ongoing policymaking functions. Sustainability will be pursued by embedding the assessment methodology within designated national focal institutions, supporting training-of-trainers and hands-on mentoring, linking assessment outputs to existing trade and industrial policy processes, and maintaining the Impact Assessment Platform as a repository for tools, data and knowledge products. Participating countries will also be encouraged to integrate periodic assessments and related publications into regular institutional workplans and, where feasible, national budget processes. AUDA-NEPAD's continental coordination role and in-kind contribution, including technical expertise, office space, utilities and PIU operational support, will support continuity of coordination, platform use and technical support beyond the grant period. Ownership will be reinforced through multiple mechanisms, including active participation of national institutions in project implementation, integration of activities into ministerial work programmes, and engagement in governance structures such as the inter-organizational steering committee. The use of national focal institutions and technical teams further strengthens accountability and continuity.

68. Overall, the project is designed to transition from externally supported activities to institutionalized, country-owned processes, ensuring sustained use of evidence in trade and industrial policymaking beyond the life of the project.

## G. Risk Management

69. The project's design and implementation may face several risks across political, institutional, sectoral, technical, and contextual dimensions. Under the country's political and governance context, limited political support or insufficient buy-in from some participating countries could slow decision-making or weaken ownership. This risk is rated high, given the cross-border nature of the initiative. To mitigate it, the project will deploy targeted advocacy and sensitization campaigns from inception, engage senior government leadership, and secure formal commitments through the early designation of national focal points. In terms of capacity of the implementing entity, the limited technical and institutional readiness of some target countries to conduct and utilize AfCFTA/AIDA impact assessments presents a high risk. The project will address this through tailored capacity-building,

technical assistance, and on-the-job mentoring to strengthen policy analysis and implementation skills.

70. For sector strategies and policies, variability in trade and industry regulatory frameworks among countries could impede harmonization. While the risk is considered low, it will be addressed through the promotion of regional dialogue and the use of AU and REC platforms to foster policy alignment. With respect to the technical design of the operation, a lack of coordination among diverse national stakeholders poses a high risk to coherent execution. The project will mitigate this by establishing structured multi-stakeholder coordination mechanisms, supported by regular consultative platforms at national and regional levels. From a macroeconomic and socio-economic context perspective, differences in economic structures, resource endowments, and vulnerability profiles among participating countries could limit the applicability of uniform policy recommendations. The project will address this low-rated risk by applying country-specific policy actions informed by each nation’s assessment findings.

71. Finally, in the other risk category, overlapping AfCFTA-related initiatives and frameworks could lead to duplication of efforts. Rated medium, this risk will be mitigated by mapping existing interventions during project inception, ensuring that activities are complementary and add measurable value to AU and partner programs.

## H. Knowledge Building

72. The project will generate a structured and policy-relevant body of knowledge to support the implementation of AfCFTA and AIDA. This includes country-level impact assessments, sectoral and value chain analyses, and comparative cross-country evidence on competitiveness, as well as insights on distributional, gender, and climate-related impacts of trade and industrial policies. A key feature of this knowledge is its consistency and comparability, enabled through the application of the AfCFTA/AIDA Impact Assessment Guide. Knowledge will be systematically captured through the implementation of standardized analytical methodologies, integration of data collection and validation processes, and continuous documentation of lessons learned during project execution. National and regional validation workshops, peer-learning exchanges, and monitoring and evaluation processes will further support the consolidation of findings and identification of good practices in institutional coordination and evidence-based policymaking.

73. The dissemination and use of knowledge will be supported through AUDA-NEPAD and AfDB platforms, regional workshops, policy dialogues, and targeted capacity-building activities. Within the Bank, the knowledge generated will inform policy dialogue, the design of future technical assistance and investment operations, and the strengthening of regional integration and industrial development strategies. This ensures that the project contributes not only to country-level policymaking but also to the Bank’s role as a knowledge partner in advancing AfCFTA implementation.

## 5. LEGAL INSTRUMENTS AND AUTHORITY

### A. Legal Instrument

74. The legal instrument for the Fund's financing of the Project will be a Protocol of Agreement signed between AUDA NEPAD (the "Recipient") and the African Development Fund (the "Fund")

### B. Conditions Associated with Fund's Intervention

75. Condition Precedent to Entry into Force: The Protocol of Agreement shall enter into force on the date of its signature by the Recipient and the Fund.

