

**DFID INDEPENDENT EVALUATION OF TRADEMARK EAST AFRICA STRATEGY 1:
PERFORMANCE EVALUATION
POVERTY AND GENDER IMPACT STUDY
TRADE AND GROWTH IMPACT STUDY
VALUE FOR MONEY ASSESSMENT**

Overall response to Evaluation Reports

UK Department for International Development: DFID welcomes the findings and constructive recommendations within the final set of reports produced under Phase 2 of the independent evaluation of TradeMark East Africa (TMEA) Strategy 1: the Performance Evaluation (PE), the Poverty and Gender Impact Study (PGIS), the Trade and Growth Impact Study (TGIS), and the Value for Money Assessment (VFM). This represents DFID's official response to the four final evaluation reports. It has been agreed in consultation with TMEA as the implementing partner to incorporate the lessons learned and recommendations during the delivery of TMEA Strategy 2.

TMEA implemented its first strategy, called Strategy 1, from 2010 to 2017 with a budget of GBP 443 million. Strategy 1 aimed to increase economic growth and reduce poverty in East Africa through greater economic integration and increased trade. More specifically the programme sought to: increase physical access to markets (SO1); enhance the trade environment (SO2); and improve business competitiveness (SO3) within East Africa. Given that TMEA is such a large, complex and multifaceted programme DFID commissioned an independent evaluation to both learn lessons for future programmes and to ensure accountability of the results achieved through an external assessment.

The independent evaluation of TMEA Strategy 1 aimed to: (1) test the theory of change; (2) analyse the programme's impact on regional growth, trade, and poverty reduction and the sustainability of these impacts (3) assess the effectiveness of the programme and whether it represents value for money (4) identify lessons learnt that are relevant beyond the TMEA programme. The independent evaluation was initially intended to be conducted over three years from January 2016 to December 2018. However, due to an extended inception phase and the tragic loss of the independent evaluation team lead the evaluation was extended to December 2019. Throughout this period, the evaluation team have undertaken an iterative process to measure the achievement and impact along the different stages of the theory of change. DFID wishes to recognise and thank TMEA for their positive engagement throughout the extended evaluation process, and OPM for their dedicated approach to delivering a high quality evaluation of TMEA Strategy 1 while facilitating learning to inform the design of Strategy 2 before the end of the evaluation.

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The four final evaluation reports covered in this response were developed as part of Phase 2 between December 2018 and December 2019. They provide the final response to higher level evaluation questions 2, 3, 4 and 5 from the Terms of Reference, shown below. Higher level evaluation question 1 was addressed in the evaluation reports produced through Phase 1 of this evaluation, covered in separate management responses.

- Question 2: To what extent has TMEA been effective in achieving expected intermediate outcomes and to what extent has TMEA programme been effective in contributing to achieving programme strategic outcomes? Did the programme bring about any unintended outcomes? (Performance Evaluation)
- Question 3: What is the likely impact of TMEA on trade outcomes and growth, and what factors are critical in order to ensure sustainability of positive impacts? (Trade and Growth Impact Study)
- Question 4: What is the likely impact of TMEA on poverty and gender, and what factors are critical in order to ensure sustainability of positive impacts? (Poverty and Gender Impact Study)
- Question 5: How robust and verified are the causal links and assumptions in the Theory of Change (TOC)? What does this imply for the relevance, coherence and sustainability of the programmes, and what are the lessons that are relevant beyond TMEA? (Performance Evaluation, VFM Assessment)

The evaluation validates our high level of investment in TMEA since its inception. The evaluation also yields substantial learning to inform the effective delivery of TMEA's Strategy 2, much of which is already being applied by TMEA and its stakeholders as at February 2020. The lessons and recommendations contained in this final set of evaluation reports, published in January 2020, provide further learning and proposed actions relevant to a number of aspects of TMEA's programming and management. They have been carefully considered by TMEA and DFID, and discussed with TMEA's wider stakeholders including its Board, Council and Evaluation Committee.

DFID accepts the majority of these recommendations fully, and the remainder partially. Our responses identify where we agree or differ from the evaluators' view on the suitability or feasibility of recommended actions for TMEA, DFID or the wider donor group; and present our planned follow-up actions. DFID welcomes TMEA's commitment to track progress on the actions set out in this response on a quarterly basis and will engage actively in this process through our role on TMEA's Evaluation Committee and Council. We will encourage TMEA's donors to agree a coordinated response to the evaluation. It has not been possible to prepare a coordinated written response prior to publication of DFID's own response (which was due four weeks after publication of the evaluations). We will seek donor's view views on all recommendations, but note explicitly where recommendations would especially benefit from discussions with other donors.

TradeMark East Africa: TMEA appreciates the extensive work undertaken by the DFID-funded independent evaluation team to evaluate its performance, impact and value for money under its first phase of operation from 2011-2017 ("Strategy 1"). An evaluation of this size and scope is no easy process and has taken tremendous effort by many stakeholders. We thank the evaluators for their highly professional work, and we thank our staff and stakeholders for their cooperation with the process.

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We are pleased that the evaluation recognises TMEA achieved much of what it set out to do under Strategy 1. There is significant learning as in any programme of this size, and while we strive to get all things right, it is virtually impossible to get all aspects perfect. However, it is clear that overall TMEA's performance in Strategy 1 was strong.

The Performance Evaluation was extremely helpful to TMEA management in better understanding how to continuously improve, even where our results have been the strongest. We welcome validation of the TMEA model, our staff technical skills, and our relationship management, while at the same time taking on board areas where our project management and data collection have room to improve. The PGIS and the TGIS were enlightening and have uncovered valuable additional research that we could undertake to fill the data gaps and help improve the knowledge on the "long-chain" links to trade and poverty reduction as a significant player in Aid-for-Trade. We also learned from the Value for Money report and will be enhancing a more strategic and systematic approach in this area going forward.

The recommendations are far reaching and it should be recognised that some of these recommendations will take time to fully action. TMEA provides a response to each individual recommendation from the four final reports of the evaluation below. Overall, we broadly accept most of these recommendations and, in fact, had already begun working in the recommended ways since the beginning of our Strategy 2 period. For example, we have already undertaken significant work to strengthen the definition, measurement of and management for VfM under Strategy 2, and we appreciate the evaluators recognition of that work implemented after the end of the Strategy 1 period of evaluation.

Some recommendations have proposed significant changes to our approach. In particular, we accept that TMEA can improve its theory of change approach and results measurement for better data quality, more frequent strategic planning and monitoring of political economy assumptions, and more realistic assessments of partner capacity.

We have "partially accepted" some recommendations, where we believe the content of the recommendation is valid, but we view TMEA's role differently from that suggested by the evaluators. For example, we believe strongly that TMEA's reputation among our partners as "neutral brokers" should be protected, yet we will support our donors to engage through providing information based on our experiences and partnerships on the ground. There are also some differing views on the entry points of our interventions in order to have the best pro-poor impact. Those differences are noted in TMEA responses, and we appreciate the evaluator's recognition that TMEA may not always be best placed to serve certain stakeholder needs, but that we can strengthen our partnerships with other organisations to address important issues not directly included in our interventions.

TMEA's responses below explain our understanding of the recommendations, the current situation and the action it has taken during the period since the recommendation or planned going forward. TMEA management will report on progress against the actions set out in this management response to the Evaluation Committee on a quarterly basis.

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PERFORMANCE EVALUATION – MANAGEMENT RESPONSES

Recommendation	TMEA Response	DFID Response
<p>1. TMEA should take on less to accomplish more. The breadth of S1 programming made an important difference for comprehensive regional integration efforts but there were significant political economy and capacity challenges in most components – which TMEA call Intermediate Outcomes (IOs) in S2. Make strategic decisions about the agencies to support with ICT for Trade, or the PSOs/CSOs to support on advocacy, for example, and ensure that the projects are in-depth enough to effect the kinds of differences envisioned in theories of change. Part of the strategic decision-making for this should include those partners that are both well-placed to influence systematic change, and proactively seeking to do so. Projects and IOs need more realistic timelines that include the capacity building and political relationships that must be carried out.</p>	<p>Accepted. TMEA agrees with the need to go deeper where possible and to ensure partners are capable of sustainably carrying forward implementation of reforms or innovations. In Strategy 2, we have already taken a more strategic approach to partner selection, capturing lessons learnt from Strategy 1 experiences.</p> <p>We are also going further to coordinate work across Intermediate Outcomes so that different programmes are working on different aspects of the same sector or same issue.</p> <p>However, “political relationships” are not necessarily easily matched with “realistic timelines” for projects and Intermediate Outcomes. We are and will continue to monitor political relationships to the best of our ability, and we believe that creating Theories of Change at the Intermediate Outcome level (see Recommendation #6) will improve the way we are able to iteratively analyse capacities of, and relationships with, our partners in terms of achieving sustainable systematic change. With support from the European Centre for Development Policy Management (ECDPM), we are also creating a “political-economy” toolkit to guide programme teams in ongoing analysis, which will be completed by December 2020.</p>	<p>Accepted. As a member of TMEA’s Board and Programme Committee DFID will continue to consider the breadth of activities and partners proposed in TMEA’s Project Appraisal Reports in Strategy 2 to ensure that projects are strategically focused on the achievement of the Intermediate Outcomes.</p>
<p>2. TMEA should look at capacity building holistically, but plan at the detail level which are: Develop a capacity building framework that guides project design and appraisal planning including exit planning. Bring in organisational development technical assistance as a condition of partnership, to</p>	<p>Partially Accepted. TMEA concurs that institutional strengthening is critical to the sustainability of our work. However, TMEA notes that donors often value more visible and measurable results versus the timeline it takes to strengthen institutions and the difficulty to measure progress. TMEA would welcome</p>	<p>Partially accepted. TMEA to implement. DFID will work with TMEA to develop capacity-building indicators for Strategy 2, building on the “TMEA Policy Scale”.</p>

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Recommendation	TMEA Response	DFID Response
<p>include detailed planning for organisational change measurement with purpose-built rubrics around capacity goals established with each partner. Conduct needs assessments that foreground capacity building gaps identified in S1. Track institutional capacity building assumptions and act remedially when those assumptions do not hold. At project level, take on fewer projects with organisations requiring in-depth efforts to build basic capacities.</p> <p>Institutional capacity building should start from stakeholders who know what they need. Focus on agencies and organisations where partners share the appetite for change – by frank and strategic discussions on capacity challenges – including in monitoring and measurement (see Recommendation 9, below) – from the earliest stages. Use change management strategies learned with other interventions like SWIFTs and CMS, and continue using these systems for institutional capacity building.</p> <p>TMEA should continue demonstrating good project management and incorporate these skills into capacity building for implementing partners. Adult learners do best with significant hands-on training, to help them conduct their own audits or needs assessments, or construct VfM or other M&E KPIs. Helping them develop better procurement rules, set timelines, or decide on change management priorities and methods. Ensure cascaded training uses inclusive materials and methods, including active learning.</p>	<p>working with donors to agree appropriate results measurement for capacity building efforts. We will develop a capacity building strategy for sharing with donors and the Board of Directors at the December 2020 Board analysing the types of partners we work with, approaches to institutional strengthening, and considerations of timelines and resources for results measurement.</p> <p>Our partial acceptance is due to TMEA belief that the approach also must be dependent on the partner. The “condition of partnership” recommendation is not universally applicable as partner capacity varies heavily. TMEA will seek to apply its change management strategies used in interventions like SWIFTs and CMS more broadly across projects. As further described in Recommendation #9 below, we will also assist partners with M&E and data collection. In other areas of project management, our Delivery Capability Assessment process already identifies such needs among our partners that we can help them address for better project management outcomes.</p>	

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<p>Donors should support this work for its long-term institution-building effects, for its alignment with the Paris Declaration imperative for country ownership, and for its realistic pathway to systems change. The more visible and measurable outcomes that tend to be in donors' focus may be slower to materialise, but also more durable, relevant, and country-led.</p>		
<p>3. TMEA should continue to work with women in trade at borders and with organisations like co-ops and other export-ready groups. TMEA has expressed impressive numeric goals for this work in S2 that are less important than building capacity and supporting durable access to markets – the programme should emphasise quality of the interventions and outcomes over quantity. There are additional recommendations and details on this point in the Poverty and Gender Impact Study but, in short, devote attention to working with the ‘very poor’ and with women and men living with disabilities to improve long-term outcomes, which will require more in-depth programming – perhaps ‘bundled’ or with partners – to ameliorate the intergenerational and multidimensional poverty faced by the most vulnerable. At the same time, indicators at outcome level should reflect longer-term policy change and systems that are also targeted – not just aggregated numbers of those supported, or policy papers submitted. Ensuring that the interventions work for the poorest and embedding policy in institutions require effort and resources, but both should be prioritised over simple numeric goals.</p>	<p>Partially Accepted. TMEA accepts the headline recommendation but does not agree fully with the detail.</p> <p>It is always TMEA’s goal in such programmes to strike a balance between scale and depth. We piloted Women in Trade programmes in Strategy 1 targeting 30,000 beneficiaries. We have applied learning and outcomes from Strategy 1 and have expanded to target 150,000 direct beneficiaries of Women in Trade programmes. We estimate that impact extending beyond direct beneficiaries is doubled. TMEA works with its main donor Women in Trade programmes in Strategy 2, Canada, for a more action-oriented programme targeting an optimal mix of beneficiaries. With reference to Recommendation #15 below, however, TMEA aims to have more focus on SMEs in expanding its Women in Trade programmes in Strategy 2, in order to have a broader impact on those driving the region’s economies with the resources that we have, which is in conflict with devoting sole attention to the “very poor.” We will, however, further explore potential partnerships with other organisations that are better suited than TMEA for grassroots-level work.</p>	<p>Partially Accepted. DFID accepts the headline recommendation but does not agree fully with the detail. TMEA to implement.</p> <p>As a member of TMEA’s Board and Programme Committee DFID will continue to consider the breadth of activities and partners proposed in TMEA’s Project Appraisal Reports in Strategy 2 to ensure that projects are strategically focused on the achievement of the Intermediate Outcomes (see recommendation #1).</p> <p>DFID will also work with TMEA to strengthen gender considerations within the TMEA Results Framework, including: output indicators, outcome indicators; underlying assumptions. As a member of TMEA’s Board, DFID will advocate for the scale up and implementation of TMEA’s approach to mainstreaming gender approach within the portfolio over 2020-2021 (see also recommendation #4).</p> <p>DFID’s Africa Regional Department and Country Offices providing funding for Strategy 2 will discuss and agree DFID’s expectations for TMEA directly targeting the “very poor” versus working collaboratively with other development partners to improve the intergenerational and multidimensional poverty faced by the most</p>

