An Independent Evaluation of the World Bank’s Support of Regional Programs

Case Study of the Africa Regional Trade Facilitation Project

John Eriksson

Director-General: Vinod Thomas
Director: Ajay Chhibber
Manager: Victoria Elliott
Task Manager: Catherine Gwin

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Contact:
Independent Evaluation Group
Knowledge Programs and Evaluation Capacity Development (IEGKE)
e-mail: eline@worldbank.org
Telephone: 202-458-4497
Facsimile: 202-522-3125
http://www.worldbank.org/ieg
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Acronyms

AFR  Africa Region
AGF  African Guarantee Facility
ATIA African Trade Insurance Agency
CAS  Country Assistance Strategy
CEO  Chief Executive Officer
COMESA Common Market for Southern and Eastern Africa
CUO  Chief Underwriting Officer
ECA  Europe and Central Asia Region
ECOWAS Economic Community of West African States
ESA  Eastern and Southern Africa
EU   European Union
IDA  International Development Association
MIGA Multilateral Investment Guarantee Agency
MTR  Mid-Term Review
NEPAD New Economic Partnership for African Development
PAD  Project Appraisal Document
PHRD Policy and Human Resources Development
QAG  Quality Assurance Group
RTFP Regional Trade Facilitation Project
TAC  Technical Advisory Committee
Preface

EVALUATION OBJECTIVES AND METHODOLOGY

1. This review of the Regional Trade Facilitation Project (RTFP) is one of 19 reviews undertaken as part of an independent evaluation by the Independent Evaluation Group (IEG) of the effectiveness of World Bank support for multicity regional programs over the past 10 years (1995–2004). Twelve of the reviews, including this RTFP assessment, are desk reviews; the other seven reviews are in-depth field studies.

2. The review draws on core program documentation as well as program progress reports, related Bank country assistance strategies, and interviews with key Bank staff. In addition, the evaluation team conducted a group interview with African Trade Insurance Agency management in Nairobi, Kenya, June 30, 2005. See Annexes D and E, respectively, for a list of people consulted and references.

3. The purpose of this case study is to evaluate the relevance, effectiveness, and efficiency of the RTFP in achieving its development objective, as well as the adequacy of World Bank support. There have been some limitations in assessing the RTFP because although there a Quality of Entry Review was undertaken by the Quality Assurance Group in 2001, no commissioned or independent implementation evaluations had been undertaken at the time of this review. A formal Mid-Term Review, originally planned for 2004, then rescheduled to December 2005 and March 2006, was held in May 2006.

EVALUATION CRITERIA

4. The 19 reviews use the IEG evaluation criteria of relevance, efficacy, and efficiency. In addition, they assess the Bank’s performance and examine the performance of the regional program’s participating countries. The key evaluative questions addressed under these criteria—designed to deal with the special characters of multicity programs—are as follows.

Relevance

• Subsidiarity: To what extent is the program being addressed at the lowest level effective, and either complements, substitutes for, or competes with Bank country or global programs?
• Alignment: To what extent does the program arise out of a regional consensus, formal or informal, concerning the main regional challenges in the sector and the need for collective action? To what extent is it consistent with the strategies and priorities of the region/subregion, countries, and the Bank?
• Design of the regional program: To what extent is program design technically sound, and to what extent does it take account of different levels of development and interests of participating countries, foster confidence and trust among participants necessary for program implementation, and have clear, monitorable objectives?
Efficacy

• **Achievement of objectives:** To what extent has the program achieved, or is it likely to achieve, its stated objectives, including its intended distribution of benefits and costs among participating countries?
• **Capacity building:** To what extent has the program contributed to building capacities at the regional and/or participating country levels?
• **Risk to outcomes and impact:** To what extent are the outcomes and impacts of the program likely to be resilient to risk over time? To what extent have the risks to project outcomes been identified and measures to mitigate them been undertaken?
• **Monitoring and evaluation:** Has the program incorporated adequate monitoring and evaluation processes and taken account of available findings?

