

BOARD APPROVAL
Lapse-of-time Procedure
28 March 2018

FOR INFORMATION

MEMORANDUM

TO : THE BOARD OF DIRECTORS

FROM : Vincent O. NMEHIELLE
Secretary General

SUBJECT : MULTINATIONAL: AFRICAN PEER REVIEW MECHANISM
INSTITUTIONAL SUPPORT PROJECT (APRM-ISP)*

ADF GRANT OF UA 2 MILLION

The above-mentioned **Appraisal Report** and the **Draft Resolution** were submitted for your **consideration on a Lapse-of-time basis**, on March 15, 2018.

Since no objection was recorded by 5.00 pm., on March 28, 2018, the proposal is considered approved and the Resolution adopted.

Attach:

Cc : The President

* Questions on this document should be referred to:

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AFRICAN DEVELOPMENT FUND



MULTINATIONAL - AFRICAN PEER REVIEW MECHANISM INSTITUTIONAL SUPPORT PROJECT (APRM-ISP)

COUNTRIES: ALL REGIONAL MEMBER COUNTRIES

PROJECT APPRAISAL REPORT

Date: March 29, 2018

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AFRICAN DEVELOPMENT FUND



MULTINATIONAL

AFRICAN PEER REVIEW MECHANISM INSTITUTIONAL SUPPORT PROJECT (APRM-ISP)

APPRAISAL REPORT

ECGF/RDGS DEPARTMENTS

March 2018

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ABBREVIATIONS AND ACRONYMS

ACBF	African Capacity Building Foundation
AfDB	African Development Bank
ADF	African Development Fund
AGA	African Governance Architecture
APRM	African Peer Review Mechanism
APR Forum	African Peer Review Forum
ATAF	African Tax Administration Forum
AU	African Union
AUC	African Union Commission
APRM	African Peer Review Mechanism
CABRI	Collaborative Africa Budget Reform Initiative
CG	Corporate Governance
COMESA	Common Market for Eastern and Southern Africa
CEO	Chief Executive Officer
CPIA	Country Policy and Institutional Assessment
CSO	Civil Society Organization
CSP	Country Strategy Paper
DRM	Domestic Resource Mobilization
EAC	East African Community
ECGF	Governance and Public Financial Management Coordination Office
EGM	Economic Governance and Management
GAP II	Second Governance Strategic Framework and Action Plan
GDP	Gross Domestic Product
IMF	International Monetary Fund
ISP	Institutional Support Project
M & E	Monitoring and Evaluation
NAP	National Adaptation Plan
NAPA	National Adaptation Programme of Action
NDP	Nationally Determined Contributions
NPOA	National Programme of Action
OSAA	Office of the Special Adviser on Africa (United Nations)
OSGE	Governance, Economic and Financial Management Department
PCR	Project Completion Report
PFM	Public Financial Management

PIT	Project Implementation Team
PMC	Project Management Committee
PRSP	Poverty Reduction Strategy Paper
RDGS	Southern Africa Regional Development and Business Delivery office
RISP	Regional Integration Strategy Paper
RMC	Regional Member Countries
RO	Regional Operations
RPG	Regional Public Goods
SAIIA	South African Institute for International Affairs
SAT	Southern Africa Trust
SDGs	Sustainable Development Goals
SOE	State Owned Enterprises
TYS	Ten Year Strategy
UNECA	United National Economic Commission for Africa
UNDP	United National Development Programme
WAMZ	West African Monetary Zone
WB	World Bank

CURRENCY EQUIVALENTS

As of January 2018

1 UA	= 17.52 ZAR
1 USD	= 12.31 ZAR
1 €	= 14.76 ZAR
1 UA	= 1.42 USD
1 UA	= 1.19 €
1 €	= 1.20 USD

FISCAL YEAR

1st January-31st December

WEIGHTS AND MEASUREMENTS

1 METRIC TONNE	= 2204 POUNDS (LBS)
1 KILOGRAMME (KG)	= 2.200 IBS
1 MILIMTRE (MM)	= 0.03937 INCH (“)
1 KILOMETRE (KM)	= 0.62 MILE
1 HECTARE	= 2.471 ACRES

GRANT INFORMATION

Clients Information

RECIPIENTS : African Peer Review Mechanism (APRM)

EXECUTING AGENCY: APRM Secretariat

Financing Plan

Source	Amount (UA'000)	Instrument
ADF Regional Public Goods	2,000	Grant
TOTAL COST	2,000	Grant

Timeframe-Main Milestones

Concept Note	November 2017
Appraisal	January 2018
Project Approval	March 2018
Effectiveness	April 2018
Mid-term-Review	June 2020
Completion	September 2021
Closing Date	March 2022

PROJECT SUMMARY

Project Overview	<p>Project Name: <i>African Peer Review Mechanism Institutional Support Project (APRM-ISP)</i></p> <p>Geographical Area: <i>Whole of Africa</i></p> <p>Implementation timeframe: <i>2018-2021</i></p> <p>Project cost: <i>UA 2 million</i></p> <p>Expected outputs and outcomes: Expected outputs under component I include revision of APRM questionnaire; alignment of indicators to Agenda 2063 and SDGs; development of an APRM Governance Index; training on the integration of APRM NPOAs into national development plans and budgets; increase in country review missions or peer reviews; gender and climate change audit; communication roadmap. Expected outputs under Component 2 include establishment of a knowledge hub and library; number of researches produced and published; number of APRM staff trained; capacity building; capacity needs assessment conducted; number of fellowships.</p> <p>Expected outcomes include; improved quality of governance through increased implementation of APRM recommendations in national development plans, and ultimately consolidation of good governance through universal application of the APRM principles in all African Countries.</p> <p>Project Direct Beneficiaries: The project's direct beneficiaries are the countries that have acceded to the APRM (37 in all) and the APRM Secretariat, who will benefit from capacity building, improved tools and methodology, increased pace of country reviews and greater knowledge generation and dissemination, including sharing of experiences and best practices. Other AU member states that are not members of the APRM will also benefit given the expanded mandate of the APRM to include monitoring continental priorities, including Agenda 2063 and the SDGs. The entire population of Africa will benefit indirectly from the project. Civil society and the private sector will also benefit indirectly from an improved governance environment and expanded space for non-state actors.</p>
Needs Assessment	<p>Good governance is key to putting African economies on stronger and sustainable growth paths, addressing widening economic and social inequalities and achieving inclusive and green growth. The APRM has a huge potential to improve Africa's governance trajectory. However, it faces numerous challenges. A SWOT analysis to inform the strategic plan identified several constraints with regard to the financing, processes and institutional capacity of the Mechanism. These include variable levels of political support, poor state of finances and unpredictability of member states' contributions to the APRM. In terms of the tools and the review process, the analysis points to a cumbersome self- assessment questionnaire, high cost of country reviews, poorly designed NPOAs, which make implementation difficult, and inadequate follow-up, monitoring and evaluation mechanism. Capacity challenges at the level of the Secretariat have also been highlighted, including the lack of sufficient skills and expertise to effectively roll out many facets of the APRM. The need to enhance knowledge management and dissemination, including through an effective database and policy for communications, was also identified. More recently the AU Heads of State and Government expanded the mandate of the APRM to include monitoring continental aspirations, such as Agenda 2063 and the SDGs. There is, therefore, a need to further refine the indicators of the Mechanism to respond to the expanded mandate. The Bank support will respond to these needs by revising and streamlining the APRM review tools, strengthening institutional capacity and enhancing the knowledge management framework for more effective governance.</p>
Bank's Added Value	<p>The Bank has been a strategic partner of the APRM from its inception. The Bank's support to date has taken different forms, including technical and financial support to the operationalization of the APRM and the deployment of experts to participate in the country review processes. The Bank, therefore, has great insights on the evolution and potential of the APRM and the strategic thrust necessary for the reinvigoration of the Mechanism. This is buttressed by the wealth of knowledge amassed in the governance, economic and development challenges of Regional Member Countries (RMCs), through over half a century of engagement within the framework of policy dialogue, programme-based operations (PBOs), institutional support projects and analytical work. The project, therefore, builds on the Bank's previous support to the APRM and complements other governance-related interventions at country and regional levels. The APRM is an African owned process meant to be funded principally by African resources. The Bank's support from the ADF regional public goods window will boost and catalyse donor confidence in the current context of reinvigoration and renewal of the APRM. This support thus complements and scales up other development partners' interventions. The Bank's value addition lies in its role as a reliable and trusted partner, which gives it legitimacy to support the APRM agenda and to tackle the complex inter-related governance and development challenges faced by</p>

	RMCs. The Bank will coordinate this intervention with other strategic partners and stakeholders to guarantee harmonization and eliminate any potential duplication.
Knowledge Management	The Project will contribute to knowledge building through peer learning, networking, skills and knowledge transfer, among APRM member countries. The focus on the production of knowledge products on relevant topics and the establishment of the knowledge hub and library will play a critical role in knowledge generation and dissemination in the area of governance. Amongst others, the project will support the development of thematic and economic sector works, including a thematic report on APRM impact on gender as well as minimum standards for Corporate Governance for African Companies. The project will also support the refinement of indicators expected to contribute to the development of an APRM Index and various assessment tools and methodological frameworks important not only for the APRM but other similar processes. The Bank will capture and disseminate knowledge and experience through sharing the findings of supervision missions, progress reports, and the Project Completion Report. Lessons learned and experience gained will help to inform the design of future operations.

Result-based Logical Framework

Country and project name: Africa: African Peer Review Mechanism Institutional Support Project (APRM-ISP)
Purpose of the project: To promote, consolidate and improve the quality of governance in Africa by disseminating lessons learned and best practices and rectifying underlying deficiencies in governance through the enhancement of the effectiveness of the African Peer Review Mechanism (APRM).