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<p>TMEA should also capitalise on opportunities to mainstream gender in other IOs of S2, such as the interest expressed in the logistics industry, to ensure that authentic gender-focused activities permeate on-the-ground implementation. TMEA should work to include gender in actionable ways like ensuring that EAC and national OSBP manuals, training, procedures and operations also reference expectations (such as the Cross-Border Charter) regarding issues around gender and marginalised traders.</p>	<p>The Poverty and Gender Impact Study helped to identify and articulate the quality and impact of our Women in Trade programmes, and also proposes expansion. The Poverty and Gender Impact Study also proposed some valuable areas of research and evaluation to continue to assess how well these programmes are working, which we will take on board in prioritising our research and evaluation agenda.</p> <p>TMEA is continuing to integrate gender considerations across the wider portfolio and is proposing to its Board to create a full Gender Director position overseeing an updated Gender Strategy to be completed in the first quarter of 2020.</p>	<p>vulnerable, and communicate this to TMEA by May 2020.</p>
<p>4. TMEA should implement the 2015 Gender Strategy, or its S2 equivalent, internally and with partners. The planned annual gender audits should be used to look closely at how project statements about gender in PARs are implemented, and to track indicators on gender. Bring in trade and gender experts for audits, but also across the research agenda, and for IO planning. Gender should be part of the ToC process recommended below as IO and country teams look at how to have a wider impact on the poor – and to document it. This also requires stronger gender indicators – both outputs and outcomes – as well as baselines, identifying gendered aspects of transport and trade systems work, and overall stronger monitoring with attention to context and assumptions.</p>	<p>Accepted. We are significantly scaling up our gender approach over 2020-2021. The Strategy 2 Gender Strategy will be finalised in the first quarter of 2020 and Gender Action Plans are currently in development across the board to identify promising opportunities, funding and methods for further gender mainstreaming. Gender audits will monitor performance on these action plans and TMEA will balance its in-house capacity with the need for outside expertise for audits, research, Intermediate Outcome planning and M&E development. TMEA sees an added benefit of Intermediate Outcome level TOCs, with country variations, in recommendation # 5 and #6 below to assist with greater attention to relevant gender context and assumptions in each programme.</p>	<p>Accepted. DFID will work with TMEA to strengthen gender considerations within the TMEA Results Framework, including: output indicators, outcome indicators; underlying assumptions. As a member of TMEA's Board, DFID will advocate for the scale up and implementation of TMEA's approach to mainstreaming gender approach within the portfolio over 2020-2021.</p>

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<p>5. The consortium of donors should ensure that TMEA employs an iterative and candid ToC process at the level of programme IOs, with a parallel exercise – repeated twice annually – of planning across IOs. There was considerable cross-pollination among components in S1, and logically so, given the interconnected nature of TMEA’s programming. This bears continuing in S2. Evidence for whether TMEA component programming led to increased trade, and thereafter to reduced poverty, was inconclusive in this evaluation, and will remain extremely difficult to quantify or to track conclusively, particularly with regard to contribution. The more operational and useful levels of the TOC, therefore, are at this IO level, where TMEA can have more measurable results in S2.</p> <p>Such a process should involve country team members, rather than being an HQ-directed exercise. A bi-annual exercise is suggested so that the people who know the most about strengths and challenges can focus operationally on what is and is not working and why. Leadership will need to establish space for open discussions in which staff can speak freely about problems without fear that they will be held responsible for those problems. Given that TMEA aims to remain in the trade space in East Africa, it would benefit their team to establish such open space for discussion, deeply questioning the assumptions that underpin both the project-level activities and the higher aspirations of the IOs. Mapping an agency’s permitting or testing and certification processes is valuable</p>	<p>Accepted. By June 2020, TMEA will create Theories of Change (TOCs) to more comprehensively map the pathways to outcomes and impact in each of its six Intermediate Outcome areas in Strategy 2. This process will map the contributing projects under each Intermediate Outcome and show how they are contributing (or enabling) the higher-level Intermediate Outcome result, and contributing to outcomes.</p> <p>At the higher level, we will link the Intermediate Outcome-level TOCs to TMEA’s overall results chain and two outcomes of reduced barriers to trade and increased business competitiveness in order to effectively communicate how the Intermediate Outcome-level TOCs are contributing to bigger picture.</p> <p>We will pilot development of a country-level TOC in Tanzania by June 2020, continuing with remaining countries by December 2020.</p> <p>TMEA will commit to holding annual reflection sessions on each Intermediate Outcome level TOC where technical and country teams will come together to discuss the continued relevance of the TOC, using available evidence from periodic monitoring. We will involve donors at the strategic level, and will share reflections with our Board.</p>	<p>Accepted. DFID agrees with TMEA on the value of creating elaborated theories of change for each intermediate outcome in Strategy 2. This will help to capture, test and refine the logic for Strategy 2 and guide its implementation to achieve the desired intermediate outcomes. It will also help to address the challenges encountered in the evaluability of Strategy 1 and ensure there is a clearer basis on which to evaluate TMEA’s success in fully realising Strategy 2.</p> <p>Undertaking annual reflection sessions for to review and adjust the theories of change, and agree on any consequences for programme implementation, will be a valuable process for facilitating more systematic evidence decision making during the remaining implementation period of Strategy 2.</p> <p>DFID will advocate for and support TMEA’s efforts to undertake both of the above processes as a member of TMEA’s Board, Council and Evaluation Committee. We will discuss this explicitly with other donors.</p>

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<p>at the project level, for example, but mapping the agencies in a country or the greater quality improvement structure is necessary for long-term changes like those proposed. Staff involved at IO level – across IOs – will be best placed to provide the necessary candour and support their team members to find timely solutions or adjustments.</p> <p>It may also be preferable, given TMEA's expansion, to allow greater differentiation of ToCs by Country Programme. The iterative process described above should candidly consider political economy and contextual realities about what can be accomplished. Involve Board and NOC members in examining assumptions and strategizing about what steps are possible to remove or reduce the political economy and other obstacles, and to re-think programming when such steps are not possible. The ToC should not be an overarching roadmap of the spheres of activity necessary for increased trade. Donors should be part of this process at a strategic level and, while listening to the knowledgeable East Africans staff and Board about political economy and contextual issues, should also play devil's advocate around assumptions and causal links, and be prepared to bring research, best practices and challenges from other interventions.</p>		
<p>6. TMEA should pay more attention to monitoring and managing assumptions at the IO level – examining the assumptions that underpin strategic design is separate from looking at risks by project. The highly political environment and multiple powerful</p>	<p>Accepted. Following development of Intermediate Outcome-level TOCs, TMEA country programmes will select the parts of the Intermediate Outcome-level TOCs which apply to their portfolio and create their own country level TOCs by December 2020. Importantly, the</p>	<p>Accepted. DFID supports the development of Intermediate Outcome-level theories of change and country-level theories of change. As part of the National Oversight Committees, DFID country offices will engage with and reflect on the proposed theories of change to ensure</p>

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<p>interests within the sector demand that assumptions be reckoned with systematically. This includes assumptions about political economy and political will for reforms; operational assumptions about government commitment to utilising infrastructure in the manner intended; and assumptions about capacity in organisations and agencies with whom TMEA decides to partner. Collect regular data about these assumptions that feeds into the iterative ToC process described in Recommendation 5.</p>	<p>assumptions in this TOC will be tailored to each country context and include the significant political economy considerations TMEA must be aware of and monitor, utilising the political economy toolkit we are developing for a structured approach to these regular analyses. It is important that each TOC identifies the other enabling components which need to materialise for change to happen, including those that may not be under TMEA's direct control, but are vital to achieving the end result expected.</p>	<p>assumptions reflect the current country context and are regularly reviewed.</p> <p>DFID will use its role on the Evaluation Committee to engage with and reflect on the proposed Intermediate Outcome-level theories of change and develop a monitoring tool to ensure the assumptions are regularly reviewed.</p>
<p>7. Other key questions require research. TMEA and donors should develop a research agenda on key unknowns that affect programming. Are trade cost reductions passed through to consumers? When are producers 'export-ready', and what are the incentives? What bundle of interventions will help the very poor beneficiaries like informal traders? What are the remaining bottlenecks at border posts that are not captured in the TTS – including variance in crossing times? Are border inspectors incentivised sufficiently for mutual recognition of harmonised standards? What are the tipping points or drivers for firms to make the decision to export or export more?</p>	<p>Accepted, however, TMEA considers the list of topics as suggestions long considering our resources for research, and might be better targeted in other areas. TMEA and donors have incorporated the research agenda into the MEL Strategy for Strategy 2 to be approved by July 2020, which will identify the highest priority research areas for Strategy 2 within the scope of available resources once we have a better picture of gaps through Intermediate Outcome-level TOC development. Additional research priorities will be agreed with the Evaluation Committee as they arise.</p> <p>TMEA finds other topics may be more important initially based on the Trade and Growth Impact Study and Poverty and Gender Impact Study, for example:</p> <ul style="list-style-type: none"> • Why is the intra-EAC or intra-African trade response not as high as expected due to time and cost savings? • What are volumes of exports telling us vs. the value of exports calculations for our indicators? 	<p>Accepted. DFID agrees on the need to prioritise research questions of most relevance under Strategy 2 in light of evidence gaps and available resources. DFID will review the proposed priority research areas in in the MEL strategy by May 2020 as a member of the Evaluation Committee, and will provide advice to inform the Council's approval decision on this in July 2020. DFID will use its ongoing role on the Evaluation Committee to ensure additional research priorities reflect TMEA and donors' latest understanding of evidence requirements to support effective implementation of Strategy 2. We will discuss this explicitly with other donors.</p>

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	<ul style="list-style-type: none"> • What are the advantages/disadvantages of working with more micro traders (e.g. in Women in Trade) vs. those further along with SMEs and already employing people? • What causes major variations across countries in gendered impacts of TMEA's interventions (as shown in Poverty and Gender Impact Study)? 	
<p>8. The donors and TMEA need to improve indicators and data quality across the board. TMEA and the Council should have an open dialogue about their expectations for the RF, at a greater level of detail. For typical development interventions, the RF can serve donors' needs well to report home on progress and monitor contractor compliance. But TMEA's portfolio approach requires a more flexible relationship with RF indicators that shift with programming. Second, the size of the programme has made it harder for donors to manage these issues closely, exacerbated in S1 by turnover in donor management. Successive annual reviews noted the same problems with data that were not remedied, resulting in indicators with incomparable data, or no data, and gaps in coverage. TMEA should fund the Northern Corridor observatory project, for example, to collect data relating to exports, as it is a national and EAC priority.</p> <p>Also, TMEA's corporate-level indicators should report at a system-level scale, not a project-level scale (numbers of trainees or even 'trained entities'). Rolling these types of indicators up to strategic level tells an incomplete story. TMEA's Corporate</p>	<p>Accepted. In the process of responding to recommendations #5 and #6 above and developing Intermediate Outcome level and country-level TOCs, TMEA will also revisit its results frameworks (RF), beginning with its usual annual review of output milestones within February 2020. This means that the structure of the current TMEA results framework will need to incorporate indicators that monitor assumptions at the country level, rather than only project output and outcome indicators. We also aim to bring in some core standard indicators within different programme areas to assist in aggregation across many projects. TMEA welcomes the recommendation to have donor representatives more deeply engaged around quality indicators for components at the national level through a more flexible results framework structure. Following the process outlined in the response to recommendations #5 and #6, greater ownership of the TOC and the results framework will be fostered at the country level. We will support the Transport Observatories to gather data on exports.</p>	<p>Accepted. We will work with TMEA and other Council members to revise results frameworks, including as part of the reflection sessions on the theory of change at the country level.</p> <p>DFID will use its role on the Evaluation Committee to consider and recommend improvements to the results framework where appropriate during implementation of Strategy 2, with modifications and justification recorded.</p>