Efficiency

• **Efficient use of resources:** To what extent has the program realized, or is it expected to realize, benefits by using reasonable levels of time and money?
• **Governance, management, and legitimacy:** To what extent have the governance and management arrangements clearly defined key roles and responsibilities; fostered effective exercise of voice by program participants and coordination among donors; contributed to or impeded the implementation of the program and achievement of its objectives; and entailed adequate monitoring of program performance and evaluation of results?
• **Financing:** To what extent have financing arrangements affected positively or negatively the strategic direction, outcomes, and sustainability of the program?

World Bank’s Performance

• **Comparative advantage and coordination:** To what extent has the Bank exercised its comparative advantage in relation to other parties in the project and worked to harmonize its support with other donors?
• **Quality of support and oversight:** To what extent has the Bank provided adequate strategic and technical support to the program, established relevant linkages between the program and other Bank country operations and an appropriate disengagement strategy for the program, and exercised sufficient oversight of its engagement?
• **Structures and incentives:** To what extent have Bank policies, processes, and procedures contributed to, or impeded, the success of the program?

Participating Countries’ Performance

• **Commitments and/or capacities of participating countries:** How have the commitments and/or capacities of participating countries contributed to or impeded the success of the program? Have one or more countries exercised a primary leadership role?
• **Program coordination within countries:** To what extent have there been adequate linkages between the regional program’s country-level activities and related national activities?
Executive Summary

Background

1. Public and private sector leaders in Eastern and Southern Africa view expansion of the private sector as an essential ingredient for sustained economic growth and poverty reduction. Limited access to finance for cross-border intra- and extraregional trade is thought to be a constraint on private sector–led growth. Assessments have pointed to high levels of political risk resulting from fluctuating and arbitrary government policies, war, and civil commotion as one obstacle to the needed financing, and they have called for official action to overcome a shortage of political risk insurance in the region. Although this kind of insurance is readily available worldwide, it is practically nonexistent for trade within Africa because private insurers either will not provide coverage or they charge exorbitant premiums. In response, government members of the Common Market for Eastern and Southern Africa (COMESA)\(^1\) created the Africa Trade Insurance Agency (ATIA) in 1997, with technical support from the World Bank.

Program Summary Description

2. In 2001, the World Bank launched the Regional Trade Facilitation Project (RTFP) to provide funding to ATIA and its seven founding countries—Burundi, Kenya, Malawi, Rwanda, Tanzania, Uganda, and Zambia. Specifically, RTFP provided an International Development Association (IDA) credit of $5 million to ATIA to cover its operating expenses for an initial two years, and separate IDA credits to each of the seven countries to be used by ATIA to supply short- and medium-term (up to three years) political risk insurance to domestic and foreign firms that export and import within and outside the subregion. These country credits, which varied in size according to each country’s per capita income and expected demand, amounted in total to $105 million. In 2005, IDA provided another $5 million to ATIA, credits of $10.9 million to two new members (Democratic Republic of Congo, $10 million and Madagascar, $0.9 million), and a second credit of $7.5 million to Burundi. Liberia was accepted as a tenth ATIA member at the December 2005 General Assembly meeting. RTFP is expected to continue until 2011.

Rationale for the Regional Program

3. RTFP’s focus on impediments to private sector growth is relevant, and the project has received expressions of strong support from senior government officials of the seven founding member countries. The strongest argument for the project’s regional approach is its potential for efficiency gains, which derive from having a single agency, rather than individual country ones, as the provider of trade-related insurance, especially in the context of scarce underwriting skills within the participating countries.

\(^1\) COMESA played an important legitimizing and policy-making role in laying the foundation for ATIA by serving as an interlocutor among member governments and an “incubator” role by sponsoring and assisting ATIA at the early stages. It is still an active ATIA board member.
4. But the project substantially overestimated the demand for political risk insurance. Most regional private sector agents have emphasized that market demand for short-term trade insurance is more concerned with commercial than political risk. So the linkage between political risk insurance and needed trade financing was tenuous at best.