RESULTS CHAIN		PERFORMANCE INDICATORS			MEANS OF VERIFICATION	RISKS/MITIGATION MEASURES
		Indicator (including CSI)	Baseline	Target		
IMPACT	Improved governance quality in RMCs	Ibrahim Index of African governance: <ul style="list-style-type: none">Overall average governance scoreNumber of countries with a positive trajectory in 5 year trend	<ul style="list-style-type: none">50.8 (2016)34 (2012-2016)	<ul style="list-style-type: none">52 (2022)40 (2018-2022)	Ibrahim Index of African Governance	Risk 1: Variable levels of political support Mitigation: Reinvigoration strategy in place; New APRM Champion Head of State, Greater Support from the AU including an expanded mandate likely to revamp interest.
	OUTCOME	Universal application of the APRM	Total (cumulative) number of countries that accede to the APRM	35 (2016)	44 (2021)	
Number of African countries subjected to peer review			17 (2015)	28 (2021)	APRM reports	
Improvement in the pace of APRM implementation		Number of newly peer reviewed countries ¹ that harmonise APRM NPOAs with national development plans	0 (2016)	75% (2021)	APRM reports	Risk 2: Lack of adequate resources and failure of RMCs to meet their financing obligations. Mitigation: Engage member states to pay their contributions and mobilize resources from partners and re-establish Trust Fund Risk 3: Capacity constraints of the APRM Secretariat Mitigation: Situation much improved with secondments, consultancies and fellowships. Project will provide some support to enhance the organizational
Component 1: Promoting the Universality and Effectiveness of the APRM						
OUTPUTS	1.1 APRM methodology and processes streamlined	APRM questionnaire revised	Revised questionnaire last adopted 2012	New questionnaire adopted including electronic version (2019)	Approved questionnaire	
		APRM indicators aligned	<ul style="list-style-type: none">APRM indicators not aligned to Agenda 2063 and SDG (2016)No APRM Index (2016)	<ul style="list-style-type: none">APRM Indicators aligned(2019)Index developed (2019)	Revised indicators	
		NPOAs and progress reports standardised	No standard NPOA and reporting framework in place (2016)	Standard Template for developing and reporting on NPOAs developed. (2019)	NPOA Template	
		Independent mid-term review of the APRM strategic plan conducted	Strategic Plan approved (2016)	Mid-term review conducted (2019)	Mid Term Evaluation Report	
	1.2 Country reviews and experience sharing among countries boosted	Number of country reviews supported	2 (2016)	3 per annum (2018-2020)	APRM reports	
		Number of Country Support Activities to facilitate review	2 (2016)	3 per annum (2018-2020)	APRM reports	
		Number of targeted/ thematic reviews carried out	0 (2016)	2 per annum (2018-2020)	The thematic reports	
		Guidelines/toolkit on corporate governance developed	No guidelines/toolkit (2016)	- Guidelines/toolkit developed (2019)	APRM reports	

¹ Countries that undergo peer review from January 2019 onwards

KEY ACTIVITIES	1.3 Effective Gender, Climate Change and Green Growth Mainstreaming in the APRM process	Comprehensive coverage of gender and climate change issues in the APRM questionnaire	Gender and climate change gaps in the questionnaire (2012)	- New questionnaire incorporates gender and climate change issues across all the pillars	Approved questionnaire	and human resource capacity of the APRM Secretariat	
		Thematic review on gender and climate change	0 (2016)	- 1 (2018-2020)	Thematic report on Gender and climate change	Risk 4: Potential loss of autonomy after full integration into the AU. Mitigation: Clear role assignment amongst players. Coordination meetings also held Risk 5: Loss of momentum and failure to deliver expectations: Mitigation: Efforts are being made to improve implementation of NPOA. The project complements such efforts	
		Gender and climate change audit of APRM policies and practices.	No Gender nor climate change audit (2016)	- Gender and climate change audit conducted (2019)	Gender and climate change audit report		
	1.4 Communication enhanced	Communication road map/policy developed	Communication strategy in place (2015)	- New communication road map/policy developed (2018)	Communication roadmap		
		Documenting APRM achievements and lessons learnt	<ul style="list-style-type: none">Documentary produced (2016)Essays on Governance (looking back APRM)	<ul style="list-style-type: none">Updated Documentary (2018)Updated Book on governance produced (2018)	The APRM Documentary The Book		
	Component 2: Strengthening Institutional Capacity and Knowledge Management for a Reinvigorated APRM						
	2.1. Knowledge management framework enhanced	Knowledge hub and e-library established	Website but no e-learning platform in place (2016)	Knowledge hub and e-library established (2019)	APRM reports		
		Number of researches undertaken	0 (2016)	3 per annum (2018 - 2020)	APRM reports		
		Targeted fellowship support to EGM, CG and research	0 (2016)	4 (2018-2020) -of which at least one is female	APRM reports		
		Capacity needs assessment of the APRM conducted	No capacity needs assessment (2016)	Capacity needs assessment report finalized and validated (2018)	Capacity needs assessment report		
	2.2 APRM institutional capacity enhanced	Number of APRM continental personnel trained	0 (2016)	30 (2020) -of which at least 30% are female	APRM reports		
		Number of M&E training sessions for national level officials	0 (2016)	2 per annum (2019-2020) -with at least 30% female representation (and 1 dedicated to Gender).	APRM reports		
		Support to mainstreaming of APRM NPOAs into National Development Plans	1 (2016)	Training for National Level Officials - 2 per annum (2018-2020) with at least 30% female	Training report		
Component 3: Project Management							
3.1 Management of the project by the Executing Agency	Procurement, financial management and audit consultancies	-	Consultancies and Training	APRM reports			
COMPONENTS					INPUTS		
Component 1 (UA 835,599): Promoting the Universality and effectiveness of the APRM Activities: Revision of the APRM questionnaires, alignment of indicators with SDGs and Agenda 2063; standardization of NPOAs; development of toolkits; gender and climate change audit; development of communication roadmap. Component 2 (UA 909,413): Strengthening institutional capacity and knowledge management for a reinvigorated APRM Activities: Establishment of a knowledge hub and e-library; development and publication of knowledge products; capacity needs assessment; training; research fellowships. Component 3 (UA 159,750): Project management Activities: Financial Management; procurement capacity building; audit. Contingency: (UA 95,238)					Inputs: Funding in million UA ADF (RPG Window) : UA 2 million Total project cost: UA 2 million		

Table i: Project Implementation Schedule

Activities/Years	2018				2019				2020				2021				Action By
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	
Project Processing and Management																	
Grant Approval																	AfDB
Signing Grant Agreement																	AfDB/ APRM
Project Effectiveness																	APRM
Project Launching																	AfDB
Project Implementation																	APRM
Mid-term Review																	AfDB
Project Completion																	AfDB/ APRM
Audits																	APRM

REPORT AND RECOMMENDATION OF THE MANAGEMENT OF THE ADB GROUP TO THE BOARD OF DIRECTORS ON A PROPOSED GRANT TO THE AFRICAN PEER REVIEW MECHANISM (APRM)

Management submits the following Report and Recommendations on a proposed grant total of UA 2 million to the African Peer Review Mechanism to finance the APRM Institutional Support Project (APRM-ISP).

I. STRATEGIC THRUST AND RATIONALE

1.1 Project Linkages with Regional Strategy and Objectives

1.1.1 Governance cuts across all the Bank strategies and interventions, including the Ten Year Strategy and the High 5s. Effective, accountable, and transparent institutions, strengthened service delivery, affordable capital, good infrastructure and an enabling environment for private sector growth are key to the realization of all these strategies. This project, which is designed to consolidate and improve the quality of governance in Africa, is thus aligned to the TYS, which has governance and accountability as one of its five operational priorities. The project is also in line with the High 5s, as an enabling governance environment will set the stage for transforming economies through industrialization, improvements in energy, infrastructure, agriculture and regional integration, all of which will enhance the delivery of essential public services to populations, stimulate employment opportunities and ultimately impact on the quality of people's lives. By helping to strengthen institutional capacity and share good governance experiences, the project is consistent with all three pillars (Public Sector and Economic Management; Sector Governance; Investment and Business Climate) of the *Bank's Governance Strategic Framework and Action Plan (2014-2018)*. The project is designed to ensure gender mainstreaming, as well as improve gender outcomes in governance and development. It is, therefore, attuned to the Bank Group Gender Strategy. Furthermore, the project will enhance the participation of non-state actors as envisaged in the Bank's *Framework for Enhanced Engagement with Civil Society Organizations (2014-2018)*. The project, which covers all of Africa, is also aligned with the Regional Integration Policy and Strategy 2014-2023. It will contribute to the Bank's vision of a stable, integrated and prosperous continent of competitive, diversified and sustainably growing economies participating fully in global trade and investment.

1.1.2 The proposed project fits firmly within the APRM Strategic Plan 2016-2020. It is consistent with the objectives and key priorities of the APRM as laid out in the strategic plan 2016-2020 (Annex C3). The APRM Strategic Plan addresses eight priorities (Box 1), based on the three pillars of the APRM turnaround strategy namely Restoration, Reinvigoration and Renewal. The **Restoration** pillar focuses on addressing the immediate challenges faced by the Mechanism, including (i) Implementation of the APRM Work Plan; (ii) Ensuring compliance with APRM principles; (iii) Resource Mobilisation; and (iv) Integration of the APRM into the AU system. The **Reinvigoration** pillar consists of repositioning, re-energizing and intensifying commitment to APRM's mandate. The major focus will be on repositioning the APRM as an instrument for monitoring and supporting the attainment of the AU Agenda 2063 and

Box.1 Key Priorities of the APRM Strategic Plan

- 1) Shared Values Advocacy and Communication
- 2) Review and Implementation of the APRM Core Mandate
- 3) Resource Mobilisation and Financial Management
- 4) Human Resource Capacity Development
- 5) Development of Monitoring & Evaluation Frameworks and Systems
- 6) Enhancement of Research & Development Capacity and Improvement of Operational Tools
- 7) Intra-APRM Coordination and Harmonisation
- 8) APRM integration into the AU, Universal Accession and Enhanced APRM Relevance to Africa's Regional Integration Agenda

the global 2030 Sustainable Development Goals. In the First Ten-Year Implementation Plan of Agenda 2063, the APRM is expected to contribute to the goals relating to the adoption of democratic values, practices, universal principles of human rights, justice and the rule of law, as well as the creation of capable institutions and transformational leadership. The **Renewal** pillar includes the review, refinement and further development of APRM tools and processes, including its research and information gathering instruments for drafting the Country Self-Assessment Report. The Renewal phase also includes re-imagining the philosophy behind the APRM, to ensure the Mechanism stays relevant in a rapidly changing world. The Pillars of the APRM Strategic Plan are, therefore, tri-faceted: backward looking to build on lessons learnt, pragmatic to the current situation in terms of accelerating implementation and results delivery and forward looking for sustainability and continuity in the consolidation of governance. All these are facets upon which the project builds, with a view to improving the effectiveness of APRM and delivering on the strategic plan.