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<p>headquarters and its country leadership should strike a better balance with country-led strategic design and indicator development, and overall regional goals, with higher order indicators. Country programmes and donor representatives should be more deeply engaged around quality indicators for IOs at the national level, and overall donor oversight should show greater commitment to developing an exemplary regional level RF, and helping TMEA secure the appropriate data for it. These needs will intensify as interventions and countries expand in S2.</p>		
<p>9. Improving indicators also means TMEA will have to support partners more on data. Train partners to produce the kinds of data that will show what they and TMEA are accomplishing together. This means clear baselines (prior to using new standards equipment, for example, or on transit times) and realistic targets appropriate at programme levels. Most importantly, when there are gaps in the data, like those pointed out in this report, TMEA (and donors who are monitoring data more regularly) should flag and remedy these problems, rather than letting the problems compound over time. TMEA's MEL team may need support first, to have the capacity to help partners build stronger data procedures in their institutions.</p>	<p>Accepted. Building the capacity of TMEA partners on data is a key priority for the results unit in FY19/20. This will involve updating and incorporating TMEA's results curriculum (developed in Strategy 1) into an overall project cycle management training for selected partners, and also to TMEA programme staff who work closely with partner staff on data and MEL. TMEA will prioritise the quality of data and data sources vs. quantity of data gathered, applying data standardisation guidelines developed by TMEA's research team. TMEA will develop criteria to prioritise the most important partners whose capacity should be addressed first. There are partners who are essential to our work, and often the only relevant partner available, but who are not well-equipped to meet high data standards. TMEA and donors will need to recognise this capacity-building will come at a cost and determine funding sources.</p> <p>We have also invested significantly in TMEA primary data collection where we are not satisfied, and this report has pointed out, that reliable secondary sources do not exist. Solid</p>	<p>Accepted. TMEA to implement. DFID supports TMEA's proposed actions to improve the quality of data during Strategy 2. As a member of the TMEA Evaluation Committee, DFID will continue to advocate for good quality data, particularly for the Intermediate Outcome indicators, and for the importance of supporting partner capacity to facilitate this.</p>

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Recommendation	TMEA Response	DFID Response
	<p>data on time and cost is being gathered through a major primary data collection effort to be completed by June 2020. We are also instituting a periodic business survey in conjunction with our business association partners at the national level to add key qualitative data to ground-truth the quantitative data with real business experiences in trade.</p>	
<p>10. The Evaluation Committee should prioritise and limit donor evaluative work. Donors, TMEA and the Committee should limit the number of interruptions to their time on task. Evaluation should be prioritised and appropriately scheduled and use more 'light touch' or data-focused techniques. Importantly, the donors, TMEA and the Evaluation Committee should undertake evaluative exercises without revisiting issues repeatedly to fit different scopes of work. The group should also be sure that evaluation products are useful and targeted, and then shared in digestible formats with country offices.</p>	<p>Accepted. TMEA's evaluation approach for Strategy 2, as already in discussion with the Evaluation Committee, will identify the priority thematic areas for evaluation, rather than programme-specific evaluations. Evaluations will be larger than in Strategy 1 and consider a cluster of projects from across the region; projects which together are designed to contribute towards a specific result, and considering the assumptions incorporated at the Intermediate Outcome level.</p> <p>Upon approval of the MEL Strategy, evaluability studies will scope out, inter alia, the focus of the evaluation, key questions, data availability, project/programme candidates for inclusion, how to best gather beneficiary feedback, and how it should be structured and managed to best inform TMEA's understanding of the TOCs.</p> <p>TMEA will execute its evaluation strategy through competitive processes to engage an independent consultancy or through cooperation with research partners. Each plan for the best method to carry out evaluations will be proposed and agreed through the Evaluation Committee.</p>	<p>Accepted. DFID is committed to aligning more closely to a coordinated evaluation approach across donors and TMEA under Strategy 2. DFID does not intend to commission separate independent evaluation of TMEA Strategy 2. It is working closely with TMEA and other donors through the Evaluation Committee to ensure a robust strategy for coherent Monitoring, Evaluation and Learning for Strategy 2 for approval by July 2020.</p> <p>The Terms of Reference and membership for the Evaluation Committee have been strengthened for 2020 onwards to ensure it can provide independent challenge and technical oversight of the quality of independent evaluations commissioned through TMEA for Strategy 2. This will include 1-2 independent members of the Evaluation Committee representing technical, African-based expertise.</p>

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Recommendation	TMEA Response	DFID Response
<p>11. TMEA should continue with its demand-driven, ‘neutral broker’ model of operations that worked so well in S1. Continue to provide incentives to partners for new systems and for reforms by giving stakeholders a strong say in what will be done, and how. Continue to nurture relationships and build the TMEA team’s technical and interpersonal strengths to facilitate entry and implementation.</p>	<p>Accepted. TMEA places extreme emphasis on stakeholder engagement and strong relationships management for the benefit of achieving sound and sustainable results. We will continue and even expand on this approach in Strategy 2. For example, we have established a new governance mechanism for stronger engagement with private sector partners in our regional private sector programmes, for which the first meeting took place in February 2020.</p>	<p>Accepted. TMEA to implement. DFID continues to support TMEA’s emphasis in stakeholder engagement and the development of strong relationships with local partners in its delivery approach.</p>
<p>12. TMEA should formalise their coordination with other donors, and TMEA donors should help ensure this happens successfully. There would be strong benefits to more formal and structured coordination with other donors – through existing structures such as the working groups or following a prioritised schedule. Though this is a challenging role, TMEA’s size, longer duration, and placement in the key capitals of the EAC should play a key role in sectoral coordination. As the ‘catalytic’ partner, acting as a leader in the sector would offer more opportunities to leverage other donors’ priorities, conduct joint research (while sharing costs), and acting in a coordinated fashion on political economy issues that threaten the sector as a whole. Coordination with other donors on productive project work could also leverage other donors’ investments to better ‘fill the pipeline’ of national exports.</p>	<p>Partially Accepted. TMEA currently engages in significant informal donor coordination and is a member of formal donor coordination structures around economic growth and trade at the country level, generally those convened by the Government, if and when our attendance as an implementer and not a Government entity is endorsed by our donors. Partial acceptance stems from TMEA’s view, however, that as an implementer, and not a Government entity or a development bank, we would not assume any formal role in convening. The East African Community (EAC) holds a donor coordination meeting once per year, which we attend. We are engaged already in joint activities and research, for example with the United Nations Economic Commission for Africa (UNECA) and International Trade Centre (ITC). We believe these types of coordination efforts should be demand driven.</p>	<p>Partially Accepted. TMEA should continue to engage in existing donors coordination, and should actively support donors to promote complementarity and division of labour. However, as an implementing partner it is not for TMEA to convene donor coordination processes. We will discuss this explicitly with other donors.</p>

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Recommendation	TMEA Response	DFID Response
<p>13. TMEA and donors should maintain the current structure, while looking for ways to streamline. Preserve the structure that was shown to fit donors' and partners' needs, and to put local knowledge and connections front and centre in decision-making and problem-solving. At the same time, increasing layers of approvals and longer timelines for this process will constrain TMEA in S2, given the broader geographies. TMEA has tested using technology to fast-track some expenditures to streamline, but could be applied to more approvals, such as with processes pre-approved by NOCs and country donor leads.</p>	<p>Accepted. TMEA has taken on both streamlining procedures and back-office system upgrades that will help to reduce, or make more efficient, approvals and processes. National Oversight Committees continue to play a strong role in decision-making and feedback, and we will look for additional areas where National Oversight Committees can be engaged, for example in country-level TOC monitoring. With Board and Council consent, we will also undertake a Governance Review starting in July 2020 to ensure our governance structures are fit for purpose and have the ability to grow with the organisation, particularly as it expands into new countries of operation.</p>	<p>Accepted. DFID welcomes the suggestion for streamlining for TMEA and the scheduled Governance Review in 2020. As a member of the TMEA Programme Committee, DFID's Africa Regional Department will work with TMEA to develop a paper to strengthen and streamline the Committee's oversight to enable more strategic monitoring of the portfolio alongside the National Oversight Committees. We will discuss this explicitly with other donors.</p>
<p>14. Donors need to make choices about 'doing development differently'. For all the ways TMEA is different, at present it remains a donor-funded programme. If donors are committed to precepts about genuine country ownership and empowerment, they should limit earmarking, sponsor national priority-setting fora, facilitate TMEA's interests in self-funding models, or experiment in allowing national partners to determine more directly how trade funds would be spent. However, with such an important financial stake in TMEA, donors should not compromise on close attention to project management fundamentals and technical oversight on ToCs and results reporting, and they should ensure handovers are thorough and infrequent.</p>	<p>Accepted. This recommendation is focused at our donors directly, and we strongly support it. TMEA has received the green light from its Board and Council to move forward in catalysing private capital.</p>	<p>Partially Accepted. DFID is supportive of a flexible and adaptive approach, however we recognise that donors, including the UK government, set explicit criteria for funding which change over time. This means that accepting some form of earmarking may be necessary for the funding to be available to TMEA in the quantities that it currently attracts. We will discuss this explicitly with other donors.</p>

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Recommendation	TMEA Response	DFID Response
<p>15. Donors and TMEA should ensure robust SME participation across S2 programming in TMEA. Since SMEs drive the region's economies, it makes sense that entrepreneurs at this level would have a bigger seat at the table. Given S2's focus areas, TMEA are already thinking about this issue, as discussed with the Standards team lead, concerning the participation of SMEs on technical committees for harmonising standards; or with the Logistics lead, who noted the need to buttress the skillsets of smaller, local firms in transport and logistics services. Introducing greater SME participation as a goal for platforms and apex bodies has the potential for wider participation in these as well.</p>	<p>Accepted. TMEA plans to broaden and deepen its engagement with SMEs in Strategy 2 within an overall approach of trade facilitation for exports driven by sector engagements. This will involve obtaining more regular and structured feedback from SMEs on the main issues facing them, as well as round-table events with private sector, which will include SMEs in each country. In particular, TMEA will focus expanding on its Women in Trade work with cross-border traders to targeting SMEs already exporting or export-ready to address the "value creators" within supply chains rather than only individual traders. TMEA will also focus on SMEs in its export capability programmes to provide firm-level assistance along the complete value chains we are targeting.</p>	<p>Accepted. DFID agrees with TMEA on the value of broadening and deepening its engagements with SMEs during Strategy 2, particularly for achieving Strategic Outcome 2 "improved businesses competitiveness". We will discuss this explicitly with other donors.</p>
<p>16. TMEA should conduct strategic mapping around the plethora of trade agencies in SO2 (for both ICT4T and Standards) to make evidence-based and politically savvy decisions about which agencies to support. Empower the IO leads to work cross-nationally on the key question of how a regional quality infrastructure would look and perform, and undertake programming based on that broader view.</p>	<p>Partially Accepted. TMEA already conducts strategic mapping of the main trade agencies in SO2. This understanding of the landscape is one of the main ways in which TMEA decides which projects to progress and which to decline. We agree that Intermediate Outcome-level TOCs will more visually demonstrate that this happens by mapping projects across different countries to show their links, and reviews of the TOCs will reflect upon this coordination and how it is working. Specific actions for this are outlined under responses to other recommendations. The Technical Directors serve a regional role which involves working cross-nationally and at the regional EAC level.</p>	<p>Accepted. As a member of TMEA's Board and Programme Committee DFID will continue to consider the breadth of activities and partners proposed in TMEA's Project Appraisal Reports in Strategy 2 to ensure that projects are strategically focused on the achievement of the Intermediate Outcomes (see also recommendation #1).</p>
<p>17. TMEA should raise the stakes on NTBs by increased policy work to amend the NTB Act with a legal means to contest NTBs and</p>	<p>Partially Accepted. TMEA is continuing work on Non-Tariff Barriers (NTBs). The NTB Act is under review and will be amended to include some of the items mentioned in the recommendation.</p>	<p>Partially Accepted. This suggestion supposes that the main obstacle to combatting Non-Tariff Barriers (NTBs) is legal. In fact, NTBs are also a political issue, and legal recourse has not been</p>

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Recommendation	TMEA Response	DFID Response
consequences for countries who impose them.	Once this is complete, we will review our approach. TMEA's approach is to enhance reporting mechanisms in the region, support the National Monitoring Committees (NMCs) to monitor, report and resolve NTBs faster than currently being experienced, and support bilateral resolution of NTBs between countries. In addition, we support private sector advocacy to push for NTB elimination.	shown to be effective in Africa. Nevertheless, an amended NTB Act would offer additional opportunities to contest NTBs. Building a legal dispute resolution into the NTB Act should be considered as part of TMEA's support to a revised Act.
<p>18. TMEA should monitor mutual recognition of harmonised standards at borders, to understand the extent of implementation of EAC-agreed procedures for accepting certified products with no further inspection or duties paid. TMEA should also collect and report on the degree to which time and cost for traders is impacted, against targets. This would involve programming specifically for that outcome, and working with national bureaux of standards on how they collect data, how they train border staff, and how they ensure compliance at remote sites (that is, borders).</p>	<p>Accepted. The standards programme will monitor the adoption of regionally harmonised standards at national level and report on a regular basis in the programme M&E Framework.</p>	<p>Accepted. As a member of TMEA's Board and Programme Committee DFID will continue to monitor progress of the standards programme as part of Strategy 2.</p>
<p>19. TMEA 'taking on less to accomplish more' (Recommendation 1) supports sustainability as well. Selecting a smaller number of partners would allow TMEA to work more strategically with those partners, resulting in strongly embedded institutional capacity, legislation or policy changes, budget line items, development of revenue sources, or other markers of sustainability. This is especially important where initial capacity for fundraising and fiduciary management and even core functions are weak, as with the smaller, less experienced co-operatives or</p>	<p>Accepted. In the project design and development process for Strategy 2, TMEA has incorporated learning from Strategy 1 and created stronger analysis tools for partner capacity (Delivery Capacity Assessments) and will continue to improve ongoing monitoring of capacity as discussed in Recommendation #2 above. We will focus on this area in developing a full Strategy 1 lessons learned series, together with our partner Overseas Development Institute, to begin by June 2020 and continue through to 2022. This will capture both negative and positive lessons (e.g. change management models that</p>	<p>Accepted. As a member of TMEA's Board and Programme Committee DFID will continue to consider the breadth of activities and partners proposed in TMEA's Project Appraisal Reports in Strategy 2 to ensure that projects are strategically focused on the achievement of the Intermediate Outcomes. (See also recommendation #1.)</p>

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Recommendation	TMEA Response	DFID Response
small CSOs in SO3. To avoid the risk – becoming part of the institution – this kind of work requires a steady but sure handover.	worked well) about how we work with our partners. The Intermediate Outcome level TOCs will allow for more granular monitoring of partner capacity assumptions in order to engage with partners to make changes when necessary.	