76. Conditions Precedent to First Disbursement: The obligation for the Fund to make the first disbursement of the Grant shall be conditional upon the entry into force of the Protocol of Agreement and the fulfilment by the Recipient, in form and substance satisfactory to the Fund, of the following condition:

(a) Submission of evidence of the establishment of a dedicated Project Implementation Unit (PIU) to work on the project, and designation or recruitment of three (3) core experts for the project, namely; (i) project coordinator, (ii) procurement specialist, and (iii) financial management specialist; each with qualifications, skills, experience, and terms of reference acceptable to the Fund.

77. **Undertakings:** The Recipient shall:

(a) Maintain the existence and functioning of the PIU, in a form and with a composition and terms of reference acceptable to the Fund, throughout the duration of the Project implementation period;

(b) No later than three (3) months after signature of the Protocol of Agreement, prepare and submit to the Fund a work plan and project implementation manual clarifying the project implementation timeframe, roles and responsibilities, and project management and coordination arrangements, in form and substance satisfactory to the Fund;

(c) No later than three (3) months after signature of the Protocol of Agreement, establish and maintain the existence and functioning of the inter-organizational steering committee comprising of senior level representatives from AUDA-NEPAD, the AfCFTA Secretariat, the African Union Commission, Regional Economic Communities, and relevant partners, in a form and with a composition and mandate acceptable to the Fund, throughout the duration of the Project implementation period;

(d) No later than three (3) months after signature of the Protocol of Agreement, ensure that each participating country, including Cameroon, Chad, Comoros, Madagascar, and Togo, designate a focal institution and technical focal person responsible for coordinating project activities, supporting data collection and analysis, engaging stakeholders, and ensuring alignment with national policy processes;

(e) provide, and/or use its reasonable endeavours to cause beneficiaries to provide, as promptly as needed, funds, facilities, services and other resources required for implementation of the Project, and/or necessary or appropriate to ensure that the goals of the Project and the purpose of the Grant are accomplished;

(f) establish collaboration arrangements and maintain their existence and functioning in a form and with a composition acceptable to the Fund, throughout the Project lifecycle, to ensure timely, well-coordinated, and effective implementation of the Project;

(g) for disbursement through a Special Account, submit to the Fund a withdrawal request with a Special Account denominated in forex opened at a commercial bank acceptable to the Fund, in the name of the Project, for deposit of the proceeds of the Grant; and

(h) implement the project with due diligence and efficiency, and in compliance with the Bank Group Integrated Safeguards System (ISS) Policy requirements, Anti-Corruption Policies, and applicable national legislation, in a manner and in substance satisfactory to the Fund.

### C. Compliance with Bank Policies

☒ This project complies with all applicable Bank policies.

☐ There are exceptions to Bank policies.

***African Development Bank Group Independent Recourse Mechanism***

78. Communities and individuals who believe that they are adversely affected by an African Development Bank Group (AfDB) supported project may submit complaints to existing project-level grievance redress mechanisms or the AfDB's Independent Recourse Mechanism (IRM). The IRM ensures project affected communities and individuals may submit their complaint to the AfDB's Independent Recourse Mechanism which determines whether harm occurred, or could occur, as a result of AfDB non-compliance with its policies and procedures. To submit a complaint or request further information please contact: IRM@afdb.org or, visit the IRM website www.irm.afdb.org. Complaints may be submitted at any time after concerns have been brought directly to the AfDB's attention, and Bank Management has been given an opportunity to respond before reaching out to the IRM.

## C. RECOMMENDATION

79. The project has undergone the filtering process for prioritization as a Regional Public Good (RPG) and was approved by OPSCOM in the 2025 Regional Operations Prioritization Report, as an RPG that meets the cost-sharing exemption criteria set out in the Revised Regional Operations Selection and Prioritization Framework (2014), as demonstrated in the table in Annex 1.9.

80. Management recommends that the Board of Directors approve the award of the proposed grant of Two Million Five Hundred-Forty Thousand Units of Account (UA 2,540,000) from the resources of the Fund to AUDA-NEPAD, to finance implementation of the Project under the terms and conditions stipulated in this report.

## D. RESULTS FRAMEWORK

| A | | PROJECT INFORMATION |
|---|---|---|

| | |
|---|---|
| I PROJECT NAME AND SAP CODE: Catalyzing Integrated Trade and Industrial Policy Reform: Implementing the AfCFTA/AIDA Impact Assessments in Selected African Economies in Transition - P-Z1-KZ0-066 | I COUNTRY/REGION: Cameroon, Chad, Togo, Comoros, and Madagascar |

I PROJECT DEVELOPMENT OBJECTIVE: To strengthen evidence-based, inclusive, and climate-responsive trade and industrial policymaking, and address persistent gaps in institutional capacity, data quality, and policy coherence that limit effective industrialization and trade policymaking in Cameroon, Chad, Comoros, Madagascar, and Togo, thus enabling more effective implementation of AfCFTA and AIDA commitments.