1.2 Rationale for Bank's Involvement

1.2.1 Good governance is critical to the achievement of African countries' development aspirations and the attainment of regional and global commitments such as Agenda 2063, the Sustainable Development Goals Agenda 2030, as well as achieving inclusive and green growth. The African Economic Outlook 2018 notes that African economies have been generally resilient. Real output has increased, reflecting generally good macroeconomic policies, progress in structural reforms (especially in infrastructure development), and generally sensible policy frameworks. It further notes that adoption and implementation of a coherent and equitable fiscal policy holds out the best prospects for sustained growth when external conditions improve. The *2017 Ibrahim Index of African Governance* (Mo Ibrahim Foundation, 2017) reports that the African continent has, on average, been improving in Overall Governance. Looking back over the last decade (2007-2016) the African average score has improved by +1.4 points from 49.4 (out of 100.0) to 50.8, reaching in 2016 its highest score since 2000. This positive trend in overall governance over the last decade is mirrored by 40 countries which recorded improvements. Only 12 countries marked a deterioration while one showed no change. The World Economic Forum's *Global Competitiveness Reports* (2017/18) shows that, on average, sub-Saharan Africa's competitiveness has not changed significantly over the past decade. Only four countries have improved their performance for five consecutive years since 2010. The report recommends the restoration of macroeconomic stability and institutional trust as short term priorities and continued investment in infrastructure, human capital, and technological adoption in the long run. It is noteworthy that significant challenges remain to put African economies on stronger and sustainable growth paths. A study commissioned by the APRM identified several bottlenecks hindering effective socio-economic transformation of the African continent. Some of the bottlenecks include interference with the private sector; under-developed infrastructure; weak states and institutions; fragmented markets and structural impediments in accessing and expanding markets; low levels of industrialization and value addition; poor human capital; under-developed agriculture and services sectors; failure to consolidate democracy and good governance; a non-responsive civil service and constraints in domestic resource mobilization. At the center of these constraints are governance shortfalls that continue to hinder the continent's resilience and transformation. Governance reforms, therefore, must be placed at the forefront of the development agenda to meet the complex and interlinked challenges faced by Africa, and this is what this project seeks to support.

1.2.2 AfDB recognizes the centrality of governance to Africa's development. The Bank works to assist RMCs to reform their economies, strengthen the analytical and policy-making capacity of their institutions, improve their economic and financial governance, and create

private-sector friendly investment and business climate. This is grounded on the recognition that transparent, accountable and efficient governance systems and capable states are essential prerequisites for inclusive and sustainable economic growth and achieving poverty reduction. Support provided in this regard continues to be delivered through policy reforms and related policy dialogue (through budget support operations), strengthening of institutions (through ISPs) and various forms of technical assistance, among others. In addition to interventions at country level, the effectiveness of the Bank's interventions are significantly boosted by supporting the activities of regional and continental organizations and initiatives focusing on the promotion of good governance, including climate change/green growth. Past interventions have shown that successful reforms in the area of transparency hold great potential for successful learning and replication through leveraged support at the regional and sub-regional levels. This is what is envisioned in the design of the proposed project supporting the APRM as a continental initiative.

1.2.3 The APRM has a great potential to transform Africa's governance landscape and, thus far, it has shown a strong record of success and it continues to enjoy positive reception among African citizens, civil society and opinion makers around the world. The APRM, which has its headquarters in Midrand, South Africa, was established in 2003 by the African Union Heads of State and Government with the aim of rectifying underlying deficiencies in governance and socioeconomic development processes among member states of the African Union. The primary purpose of the APRM is to foster practices that lead to political stability, high economic growth, sustainable and inclusive development, as well as accelerated regional and continental integration. The APRM covers four thematic areas: (i) Democracy and political governance; (ii) Economic governance and management; (iii) Corporate governance; and (iv) Socio-economic development. Participating countries go through a detailed review process (including consultations with government, the private sector, civil society and other stakeholders), culminating in a peer review exercise at the level of Heads of State and Government. Technical Annex C2 presents details of the APRM structures and review processes. A key feature of the APRM is that it is home-grown. This, as well as its voluntary nature, are important in buttressing and consolidating Africa's ownership of its development agenda. Membership is open to all member states of the AU.

1.2.4 Almost fifteen years into implementation, the APRM has continued to grow in influence and impact. So far, 37 of the 55 Member States of the AU have acceded to the APRM and 21 of the country review reports have been peer-reviewed, i.e. discussed at the level of the Committee of Participating Heads of State and Government. Appendix 1 presents the status of APRM membership and Technical Annex C6 presents status of peer reviews. Significantly the APRM has consolidated governance through dialogue (intra and inter-country and continentally) and expanded the space for civil society to hold government institutions to account. The APRM reports have had unique distinction as diagnostic tools speaking candidly on Africa's difficult governance issues (corruption, ethnicity, xenophobia, land, etc.). In many cases, it has served as an early warning tool, depicting the possibility of crisis if some of these issues are not addressed (e.g. post-election crisis in Kenya). APRM has led to policy reforms in several African countries, either through review, dialogue or implementation of National Programmes of Action (NPOA). APRM has also contributed to building capacity in technical research institutions and pools of experts continentally. To this end, APRM is seen as a key contributor to Africa's Peace and Security initiatives and is a good source of African governance indicators. Many countries aspire to be branded as APRM countries as this is associated with championing governance reforms and being open for business. In other words, the APRM provides a unique platform for a country to weave and publicize a storyline as a governance reformer, which is not only a measure of the consolidation of democracy at national level and a demonstration of commitment to regionally agreed standards and practices, but is

also attractive to external interlocutors, including development partners and foreign investors. APRM also provides an opportunity for networking, peer learning and sharing of experiences in a comfortable space of like peers, who could be facing similar challenges. It is, therefore, more welcome than, for example, the structural adjustment programmes which were perceived as punitive and foreign driven. In APRM, African countries see a great opportunity for fostering regional integration, not least through the implementation of agreed codes and standards in the four thematic areas. Some of the achievements of the APRM so far are outlined in Box 2 and Technical Annex C7.

Box 2: Achievements/Success stories of the APRM

Kenya: The 2006 APRM Review Report was instrumental in the negotiation and implementation of what was called “**Agenda Four**” reforms whose objectives were to address long-standing issues, including constitutional, legal and institutional reforms; land reforms; youth unemployment; poverty; inequity and regional development imbalances; consolidating national unity and cohesion; and addressing impunity, transparency and accountability. The Constitution of 2010 has brought, among other things, entrenched separation of powers and reduction in executive powers, a system of devolution that led to the creation of 47 autonomous county governments.

Sierra Leone: The APRM review observed that, despite the abundance of renewable and non-renewable resources, the Mining and Mineral Sector contributed less than 5 percent to Gross Domestic Product (GDP). As a result, it was recommended that government review the mining Law and the overall management of natural resources. This recommendation was implemented. In 2012, the GDP of Sierra Leone registered 15.2 percent increase in real terms and this was fuelled partly by the commencement of large-scale iron ore mining.

Ghana: The APRM country review highlighted the significant interest payments on the public debt, leading to the diversion of scarce resources from supporting economic growth and providing essential social services to service debt repayments. In order to tackle this challenge, the APRM recommended the improvement of public debt management, which was subsequently implemented, yielding positive benefits.

Mozambique: The APRM country review report recommended that action be taken to reduce bureaucratic delays in the processing of business registration and licensing. The government subsequently introduced different One-Stop Shops for simplification of business licensing, and the electronic single window for facilitation of customs clearance for trade. These measures have yielded significant impact on private investments flows.

Rwanda: Following the APRM review in 2005, the government decided to internalize the APRM review process by creating, an autonomous Rwanda Governance Advisory Council (RGAC) in 2010. RGAC was tasked with the close monitoring of governance practices through two flagship programs, namely (i) the National Governance Scorecard that annually surveys the opinion of the population on a wide range of issues pertaining to governance and service delivery by state institutions; and (ii) the Joint Governance Assessment process in collaboration with development partners. In 2012, a Rwanda Governance Board (RGB) was created replacing the RGAC. The RGB is an autonomous one-stop center for governance in the country that monitors governance practices by the state and regulates a number of civil society institutions relying on the spirit of dialogue.

1.2.5 The achievements notwithstanding, the APRM does face several challenges. These include: Variable levels of political support; poor state of finances and unpredictability of contributions from APRM member states; poor coordination with relevant AU institutions(a challenge that is not unique to APRM but has been observed in the AU system); a cumbersome country self-assessment questionnaire; poorly designed NPoAs that make implementation difficult and may lead to a widening gap between expectations and actual impact of APRM review reports and recommendations on the ground; inadequate mechanisms for monitoring and evaluation; existing gender gap in both the application of the process and the institution; institutional capacity constraints and the inability to attract and retain high calibre experts due to unpredictable financing. There are, however, several key strengths and opportunities that

can be built upon to ensure that this home-grown tool realizes its full potential as a preferred African solution to African problems. Currently, there is a renewed determination of the AU leadership, including the APRM Forum, the Panel, Secretariat and national structures to reinvigorate the Mechanism. The APRM has a unique mandate that includes the discussion of governance constraints among peer Heads of State which is unprecedented in itself. These, coupled with the ever growing emphasis, within Africa and globally, on the essential role of good governance for sustainable development make it critically important for the African Development Bank to contribute to the ongoing renewal and reinvigoration of the Mechanism, as articulated in the Strategic Plan. The Bank's role as a reliable and trusted partner and its leveraging/convening power will boost and catalyze donor confidence, while complementing and scaling up the support currently being received from other partners.