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DFID INDEPENDENT EVALUATION of TMEA's STRATEGY 1 POVERTY AND GROWTH IMPACT STUDY – MANAGEMENT RESPONSES

Recommendation	TMEA Response	DFID Response
Recommendations: Long-chain impacts		
<p>1. Ensure that the concerns of vulnerable women, people with disabilities, and other marginalised groups continue to be heard and addressed by border committees. Female traders and women in trade association representatives reported important gains from their ability to provide ongoing feedback and be represented within border committees. Traders with disabilities should be represented on border committees. These opportunities should be continued to ensure needs continue to be addressed.</p>	<p>Accepted. As part of ongoing programmes, TMEA is reviewing its engagements with border committees to identify further opportunities to more deeply involve vulnerable women, people with disabilities, and other marginalised groups. TMEA has had a Sustainable and Inclusive Trade Unit dedicated to supporting such efforts since 2017. Specifically, the regional baseline study for the Women in Trade study, completed in February 2020, included data collection and analysis on persons with disabilities which will inform the programme interventions (both capacity building and advocacy). This will also help us determine where other partners on the ground may have deeper competencies than TMEA to address identified needs, and to engage with them. We believe this work can ramp up in FY 2020/2021, initially targeting ensuring appropriate participation on border committees in well-functioning sites (e.g. Mutukula, Malaba and Busia).</p>	<p>Accepted. DFID welcomes the recommendations and agrees with TMEA's proposed actions for Strategy 2.</p>
<p>2. Work with appropriate agencies to put supports in place for workers who are likely to be dislocated when new OSBPs begin operations. Local and national government agencies or civil society organisations may be able to provide targeted services to those workers who are likely to be dislocated as new OSBPs begin their operations. While it is beyond TMEA's mandate to undertake active labour market measures, efforts to smooth the transition for</p>	<p>Partially Accepted. TMEA will undertake analysis to inform our key stakeholders, including our donors, of potential negative effects. It is beyond the scope of our work to be able to provide support services to those affected by changes in the pattern of employment as a result of changes in the trade regime.</p> <p>TMEA will continue to engage, particularly with our Government partners, around our infrastructure efficiency projects to consider</p>	<p>Partially Accepted. DFID agrees with the need to assess potential negative effects and ensure suitable mitigation actions are implemented where appropriate in consultation with Government and civil society partners in East Africa.</p>

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Recommendation	TMEA Response	DFID Response
<p>dislocated workers should yield positive results both in economic and political terms.</p>	<p>displaced persons. We will increase these efforts as we embark in new geographies to assess potential negative effects and explore with our Governmental and civil society partners how they can ensure support options are available and workers are made aware.</p>	
<p>3. Focus on impacts in the agriculture sector (in and far from the trade corridor) and identify strategies for ensuring that benefits of trade liberalisation reach households working in that sector, particularly producers of raw goods. As benefits from being in the tradable sector disappeared when households in agriculture were included in the analysis in three of the four countries, and as large concentrations of the workforce in each country are employed in agriculture, it is critical that this sector is included in benefits from trade. TMEA should consider partnering with other organisations to further assist agricultural producers to identify value addition opportunities that would improve the producers' likelihood of benefitting from trade.</p>	<p>Accepted. A major focus of TMEA's business competitiveness work is in agricultural sectors. Planned programming will support women organisations and business involved in agri-trade to build their capacity and capability to leverage on the established structured trade framework in the region. TMEA programmes in agro-logistics connectivity will also support enabling these MSMEs access markets and deepen the formalisation of their enterprises. The programme will also target firms and support them to upscale their operations or move up the value chain into value addition.</p>	<p>Accepted. DFID welcomes the recommendation and insights gained through the evaluation. DFID is supportive of TMEA partnering with other development partners to identify strategies for ensuring that benefits of trade liberalisation also reaches those working in the agriculture sector. These partnerships should focus on the comparative advantage of TMEA and the other development partners in implementing these strategies. There are a wide range of other partners working exclusively on agricultural value chains and we need to make sure that all efforts are joined up.</p>
<p>4. Consider a range of additional studies or data collection activities that would support further project learning, including:</p> <p>a. A concerted effort to diagnose why results in Tanzania were so different from the other countries should be made, as the PGIS study was not able to develop a comprehensive explanation from the quantitative and qualitative data collected.</p>	<p>Accepted. TMEA and donors have incorporated a research approach into our Monitoring, Evaluation and Learning (MEL) Strategy for Strategy 2. TMEA will define and propose a research agenda which identifies the highest priority research areas for Strategy 2 within the scope of available resources.</p> <p>Of these suggested topics,</p> <p>a. We will engage in further research into the cause's major variations across countries in gendered impacts of TMEA's interventions.</p>	<p>Accepted. DFID welcomes the specific suggestions made by the evaluation team on the activities that could be pursued to strengthen evidence under Strategy 2. We agree with TMEA that the highest priorities for TMEA-funded research under Strategy 2 should be identified by TMEA and the Evaluation Committee, taking into account these and other evidence needs, and planned research and data collection by other relevant actors in the region.</p>

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Recommendation	TMEA Response	DFID Response
<p>b. Further investigation of the distribution of benefits of trade within the agriculture sector, which may include analysis of competition in the value chains of key commodities. For example, households employed in tea, coffee, or horticulture (all large export crops for the region) may have had very different experiences than households working in other areas. It would be useful to disentangle impacts for those working in key exports to areas outside the region from those working in crops that are largely consumed within the region.</p> <p>c. Examining more frequent and targeted data on targeted households and consumption – possibly through a TMEA-supported household-level study, as has been proposed. Such a study should be designed and analysed externally with requisite attention to the literature about poor and ‘very poor’ households, women-headed households, informal trade, and the critical intersections between gender and poverty. Such a study should also be guided by a detailed theory of change about how TMEA’s projects would directly and indirectly affect poverty and gender and should include wholesale and retail price and inflation data on the typical market basket. Since TMEA’s interventions with women in trade are generally linked to particular types of employment and entrepreneurship, such a study would also need to include examination of business inputs and costs, to track whether any increases in income</p>	<p>b. While TMEA has not yet looked closely at employment impact in export led value chains, as part of business competitiveness work we will commission a firm level survey by December 2020 that could examine some of this. The survey focuses on targeted beneficiaries and we also plan to include a control group of exporters that will not benefit from TMEA support to provide a comparison on the benefit our programmes will have on targeted exporters. We will look further at incorporating some of this recommendation into the survey.</p> <p>c. We agree that household data directly related to trade is not currently available and, over the medium term, we are considering appropriate partners within the global Aid-for-Trade community, as well as at the country level, for improving the available data to better understand the long-chain impacts of our work.</p> <p>d. This topic is interesting, but not likely a top priority given resources. In the context of broader discussions with donors on how TMEA continues to engage around the topic of displaced, we can revisit if our donors place priority on this level of research.</p> <p>e. We will analyse these topics in the context of creating country-level TOCs in these countries to determine if further research over a longer time period would be of interest to our in-country partners and useful for future programming.</p> <p>f. This topic is beyond the scope of TMEA’s immediate field of interest for prioritised research topics. If donors agree at some</p>	<p>DFID will review the MEL Strategy by May 2020 as a member of the Evaluation Committee to ensure it reflects well justified priorities for strengthening evidence gaps, and will provide advice to inform the Council’s approval decision on this in July 2020.</p>

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Recommendation	TMEA Response	DFID Response
<p>have real effects on the businesses and on the households they support. Regarding income and relevant sector(s) of employment/earnings, such research should also look at the range of income sources in households, given that income precariousness often means different types of employment and income could be relevant at different times of year, as well as all the source of consumed goods (home-grown/homemade versus purchased) and use of coping strategies (substitution of foods, borrowing money, reducing consumption, etc.).</p> <p>d. Tracking medium to long-term employment and income impacts on displaced business and workers (i.e., truckers in port cities and clearing agents), as it would be useful to know if the impacts reported in this study were short-term outcomes that may reverse themselves in the long-term or become indicators of long-term unemployment and reduced earning power.</p> <p>e. Tracking of whether the shifts observed in Kenya and Uganda (from formal employment to self-employment in both and from agriculture to services and manufacturing in the latter) are sustained over time and continue to grow.</p> <p>f. Where consumption decreased, study whether or not increased access to markets and trade enabled households to sell produce that they would have once consumed. This may have had the</p>	<p>point that this is valuable information to improve their understanding and TMEA's programming, we can consider together.</p> <p>g. We agree that this topic is interesting and useful and can be considered together with donors in the finalising of the MEL Strategy-prioritised research topics.</p>	

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Recommendation	TMEA Response	DFID Response
<p>paradoxical effect of increasing income, while reducing consumption.</p> <p>g. Examination of the distributional benefits of trade by sector of employment and level of wealth. As the focus groups were not stratified by sector, it is not possible to identify which sectors might have been more or less affected, but that would be worth exploring in future studies.</p>		
<p>5. Work with donors to advocate for governments to prioritise funding of pro-poor services and programmes when improvements in trade revenues are realized. Although the PGIS team was unable to access any data on changes in government revenue from trade, given the estimates for increased trade that OPM's Trade and Growth Impact Study produced, additional revenue may have been generated or may be generated in the future. Frameworks, in the form of national development plans, are in place, but sustained prioritisation of pro-poor government funding requires political commitment. This is beyond TMEA's mandate and should be an effort coordinated with other donors working in the country (at a minimum through encouragement of regular reporting of progress towards national development plan targets).</p>	<p>Partially Accepted. We believe such advocacy efforts are best left to our donors. While we are interested in understanding more about how reducing barriers to trade has a pro-poor impact for beneficiaries directly involved in trade and eventually to a broader set of consumers, we are not in the business of advocating directly how Governments utilise revenue gains from improved trade, nor in specifically tracking it. The Performance Evaluation speaks at length about the value of TMEA's 'neutral broker' role with our Government Partners. We believe such engagement would jeopardize this valuable position. However, we will communicate to our donors any information we can provide on gains realised by Governments, by revenue authorities, for example, due to TMEA interventions. This information could be used by donors as desired in direct advocacy on Government on pro-poor spending.</p>	<p>Partially accepted. TMEA should continue to share information and lessons learned regarding improvements in trade revenue and pro-poor impact with the relevant stakeholders. However, it is beyond TMEA's mandate to advocate and influence government's budgeting policies. We will discuss this explicitly with other donors.</p>
Recommendations: Short-chain impacts		
<p>6. Expand existing programmes that work with women, and through capacity building or partnerships with other organisations, provide "bundled" services</p>	<p>Accepted. The Women in Trade programme will have a more integrated approach with interventions that are more holistic in nature. The resource centres at the OSBPs and the we</p>	<p>Accepted. DFID is supportive of TMEA's efforts to strengthen the approach to targeting gender issues through its Women in Trade programme in Strategy 2.</p>

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Recommendation	TMEA Response	DFID Response
<p>that are more effective for reaching the 'very poor'. At OSBP sites (new and existing), as well as in remote areas where TMEA's interventions have yet to reach, there is an opportunity to build capacity of women's producer/trade organisations, and/or to partner with other organisations to provide "bundled" support beyond TMEA's mandate, which research indicates work better with the 'very poor'.</p>	<p>women cross border trader associations through the implementing partners will provide not only market and trading information but also carry out sensitisation campaigns, training and dissemination of information on savings, access to credit, childcare and reproductive health. The information is provided in simplified formats and translated to the main local languages used by traders. The programme will also develop an information platform that will provide digital solutions (both for smart phone and feature phones) that will allow traders whether literate or not, urban or rural based to access much needed market and trading information. TMEA and its donors are committed to having an impact on poverty reduction within Strategy 2. TMEA believes that more focus on SMEs in expanding its Women in Trade programmes in Strategy 2, in order to have a broader impact on those driving the region's economies with the resources and structure that we have, is the right approach. We will, however, further explore potential partnerships with other organisations that are better suited than TMEA for grassroots-level work.</p>	<p>DFID's Africa Regional Department and Country Offices providing funding for Strategy 2 will discuss and agree DFID's expectations for TMEA directly targeting the "very poor" versus working collaboratively with other development partners to improve the intergenerational and multidimensional poverty faced by the most vulnerable.</p>
<p>7. Consider focusing export capability projects in tradable sectors in which women are heavily concentrated. As noted in the OPM Performance Evaluation (2019)¹², in Strategy 2, these investments should perhaps be more narrowly strategically focused, and targeting industries with large concentrations of female workers can help increase TMEA's impact on women.</p>	<p>Accepted. TMEA has already designed interventions in the horticulture sector and is looking to expand into the textiles and apparels value chain. Both value chains have high participation of women at different levels and will focus on facilitating market access and capacity building to ensure that they transition into higher segments of the supply chain.</p>	<p>Accepted. DFID is supportive of TMEA's efforts to strengthen the consideration of gender within the value chains of the sectors selected for the export capability projects in Strategy 2.</p>