I ALIGNMENT INDICATORS:

- Value-added of the manufacturing sector (USD billions)
- Africa Gender Index (Human Capital & Inclusion)
- Green Growth Index (Score: 1= low; 100= high)

| B | | RESULTS MATRIX |
|---|---|---|

| RESULTS CHAIN AND INDICATOR DESCRIPTION | RMF INDICATOR | UNIT OF MEASUREMENT | BASELINE (2025) | TARGET AT COMPLETION (2028) | MEANS OF VERIFICATION |
|---|---|---|---|---|---|
| I **OUTCOME STATEMENT 1:** ***Enhanced institutional capacity and evidence-based policymaking for AfCFTA and AIDA implementation*** | | | | | |
| Outcome Indicator 1.1: National trade/industrial policy frameworks revised or drafted using assessment evidence (disaggregate by country) | X | Number | 0 | 5 trade/industrial poly frameworks (1 for each country) | Country reports/ Impact Assessment Portal |
| Outcome Indicator 1.2: Share of trained national experts applying the Guide or digital platform tools at least twice per year (disaggregated by country) | X | Number | 0 | 50 (10 per country:50% women and 30% youth) | Post Training Surveys / Project Reports |
| Outcome Indicator 1.3: Frameworks or briefs incorporating climate-responsive analysis (disaggregate by country) | – | Number | 0 | 5 (1 per country) | Policy Documents/Reports/Impact Assessment Portal |
| I **OUTCOME STATEMENT 2:** ***Improved integration of priority industrial sectors and SMEs into national and regional value chain planning.*** | | | | | |
| Outcome Indicator 2.1 Countries integrating priority value-chain insights into draft industrial/trade policy frameworks | X | Number | 0 | 5 | Reports/Impact Assessment Portal/Stakeholder Surveys Reports |

| | | | | | |
|---|---|---|---|---|---|
| Outcome Indicator 2.2 Proportion of women / youth-led SMEs participating in formal policy dialogue platforms at national or regional level (disaggregated by country) | X | % | 0 | 30% per country of which 50% women and 50% youth | |
| Outcome Indicator 2.3 Climate-sensitive value chain considerations included in sector notes or analyses (disaggregated by country) | X | Number | 0 | 5 | Sector Analyses/Project Policy Briefs |
| **I OUTCOME STATEMENT 3:** ***Strengthened knowledge generation, peer learning, and policy dialogue to support coordinated AfCFTA/AIDA implementation.*** | | | | | |
| Outcome indicator 3.1 Participants reporting improved knowledge or skills to engage in policy dialogue following peer-learning events (disaggregated by country). | X | % | 0 | 70 % per country, of which 50% women and 30 % youth | Event Reports; participant surveys; peer-learning evaluation reports; and project reports. |
| Outcome Indicator 3.2 Stakeholders who report using project-supported multilingual knowledge products to inform policy, strategy, or operational decisions (disaggregated by country). | X | % | 0 | 50 % per country, of which 50% women and 30% youth | Stakeholder surveys; Impact Assessment Portal; Project reports |
| Outcome Indicator 3.3 Knowledge products including green/industrial climate themes | X | Number | 0 | 10 (2 per country) | Reports/Impact Assessment Portal |
| **1. I OUTPUT STATEMENT A.1: Capacity development and technical support delivered to national and regional stakeholders.** | | | | | |
| Output Indicator A.1.1: Participants trained through project-supported training programmes | | Number | 0 | 500 (100 per country: 50women and 30 youth) | Training Reports/ Participant Surveys / Impact Assessment Portal |
| Output Indicator A.1.2: Officials trained on implementation of AfCFTA/AIDA impact assessment and associated cross cutting issues like gender and green/industrial climate issues (gender-disaggregated). | | Number | 0 | 100 (20 per country, with 10 female representation and 6 youth) | |
| Output Indicator A.1.3: Number of climate-responsive training materials developed, validated, and disseminated | | Number | 0 | 10 | Training Materials / Event Reports/ Post-Training Participant Surveys / Project reports |
| **I OUTPUT STATEMENT B.1:** Trade and industrial data collected, analysed, and validated in target countries. | | | | | |
| Output Indicator B.1.1: Country-level AfCFTA/AIDA assessments completed (disaggregated by country) | | Number | 0 | 5 (1 per country) | Workshops Reports/Impact Assessment Portal |
| Output Indicator B.1.2: Revisions made to the AfCFTA/AIDA Impact Assessment Guide | | Number | 0 | 3 | |
| Output Indicator B.1.3: People who participated in the national validation workshops (disaggregated by countries and by gender) | | Number | 0 | 300 (60 per country: 24 women and 18 youth) | |