1.2.6 Already, there has been significant progress in revamping this continental governance assessment tool. In 2016, the APR Forum of Heads of State and Government adopted the 2016-2020 Strategic Plan and the APRM Statute, which are the key foundational documents anchoring the revitalization of the APRM. The Statute establishes the APRM as an autonomous institution body within the AU system with the legal personality of a specialized agency. A revitalization exercise was launched by the Special Session of the Heads of State and Government of APRM-participating countries in January 2016. An integral part of the APRM's turnaround strategy focuses on Restoration, Reinvigoration and Renewal (The three "R"s) based on a 5 year Strategic Plan 2016-2020. As an assessment and monitoring tool, the APRM can also help to track progress towards meeting regional and international development aspirations and commitments, including AU's Agenda 2063 and the SDGs. The AU Heads of State and Government are cognizant of this and, in January 2017, expanded the mandate of the Mechanism from the core reviews to include a monitoring and evaluation role for these continental and global commitments. The APRM is also anchoring the African Governance Architecture (AGA)². To address the financing challenge, member states annual contribution has now been doubled (from USD 100,000 to USD 200,000) (An overview of member states contribution is contained in Annex C8). These developments are a reflection of the confidence still enjoyed by the Mechanism and will contribute to the universalization of the APRM. The ultimate goal is that all member states of the AU will become members of the APRM. In addition, there is a renewed interest from partners, as evidenced not only by the expansion of the strategic partners' membership, but also greater engagement with bilaterals and other development partners. The APRM is also in discussions with the UNDP to resume efforts to replenish the APRM Trust Fund. The support of the Bank will, therefore, contribute to these efforts to revamp the APRM and ensure its continued relevance, taking into account the continental and global governance and development realities.

1.2.7 In view of the foregoing, the justification to support the APRM is very strong. Firstly, the work of the APRM creates a strong platform for experience sharing on governance issues across the continent and, therefore, strongly complements the Bank's governance agenda. Secondly, in the context of the implementation of the Bank's 10 Year Strategy and the High 5s, boosting support to the APRM will be critical, in view of its potential impact on Africa's good governance agenda, and ultimately, on promoting inclusive, green and resilient growth and development. Thirdly, the governance work of the APRM strongly complements the Bank's work in the area of economic and financial governance (guided by the Governance

² AGA is a mechanism for dialogue between stakeholders that are mandated to promote good governance and bolster democracy in Africa. It is a key actor in promoting the domestication and implementation of the objectives outlined in the legal and policy pronouncements in the AU Shared Values.

Strategic Framework and Action Plan - GAP II). Fourthly, the support will help fulfil a mandate given to the Bank, designated as a strategic partner by Heads of State and Government of the AU, to lead on the corporate governance pillar of the APRM. Fifthly, it will contribute to satisfying the demand from AU Member States to strengthen governance in the continent. Finally, a dedicated resource envelope will help the Bank to move away from the current haphazard funding arrangement, which lacked predictability and compromised the effectiveness of the Bank's support to the Mechanism and the reputation of the Bank as a trusted partner. It will help engender predictability in funding and enhance coordination with the other strategic partners in support of the APRM agenda. The Bank will leverage existing resources from the ADF regional public goods (RPG) window to promote experience sharing and knowledge management, as well as advisory services and capacity building to improve the governance landscape. The eligibility criteria for RPG resources are outlined in Box 3 below and elaborated in Technical Annex C9.

Box 3: Eligibility criteria for RPG resources³

- a. **Public dimension:** the good is of broad public interest and benefit; a public / governmental entity in each participating country is typically responsible for the regulatory / policy context for the good to be, produced and takes part in its production.
- b. **Regional dimension:** the public good can only be effectively produced if every country involved participates and supports, and the development impact to be achieved through countries' cooperation is demonstrably superior to what each country could have achieved individually.
- c. **Bank's role:** financing targets the initial stage of the processes for generating the public good, and aims at correcting disincentives that prevent the RPG from emerging or progressing toward the stage of production, such as lack of coordination, aversion to risk, free-rider problem. As such, the project clearly provides support to the countries to address the obstacles that have prevented collaboration, up to the point where benefits materialize (or at least become evident) and cooperation becomes sustainable.

1.2.8 The proposed project complements the previous support to APRM. The Bank has been providing support to the APRM since its inception. Such support took the form of (i) Support to the operationalization of the Mechanism, notably technical input to the elaboration of the assessment documents; (ii) A grant of USD 694,400 which financed the revision of the assessment questionnaire and the development of a 'Monitoring and Evaluation Framework for the Implementation of the APRM NPOAs; (iii) Participation in country support and review missions, which remain cornerstones to the APRM process; and (iv) Grant of USD 70,000 to finance a Colloquium marking the 10th Anniversary of the APRM, held in June 2013. The proposed operation also complements other ongoing multinational ISPs aimed at strengthening governance in Africa e.g. the Regional Institutional Support Project on Public Financial Governance, specifically providing support to the Collaborative African Budget Reform Initiative (CABRI) and the African Tax Administrators Forum (ATAF). Through the RPG, the Bank is currently supporting CABRI and ATAF to promote standards of good economic and financial governance in budget and tax management respectively. The project will also complement various Bank economic governance interventions at country level, taking cognizance that many RMCs in which the Bank has intervened through PBOs and ISPs (e.g. Liberia, Nigeria, Senegal, Tanzania, Sudan, Ethiopia) are also participating in the APRM.

1.2.9 The proposed project will help strengthen the APRM and contribute to the delivery of its mandate. It will support the implementation of the 2016-2020 Strategic Plan and repositioning of the APRM as an instrument for monitoring AU Agenda 2063 and the SDGs. It is worth mentioning that *SDG 16: Peace, Justice and Strong Institutions* –seeks to promote peaceful and inclusive societies for sustainable development, provide access to

³ Regional Operations Selection and Prioritization Framework (Revised Framework) 2014

justice for all and build effective, accountable and inclusive institutions at all levels; while *AU Agenda 2063*: Aspirations 3 and 4 deal with governance, peace and security. Apart from addressing the immediate challenges faced by the Mechanism, the grant will help in the review and refinement of the APRM tools and processes, to ensure that the Mechanism remains relevant in a rapidly changing world, and is also able to take on board the expanded mandate and expectations of member countries. In this regard, the project is expected to support the refinement of the APRM Methodology and Processes, including the revision of the questionnaire⁴ and development of indicators for the expanded mandate and reinforcement of modalities for ensuring the implementation of the NPOAs that emerge from the reviews and tracking progress over time through a wellarticulated M& E Framework. The project will also help the Mechanism to undertake research and diagnostic works and to develop a repository of knowledge in the form of a knowledge hub, targeting policy makers, academia, the private sector and civil society, among others. The Bank's comparative advantage lies in its role as a reliable and trusted partner, which gives it legitimacy to support the APRM agenda and to tackle the complex inter-related governance and development challenges faced by RMCs

1.3 Donors Coordination

1.3.1 Mechanisms have been put in place to better coordinate development partners' support to the APRM. At inception, AfDB, United Nations Economic Commission for Africa (UNECA) and the United Nations Development Programme (UNDP) were designated strategic partners of the APRM. The rationale and value addition of the strategic partners was bringing to bear the wealth of knowledge in the governance, economic and development challenges of Regional Member Countries (RMCs) amassed through decades of engagement in dialogue, programming and knowledge work. Responsibility among strategic partners was delineated based on areas of competitive advantage. Each was assigned to support specific thematic areas: (Corporate Governance (AfDB), Economic Governance (UNECA) and Democracy and Political Governance (UNDP). The Bank's support to date has taken different forms, including technical and financial support to the operationalization of the APRM and the deployment of experts to participate in the country review processes. UNDP managed the Multi-donor Trust Fund set up for the APRM since 2004 that availed total funding of USD16.1 million. UNECA has made significant contribution in terms of technical assistance and knowledge work. More recently, the number of strategic partners has increased to include the African Capacity Building Foundation (ACBF), United Nations Office of the Special Adviser on Africa (OSAA) and the Mo Ibrahim Foundation, which bring with them additional targeted expertise in capacity building, a global outlook from the UN and the development of indicators and indices, respectively. There is high degree of coordination among the strategic partners through half-yearly Strategic Partners Meetings organized by the APRM Secretariat. These bring together the APRM Panel of Eminent Persons, strategic partners, committee of focal points and the Secretariat. The Bank continues to coordinate its activities with all strategic partners to minimize the risk of duplication. The project design has benefitted from the extensive consultations held with strategic partners and other stakeholders and will complement other Partners' ongoing technical assistance and capacity building support to the APRM (See Technical Annex C2 for APRM Financing as well as Appendix 2 for the Matrix of partners' support.

⁴ An important tool in the research strategy of the APRM, divided into four major sections corresponding to the overall objectives covering the four main themes of the APRM.

II. PROJECT DESCRIPTION

2.1 Project Components

2.1.1 Project Objective: The development objective of the proposed project is to support the APRM in its effort to promote, consolidate and improve the quality of governance in Africa by disseminating lessons learned and best practices and rectifying underlying deficiencies in governance in African countries. It will specifically help to enhance the effectiveness of the APRM by streamlining review methodologies and processes and improving knowledge management, as well as strengthening institutional capacity of the Mechanism. The project is designed to assist the APRM Secretariat to offer support to RMCs in participating in and implementing recommendations of the APRM while maximizing opportunities for sharing experiences and best practices. Through the proposed intervention, the Bank will contribute to ongoing efforts to make the APRM a continental governance instrument fit for purpose, as a pragmatic tool for measuring the governance performance of African countries. This will contribute to the consolidation of good governance, which is a critical enabler to the attainment of economic transformation and inclusive growth in Regional Member Countries.

2.1.2 Project Components: The proposed project has three mutually reinforcing components: (i) Promoting the Universality and Effectiveness of the APRM; (ii) Strengthening Institutional Capacity and Knowledge Management for a Reinvigorated APRM; and (iii) Project Management. The major activities under each component are summarized in Table 1 below, while the detailed description of the project components and costs are presented in Technical Annex B2.