Quality of Design and Implementation

5. While ATIA has offered solely short-term and medium-term political risk insurance to importing and exporting firms, its design anticipated that the political risk cover would be combined with short-term commercial risk insurance provided by private agents. This scheme drew from the experience of similar Bank-funded projects in Eastern Europe, which started covering only political risk and expanded to commercial risk insurance and other products. The same trajectory was envisioned for ATIA as it became financially sustainable. But the following design weaknesses, which became apparent in the initial years of implementation, prevented ATIA from progressing to that point.

- **Faulty product mix.** The project design assumed there would be substantial demand for relatively short- and medium-term political risk insurance offered by ATIA and that ATIA would team up with an international private insurance broker that would offer commercial risk insurance. But demand for short-term political cover was lower than anticipated and the private firm that partnered with ATIA opted out of issuing commercial risk insurance to firms located in Africa. This left ATIA restricted to offering a product of limited relevance.

- **Limited financial structure.** Until recent favorable restructuring decisions, ATIA was not authorized to pool IDA credit proceeds as risk capital, thereby not providing it the leverage to mobilize additional capital from the private sector as well as the ability to reinsure or to directly offer commercial risk insurance.

- **Reliance on promotion by the public sector.** The RTFP design called for ATIA liaison offices attached to government ministries; these offices were not effective promoters of ATIA among the private sector.

- **Noninclusion of some major exporting countries** in the subregion—for example, South Africa.

Program Achievements

6. ATIA’s performance against its principal objective of improving access to financing for intra- and extraregional trade has fallen short of the original projection. The issuance of political risk insurance policies by ATIA has been considerably lower than projected (with the exception of Burundi). As a result, the agency did not reach self-sufficiency in terms of premium income covering operating expenses by 2003 as originally envisaged. In fact, the total net deficit increased in 2004 to $1.3 million from

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2 ATIA General Assembly and Board of Directors (December 2005), and the World Bank Board of Executive Directors (December 2006). The Bank’s Board also approved the consolidation of the individual IDA credits into a single regional project.
$1.2 million in 2003. Lower than estimated demand for political risk insurance and the inability to identify a partner willing and able to carry through on a commitment to issue commercial risk insurance to African private sector entities are two main reasons for this weak performance. Another reason is the long delays and poor choices in the initial hiring of the Chief Executive Officer (CEO) and Chief Underwriting Officer (CUO). Weak marketing efforts and reliance on public sector agents in member countries are other reasons.

7. A substantial financial turnaround occurred when during the first nine months of 2005 ATIA experienced a net surplus of $408,826, in contrast to a deficit of $723,266 for the same period in 2004. This improvement was the result of three factors unrelated to ATIA’s insurance sales performance: a) a sharp rise in finance income, as opposed to premium, revenues—namely, more than a 170 percent increase in interest income earned on reserves; b) a substantial write-back of staff contingency liabilities; and c) a significant reduction in some expenditure items, including not incurring salary expenses of the then vacant CEO and CUO positions. Net underwriting income actually fell over the same period by more than half, from $392,754 to $177,330.3 This disappointing operating performance occurred in spite of more aggressive marketing efforts by ATIA, greater utilization of private sector agents, performance targets for premiums, and an acceleration of inquiries.

8. Three major actions undertaken and approved by the General Assembly and Board of Directors during the last half of 2005 are critical to ATIA’s ability to reverse the direction of its operating income performance and its prospects for sustainability:

- The hiring of a new CEO and CUO
- The decision to expand ATIA’s product mix to commercial risk insurance
- The agreement by countries to restructure ATIA to permit conversion of their IDA credits into pooled equity capital for the agency.4

9. In view of ATIA’s performance thus far, it is not possible to predict the sustainability of the program’s outcomes and impacts. While ATIA has recently generated sufficient income to meet its budget, this is mainly the result of interest earnings on its assets and other factors that cannot be counted on to continue. In the meantime, net underwriting income declined by more than half from the first three-quarters of 2004 to the same period in 2005. Long-term, ATIA’s financial sustainability depends on the success of the restructuring effort and the effectiveness of new management.