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Recommendation	TMEA Response	DFID Response
<p>8. Consider a range of additional studies or data collection activities that would support further project learning, including:</p> <ul style="list-style-type: none"> Tracking the extent to which support services provided at OSBPs, day care centres, creches, and storage facilities, are used by small-scale traders (female and male). The PGIS was not able to capture feedback from a critical mass of respondents who had used these facilities. While those who did not use them reported that they were useful to others, it would be worth verifying whether or not this investment helps improve incomes (as those respondents who did use them claimed). Testing the extent to which OSBPs are truly accessible to individuals with disabilities. Given that the PGIS was not able to capture feedback from a critical mass of people with disabilities, it would be useful to undertake targeted testing to verify the accessibility of OSBPs for individuals with a range of physical and sensory impairments and to better understand what additional supports could be provided or changes could be made to better meet their needs. Such research should be culturally sensitive, given that OPM researchers found that local respondents appeared to define disability differently to how donors do. 	<p>Accepted.</p> <p>a. TMEA accepts the need to obtain better data on the usage and usefulness of these services as a priority. The coordinators of the resource centres situated at select OSBPs will be equipped to monitor and document the utilisation of the different facilities or services by the small - scale traders, particularly those who are members of the cross-border trade associations, and the impact these services have on their ability to trade. Building on the Poverty and Gender Impact Study findings, we will more systematically gather this data in order to help understand the probable impact on improving incomes of users. A higher priority under Strategy 2 will be to monitor increases in income of our direct programme beneficiaries through firm- and trader-level surveys.</p> <p>b. TMEA commits to undertake targeted testing of the accessibility of OSBPs supported under Strategy 1 with the participation of people with disabilities as one of its research priorities under Strategy 2. This will be timed to inform the design of new OSBP projects supported under Strategy 2. We will focus our efforts on understanding how access for persons with disabilities can be strengthened in new OSBP projects where we have the ability to build these considerations into design from the beginning.</p>	<p>Accepted. We strongly welcome TMEA's plans to monitor uptake and usefulness of services provided at OSBPs, and to research the accessibility of existing OSBPs with the participation of people with disabilities, as recommended by the evaluation. DFID views these as priority MEL activities in 2020 to generate learning that will inform inclusive design of OSBPs supported under Strategy 2.</p> <p>DFID places a high value on disability inclusion in its programming and views OSBP accessibility as an appropriate focus area for TMEA's efforts in this respect. We welcome TMEA's commitment to understanding access for people with disabilities in new OSBP projects and will support TMEA to consider how accessibility considerations can be built into the design of new supported OSBPs.</p> <p>DFID's Africa Regional Department will request support from DFID's new disability inclusion helpdesk in March 2020 to help TMEA access expert advice on the design and assessment of accessible infrastructure.</p>
<p>9. Consider expanding existing women and trade programming. As the Strategy 1 programming had positive impacts for a seeming majority of the participants, TMEA</p>	<p>Accepted. TMEA has already expanded its women and trade programming. We began in Strategy 1 with limited Women in Trade programmes and we were able to reach over</p>	<p>Accepted. As a member of TMEA's Board and Programme Committee DFID will continue to consider the breadth of activities and partners proposed in TMEA's Project Appraisal Reports in</p>

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Recommendation	TMEA Response	DFID Response
<p>may wish to consider expanding its offerings in new OSBP locations, in remote areas to reach those who have not yet benefitted from increased trade, and in existing locations as additional opportunities may emerge. Consider basic organisational capacity building, as sustainability of Strategy 1 efforts was called into question in OPM's Performance Evaluation (2019) and earlier TMEA gender assessments. It also provides an opportunity to learn from prior programming in addressing the different ways poor and 'very poor' women take up and use new learning, and various support services that may be necessary to reach more marginalised individuals, including access to finance and gender-sensitive extension services for women entrepreneurs and farmers, or 'bundled services' packages that have proven most successful among economic development programming for 'very poor' women in the developing world.</p>	<p>27,000 traders. In Strategy 2, we target 150,000 direct beneficiaries of Women in Trade programmes, and we estimate that impact extending beyond direct beneficiaries is doubled. TMEA works with its main donor on Women in Trade programmes, Canada, to achieve an agreed target group and optimal implementation. Our geographic expansion in Strategy 2 is providing new opportunities for expanding work with women at borders/OSBPs i.e Elegu, Goli, Mahagi, Rusumo amongst others.</p> <p>TMEA aims to have more focus on SMEs in expanding its Women in Trade programmes in Strategy 2, in order to have a broader impact on those driving the region's economies. The expanded programming will seek to link micro enterprises to the small and medium women entrepreneurs (value creators) to increase opportunities for the poor and vulnerable at the grassroots-level.</p> <p>We will continue seeking valuable areas of research and evaluation to assess how well these programmes are working.</p>	<p>Strategy 2 to ensure that projects are strategically focused on the achievement of the Intermediate Outcomes (see Performance Evaluation recommendation #1).</p> <p>DFID will also work with TMEA to strengthen gender considerations within the TMEA Results Framework, including: output indicators, outcome indicators; underlying assumptions. As a member of TMEA's Board, DFID will advocate for the scale up and implementation of TMEA's approach to mainstreaming gender approach within the portfolio over 2020-2021 (see also Performance Evaluation recommendation #4).</p> <p>DFID's Africa Regional Department and Country Offices providing funding for Strategy 2 will discuss and agree DFID's expectations for TMEA directly targeting the "very poor" versus working collaboratively with other development partners to improve the intergenerational and multidimensional poverty faced by the most vulnerable. (see also Performance Evaluation recommendation #3).</p>
<p>10. Work with partners (national and/or local government, donors, and community-based organisations) to provide transition support to displaced workers as new OSBPs begin operations and in port communities. One direct way in which TMEA can mitigate negative impacts on localised populations is in ensuring that workers who will be displaced through the opening of new OSBPs or expansion of port activities have other opportunities to earn a decent livelihood. These activities may include active labour market programmes, information</p>	<p>Accepted. As Recommendation #2 states, direct labour market activities are not part of TMEA's mandate. Similar to response to Recommendation #2, TMEA often engages, particularly with our Government partners, around our infrastructure efficiency projects to consider dislocated persons. We will increase these efforts as we embark in new geographies to assess potential negative effects and explore with our Governmental and civil society partners how to ensure support options are available and workers are made aware.</p>	<p>Accepted. DFID agrees with the need to assess potential negative effects and ensure the appropriate mitigation actions are implemented in consultation with government and civil society partners in East Africa. (see also recommendation #2).</p> <p>DFID's Africa Regional Department and Country Offices providing funding for Strategy 2 will discuss and agree DFID's expectations for TMEA directly providing support to displaced workers</p>

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Recommendation	TMEA Response	DFID Response
<p>campaigns about social transfers that may help them in the transition period, or sources of mentoring and financing for entrepreneurs developing new business plans to mitigate the effects of dislocations among more vulnerable workers.</p>		<p>versus working collaboratively with other stakeholders to improve the transition.</p>
<p>11. Consider partnering with other organisations that can provide support to cross-border traders and exporters beyond TMEA’s mandate. A large number of respondents, both direct and indirect beneficiaries, asked for skills training or skills upgrading. They are seeking sustained education and advisory services in formats that are modular and accessible to busy adults. While this may be beyond TMEA’s current mandate or what TMEA’s donors want the programme to achieve, there are a wide range of organisations in each country that do offer some of those services and might be interested in a partnership opportunity.</p>	<p>Accepted. The Women in Trade and Export capability programmes have designed interventions aimed at linking cross-border traders and exports to business development services and access to finance opportunities. Stakeholder mapping at the beginning of our programmes also enables us to identify other organisations offering services within the space we operate in order to leverage those interventions and facilitate linkages with our beneficiaries.</p>	<p>Accepted. DFID is supportive of TMEA’s efforts to map stakeholders at the beginning of the projects during Strategy 2 to better facilitate linkages with other initiatives and promote a coherent support approach for beneficiaries.</p>
Recommendations: Sustainability		
<p>12. Ensure that government partners (national and/or local) have effective strategies in place for ongoing information dissemination about trade and OSBP procedures to enable a wider range of individuals and households to take advantage of cross-border trade opportunities. Most respondents in border communities could not pinpoint when the information campaign occurred or how long it lasted. Unless they were involved in cross-border trade, they had poor recall on the content of the campaign. In some communities, government, or trade group</p>	<p>Partially Accepted: TMEA and its government partners implementing One Stop Border Post (OSBP) and Integrated Border Management (IBM) projects have prioritised development of an OSBP and IBM sustainability strategy, which includes how information on trade and OSBP procedures is shared. TMEA can stress that continuing outreach to new regular users should be done. However, there is a limit to how far TMEA should go in ensuring (i.e. using TMEA resources to monitor if and how) government partners reach out beyond the regular users of OSBPs into the broader communities. The recommendation notes that cross-border traders,</p>	<p>Partially Accepted. TMEA to implement the aspects of the recommendation identified.</p>

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Recommendation	TMEA Response	DFID Response
<p>outreach officers have direct and frequent engagement with officials and traders, particularly on market days, which seems to work quite well.</p>	<p>arguably the primary targets, seem quite well-informed, which is closer to TMEA's direct interventions.</p>	
<p>13. Ensure that EAC government partners at OSBPs have strong training systems in place to institutionalise training on standard procedures. As lack of institutional memory and staff turnover were cited as presenting challenges and delays for small-scale women traders, it appears that training systems could be strengthened to ensure that new personnel are prepared to execute their job functions as intended when they join the staff at the OSBPs. If no orientation is currently included on providing appropriate services to individuals with disabilities, that should also be included in the staff training.</p>	<p>Accepted. TMEA and its government partners implementing OSBP and IBM projects have prioritised development of an OSBP and IBM sustainability strategy. The strategy proposes developing an OSBP/IBM management training module to be incorporated in border officials training curriculum so that new staff and refresher training programmes are continuously trained on OSBP standard operating procedures. We are also planning more strategic Revenue Authority engagement across our portfolio to ensure a broader and sustainable approach to institutional capacity building.</p>	<p>Accepted. DFID agrees with TMEA on the value of developing One Stop Border Post (OSBP) and Integrated Border Management (IBM) sustainability strategies that incorporate training for border officials. This will help to prevent the challenges and delays experienced by small-scale women traders due to a lack of institutional memory and staff turnover.</p>
<p>14. Work with EAC government partners to ensure that data management systems and personnel performance measures support the operationalisation of OSBP and port procedures. Aligned with the prior recommendation, data management systems should capture performance information and that information should be used by senior administrators to adjust operations as needed to meet performance targets. Similarly, personnel management systems should be aligned with performance standards and targets to ensure that better performance is appropriately incentivized and recognised. For example, performance indicators should set expectations for border staff – new and continuing – to incentivise behaviours for which the new border posts were designed:</p>	<p>Accepted. TMEA, working with the EAC Secretariat and Partner States implementing partners, have developed an OSBP performance management tool. The purpose of the tool is to establish a standardised and harmonised system to monitor and measure the OSBP performance in the EAC region. Next steps are around developing an implementation plan for the tool. The tool will be linked to other data generation and management systems. It has inbuilt mechanisms to monitor time and cost performance including pre-agreed performance indicators.</p> <p>TMEA has supported corridor agencies to develop transport observatories that provide data on corridor performance and these will inform the OSBP performance tool.</p>	<p>Accepted. DFID is supportive of the development of the One Stop Border Post (OSBP) performance management tool during Strategy 2. As a member of TMEA's Board and Programme Committee DFID will advocate for the performance indicators to include the expectations around: timeliness; fair treatment of all crossers; and adherence to the Simplified Trade Regime (STR) standards.</p>

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Recommendation	TMEA Response	DFID Response
timeliness, fair treatment of all crossers, and adherence to Simplified Trade Regime (STR) standards.	TMEA will discuss with implementing partners on how best to integrate such indicators into staff performance.	

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DFID INDEPENDENT EVALUATION of TMEA's STRATEGY 1 TRADE AND GROWTH IMPACT STUDY – MANAGEMENT RESPONSES

Recommendation	TMEA Response	DFID Response
Recommendations for TMEA		
<p>1. TMEA should provide policy support and capacity-building that would promote a balanced redistribution of the impacts arising from interventions. As trade is made easier and countries of the EAC are better integrated with the world through the ports of Mombasa and Dar es Salaam, companies that are engaged in regional or global value chains are likely to benefit from the lower trade costs. Some companies, on the other hand, can suffer from competition linked with increased imports. Switching import sources appeared to take place as efforts at the ports made it easier to import from the rest of the world, rather than from landlocked countries in the region, potentially displacing exports from landlocked countries to sea-bordered countries. Thus, it is necessary for the East-African countries to take a two pronged approach to the situation: i) prepare companies for competition, and ii) monitor imports carefully and, where appropriate, apply trade defence mechanisms to avoid the harmful effects of an unforeseen surge in imports or to protect an infant industry. TMEA could implement capacity-building activities in these two areas. Additionally, countries should also ensure that labour forced out of their jobs can re-join the labour market by putting aside budgetary support for training and labour adjustment mechanisms. TMEA is well-placed to offer</p>	<p>Partially Accepted. TMEA finds the analysis in the Trade and Growth Impact Study interesting. In particular, the conclusion that improvements at the East African seaports has made it easier to import as well as export. The finding that this may have displaced intra-regional trade between producers in landlocked countries and customers in the coastal East African countries is also of note. With reference to the two-pronged approach suggested in the recommendation, TMEA is well placed through its existing programming to prepare companies for competition, but only on a relatively small scale and in targeted sectors. TMEA can also support actors such as the Port Authorities and the Northern and Central Corridor Authorities to better monitor imports and share this information with Ministries of Trade and other relevant Governments departments. The formulation and application of trade defence mechanisms is not an intervention area that TMEA has historically supported and the organisation would need to carefully weigh up the risks associated with entering this arena in consultation with its donors.</p> <p>On the recommendation regarding countries setting aside budgetary support for training and labour adjustment mechanisms, TMEA considers this to be a valid point, but does not believe that it is the right organisation to lobby for this action by Government. TMEA has built its credibility and reputation on supporting Government-led priorities (demand led) rather than advising</p>	<p>Partially Accepted. Helping companies to monitor imports is sensible and within TMEA's mandate.</p> <p>TMEA could support the development of trade defence mechanisms if requested by partner governments. Advising on applying such measures though would be potentially very risky and detrimental to TMEA's relationships to government and business in the region.</p> <p>TMEA could potentially support many countries to be ready for increased competition, but this would substantially broaden the remit of the programme. One of the strengths of TMEA is its focused support to trade and logistics.</p>