Table 2.1: Project description and budget

Components	Component description	Estimated costs (UA)
Component 1: Promoting the Universality and Effectiveness of the APRM		
Sub-component 1.1: APRM methodology and processes streamlined	<p>This sub-component will support the ongoing efforts by the APRM Secretariat to streamline the APRM methodology and processes with a view to making the country review process more efficient and effective. Activities to be supported include:</p> <ul style="list-style-type: none"> • Revision of the APRM questionnaire and alignment of indicators with Agenda 2063 and SDGs • Standardization of the NPOAs and progress reports • Development of APRM index⁵ • Mid-term review of the APRM Strategic Plan 	239,270
Sub-component 1.2: Country reviews and experience sharing among countries boosted	<p>This sub-component will support APRM's core mandate of conducting country reviews and related activities, such as country support and follow up missions. The pace of APRM reviews is expected to increase as a result of this intervention. Activities to be supported are as follows:</p> <ul style="list-style-type: none"> • Conducting country review missions • Conducting country support missions • Conducting targeted/thematic reviews • Development of Guidelines/toolkit on corporate governance 	505,165

⁵ APRM Secretariat will deepen engagement with the Mo Ibrahim Foundation (MIF) on this activity to avoid reinventing the wheel. The two are already working together in MIF's capacity as a strategic partner to the APRM.

Sub-component 1.3: Effective gender, green growth and climate change mainstreaming in the APRM process	<p>This sub-component will support efforts to mainstream gender in the APRM process, as well as promote green growth and sustainable development. Activities to be supported are as follows:</p> <ul style="list-style-type: none"> • Thematic review on gender and climate change • Gender and climate change audit 	23,714
Sub-component 1.4: Communication systems enhanced	<p>This sub-component will help to improve both internal and external communication and popularization of the APRM, including the context of the 15th anniversary of the continental Mechanism. Key activities are:</p> <ul style="list-style-type: none"> • Development of a communication roadmap/policy • 15th anniversary documentary and book 	67,450
Sub-total Component 1		835,599
Component 2: Strengthening Institutional Capacity and Knowledge Management for a Reinvigorated APRM		
Sub-component 2.1: Knowledge management framework enhanced	<p>This sub-component will support the development of a knowledge management framework and boost ongoing efforts by the APRM Secretariat to conduct and disseminate governance research work. Activities to be funded are highlighted below:</p> <ul style="list-style-type: none"> • Establishment of a library and knowledge hub • Development and publication of knowledge products • Capacity needs assessment of the APRM • Research fellowships 	548,475
Sub-component 2.2: APRM's institutional capacity enhanced	<p>Focus of this sub-component is on institutional capacity strengthening through training at both continental and country levels. Key activities are as follows:</p> <ul style="list-style-type: none"> • Training of APRM Secretariat staff • Training on the mainstreaming of NPOAs in National Development Plans • Organization of regional M&E training sessions for national level APRM staff 	360,938
Sub-total Component 2		909,413
Component 3: Project Management		
Sub-component 3.1 Management of the project by the Executing Agency	<p>This sub-component will support project management and coordination activities, financial management and procurement, as well as effective and timely reporting. Key activities are:</p> <ul style="list-style-type: none"> • Financial management expert • Procurement expert • Project Audit 	159,750
Sub-total Component 3		159,750
5% Contingency		95,238
Total		2,000,000

2.2 Technical Solution Retained and Other Alternatives Explored

2.2.1 During project preparation and appraisal, a number of options were explored regarding areas of intervention, scope, focus, budget allocation among subcomponents, and implementation modalities. Based on these considerations, the recommendations from analytical works, as well as lessons from the Bank's and other partners' past support to the APRM and similar bodies, it was agreed with the APRM Secretariat to provide a balanced intervention that has the potential to deliver tangible results and contribute immensely to the ongoing efforts to revitalize the Mechanism. The possibility of channeling the resources thorough the UNDP-managed Multi-Donor Trust Fund was considered. However, based on thorough analysis, the use of a stand-alone project, with modalities for effective coordination with other partners was found to be more appropriate. Possible focus areas for the project were also considered but narrowed down to the most impactful activities, while also supporting a few operational activities that form part of the APRM's core mandate. It takes a holistic approach to addressing the challenges of the APRM (e.g. capacity, ineffective tools, etc) while at the same time ensuring maximum complementarity with other strategic partners. For example, while UNECA helped to develop a tool kit for integrating NPOAs in NDPs, the Bank's support will focus on building capacity at country level, using the toolkit. A summary of the technical considerations and project design options is presented in Table 2.2 below.

Table 2.2: Project Alternatives Considered and Reasons for Rejection

Alternative	Brief Description	Reasons for Rejection
Funding modality	Contributing to the APRM Trust Fund (a form of basket funding) was considered. The UNDP- managed Multi-donor Trust Fund was set up in 2004 and availed total funding of USD16.1 million with financing from partners. The resources are now depleted and efforts are underway to replenish it. Following thorough analysis, the option of channeling the project resources through the Trust Fund was rejected and a stand-alone project chosen.	Although the use of the Trust Fund (TF) carries the benefit of guaranteeing effective coordination of partner interventions, it was agreed that the Bank's support should be focused on specific interventions that complement other partners' support and can deliver tangible results. Tracking of results from the Bank's intervention will be difficult in the context of the Trust Fund arrangement. The stand-alone project design will guarantee this. The use of common project coordination and management arrangements and half yearly strategic partners consultation meetings will ensure effective coordination and reduce transaction cost. Furthermore, the use of the Trust Fund would delay the project preparation as the modalities for the new TF are not yet agreed.
Focus areas of the operation	The APRM Secretariat submitted a long list of activities requiring funding. Following thorough assessment by the team, it was decided to strictly apply the selectivity principle, by placing particular emphasis on activities that have the potential to make a significant impact on the APRM's efficiency, effectiveness and relevance, while ensuring complementarity with other strategic partner interventions and avoiding duplication.	A significant share of the resources would have been allocated to financing activities that are essentially operational in nature, with limited scope for transformation of the APRM.

2.3 Project Type

2.3.1 The proposed operation is a stand-alone Institutional Support Project designed to support APRM in its efforts to improve the quality of governance in Africa. It will help to

improve knowledge generation and strengthen the platform for sharing of experiences and best practices in governance.

2.4 Project Cost and Financing Arrangements

2.4.1 The estimated total cost of the project, net of taxes and duties, is UA 2 million. A price contingency of 5% has been factored in the project cost. Tables (2.3a) and (2.3b) present the estimated project cost by component and sources of finance, whereas Tables (2.3c) and (2.3d) present the estimated project costs by Category of Expenditure. Additional details of the project cost by component and expenditure category are presented in Technical Annex B2.

Table 2.3a: Project cost estimates by component and sub-component

Component	Total (US\$ '000)	Total (UA '000)
Component 1: Promoting the Universality and Effectiveness of the APRM		
1.1 APRM methodology and processes streamlined	337	239
1.2 Country reviews and experience sharing among countries boosted	712	505
1.3 Effective gender, climate change and green growth mainstreaming in the APRM process	33	24
1.4 Communication systems enhanced	95	68
Subtotal Component 1	1177	836
Component 2: Strengthening Institutional Capacity and Knowledge Management for a Reinvigorated APRM		
2.1 Knowledge management framework enhanced	773	548
2.2 APRM's institutional capacity enhanced	508	361
Subtotal Component 2	1281	909
Component 3: Project Management Support		
3.1 Procurement, Financial Management and audit	225	160
Subtotal Component 3	225	160
Total	2,683	1,905
5% Contingency	134	95
Total Project Cost	2,817	2,000

Note: Exchange Rates 1UA= 1.408 USD

Table 2.3b: Sources of financing

Sources of Financing	Total (US\$ '000)	Total (UA '000)	Percentage
ADF Grant	2,817	2,000	100%
Total	2,817	2,000	100%

Table 2.3c: Project cost by category of expenditure

Category of Expenditure		
Expenditure	Foreign (UA '000)	% Total
A. Goods	199	10%
B. Services ⁶	1,706	85%
C. Contingency	95	5%
TOTAL PROJECT COSTS	2,000	100%

⁶ Services include consulting services, non-consulting services and miscellaneous expenses.

Table 2.3d: Project Expenditure Schedule

	US\$ '000					UA '000				
	2018	2019	2020	2021	Total USD	2018	2019	2020	2021	Total UA
1. Promoting the Universality and Effectiveness of the APRM										
1.1 APRM methodology and processes streamlined	84.3	252.7	0	0	337.0	59.8	179.4	0	0	239.2
1.2 Country reviews and experience sharing among countries boosted	142.3	213.5	213.4	142.3	711.5	101.0	151.5	151.5	101.0	505.1
1.3 Effective Gender, climate change and green growth mainstreaming in the APRM process	16.7	16.7	0	0	33.4	11.9	11.9	0	0	23.8
1.4 Communication systems enhanced	95.0	0	0	0	95.0	67.4	0	0	0	67.4
Subtotal Component 1	338.2	482.9	213.4	142.3	1176.9	240.1	342.8	151.5	101.0	835.6
2. Strengthening Institutional Capacity and Knowledge Management for a Reinvigorated APRM										
2.1 Knowledge management framework enhanced	231.7	231.7	154.5	154.5	772.5	164.5	164.5	109.7	109.7	548.5
2.2 Capacity enhanced	101.7	152.5	152.5	101.6	508.3	72.2	108.3	108.2	72.1	360.9
Subtotal Component 2	333.4	384.2	307.0	256.1	1280.8	236.7	272.8	217.9	181.8	909.4
3. Project Management										
3.1 Procurement, Financial Management and Audit	45.0	67.5	67.5	45.0	225.0	32.0	48.0	47.9	32.0	159.8
Subtotal Component 3	45.0	67.5	67.5	45.0	225.0	32.0	48.0	47.9	32.0	159.8
Total	716.7	934.6	587.9	443.4	2,682.7	508.8	663.6	417.3	314.8	1,904.7
5% contingency	35.8	46.7	29.3	22.1	134.1	25.4	33.1	20.8	15.7	95.2
Total Project Cost	752.5	981.3	617.3	465.6	2,816.9	534.2	696.7	438.3	330.6	2,000.0

2.5 Project's Target Areas and beneficiaries

2.5.1 The project's direct beneficiaries are the countries that have acceded to the APRM (37 in all) and the APRM Secretariat, who will benefit from capacity building, improved tools and methodology, increased pace of country reviews and greater knowledge generation and dissemination, including sharing of experiences and best practices. Other AU member states that are not members of the APRM will also benefit given the expanded mandate of the APRM to include monitoring continental priorities, including Agenda 2063 and the SDGs. The entire population of Africa will benefit indirectly from the project. Civil society and the private sector will also benefit indirectly from an improved governance environment and expanded space for non-state actors.