4 African Trade Insurance Agency, Resolutions Adopted by the Special General Assembly, Nairobi, December 9, 2005, Resolution 4. The latter measure will permit mobilizing additional capital from the private sector as well as the ability to reinsure. Interview with MIGA staff member, January 26, 2006. As noted previously, the Bank’s Board of Directors approved this restructuring in December 2006.
Effectiveness of World Bank Performance

10. The Bank played an instrumental role in shaping the ATIA and getting it off the ground. But its early assistance was marked by three shortcomings. The projection of market demand for political risk cover by Bank staff was exceedingly optimistic. The Bank provided little support to ATIA during the critical early years of implementation when ATIA should have paid more attention to outreach and marketing. The Bank also provided inadequate supervision over the first CEO, whose working relationships with country counterparts and Bank Country Directors tended to be counterproductive. ATIA staff members contend that ATIA performance would have been stronger if a Bank staff member had been seconded to ATIA during the first year or two of implementation to provide more support for staff recruitment, training, marketing, and private sector orientation efforts in member countries.

11. In recent years, the Bank has worked effectively with ATIA to secure new top leadership. It has also worked intensively with ATIA and its member countries to help plan and facilitate the restructuring process.
1. Introduction

**Challenges Facing the Sector**

1.1 Expansion of the private sector is viewed by leaders in Eastern and Southern Africa (ESA) as an essential ingredient for sustained economic growth and poverty reduction. One constraint on expansion is alleged to be limited access to finance for cross-border intra- and extraregional trade. Intraregional trade has been very small, less than 10 percent of total ESA trade, which according to a recent Bank study, is “substantially lower … compared to regional trading blocks in other parts of the world.”6 Africa’s share in world trade continues to be very modest, at 1.4 percent in 2001, and dominated by primary exports, which accounted for 75 percent of total African merchandise exports outside the region in 2000–2001.7

1.2 Despite the rhetorical commitment to African regional integration and economic development, private sector expansion has been very limited. Interviews and surveys have reported that banking institutions were not able to lend to most trade activities due to their own internal risk controls, and that private insurance firms were very reluctant to assume risks posed by the actions of sovereign powers. Entrepreneurs within and outside the subregion are said by project documentation and World Bank staff to perceive high levels of political and commercial risks as a result of fluctuating and arbitrary government policies, as well as damaging political events, such as war and civil commotion.8 Notwithstanding substantial political risk coverage worldwide at about US $100 billion by private insurers and by governmental and intergovernmental agencies, such as the Multilateral Investment Guarantee Agency (MIGA), political risk coverage for intra–sub-Saharan African trade is practically nonexistent because private insurers will either not provide coverage or they charge exorbitant premiums.9

1.3 In response to these challenges, government members of the subregional organization, Common Market for Eastern and Southern Africa (COMESA), developed in 1997 a proposal for an African Guarantee Facility (AGF). The Bank’s supportive role

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5 The heads of state in the New Economic Partnership for Africa’s Development (NEPAD) have identified the following priorities: regional integration, building competitiveness, promoting diversification of exports, accelerating intra-African trade, improving access to markets in developed countries, and improving Africa’s share in world trade. Findings of a joint report by the United Nations Economic Commission for Africa and the World Bank, *Can Africa Claim the 21st Century*, estimate that seven percent economic growth per annum on average is necessary over the next 10 to 15 years to achieve “significant and sustainable poverty alleviation in Africa.” *Africa Regional Trade Facilitation Project, Project Initiation Document*, Report 7384, August 1, 2000.