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Recommendation	TMEA Response	DFID Response
<p>advisory support to governments in putting together the flanking policies that may be needed to mitigate any negative outcomes for some population groups and sectors.</p>	<p>Government on what its high-level policies should be. However, we will support our donors, and other organisations that could support people experiencing negative outcomes, through communicating any information we learn that would be helpful to address the issues directly or raise them with the Government.</p>	
<p>2. TMEA should play a more active role to improve information and enterprise support, by ensuring that governments, associations and partners have the appropriate communication strategies to promote the results from TMEA's interventions, particularly with regards to NTBs, standards and ICT for Trade. While S1 emphasised the need for TMEA to remain at the meso and macro level, the evidence from surveys reinforces the need to engage with businesses to provide market intelligence, export strategies and supply chain-level expertise. While it is a crowded field in which a number of donors are very active, TMEA is well-placed to play an active role in coordinating or collaborating with other players to improve enterprise information access, in order to generate greater impacts from the investments made by TMEA.</p>	<p>Accepted. TMEA accepts that its potential to add value at the micro-economic level is considerable. In Strategy 2, interventions under Outcome 2 (business competitiveness) have been expanded. TMEA is now working with businesses across the region through its export capability programme and support supply chain development through the trade logistics cluster interventions in Kenya, Uganda, Rwanda, Tanzania and Burundi. This expanded set of programmes will focus on supporting businesses, and in particular smaller businesses, access the economic opportunities created by TMEA's investments at the meso and macro level.</p> <p>We also will continue to work with our network of other trade development organisations and development partners to improve the communications about TMEA's results and flows of benefits to enterprises.</p>	<p>Accepted. This is for TMEA to implement.</p>
<p>3. TMEA needs to improve their monitoring and evaluation system. TMEA's results management framework should be updated to better capture the impact and outcome indicators of the ToC. As highlighted in the performance evaluation, TMEA's portfolio approach is flexible, and the results framework should reflect that, while finding ways to generate and capture the necessary data on trade outcomes that national and</p>	<p>Accepted. TMEA responds to the first part of this recommendation through its responses to the MEL focused recommendations in the Performance Evaluation and Value for Money Study. Please see those reports for further detail on the plans TMEA has to action this recommendation.</p> <p>TMEA accepts that the range of data collected by the Northern Corridor observatory project should</p>	<p>Accepted. See responses to Performance Evaluation recommendations #4, 8 and 9 and VFM recommendations #11 and 26 on the overall strengthening of TMEA's results framework and higher level indicator definitions.</p> <p>DFID agrees on the need for strengthened data on the Northern Corridor and will support TMEA's prioritisation of this under Strategy 2.</p>

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Recommendation	TMEA Response	DFID Response
<p>other actors do not. The most challenging situation is the one faced in the Northern Corridor observatory project, which does not collect data relating to exports and the ICD (Inland Container Depot). Collecting this data is a national and regional priority.</p>	<p>be expanded to include data on exports and the ICD and will work with the authority to support the introduction of this new data in Strategy 2.</p>	
<p>4. TMEA should direct its focus on reducing business uncertainty. More improvement in this area can have a bigger impact on trade. While time reductions are welcome, the degree of uncertainty regarding how much time shipments will take is at least as important. Reducing the amount of variability in time that a truck spends on the road or crossing the border will reduce not only transport costs but also the uncertainty for businesses, and thereby reduce inventory, insurance and other costs. This could be achieved by expanding efforts under the ICT for Trade programme, re-implementing the risk management framework in Kenya, introducing measures to reduce interactions with officers, and improving the inter-institutional connection to single windows.</p>	<p>Accepted. TMEA welcomes this recommendation and has revised its headline time and cost indicators to incorporate elements related to business uncertainty. These have been reviewed by TMEA's Evaluation Committee in February 2020 and will be approved as part of the MEL Strategy by July 2020. TMEA is acutely aware of the important role that it has to play in reducing business uncertainty and is designing its interventions, in particular ICT4T, to achieve this outcome. To support time and cost indicators, TMEA will begin in 2020 to carry out periodic business surveys in collaboration with our national business association partners. This survey will triangulate businesses experience of time and cost, and predictability, closely related to TMEA interventions.</p>	<p>Accepted. TMEA to implement. DFID welcomes the prompt action taken by TMEA to incorporate time and cost variability in its priority outcome indicator monitoring.</p>
<p>5. TMEA's strategic direction should be guided by careful analysis of the political economy of the recipient country. Political commitment to actual implementation has not always been strong in Tanzania, and recent events in Tanzania appear to have moved the economy towards less openness. Such reversals of commitments to regional integration lead to lower trade flows and economic growth. While TMEA appears to be very aware of these risks such as low levels of ownership and weak adoption of recommendations, the resources required to</p>	<p>Accepted. Political economy analysis (PEA) has always been central to TMEA's approach to programme/project design and implementation, though due to risks around leakage of sensitive information, it has not always been written down. The Performance Evaluation gives TMEA credit for working in a politically savvy and adaptive way, moulding its support to the realities on the ground. TMEA will further systematise this approach in Strategy 2 through working with the European Centre for Development Policy Management (ECDPM) to develop a political economy toolkit that will can be applied by</p>	<p>Accepted. This is for TMEA to implement, though DFID and the British government will support TMEA in these activities.</p>

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Recommendation	TMEA Response	DFID Response
invest in such countries are substantial and the results are inadequate. A more systematic political economy assessment of countries may, therefore, be helpful before committing to projects – or for adjusting and adapting over time as the political economy changes.	TMEA's programme implementation staff to assess political economy issues incorporated into reviews of Intermediate Outcome and country-level TOCs. TMEA will undertake political economy analysis on an annual basis and use this to revisit the theories of change on annual basis and to inform review of its risk matrix every quarter.	
<p>6. TMEA should examine the current state of the transport network and intervene where they can best strengthen it. One of the major contributors to cost savings was the improvement in transit times and the reduction of uncertainties along the corridors. Improvements in transit time and better coordination will also benefit the shippers in reducing their turnaround times. Better management of the truckers' network, and the alignment of progress made with inland depots through progress with the SGR network, will further enhance savings of time, cost and risk. TMEA's past focus on these areas should be updated for S2 to maximise the benefits of the interventions on trade and growth.</p>	<p>Accepted. Improvements to transport infrastructure (through hard and soft infrastructure investments) remains one of TMEA's three core pillars (or outcome areas) in Strategy 2. As the transport network has developed through the addition of the Standard Gauge Railway (SGR) and the inland container depots (ICDs), TMEA has undertaken analysis to see how best it can intervene to continue to reduce freight transit time and cost and reduce business uncertainty.</p>	<p>Accepted. TMEA to implement.</p>

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DFID INDEPENDENT EVALUATION of TMEA's STRATEGY 1 VALUE FOR MONEY ASSESSMENT – MANAGEMENT RESPONSES

Recommendation	TMEA Response	DFID Response
Recommendations for TMEA		
<p>1. OPM reviewed TMEA's current (2015) VfM strategy and indicators and provided guidance on VfM and possible indicators for Strategy 2 for the April 2019 Evaluation Committee (OPM Review: Suggested VfM Indicators for TMEA Strategy 2, 14th March 2019). That was a preliminary proposal based on partial review of relevant documents in order to respond to the 2018 AR recommendation in time for the April 2019 Committee meeting. Our general guidance and specific recommendations for Strategy 2 VfM indicators, reproduced in Annex K, remain unchanged, although we have cautioned on benchmarking costs on the basis of the experience of this VfM assessment.</p>	<p>Accepted. TMEA accepts the need to revise and improve the VfM indicators that it reports against. TMEA is broadly accepting of the indicators proposed by the evaluators in Annex K of the VfM Assessment but reserves the right to adapt the indicators based on its own investigations into the cost and availability of data.</p> <p>TMEA will include a revised approach to VfM measurement, including detailed indicators, in its MEL Strategy which will be approved by TMEA's Evaluation Committee and Council by July 2020.</p>	<p>Accepted. TMEA to implement. DFID will review proposed approach and indicators for Value for Money reporting in the MEL strategy by May 2020 as a member of the Evaluation Committee, and will provide advice to inform the Council's approval decision on this in July 2020.</p>
<p>2. Continue efforts to improve travel planning and control staff travel costs through good planning, use of videoconferencing, encouraging staff to undertake tasks for each other where possible, and regular review of spending against budgets, while recognising the value of face-to-face time for building important relationships. We understand that the TRIMS system, when implemented, will facilitate reporting and review of travel costs.</p>	<p>Accepted. TMEA continues to manage its travel budgets closely, which the VfM study confirmed had proportionately reduced over the lifetime of Strategy 1. All TMEA employees now have access to Skype for Business and Microsoft Teams, making it easier for staff to set-up their own video conferences without the need to access the TMEA corporate Polycom video conferencing system. TMEA will continue to promote the use of this software to staff with the objective of further reducing the need to travel. That said, geographic expansion will tend to increase travel costs at the same time.</p>	<p>Accepted. TMEA to implement.</p>

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Recommendation	TMEA Response	DFID Response
	<p>The introduction of new accounting software through the Trademark Resources Integrated Management System (TRIMS), due to be launched in April 2020, will further enhance TMEA's ability to set, monitor and report against staff travel costs. TRIMS will include budgets for travel in each project. In addition, Project Leaders will also need to approve travel expenditure under TRIMS which will exert further downwards pressure.</p>	
<p>3. Review the cap of 15% on personnel costs to ensure that it is appropriate in light of both downward pressures on salaries (the 50th percentile pay policy), and upward pressures on personnel costs (additional hires to strengthen lower levels of the organisation and bring key functions in-house, and greater compliance requirements from donors), since the beginning of Strategy 2.</p>	<p>Accepted, however the correct current cap is 14%. TMEA will undertake analysis on this and present some options during the July 2020 Board and Council cycle. Options will be informed by the revised Strategy 2 which is being presented at the same time.</p>	<p>Accepted. DFID will suggest that Board and Council review options. We will discuss this explicitly with other donors.</p>
<p>4. Develop clearer sight on fees paid to consultants. This should include introduction of guidance on fee rate negotiation for staff, keeping accurate and detailed records on fee rates actually paid (such as a central register of fee rates actually paid to all consultants), and regularly monitoring and reporting fee rates paid against the new KPI targets for different levels of experience for non-milestone contracts. For milestone contracts, as the use of these is increasing, TMEA should check that overall costs are in line with market rates, which may include verification of fees rates if included in the proposal. Consider if fee rates can be periodically benchmarked against data from comparator programmes, if DFID and/or other donors are able to give access to benchmarking data</p>	<p>Accepted. As part of its revised and improved approach to VfM monitoring, TMEA will develop a database of fees paid to consultants (by level of seniority) using data from each contract it lets. This data will be used to monitor and report on fee rate data at agreed intervals. TMEA will also develop guidance on fee rate negotiation for staff, including fee rate bands for junior, middle and senior level expert services procured. The bands set will also be benchmarked annually against an agreed set of comparator programmes to ensure that TMEA's guidance remains consistent with prevailing market rates. TMEA requests support from its donors in providing information on fee rates paid on programmes with a similar level of fiduciary risk, scale and compliance requirements.</p>	<p>Partially Accepted. TMEA to implement. DFID will continue to facilitate benchmarking data requests for comparator programmes, however the accessibility of the data is determined by the relevant data controller for the comparator programme. As a Board member, DFID will review the TMEA's proposed VfM approach to ensure it aligns with DFID's VfM framework and incorporates lessons learned from this evaluation.</p>

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Recommendation	TMEA Response	DFID Response
<p>(see recommendations for donors below). Given our difficulty accessing data from other programmes, we do not recommend that TMEA should spend time trying to get data themselves. In order for fair comparisons to be made, comparator programmes should be similar, for example managing a similar level of fiduciary risk, supporting effective delivery of a large number of projects, and responding to a high-level of compliance to donors.</p>	<p>TMEA will develop an approach paper incorporating the above components and seek approval from TMEA Board and Council in the July 2020 cycle.</p>	
<p>5. Continue to strengthen procurement practices by ensuring all staff involved in procurement follow guidance provided in training and comply with the 2018 revised regulations, for example by periodically analysing a sample of contracts and/or introducing periodic external audits of procurements. This should include checks that staff are conducting FRAs/DDAs before awards and DDEVs during project implementation, as set out in TMEA policies, including checks that partners and grantees are following acceptable procurement practices, broadly in line with those established by TMEA. We also recommend that TMEA review the upper limit of US\$5k for single source contracts and consider if it can be raised in order to reduce transaction costs without creating undue risk, allowing for exceptions on contracts that make a critical difference to other, higher cost activities/outcomes. The equivalent of DFID's upper limit of £25k for single source contracting in its Smart Rules (DFID, 2019:87) may be more appropriate.</p>	<p>Accepted. Corporate Services training (including procurement training) is delivered in each country office and at headquarters on an annual basis. This will be supplemented by on-line training to be developed as part of the Leadership & Management Development Programme which is currently being procured. TMEA will conduct further training on the revised procurement regulations for all staff by December 2020.</p> <p>TMEA already undertakes due diligence assessments on all procurements over \$150k as a matter of course, and carries out periodic checks on all partners and grantees to ensure that they are following procurement practices acceptable to TMEA. The Risk & Compliance Unit have started compliance checks of grants and will soon begin real-time compliance checks of larger procurement processes.</p> <p>TMEA is in the process of reviewing the upper limit of US\$5,000 for single source contracts and will present a proposal to TMEA Board to increase this to US\$30,000 at the March 2020 Board meeting.</p>	<p>Accepted. TMEA to implement. DFID will suggest Board consider changes.</p>