2.6 Participatory process for project identification, design and Implementation

2.6.1 During project preparation and appraisal, the Bank mission held discussions with staff of the APRM Secretariat, African Union Commission, Secretariat of the African Governance Architecture, strategic partners and other stakeholders, with a view to strengthening collaborative efforts to support Africa's good governance agenda. Discussions focused on how the Bank can assist in addressing the numerous challenges highlighted in para 1.2.5, emanating from assessments carried out mainly by the Secretariat, and through technical discussions in which the Bank participated. Non-state actors were also consulted, including the South African

Institute for International Affairs (SAIIA), NEPAD Business Foundation and the African Corporate Governance Network. Views expressed during the consultations have been reflected in project design. These include (i) the need for capacity building at all levels; (ii) strengthening the role of non-state actors (particularly the private sector and civil society) in the APRM review process; (iii) the importance of knowledge work; (iv) strengthening the APRM's advocacy role through more effective collaboration with other stakeholders; and (v) development of guidelines and tool kits that are suitable for the African context. The project design is also informed by the following reports, which are products of consultative processes involving RMCs and other partners: APRM Strategic Plan 2016-2020; Statute of the African Peer Review Mechanism; APRM Base Document July 2002; and AU Agenda 2063, among others. During project implementation, further consultations will be held with beneficiaries and development partners with a view to ensuring smooth project implementation and coordination.

2.7 Bank Group experience and lessons reflected in project design

2.7.1 The design of this operation is guided by various analytical reports and the outcome of consultations during the project preparation and appraisal missions. Between 2002 and 2016, the Bank approved UA 69.5 million for 12 Regional ISPs focusing on governance, including: Regional Institutional Support Project for Public Financial Governance (UA 5.27 m); AFRITAC III (UA 4.7 m); EAC Payment System (UA 15 m); COMESA Project d'Appui au Renforcement des Capacités (UA 7 m); and the WAMZ Payment Systems Development Project, and related supplementary financing (UA 19 m). The Bank also provided support to procurement reforms in sub-regional organizations such as COMESA. Review of the performance of regional ISPs indicate that generally, such ISPs tend to perform fairly better than standalone ISPs in low income countries and fragile states. The complete list of the 12 Regional ISPs designed and implemented by OSGE/ECGF between 2002 and 2016 is presented in Technical Annex C1. Table 2.4 below presents lessons learned and actions taken to integrate them in project design

Table 2.4: Lessons Learned

Lessons learned from previous Bank regional operations	
<i>Lessons Learned</i>	<i>Actions taken to integrate lessons into the PAR</i>
<i>(i) Understanding the institutional and political economy context is essential.</i> The successful ISPs were those which were based on solid needs assessments, and the designs took into account the political economy in which the institution operated within.	This project supports a regional institution that operates in the continent and understands both political and economic context of Africa. Thorough needs assessment was carried out and the African context considered in project design.
<i>(ii) The realism of the time period is important.</i> Trying to implement capacity building projects within unrealistic time frames has been a cause of failure for many regional projects. Many often want to demonstrate results quickly, failing to realise that capacity development is a long term process.	Capacity of the APRM to implement the strategic plan and its annual work plan have been taken into account. Capacity building interventions are designed to lay the foundation for long term capacity enhancement of the APRM.
<i>(iii) Clarity of objectives and implementation flexibility</i> both in the design and approaches used during implementation are critical. IDEV's evaluation revealed that opportunities to enhance project performance were missed because of limited flexibility in the implementation phase of some of the ISPs.	The project is designed to support the implementation of the APRM's Strategic Plan, with clearly defined objectives. Flexibility is also inbuilt in project design. For example, the capacity building activities will be financed based on annual work plans which will be periodically updated in line with evolving needs.
<i>iv) Sound monitoring and evaluation systems are essential.</i> Where log frames were found to be weak, the planned activities and outputs did not directly lead to the desired outcomes.	Thorough analysis was undertaken to establish a clear causal link between project activities, outputs, outcomes and impacts. All targets were realistically set and measurable indicators identified for

	performance measurement. Continuous monitoring and evaluation will be undertaken throughout project implementation.
Lessons Learned from Previous APRM Support	
<i>(v) Adequate funding is necessary to deliver on the APRM agenda.</i> Due to unpredictability and variable commitment on the part of Member States to fulfil their contribution obligations, among others, critical activities could not be fully implemented.	The project will help to finance critical activities that would ordinarily not be undertaken due to resource constraints. It will, among others, help to increase the number of country/thematic reviews and finance the development of a functional knowledge management platform. It will complement the APRM's ongoing resource mobilization efforts.
<i>(vi) The Mechanism must acquire critical capacities and competencies required to advance its agenda.</i> Capacity weaknesses continue to be a major bottleneck for the APRM.	Embedded in the project design is a strong capacity building dimension. Various consultancies financed by the project include knowledge transfer.

2.8 Key performance indicators

2.8.1 The key performance indicators identified, and the expected outcomes on project completion, are set out in the Logical Framework. Expected outcomes include increase in the rate of APRM accession; increase in the number of peer reviews; and improvement in the pace of incorporating NPOAs in national development blue prints. Expected outputs under component I include revision of APRM questionnaire; alignment of indicators to Agenda 2063 and SDGs; training on the integration of NPOAs in national development plans; gender and climate change audit; thematic reviews on gender and climate change; communication roadmap/policy; and increase in the number of country reviews. Expected outputs under Component 2 include establishment of a knowledge hub and library; capacity needs assessment; capacity building; production and publication of research work; fellowships and training. Expected outputs under Component 3 include consultancies and capacity building.

III. PROJECT FEASIBILITY

3.1 Economic and Financial Performance

3.1.1 **The economic and financial benefits from the project will be much higher than UA 2 million.** The costs are quantifiable and the benefits are both direct and indirect. The economic justification of the proposed project is its contribution to the consolidation of good governance and improvement of the quality of governance in Africa, which is critical to the economic transformation of Africa and the realization of the TYS and the High 5s. Improved governance linked to better macroeconomic management translates into better economic performance, higher growth rates, more jobs and improved quality of life. Economic and corporate governance improvements will improve the business environment, increase investor confidence, attract investments and improve economic performance, hence benefiting the people of Africa.

3.2 Environment and Social Impacts

3.2.1 **Environment and Climate Change:** The project will not have a negative impact on the environment and has, hence, been environmentally classified as Category 3. (Technical Annex B7). Although the project cannot be evaluated through the use of the climate protection system, several climate change related aspects have been considered. Despite the continent's low contribution to climate change (less than 4% of global greenhouse gas emissions), it is the most vulnerable region to climate change impacts, with serious consequences on communities, ecosystems, the economy and broader human development. Malnourishment is prevalent in Africa, and 75 to 250 million will be water insecure by 2020 and 350-600 million by the 2050s.

The 2017 vulnerability assessment by Verisk Maplecroft shows that four out of the five most vulnerable countries are in Africa. Against this backdrop, Component 1: *Promotion of the Universality and Effectiveness of the APRM* aims, among others, to address this challenge by mainstreaming climate change and green growth in the APRM process through (i) adequate coverage of climate change and green growth in the APRM questionnaire; (ii) gender and climate change audit to identify existing gaps; and (iii) thematic review on climate change. This intervention is expected to greatly contribute to helping African countries reach the climate change mitigation and adaptation goals laid out in their respective NDCs, in line with countries' National Adaptation Programmes of Action (NAPAs), National Adaptation Plans (NAPs) and others, as relevant.

3.2.2 Social: The APRM aims to achieve socio-economic development and poverty alleviation through improved governance in the four pillars of assessment. Ultimately, the APRM seeks to foster the adoption of policies, standards and practices that lead to political stability, high economic growth and sustainable development. By strengthening capacity and improving knowledge management process of the APRM, the project will contribute to sharing of best practices and lessons learned which, if implemented, can contribute to poverty reduction and socioeconomic development across Africa. With its expanded mandate, the APRM will monitor Africa's progress towards Agenda 2063 and the SDGs. Strengthening the review process will, therefore, draw in broader issues including those of youth and gender, which are critical to Africa's development. Youth are currently represented in the APRM National Governing Councils (NGCs) and strengthening the process will improve their engagement. It is also expected that the project will contribute to strengthening of national systems for citizen participation in broad-based sustainable socioeconomic development. The Socioeconomic Development Pillar in particular interrogates a wide range of topics, including capacity building for sustainable development, accelerating socio-economic development to achieve sustainable development and poverty eradication, and strengthening policies, delivery mechanisms and outcomes in key social development areas.

3.2.3 Gender: As a specialized agency of the African Union, the APRM is subject to the normative and policy frameworks of the African Union. The AU Gender Policy is, therefore, the underpinning framework guiding APRM's approach to gender equality. Gender is identified as one of the cross-cutting issues in APRM. The project has identified several actions to address these gaps, which will contribute to promotion of gender equality in Africa. They include strengthening gender mainstreaming in the APRM questionnaire and the development of guidelines/ checklist for mainstreaming gender in the APRM process; a thematic Review on Gender and a dedicated fellowship to gender and civil society. Beyond mainstreaming gender in APRM's main instruments of review, the project will also strengthen APRM's internal capacity on Gender through a Gender Audit of APRM's corporate policies and practices, and make recommendations for strengthening institutional gender mainstreaming; and training of APRM programme staff across all divisions on gender mainstreaming in the APRM process. Detailed Gender analysis is presented in Technical Annex C5.