9 Interview with MIGA staff member, January 29, 2006.
was instrumental at this stage. A World Bank staff member, seconded to the COMESA Secretariat, identified a Bank task manager who had developed three financial guarantee projects that initially covered political risk in Albania, Bosnia, and Moldova. These projects included features that seemed relevant to conditions in the ESA region. The task manager was loaned and ultimately transferred to the Bank’s Africa Region where he helped COMESA develop the AGF, which in turn, evolved into the Africa Trade Insurance Agency (ATIA). The European Union (EU) and Japan, through the Bank-administered Policy and Human Resources Development (PHRD) Fund, provided $2 million in technical assistance grants to assist project preparation during 1997–2000. COMESA in effect served as an “incubator” for ATIA, and continues to play an active role on the ATIA Board of Directors. Concurrently, COMESA and the Southern African Development Community (SADC) advocated complementary measures to stimulate growth and trade, including the liberalization of economies through cooperation in trade, privatization, and regulatory changes.

**REGIONAL PROGRAM SUMMARY DESCRIPTION**

1.4 The Regional Trade Facilitation Project (RTFP), approved by the Bank’s Board of Directors in April 2001, was designed to support the start-up and operation of ATIA. Its stated objective is to contribute to poverty alleviation through private sector–led growth in participating countries by improving access to financing for productive transactions and cross-border trade.

1.5 The project’s initial financing structure entailed an International Development Association (IDA) credit to each of the seven ATIA funding member countries: Burundi, Kenya, Malawi, Rwanda, Tanzania, Uganda, and Zambia. These IDA credits, totaling US $105 million, were to provide the capital for ATIA’s issuance of political risk insurance. The amount of the IDA credits to each country varied according to the countries’ per capita income and expected insurance demand. In addition, a credit of US $5 million was made directly to ATIA to cover its operating and start-up expenses for an initial two years. In 2005, IDA provided an additional credit of US $7.5 million to Burundi, credits of $10 million and $0.9 million, respectively, to two new members, Democratic Republic of Congo and Madagascar, and an additional credit of US $5 million to ATIA. A tenth member country, Liberia, was accepted in December 2005. According to the project appraisal document (PAD), the program was designed to continue until 2011, by which

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10 For example, it organized a visit by members of the ATIA Board and management as well as Bank management to the headquarters of the Economic Community of West African States (ECOWAS) in Nigeria, in April 2006, to discuss membership of ECOWAS member countries in ATIA.

11 In addition, a program initially called the “Cross Border Initiative” was jointly sponsored by the World Bank, International Monetary Fund, EU, and African Development Bank.

12 Djibouti and Eritrea are in the process of joining ATIA. A credit by IDA to an organization rather than a government was unusual but not unprecedented. It is permissible under the IDA charter because the member governments of ATIA signed agreements with the Bank ratifying their ownership of ATIA and, in effect, certifying its creditworthiness. Interviews with Said N. Al Habsy, LEG, September 2, 2005, and Onno Ruhl, AFR, January 10, 2006.
time IDA assistance was expected to have been fully utilized and ATIA to have become a self-sustaining private entity. 13

1.6 An alternative institutional vehicle might have been MIGA, but MIGA is restricted to longer-term guarantees (three years or more); requires equity to be insured in order to cover third-party debt, which ATIA does not; and cannot provide coverage for any commercial risks. In effect, the proposed provision of political risk insurance by ATIA is complementary to insurance offered by MIGA.

13 This need not, however, imply that government members would divest themselves from ATIA. Bank and ATIA staffs argue that if this were to happen, ATIA would lose the deterrence effect of peer pressure among member states to avoid or minimize political risk losses.
2. Relevance: Rationale, Alignment, and Design

2.1 Summary. The focus of the RTFP on impediments to private sector growth is relevant to the development objectives of its participating countries and has received support from government and private sector representatives in the seven ATIA founding member countries. The main rationale for the project’s adoption of a regional approach is its potential to achieve economies of scale in the provision of trade-related insurance in a context marked by scarce underwriting skills within participating countries. But significant weaknesses in the project’s design became apparent in the initial years of implementation and required a major project restructuring.

Subsidiarity Principle

2.2 The subsidiarity principle states that a program should be organized and carried out at the lowest level consistent with cost-effectiveness. The PAD gives several reasons for a regional insurance facility as opposed to independent country facilities. It also cites the paucity of private sector risk insurance in Africa.