| | | | | | |
|---|---|---|---|---|---|
| l **OUTPUT STATEMENT C.1:** Knowledge products and policy briefs developed and disseminated across RECs and AU organs. | | | | | |
| Output Indicator C.1.1 Case studies and policy briefs produced (incl. climate/green industry) – disaggregated by country | | Number | 0 | 10 (2 per country) | |
| • Output Indicator C.1.2: *People who participated in peer learning and advocacy events (disaggregate by country and by gender)* | | Number | 0 | 400 (80 per country: 32 women and 24 youth) | Copies of cases studies and policy briefs/events Reports/Publications/ Impact Assessment Portal |
| • Output Indicator C.1.3: *Impact Assessment Platform developed, updated, and operational* | | Yes/No | No | Yes | |

# 8. ENVIRONMENTAL AND SOCIAL COMPLIANCE NOTE (ESCON)

**ENVIRONMENTAL AND SOCIAL COMPLIANCE NOTE (ESCON)**

AFRICAN DEVELOPMENT BANK GROUP
2023 ISS Update v01

| | | |
|---|---|---|
| **A. Basic Information**[7] | | |
| **Project Title:** Catalyzing Integrated Trade and Industrial Policy Reform: Implementing the AfCFTA/AIDA Impact Assessments in Selected African Economies in Transition | **Project SAP or TFMS Code:** P-Z1-KZ0-066 | |
| **Region:** Multi-Regional | **Country:** Multinational | |
| **Project Sector Unit:** Industrial and Trade Development | **Lending Instrument:** Sovereign Loan | |
| **Appraisal dates:** 13-Apr-26 **to** 17-Apr-26 | **Estimated Approval Date:** 13-May-26 | |
| **Task Team Leader:** **Dube Memory** | **Alternate Task Team Leader:** **Fall Abou** | |
| **Environmental Safeguards Officer(s):** **XXXX** \| **XXXXX** | | |
| **Social Safeguards Officer(s):** **Edith Birungi Kahubire** \| **xxxxxx** | | |
| **E&S Category:** Category 3 (Low Risk) | **Operation Type:** Sovereign Operation / Public Sector Operation | **Financial Intermediary:** No |
| **Categorization Date:** 2-Jul-25 | **Categorization Date in ISTS:** 2-Jul-25 | **Categorization Date in SAP:** 2-Jul-25 |
| **Is this project processed under rapid responses to crises and emergencies?** | No | |
| **Is this project processed under a waiver to ISS requirement(s) requested by the Borrower/Client and granted by the Board?** | No | |
| **B. Disclosure and Compliance Monitoring** | | |
| **B.1 Mandatory disclosure**[8] | | |
| **Environmental and Social Assessment/Audit/System/Others: Not applicable** | | |
| Was/Were the document (s) disclosed ***prior to appraisal?*** | **Not Applicable** | |
| Date of "in-country" disclosure by the borrower/client | Click to select the date | |
| Date of receipt, by the Bank, of the authorization to disclose | Click to select the date | |
| Date of disclosure by the Bank | Click to select the date | |
| **Resettlement Action Plan (RAP)[9]:** *Not Applicable* | | |
| Was/Were the document (s) disclosed ***prior to appraisal?*** | **Not Applicable** | |
| Date of "in-country" disclosure by the borrower/client | Click to select the date | |
| Date of receipt, by the Bank, of the authorization to disclose | Click to select the date | |
| Date of disclosure by the Bank | Click to select the date | |
| **Stakeholder Engagement Plan (SEP)[10]:** *Not Applicable* | | |
| Was/Were the document (s) disclosed ***prior to appraisal?*** | Not Applicable | |