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Recommendation	TMEA Response	DFID Response
<p>6. Consider if timelines and budgets need to be more realistic on some projects, after assessment of institutional capacity of partners and potential political economy challenges, in order to improve delivery of outputs against workplan and budget, whilst ensuring partners are still challenged to stretch themselves.</p>	<p>Accepted. TMEA conducted a portfolio review in October 2019 which reviewed the shape of its portfolio by outcome area (1a, 1b and 2) and by country. This was to establish whether TMEA has: a) the right blend of projects to deliver the outcome level results it seeks to achieve in Strategy 2; and b) adequate financial resources allocated to its most important projects. Follow on work from this portfolio review exercise is ongoing and project budgets are being adjusted accordingly.</p> <p>With regards to timelines and results achievement, the annual review considers the output milestones set for each year, their achievement and the level of ambition. Based on the feedback from the annual review, TMEA programme teams can adjust timelines and targets up or down accordingly.</p>	<p>Accepted. TMEA to implement.</p>
<p>7. Continue to strengthen project M&E, delivery and reporting by providing guidance and support to staff and partners on assessing and reporting progress, ensuring that responsibilities for quality assurance of progress reports are clear among TMEA staff, and periodically analysing a sample of reports to ensure that stipulated reporting requirements are met. Ensure that information from partners is of the right type and quality to enable TMEA to identify underperforming projects, intervene where appropriate to get projects on track, and terminate projects that are unlikely to meet their objectives, so that resources can be reallocated to more promising interventions for greater leverage.</p>	<p>Accepted. Through the Programme Delivery Unit and the Results Team, TMEA already carries out quality assurance on project progress reports even after they have been reviewed by Project Leads and Country Directors. We agree that the challenge is in building the capacity of programme staff and partners to produce high quality data and reports consistently. To action this recommendation, TMEA commits to the following:</p> <p>a. Delivery of updated Project/Programme Cycle Management (PCM) and MEL training to all TMEA staff and key partners over the course of 2020. This training will include elements on strengthening all parts of design, appraisal and monitoring of projects, including VfM. Embedding gender and equity considerations</p>	<p>Accepted. TMEA to implement. DFID welcomes the measures which TMEA has committed to introduce in response to this issue.</p>

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Recommendation	TMEA Response	DFID Response
	<p>in project design and implementation will also feature in the training.</p> <p>b. Introduction of strategic review sessions for each programme which will assess the progress of projects and targets at several points during an annual cycle. These will be held at several levels to track outputs quarterly, outcomes 2x per year and an annual overall portfolio review. This will enable TMEA management and implementation staff to assess the quality of data emerging on projects' progress and make decisions on whether to continue to invest or reallocate resources to projects with greater potential for delivering results.</p>	
<p>8. Strengthen VfM appraisal during project design and VfM monitoring during project implementation by ensuring that TMEA staff receive adequate training and guidance, and by providing guidance and support to projects on VfM measurement and monitoring. VfM reporting should be commensurate with the value and complexity of projects, with minimal requirements on lower value and less complex projects, and greater requirements for projects of higher value, complexity and strategic importance.</p>	<p>Accepted. As part of the updated PCM/MEL training outlined in the management response to recommendation #7, TMEA will build the skills of project design and implementation staff to better appraise VfM and monitor it during project implementation. The recommendation on VfM reporting being commensurate with the value and complexity of projects is also accepted. As part of the MEL strategy, to be approved by June 30th, 2020, TMEA will develop a high, medium, low (or equivalent) approach to VfM reporting linked to projects' value, complexity or strategic importance. This will propose a minimum of core VfM indicators which must be reported for each level of project.</p>	<p>Accepted. TMEA to implement. DFID will review proposed approach and indicators for VfM reporting in the MEL strategy by May 2020 as a member of the Evaluation Committee, and will provide advice to inform the Council's approval decision on this in July 2020. We will discuss this explicitly with other donors.</p>
<p>9. Develop a more explicit portfolio-based approach to project appraisal, in agreement with donors, which identifies the trade-offs in the selection of potential projects (for example, forecasts of high returns on investment and the need to take</p>	<p>Accepted. TMEA welcomes this recommendation, and already takes this portfolio-based approach to project appraisal. The risks around potential return on investment are thoroughly reviewed and debated during the PAR development and approval process. TMEA</p>	<p>Accepted. TMEA to continue implementing.</p>

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Recommendation	TMEA Response	DFID Response
<p>into account political considerations, including political feasibility and the political capital that may be built by assisting national governments to meet their priorities) and recognises that in an adaptive portfolio-based approach, with an agreed framework for risk, some investments will fail to generate expected results and returns on investments.</p>	<p>accepts that the process for reviewing risk-reward could be improved by issuing clearer guidance and further documentation within the PAR process.</p>	
<p>10. Seek to improve in-house capacity to undertake and interpret CBAs so that they can be reviewed and updated as needed. CBAs should be used as part of the process of appraising options to inform resource use among sets of alternative interventions. Having in-house capacity would allow TMEA to periodically review forecasts and assumptions as new data become available, as recommended in ICAI's 2018 Review of DFID's Approach to Value for Money. We understand the Impact Model has been designed to facilitate active staff engagement with CBAs during Strategy 2.</p>	<p>Accepted. As part of its improved risk-reward guidance, TMEA will include stipulations on how and when cost-benefit analysis (CBAs) should be undertaken and how they should be used to inform investment decisions. TMEA has used CBAs to appraise high investment or important projects since its inception in 2010, but accepts that more can be done to strengthen the guidance and expectations on their application in making investment decisions. For example, TMEA may institute a CBA requirement in PARs for projects over a certain level of funding (discussion in process). This guidance will be included as part of the revised VfM approach included in the MEL Strategy to be approved in 2020. Regarding in-house capacity, the George Wolf Model (previously named IMPACT model) provides TMEA with a CBA module enabling it to conduct its own CBAs. 'Champions' within each programme team have already been trained on the use of the model with further training to follow in 2020. TMEA will also strategically consider its in-house resources for CBAs to be carried out in a more systematic way.</p>	<p>Accepted. TMEA to implement. DFID will review proposed guidance on CBAs in the MEL strategy by May 2020 as a member of the Evaluation Committee, and will provide advice to inform the Council's approval decision on this in July 2020.</p>
<p>11. Ensure that Strategy 2 MEL systems and tools, including the ToC, RF and MIS, are designed and used to provide timely and reliable information for accurate results measurement and decision-making,</p>	<p>Accepted. The revised MEL Strategy referenced in the responses to the previous recommendations will set out TMEA's approach to this. Furthermore, the introduction of new technology through the Results module in</p>	<p>Accepted. TMEA to implement. DFID will review the MEL Strategy and the elaborated theories of change and associated documents by May 2020 as a member of the Evaluation Committee, and will provide advice to inform the Council's</p>

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Recommendation	TMEA Response	DFID Response
<p>enabling synthesis of results at portfolio level, periodic review of progress against higher-level objectives, and adjustments to projects and portfolios to ensure that outcomes are likely to be met. Improved results measurement and recording during Strategy 2 will also help TMEA, and other evaluators, to better substantiate the achievement of lower level outcomes and contribution to higher level outcomes, including effects on poverty reduction and distributional effects (see more under equity recommendations). We understand that improvements to the MEL strategy and results measurement are being made in response to the OPM evaluations. The OPM Performance Evaluation (2019) provides concrete recommendations for further improving the ToC, RF, and results measurement.</p>	<p>TradeMark Resources Integrated Management System (TRIMS) will enable better aggregation and synthesis of results at the portfolio level. As mentioned in recommendation #2, TMEA is aiming to introduce elements of TRIMS from April 2020 with the results module likely to be operational from June 2020. Please see TMEA's management responses to the Performance Evaluation for further detail on how changes to the TOC, RF and results measurement will be actioned.</p>	<p>approval decision on this in July 2020. We will discuss this explicitly with other donors.</p>
<p>12. Strengthen programme VfM monitoring and reporting by developing guidance and training on VfM for staff, adopting an explicit set of VfM criteria and standards as a basis for making explicit and transparent evaluative judgements, including evidence on results-focused indicators (effectiveness, cost-effectiveness and equity), using qualitative evidence to improve management of underlying drivers, determining appropriate reporting frequency on different VfM metrics, and ensuring that lessons learned and actions to improve VfM are identified and implemented (and see further information in Annex K on recommendations for strengthening TMEA's VfM assessment and reporting during Strategy 2). Embed attention to VfM measurement throughout the</p>	<p>Accepted. TMEA sees overlap between this recommendation and recommendations #7, #8 and #10 above. The responses to those recommendations have applicability here.</p>	<p>Accepted. TMEA to implement. DFID will review proposed approach and indicators for Value for Money reporting in the MEL strategy by May 2020 as a member of the Evaluation Committee, and will provide advice to inform the Council's approval decision on this in July 2020. We will discuss this explicitly with other donors.</p>

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<p>organisation by ensuring programme-level VfM is highlighted in TMEA's PCM guidelines, giving greater prominence to VfM in PAR guidance, and integrating data on results-focused indicators from the MEL system into VfM reporting. The TRIMS system, once in place, should help with reporting VfM by bringing information on results and costs together in one system; the lack of integration of the MIS and Navison system in Strategy 1 made reporting on costs by outcome a challenge (Deloitte Due Diligence Assessment, 2017:37).</p>		
<p>13. Use the findings of the OSBP cost-effectiveness assessment to inform future investments at OSBPs. The assessment shows that investments are likely to be most worthwhile, and better VfM, where transit times are high to start with (so that a noticeable improvement can be made), and where throughput is high, or expected to be high after investment. The latter should be carefully considered given TMEA's experience at Kagitumba/Mirama Hills, as users may not always behave as expected. The opportunity to build political capital and support for trade reforms more broadly by helping political leaders to show high visibility results may also inform OSBP investment decisions.</p>	<p>Accepted. The option to work only on the highest throughput OSBPs is not always open to TMEA. If the highest throughput OSBPs are selected for improvement by other donors, TMEA often will work on other border crossings identified by host governments as strategically important and in need of support. These factors are also important alongside anticipated throughput volumes. TMEA will continue to assess OSBP locations against transit time and throughput criteria in future as it has done in the past, and will take a more bespoke approach. For example, we will consider ways for modular infrastructure at lower-traffic OSBPs to manage cost in line with growth as it occurs.</p> <p>It should be noted, that traffic volumes at Kagitumba/Mirama Hills have increased very substantially over the last year, providing a strong basis to expect enhanced value for money from this investment.</p>	<p>Accepted. TMEA to implement.</p>
<p>14. Consider using breakeven analysis periodically during Strategy 2, using information provided in the Impact Model, to</p>	<p>Accepted. In line with the response on improving CBA use in recommendation #10, TMEA will strategically consider its in-house competencies</p>	<p>Accepted. TMEA to implement.</p>

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Recommendation	TMEA Response	DFID Response
<p>monitor progress towards breakeven point under different scenarios. Breakeven analysis provides a useful and relatively easy check, using limited data, on the value of the benefits created by the programme relative to the value of the investment at any given point in time. If breakeven analysis is considered useful by TMEA and donors, agreement should be reached on an appropriate date by which Strategy 2 can be expected to break even.</p>	<p>and needs to conduct periodic breakeven analysis. The points in Strategy 2 when this will be conducted and the timeline over which the breakeven analysis will stretch will be set out in TMEA's MEL Strategy to be approved in July 2020.</p>	
<p>15. Seek ways to improve the likelihood of sustaining Strategy 1 outcomes and ensuring Strategy 2 outcomes will be sustained by assessing the risks to sustainability outlined in the OPM evaluations, and putting plans in place to manage and mitigate those that are judged to threaten the sustainability of the outcomes achieved. This might include, for example: continuing work to ensure ownership and commitment among partner governments to maintain hard infrastructure investments, avoid reversal of important reforms, and institutionalise new practices through continued capacity-building and transfer of skills for new staff; helping to strengthen the institutional capacity of PSOs and CSOs to effectively absorb funds and implement projects; ensuring transmission of information to populations situated on and around borders about free trade across borders; and strengthening the ability of firms in the region to improve best practice and adopt stronger standards, and to innovate and compete with firms from the rest of the world.</p>	<p>Partially Accepted. This is a broad and far reaching recommendation which is hard for TMEA to formulate a concrete response to. Through its ongoing engagement with its partners TMEA works to ensure sustainability of Strategy 1 outcomes. This includes working with revenue authorities and border management committees at OSBPs to ensure that there is a plan for maintenance upon handover; furnishing women cross-border traders with knowledge of the EAC simplified trade regime so that they can trade freely and safely for years to come; and supporting firms to export through supporting them to obtain standards certification. However, TMEA is not in a position to halt the reversal of important reforms or support firms to innovate to compete with the rest of the world. While TMEA is a recognised and capable institution in the region with a keen focus on ensuring the gains it has contributed to sustain, it is not omnipotent.</p>	<p>Accepted. TMEA to implement.</p>