3.2.4 Impact on Private Sector Development: The Corporate Governance Pillar, which the Bank supports, focuses on strengthening the enabling environment and governance practices for enhanced private sector operations in African countries. It addresses a wide range of issues, including capital markets, financial sector policies, governance of state owned enterprises and small and medium enterprises, among others. The project will help to strengthen the platform for sharing of knowledge and best practices in all these domains and preparation and dissemination of knowledge products on the business environment. These will impact positively on private sector development.

3.2.5 Impact on Regional Integration: Universal accession of all AU Member States is an aspiration of the APRM and ultimately, the convergence of governance standards, policies and practices, which is a key building block for Regional Integration. In addition, one of the five sub-objectives of the Economic Governance and Management pillar of the APRM is to accelerate regional integration by harmonizing monetary, trade and investment policies. The project also specifically targets research/diagnostic work on regional integration. Part of the thematic work envisaged under the project will focus on best practices in regional integration (including policy harmonization), which can be disseminated using the existing APRM platforms and planned knowledge hub.

IV. IMPLEMENTATION

4.1 Implementation Arrangements

4.1.1 The APRM Secretariat will be the Executing Agency (EA) for the project. Implementation of the project will be done through the existing APRM structures. The existing APRM Project Implementation Team (PIT), headed by a coordinator and comprising a procurement expert, financial management expert and monitoring and evaluation expert, will be in charge of the day to day management of the project. The PIT, through the project coordinator, will report to the Project Management Committee (PMC), comprising the Chief Executive and heads of division/department benefiting from the project. The existing Steering Committee, comprising the Bureau of APRM Focal Points Committee, will be the main oversight body for the project. The Secretariat will provide reports to the Bank and other Strategic Partners and will be accountable for all the resources disbursed. Capacity of the APRM Secretariat was assessed during appraisal, and appropriate mitigation measures have been put in place, including recruitment of one additional finance officer (to serve for one year) and a procurement specialist (to serve for one year). The Secretariat has made an undertaking to fill the vacant positions of Financial Management Officer and Procurement Officer within 6 months of project effectiveness. This is designed to facilitate knowledge transfer and ensure that the procurement and financial management functions continue to operate smoothly in a sustainable manner both for the duration of the project and beyond. One officer from the Knowledge Management, Monitoring and Evaluation Department will be assigned to the Project Implementation Team.

4.2 Financial Management, disbursement and audit

4.2.1 Financial Management (FM): The overall project FM will be handled using existing FM structures within the APRM, and under the overall responsibility of the Finance Manager. The FM assessment carried out by the Bank (including a review of the budgeting, accounting, internal controls, flow of funds, financial reporting and auditing arrangements) concluded that APRM FM capacity meets the Bank's minimum requirements, to ensure project funds would be used economically, efficiently and for the purpose intended. The Secretariat has prior experience in donor-funded projects implementation, and this proposed ISP is expected to benefit from that experience. The assessment however revealed and agreed on the need for one additional finance personnel to be recruited under the project for a period of one year to augment the existing capacity to effectively handle the FM aspects of the project. The recruitment process is being initiated by the Executing Agency (EA), and the Bank team would closely follow up and provide the required support. Within six months of project effectiveness, the Secretariat will fill the vacant position of FM officer funded by the Secretariat.

4.2.2 Disbursement arrangements: Given the nature of activities to be financed under the project, it was agreed for the EA to make specific use of the Special Account (SA) and the Direct Payment methods of disbursement in accordance with Bank rules and procedures as laid out in the Disbursement handbook as applicable. The project would be allowed, upon request, to make use of other disbursement methods including; Reimbursement and Reimbursement

Guarantee methods as contained in the Disbursement handbook. The Bank will issue a Disbursement Letter, the content of which will be discussed and agreed with Executing Agency during negotiations.

4.2.3 Reporting and External Audit: In accordance with the Bank's financial reporting and audit requirements, the project will be required to prepare and submit to the Bank an Interim Quarterly Progress report (IQPR) not later than forty-five (45) days after the end of each calendar quarter. In addition and based on the outcome from the review of the EA's auditing process, a separate set of annual financial statements shall be prepared for the project by APRM and shall be audited by an independent private audit firm. The final audited financial statements together with the auditor's opinion and management letter shall be submitted to the Bank not later than six (6) months after the end of each financial year. Detailed auditing arrangements are included as part of Technical Annex B6.

4.3 Procurement arrangements

4.3.1 As Specialised Agency of the AU, the APRM has adopted the use of the AU Procurement Manual. The Procurement Manual which was revised in July 2016, appears to have been modeled on the multi-lateral banks (MDBs) Procurement Rules & Procedures. To that end it appears robust and in line with the international best practices. Further, standard bidding documents have been developed for use by the AU organs.

4.3.2 The Procurement Manual requires that certain structures and committees be in place as it relates to the Procurement Function. Specifically, the Procurement Unit is required to have Internal Procurement Committees (IPCs) and Local Internal Procurement Committees (LIPCs). Further, The Procurement Manual outlines thresholds for contract approvals for the APRM Secretariat. The APRM is yet to establish the required committees and adhere to the thresholds stipulated by the Procurement Manual.

4.3.3 Given that the necessary controls are not yet in place, the APRM Secretariat has requested to use the Bank's Procurement Rules & Procedures. Therefore, Procurement of goods (including non-consultancy services), and the acquisition of consulting services, financed by the Bank under the project, will be carried out in accordance with the "Procurement Policy for Bank Group Funded Operations", dated October 2015 and following the provisions stated in the Financing Agreement specifically using the following:

- **Bank Procurement Methods and Procedures (PMPs):** All procurement activities shall be done using the Bank PMPs using the relevant Bank Standard or Model Solicitation Documents (SDs). Details of procurement arrangements are provided in Annex B.5.

4.3.4 Procurement Risks and Capacity Assessment (PRCA): The assessment of procurement risks at Project level and of procurement capacity at the Executing Agency (EA), were undertaken for the project and the output has informed the decision on the procurement regime (Bank PMPs) being used for specific transactions or groups of similar transactions under the project. The appropriate risk mitigation measures have been included in the procurement PRCA action plan proposed in Technical Annex B5, B5.8.

4.3.5 In order to strengthen the Secretariat's procurement capacity, a Procurement Expert will be recruited under the Project for a period of one year. Within six months of project effectiveness, the Secretariat will fill the vacant position of procurement officer funded by the Secretariat. The APRM Secretariat has expressed a desire to embark on Advance Contracting Procedures to fast track the recruitment of the Bank-funded Procurement Expert.

4.4 Monitoring and Evaluation

4.4.1 The Bank will undertake rigorous monitoring and supervision missions, at least, twice a year. As per the Bank's standards for project implementation and result reporting, the APRM Secretariat will submit quarterly and annual progress reports. The reports will review progress made against targets set out in the Project's Results-Based Logical Framework and include a clear presentation of activities implemented at regular intervals. The reports will also analyze the extent to which the activities undertaken have contributed towards the realization of the anticipated project outputs, outcomes and objectives. The reports will offer recommendations to address implementation bottlenecks. The APRM Secretariat will be required to prepare and submit to the Bank, a Project Completion Report within three months of the final disbursement. The Report will draw lessons for follow up regional operations. RDGS will play an active role in project monitoring and evaluation. Table 3.1 below presents the project implementation and monitoring schedule.

Table 3.1: Project Implementation Schedule

Task / Milestone	Responsible Party	Time Frame
Grant Approval	AfDB	March 2018
Grant Effectiveness	AfDB/APRM Secretariat	April 2018
Project Launching	AfDB/APRM Secretariat	May 2018
First disbursement	AfDB	May 2018
Project Implementation	APRM Secretariat	June 2018-December 2021
Annual Audit Report	APRM Secretariat	
Supervision Mission	AfDB in collaboration with strategic partners	June & December each year
Mid-term Review	AfDB	December 2019
Project Completion Report	AfDB/APRM Secretariat	June 2022

4.5 Governance

4.5.1 Robust governance arrangements have been put in place to manage the implementation, monitoring, review and audit of this project. The project will help to strengthen the APRM thereby further opening up the political space for citizen participation in policy debates and enhancing national dialogue. It will help strengthen citizens' voice to demand more accountable governments and raised the profile of good governance across Africa. A stronger APRM means improved political, economic and corporate governance across Africa. The implementation of NPOA recommendations will help to improve governance in the continent. The dissemination of the outcome of thematic reviews and selected research work and effects of sharing best practices through peer reviews at the highest level can transform Africa's governance landscape. The risks to project governance arise from procurement and this will be mitigated through the preparation of a detailed procurement plan, robust processes for contractors and recruitment of a procurement specialist to strengthen the system and capacity of the APRM. Further training will be provided to the Project Implementation Team to ensure that they fully understand the Bank's procurement and financial management requirements and regulations during the launching mission. An independent audit of project financial accounts and procurement reviews will be undertaken every year.

4.6 Sustainability

4.6.1 The sustainability of the proposed project is, among others, anchored on the APRM's ongoing efforts to revitalize the Mechanism with a view to making it more responsive and relevant in the context of a rapidly changing environment. This requires a review and modernization of the tools and processes currently in place. A key element of the project design

is a strong institutional capacity building dimension. All consultancies to be financed by the project will have a built-in knowledge transfer aspect, thereby ensuring that APRM Secretariat staff are capacitated, hence guaranteeing sustainability over time. Training of the APRM Secretariat staff will include training of trainers to enable them conduct the country level training (e.g. on integration of NPOAs in national development plans) rather than hire consultants. The Secretariat can therefore continue conducting this activity in the future without Bank support. In addition, the proposed project will finance certain activities, such as the development of guidelines and tool kits, which will guide and inform the APRM review process and enhance efficiency and effectiveness of the Mechanisms over time. The significant investment in the development of research and knowledge dissemination capabilities will help to position the APRM as a key actor and centre of excellence in governance, and in the long term, can serve as a source of revenue for the Mechanism, hence addressing the question of sustainability. The Secretariat is reviewing its organogram with a view to coming up with a structure that is sustainable but at the same time, is responsive to emerging needs. Steps being taken to raise additional resources (e.g. doubling of member state contributions) will help to finance internal capacity building on a sustainable basis. Furthermore, the project is consistent with the principles of the Paris Declaration on Aid Effectiveness, as its implementation relies on existing structures, which will help to minimize cost and ensure sustainability.