| | |
|---|---|
| Date of "in-country" disclosure by the borrower/client | Click to select the date |
| Date of receipt, by the Bank, of the authorization to disclose | Click to select the date |
| Date of disclosure by the Bank | Click to select the date |
| **Pest or Vector Management Plan (PMP/VMP):** *Not Applicable* | |
| Was/Were the document (s) disclosed ***prior to appraisal?*** | Not Applicable |
| Date of "in-country" disclosure by the borrower/client | Click to select the date |
| Date of receipt, by the Bank, of the authorization to disclose | Click to select the date |
| Date of disclosure by the Bank | Click to select the date |
| **Vulnerable Peoples Plan (VPP):** *Not Applicable* | |
| Was the document disclosed ***prior to appraisal?*** | Not Applicable |
| Date of "in-country" disclosure by the borrower/client | Click to select the date |
| Date of receipt, by the Bank, of the authorization to disclose | Click to select the date |
| Date of disclosure by the Bank | Click to select the date |
| **Biodiversity Management Plan (BMP)[11]:** *Not Applicable* | |
| Was the document disclosed ***prior to appraisal?*** | Not Applicable |
| Date of "in-country" disclosure by the borrower/client | Click to select the date |
| Date of receipt, by the Bank, of the authorization to disclose | Click to select the date |
| Date of disclosure by the Bank | Click to select the date |
| **Livelihood Restoration Plan (LRP)[12]:** *Not Applicable* | |
| Was the document disclosed ***prior to appraisal?*** | Not Applicable |
| Date of "in-country" disclosure by the borrower/client | Click to select the date |
| Date of receipt, by the Bank, of the authorization to disclose | Click to select the date |
| Date of disclosure by the Bank | Click to select the date |
| **Riparian Communities Participation Plan (RCPP):** *Not Applicable* | |
| Was the document disclosed ***prior to appraisal?*** | Not Applicable |
| Date of "in-country" disclosure by the borrower/client | Click to select the date |
| Date of receipt, by the Bank, of the authorization to disclose | Click to select the date |
| Date of disclosure by the Bank | Click to select the date |
| **Emergency Preparedness & Response Plan (EPRP):** *Not Applicable* | |
| Was the document disclosed ***prior to appraisal?*** | Not Applicable |
| Date of "in-country" disclosure by the borrower/client | Click to select the date |
| Date of receipt, by the Bank, of the authorization to disclose | Click to select the date |
| Date of disclosure by the Bank | Click to select the date |
| **Hazardous/Medical Waste Management Plan (HWMP):** *Not Applicable* | |
| Was the document disclosed ***prior to appraisal?*** | Not Applicable |
| Date of "in-country" disclosure by the borrower/client | Click to select the date |
| Date of receipt, by the Bank, of the authorization to disclose | Click to select the date |
| Date of disclosure by the Bank | Click to select the date |
| **Riparian Notification (RN):** *Not Applicable* | |

| | | | |
|---|---|---|---|
| Was the document disclosed ***prior to appraisal?*** | | Not Applicable | |
| Date of "in-country" disclosure by the borrower/client | | Click to select the date | |
| Date of receipt, by the Bank, of the authorization to disclose | | Click to select the date | |
| Date of disclosure by the Bank | | Click to select the date | |
| **Environmental and Social Management Plan of the Financing Agreement (FA-ESMP)** [13] | | | |
| Was the document disclosed ***prior to appraisal?*** | | *Not Applicable* | |
| Date of "in-country" disclosure by the borrower/client | | Click to select the date | |
| Date of receipt, by the Bank, of the authorization to disclose | | Click to select the date | |
| Date of disclosure by the Bank | | Click to select the date | |
| **Is in-country disclosure of any of the above required documents not allowed as per the country's legislation or not expected because of crises/emergencies:** **If applicable, please explain below:** | | | Not Applicable |
| **Not applicable** | | | |
| **B.2. Compliance monitoring indicators** | | | |
| Has satisfactory calendar, budget and clear institutional responsibilities been prepared for the implementation of measures related to safeguard policies? | | | **Not Applicable** |
| Has costs related to environmental and social measures, including for the running of the grievance redress mechanism, been included in the project cost? | | | **Not Applicable** |
| Is the total amount for the full implementation for the Resettlement of affected people, as integrated in the project costs, effectively mobilized, and secured?[14] | | | **Not Applicable** |
| Does the Monitoring and Evaluation system of the project include the monitoring of safeguard impacts and measures related to safeguard policies? | | | **Not Applicable** |
| Have satisfactory implementation arrangements been agreed with the borrower and the same been adequately reflected in the project legal documents? | | | **Not Applicable** |
| **C. Clearance** | | | |
| Is the project compliant with the Bank's environmental and social safeguards requirements, and can be submitted to Approval? | | | Select |
| ***Prepared by*** | ***Name*** | ***Signature*** | ***Date*** |
| Environmental Safeguards Officer(s): | **XXXXX XXX** | | Click to select the date |
| Social Safeguards Officer(s): | **Edith Birungi Kahubire \| xxxxxx** | | 23-Apr-26 |
| Task Team Leader: | Memory Dube | | 23-Apr-26 |
| ***Submitted by*** | | | |
| Sector Director: | **JOY KATEGEKWA** | | 24-Apr-26 |
| ***Cleared by*** | | | |
| Director SNSC: | Maman-Sani ISSA | | 26-Apr-26 |