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Recommendation	TMEA Response	DFID Response
<p>16. Continue to seek ways to ensure women and African nationals have access to equal opportunities at senior levels of the organisation and monitor the gender and national composition of the workforce in senior positions and the gender pay gap. We suggest that TMEA can seek to further increase the proportion of African nationals in senior management positions as a way to nurture local leadership in the sector, while recognising that it has been difficult to identify suitable candidates. This could be done internally, by identifying and providing additional support to individuals with senior management potential, and externally, by ensuring open positions are advertised widely in forums that are likely to reach potential female and African candidates. Ensure that the Diversity team has the resources and voice to strengthen diversity and inclusion policies and practices. Undertake periodic surveys to assess staff perceptions of the organisation's sensitivity to gender and equity.</p>	<p>Accepted. TMEA is already undertaking most of the actions recommended here, which the report does not capture. Forty percent of TMEA's senior leadership team are African nationals, and 45% of the combined senior leadership and management team (which includes the CEO, DCEOs and Senior Directors) are African nationals. There is also strong representation at Director grade in TMEA with 24 of the 28 Directors being African nationals. And in recent recruitment of new Senior Directors, all three positions were filled from TMEA's Director pool with two of the three successful candidates being African nationals. TMEA prides itself on its ability to identify and nurture African talent from within and believes this is reflected in the statistics quoted above. In 2020 we are beginning to implement management and leadership trainings and we have inbuilt succession plans. All Senior Director and above positions in TMEA are advertised competitively and openly in local and regional press, on TMEA's website and on other open websites including Linked-In. TMEA also has a policy where 40% of all shortlisted candidates for any senior level position must be women. Finally, the diversity team continues to be led by the CEO, ensuring its profile and resources. Gender and equity were key themes at the bi-annual TMEA staff retreat in December 2019 with feedback gathered from employees on actions TMEA can take to be more inclusive.</p> <p>A diversity survey was undertaken recently, and the findings will be analysed in detail before recommendations are developed.</p>	<p>Accepted. TMEA to implement.</p>

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Recommendation	TMEA Response	DFID Response
<p>17. Continue efforts already started in Strategy 2 to ensure that gender and equity considerations become fully embedded in TMEA programming and are integral to organisational identity. Ensure that the SIT team has the resources to build staff capacity to mainstream gender and equity across projects and to use the tools available to them. Monitor the use of new processes and tools introduced during Strategy 2 and how effective they are at improving mainstreaming and continue to refine the support available to staff as needed. This includes working with partners to help them to recognise the importance of gender mainstreaming and build capacity to mainstream gender in project design, implementation, M&E (including collection and analysis of sex-disaggregated data) and reporting.</p>	<p>Accepted. TMEA takes gender and equity considerations seriously and is committed to mainstreaming in all projects where it is possible to do so. TMEA is drafting a new gender strategy which will be finalised in the first quarter of 2020, and will set out how TMEA will support gender mainstreaming across the organisation. We are also proposing to our Board a full-time Gender Director position. Within the MEL Strategy, TMEA also commits to disaggregating all data by gender where its possible to do so, and to use this information to make decisions on how to adapt projects to be more inclusive. Building the capacity of partners to mainstream gender is a longer-term endeavour but one which TMEA is committed to developing. Gender mainstreaming will feature as part of the combined PCM/MEL training for partners noted in the response to recommendation #7 above.</p>	<p>Accepted. TMEA to implement. DFID will engage with TMEA to review and refine the new draft gender strategy as necessary with input from DFID gender specialists in early 2020.</p> <p>DFID will review the proposed approach to gender and disaggregation in the MEL strategy by May 2020 as a member of the Evaluation Committee, and will provide advice to inform the Council's approval decision on this in July 2020. We will discuss this explicitly with other donors.</p>
<p>18. Work with donors to develop a clear position on the role TMEA is expected to play in relation to the potential negative effects of its interventions on vulnerable groups. This would involve reaching consensus as to whether TMEA should systematically monitor negative effects through project reports and/or its own data collection and work with projects to ensure they adopt measures to mitigate negative effects, and whether TMEA should be directly involved in implementing mitigation measures to protect such groups. If TMEA is to have a more proactive roles than it did in S1, it is essential to ensure that it has the resources needed to follow through on its remit.</p>	<p>Accepted. TMEA recognises and embraces the need to mitigate the potential negative effects of its interventions on vulnerable groups. TMEA will track and raise potential negative effects caused by changes in the pattern of trade with its stakeholders and donors. TMEA will discuss and agree with DFID in April 2020 the role TMEA is expected to play in this regard.</p>	<p>Accepted. DFID will work with TMEA, the Board and Council to consider the extent to which negative impacts should be monitored. We will discuss this explicitly with other donors.</p>

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Recommendation	TMEA Response	DFID Response
<p>19. Assess whether further improvements can be implemented at OSBPs to ensure that individuals with a range of physical and sensory impairments are able to navigate the border posts. This may include making signs available in braille, installing audio instruction mechanisms, and ensuring that border post staff receive guidance on assisting traders with physical and sensory impairments.</p>	<p>Partially Accepted. TMEA is open to exploring this recommendation with new OSBPs which are yet to be constructed and handed over to the revenue authorities and border authorities. TMEA and donors will need to recognise additional costs implications and determine resources. For those from Strategy 1 which have already been handed over to the authorities, it will now be their responsibility to fit the recommended modifications, although TMEA can make the recommendation to them.</p> <p>Please see response to Recommendation #1 of the Poverty and Gender Impact Study describing research already begun.</p>	<p>Accepted. DFID sees this as a valuable recommendation for strengthening disability inclusion under Strategy 2 and will use our role to encourage TMEA to adopt it for new OSBPs and subsequently to monitor the accessibility of new OSBPs.</p>
<p>20. Develop explicit strategies to help smaller businesses and producers benefit from trade facilitation. This includes ensuring that projects align with the priorities and capabilities of smaller producers, and ensuring that new systems and processes, and capacity-building initiatives, are appropriate for small business owners, including those that are not computer literate or do not speak dominant languages.</p>	<p>Accepted. Through its export capability, women in trade and trade logistics cluster programmes TMEA will ensure that explicit strategies are developed which help smaller business and producers benefit from trade facilitation. This is an ongoing process.</p>	<p>Accepted. TMEA to implement.</p>
<p>21. Use data collected through household surveys (if approved) and the poverty and gender indicators in the Impact Model and the Gender Results Framework to monitor the shorter-chain effects posited to come about as a result of trade facilitation in households on and near the trade corridors and in households in tradeable sectors, while recognising that effects on poverty reduction, especially among the poorest, will require</p>	<p>Accepted. TMEA will build the points raised in this recommendation into its MEL Strategy. The MEL Strategy will set out the data and research priorities for the whole organisation, including how they relate to gender and inclusion.</p>	<p>Accepted. TMEA to implement. DFID will review the proposed approach to gender and inclusion in the MEL strategy by May 2020 as a member of the Evaluation Committee, and will provide advice to inform the Council's approval decision on this in July 2020.</p>

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Recommendation	TMEA Response	DFID Response
<p>time to materialise. This information may be supplemented by further studies, which could be commissioned rather than undertaken by TMEA, such as those recommended in the OPM Poverty and Gender Impact Study (2019) (for example, investigation of the distribution of benefits of trade within the agriculture sector and examination of the distributional benefits of trade by sector of employment and wealth level). Such data would make a valuable contribution to the evidence base on the links between trade facilitation and poverty reduction.</p>		
Recommendations for DFID and other donors – We will discuss explicitly with other donors.		
<p>22. Consider ways to facilitate access to data from other similar programmes that can be used for benchmarking costs such as consultant fees, travel, and indirect costs. This could be data reported anonymously for a panel of suitable comparators funded by donors which are willing to share data.</p>	<p>Accepted. TMEA will welcome access to such data.</p>	<p>Partially Accepted. DFID will continue to facilitate benchmarking data requests for comparator programmes, however the accessibility of the data is determined by the relevant data controller for the comparator programme. Given the commercial sensitivity of DFID’s benchmarking data we cannot proactively share comparator data for individual programmes for wider use as it is potentially disclosive. We are unable to provide this more granular data to TMEA by individual arrangement as this creates a potential unfair advantage for organisations competitively bidding for other DFID programmes. We will discuss this explicitly with other donors.</p>

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Recommendation	TMEA Response	DFID Response
<p>23. Seeks ways in which reporting requirements and evaluations can be better coordinated and harmonised across donors, to reduce the time and indirect costs associated with compliance incurred by TMEA and other multi-donor programmes. See further recommendations on donor coordination in the OPM Performance Evaluation (2019).</p>	<p>Accepted. TMEA undergoes multiple and often overlapping audits, evaluations and annual reviews. While this is recognised and accepted as necessary due to the size and scale of TMEA, anything which can be done to further streamline the burden this places on the organisation is welcomed. TMEA will pro-actively engage with its major donors on streamlining efforts in the first half of 2020, including a planned session with DFID in April 2020.</p>	<p>Accepted. DFID is committed to aligning more closely to a coordinated evaluation approach across donors and TMEA under Strategy 2. DFID does not intend to commission separate independent evaluation of TMEA Strategy 2. It is working closely with TMEA and other donors through the Evaluation Committee to ensure a robust strategy for coherent Monitoring, Evaluation and Learning for Strategy 2 for approval by July 2020.</p> <p>TORs and membership for the Evaluation Committee have been strengthened for 2020 onwards to ensure it can provide independent challenge and technical oversight of the quality of independent evaluations commissioned through TMEA for Strategy 2. This will include 1-2 independent members of the Evaluation Committee representing technical, African-based expertise.</p>
<p>24. Work with TMEA to develop an explicit portfolio-based approach to project appraisal which recognises trade-offs between projects which are forecast to generate high returns on investment and the need to take into account political considerations, including political feasibility and the political capital that may be built by assisting national governments to meet their priorities. Ensure that the Board has clear sight over the balance struck on different investment decisions, and recognises that in an adaptive portfolio-based approach, with an agreed framework for risk, some investments will fail to generate expected results and returns on investments.</p>	<p>Accepted. Please see TMEA response to recommendation #9 above.</p>	<p>Accepted. As a member of TMEA's Board and Programme Committee DFID will continue to monitor the development and implementation of TMEA's portfolio of projects during Strategy 2, alongside the oversight by the National Oversight Committees.</p>

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Recommendation	TMEA Response	DFID Response
<p>25. Work with TMEA to ensure that high quality CBAs (or other forms of economic evaluation) are used to inform programme decision-making and assess resource use among sets of alternative interventions.</p>	<p>Accepted. Please see TMEA response to recommendations #10 and #14 above.</p>	<p>Accepted. TMEA to implement. DFID will continue to advocate at TMEA Board for increased use of high quality Cost Benefit Analyses to inform value for money assessments at project and portfolio level by TMEA.</p>
<p>26. Consider ways to facilitate and strengthen TMEA's ability to function as an adaptive organisation by enabling appropriate changes to be made to the RF during implementation, while avoiding downward modification of targets due to anticipated or actual poor performance. Ensure all modifications, and reasons for modifications, are justified and recorded.</p>	<p>Accepted. Greater flexibility in making changes to the results framework will be welcomed by TMEA.</p>	<p>Accepted. DFID to suggest Council consider this recommendation in July 2020.</p> <p>DFID will use its role on the TMEA Evaluation Committee to consider and recommend Council approval of changes to the results framework where appropriate during implementation of Strategy 2, with modifications and justification recorded.</p>
<p>27. Consider ways to facilitate and strengthen TMEA's ability to function as an adaptive organisation by providing a higher proportion of unallocated funding or putting mechanisms in place to allow appropriate and streamlined reallocation of funds.</p>	<p>Accepted. TMEA will welcome greater flexibility in the way it can invest allocated funding.</p>	<p>Partially accepted. DFID is supportive of a flexible and adaptive approach through developing mechanisms that allow appropriate and streamlined reallocation of funds. A paper on the mechanisms and thresholds for budget reallocations was approved by the Board in September 2019. DFID is unable to provide a higher proportion of unallocated funding for TMEA Strategy 2 due to the reporting and assurance requirements.</p>
<p>28. Work more closely with TMEA to ensure that accurate results measurement is occurring during Strategy 2, and ensure that adequate resources are earmarked for results measurement. to help monitor progress against higher level objectives, and allow timely course corrections. This should include monitoring of indicators in the Impact Model and Gender RF and possibly commissioned studies, such as those recommended in the OPM Poverty and Gender Impact study (2019), to help elucidate</p>	<p>Accepted. Please see TMEA responses to recommendations #11 and #21 of this VFM Assessment and to recommendations #4 and #8 in the Poverty and Gender Impact Study above.</p>	<p>Accepted. TMEA to implement. As part of the refresh of DFID's Due Diligence Assessment of TMEA by December 2020 DFID will review the resourcing of TMEA's corporate teams, including for results measurement.</p> <p>Please see DFID responses to recommendations #11 and #21 of this VFM Assessment and to recommendations #4 and #8 in the Poverty and Gender Impact Study above.</p>

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Recommendation	TMEA Response	DFID Response
<p>the causal links between trade facilitation, economic growth, poverty reduction, and distributional effects among different groups.</p>		
<p>29. Develop a clear position with TMEA on the role TMEA is expected to play in relation to the potential negative effects of its interventions on vulnerable groups. This would involve reaching consensus as to whether TMEA should systematically monitor negative effects through project reports and/or its own data collection and work with projects to ensure they adopt measures to mitigate negative effects, and whether TMEA should be directly involved in implementing mitigation measures to protect such groups. It is essential to ensure that TMEA has the resources needed to follow through on its remit</p>	<p>Accepted. Please see TMEA response to recommendation #18 above.</p>	<p>Accepted. DFID agrees with the need to assess potential negative effects and ensure the appropriate mitigation actions are implemented in consultation with government and civil society partners in East Africa. (see also Poverty and Gender Impact Study recommendation #2).</p> <p>DFID's Africa Regional Department and Country Offices providing funding for Strategy 2 will discuss and agree DFID's expectations for TMEA's role in relation to potential negative effects on vulnerable groups, and communicate this to TMEA by May 2020.</p>