4.7 Risk Management

4.7.1 The potential risks and mitigation measures for the project are summarized Table 3.2 below.

Table 3.2: Risk and Mitigation

	Risks	Probability/Impact	Mitigation Measures
1	variable levels of political support	Low probability/high impact	Reinvigoration strategy in place; New APRM Champion Head of State, Greater Support from the AU including an expanded mandate likely to revamp interest.
2	Lack of adequate resources and variable and uncertain trends of RMCs to meet their financing obligations.	Low probability/high impact	Engage member states to pay their contributions and mobilize resources from partners and re-establish Trust Fund
3	Capacity constraints of the APRM Secretariat	Low probability/high impact	Situation much improved with secondments, and consultancies and fellowships. Project also to provide some support to enhance the organizational and human resource capacity of the APRM Secretariat
4	Potential loss of autonomy after full integration	High probability/low impact	Clear role assignment amongst players. Coordination meetings also held.
5	Loss of momentum and failure to deliver expectations	Low probability/low impact	Efforts are being made to improve implementation of NPOA. The project complements such efforts.

4.8 Knowledge building

4.8.1 The Project will contribute to knowledge building through peer learning, networking, skills and knowledge transfer, among APRM member countries. The focus on the production of knowledge products on relevant topics and the establishment of the knowledge hub and e-library will play a critical role in knowledge generation and dissemination in the area of governance. Amongst others, the project will support the development of thematic and economic sector works. The project will also support the refinement of indicators expected to contribute to the development of an APRM Index and various assessment tools and methodological frameworks important not only for the APRM but other similar processes. The Bank will capture and disseminate knowledge and experience through sharing the findings of

supervision missions, progress reports, and the Project Completion Report. Lessons learned and experience gained will help to inform the design of future operations.

V. LEGAL INSTRUMENTS AND AUTHORITY

5.1 Legal Instrument

5.1.1 The Bank will sign a Protocol of Agreement with the APRM Secretariat in respect of the grant financed from the Regional Public Goods window.

5.2 Conditions associated with Bank's intervention

5.2.1 **Conditions Precedent to Entry into Force:** The Protocol of Agreement shall enter into force on the date of signature by the APRM Secretariat and the African Development Fund.

5.2.2 **Conditions precedent to first disbursement:** The obligation for the Fund to make the first disbursement of the Grant to the APRM shall be conditional upon the entry into force of the Protocol of Agreement.

5.3 Undertaking

5.3.1 Within six (6) months of signing of the Protocol of Agreement, the APRM Secretariat will fill the vacant positions of (i) Financial Management expert, and (ii) Procurement expert, to be financed from the APRM Secretariat's salary budget. These will understudy the project-financed Procurement and Financial Management experts.

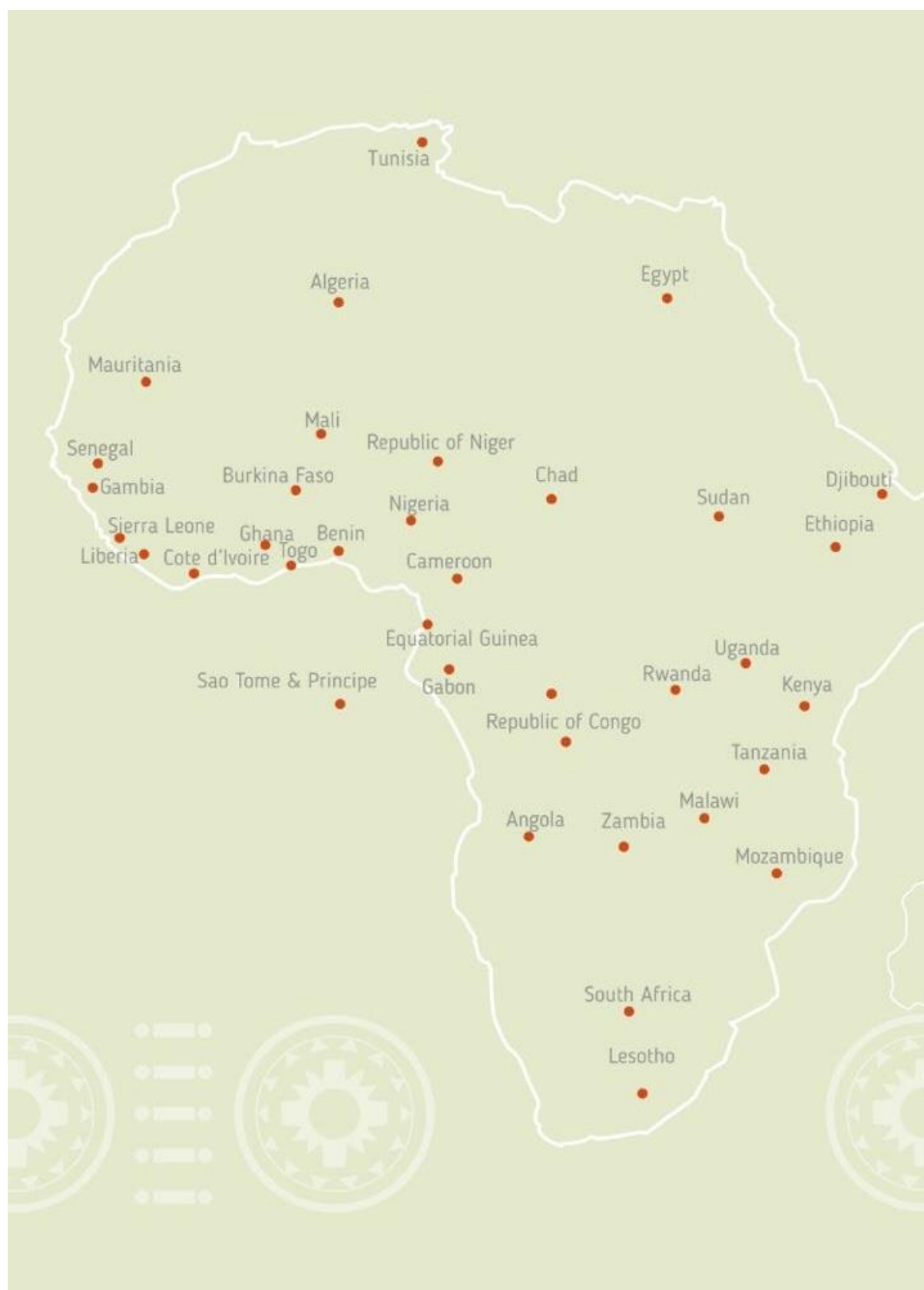
5.4 Compliance with Bank policies

5.4.1 This project complies with all applicable Bank policies.

VI. RECOMMENDATIONS

6.1 Management recommends that the Board of Directors approves a total grant not exceeding UA 2 million from the Regional Public Goods window, to the APRM for the purposes of, and subject to, the conditions stipulated in this report.

Appendix 1: Status of APRM Membership



Note: Of the 55 AU Member States, 37 are Participating Members of the African Peer Review Mechanism

Appendix II: Matrix of Partners' Support to the APRM

		AUC	UNECA	UNDP	AfDB	EU	MIF	GIZ	SAT
1	Election and Violence in Africa: Management of Democratic order						x	x	
2	Monitoring and Evaluation System and training	x	x		X				
3	APRM Hub and e-Library				X				
4	Knowledge Products APRM Impact study Bottleneck study		x x x		x	x			
5	Knowledge Management Strategy			x					
6	APRM Journal						x		
7	Electronic Questionnaire Platform and APRM App		x						
8	Integration of NPoAs into NDP		x		X				
	APRM Methodology and Index				X		x		
9	Country Review Missions		x	x	X				
10	NPOA Harmonisation with national development plans		x		X				
11	Regional Workshops		x						
12	Country Support Missions		x	x	X				
13	Monitoring Member States Compliance with SADC Instruments								x
14	Development of Corporate Governance Guidelines				X				

AFRICAN DEVELOPMENT FUND

BOARD OF DIRECTORS

Resolution No. F/Z1/2018/14

Adopted by the Board of Directors on a lapse-of-time basis, on 28th March 2018

Multinational: Grant to the African Peer Review Mechanism to finance the African Peer Review Mechanism Institutional Support Project (APRM-ISP)

THE BOARD OF DIRECTORS,

HAVING REGARD to: (i) Articles 1, 2, 11, 12, 14, 15, 16, 26 and 30 of the Agreement Establishing the African Development Fund (the “Fund” or “ADF”); (ii) the Report on the Fourteenth General Replenishment of the Resources of the Fund (ADF-14); (iii) the applicable ADF-14 Country Resource Allocation; (iv) the Guidelines for the Financing of Multinational Operations; and (v) the appraisal report contained in document ADF/BD/WP/2018/18/Approval (the “Appraisal Report”);

RECALLING the Strategic and Operational Framework for Regional Operations contained in document ADB/BD/WP/2008/31- ADF/BD/WP/2008/16; and

NOTING the availability of sufficient resources to enable the Fund to commit the amount of the Grant;

DECIDES as follows:

1. To award to the African Peer Review Mechanism (the “Recipient”), from the resources of the Fund, a grant of an amount not exceeding the equivalent of Two Million Units of Account (UA 2,000,000) (the “Grant”) to finance the African Peer Review Mechanism Institutional Support Project (APRM-ISP);
2. To authorize the President to conclude a protocol of agreement between the Fund and the Recipient (the “Protocol of Agreement”) on the terms and conditions specified in the General Conditions Applicable to Protocols of Agreement for Grants of the African Development Fund and the Appraisal Report;
3. The President may cancel the Grant if the Protocol of Agreement is not signed within ninety (90) days from the date of approval of the Grant by this Board; and
4. This Resolution shall become effective on the date above-mentioned.