- **Economies of scale.** Unit operating costs should be lower for one regional agency than for a number of individual agencies, each operating in a different country.
- **Scarce underwriting skills.** A related argument is that the use of scarce underwriting skills would be more efficient if fielded from one agency rather than several.
- **Improving Africa’s private sector image.** Project designers believed that a regional facility would send a signal that private sector–friendly policies were being pursued throughout the subregion. To the extent nonmember countries become friendlier to the private sector as a result of ATIA, this would constitute a type of “neighborhood” or “spillover” effect.
- **Peer pressure to maintain good policies.** To avoid claims, other member countries would presumably convince a country that strays not to intervene in the transactions of its private sector.
- **Greater independence of ATIA from governments than in a country approach.** This was believed to enhance ATIA credibility with the private sector.\(^\text{14}\)
- **Less risk of mismanagement in regional programs.** ATIA management has argued that accountability and transparency are greater in regional than in country programs.\(^\text{15}\)

\(^{14}\) The experiences of Albania, Bosnia and Herzegovina, and Moldova tend to bear out this assertion. All three projects were heavily public-sector oriented, and subsequently shifted toward a private sector orientation.

\(^{15}\) Meeting with ATIA management, Nairobi, June 30, 2005.
2.3 The validity of these reasons for a regional approach is mixed. The economies-of-scale rationale, including scarcity of skills, is the strongest among the above reasons, and it is backed by evidence from elsewhere in sub-Saharan Africa.\textsuperscript{16} ATIA management reports that co-insurers and insured banks believe that ATIA has greater autonomy in underwriting and claims settlement than parallel national institutions would have. Peer pressure from other member countries has apparently occurred in some other regional programs and this may have been a factor in ATIA experience, but evidence of this is lacking.\textsuperscript{17} The rationale that Africa’s private sector image would be improved by a regional project was weakened by the initial use by ATIA of public sector liaison offices.

ALIGNMENT WITH COUNTRY, REGIONAL, AND BANK GOALS AND STRATEGIES

2.4 The provision of political risk insurance\textsuperscript{18} via the RTFP is consistent with the strategies and private sector focus of the region and countries, as expressed by NEPAD, and member country development strategies.\textsuperscript{19} These strategies assume that it is the lack of financing that impedes the expansion of private sector productive activity and trade in the region. To address this presumed weakness in financial markets, COMESA initiated the RTFP as a complement to its regional integration activities, such as the introduction of a free trade area, on October 31, 2000.

2.5 The objectives of the RTFP are also consistent with World Bank goals related to private sector development, trade enhancement, and regional integration in sub-Saharan Africa.\textsuperscript{20} The Bank’s Country Assistance Strategies (CASs) for each of the participating countries emphasizes the promotion of private sector–led growth, with a focus on

\textsuperscript{16} PAD, pp. 12–13. The decision to create a multicountry institution resulted from a conclusion that “a country-by-country approach would not enable economies of scale in terms of operating costs as each country would have to set up its own agency.” In addition, “feasibility studies for several country-based export credit agencies have shown that, with few exceptions, the necessary underwriting skills required for covering export to third countries could not be maintained in a single country scheme in Sub Saharan Africa without heavy subsidies necessary because of insufficient economies of scale.”

\textsuperscript{17} For some evidence from another regional program, see World Bank, IEG, \textit{World Bank Support for Regional Programs: A Desk Review of the OECS Solid Waste Management Project} (2006).

\textsuperscript{18} Initially, ATIA was restricted to the provision of political risk insurance to interested (i) financial institutions financing exports and imports to participating countries, and (ii) importers from and exporters to participating countries. Commercial risk on public and private obligors was excluded by IDA. Subsequently, parastatal nonpayment risk was approved, and the Annual General Assembly and Board approved in December 2005 the provision of commercial credit risk insurance and sovereign nonpayment risk. The product covers the following: inconvertibility and inability to transfer currency; inability to obtain currency of the insured in the market place; cancellation of licenses and restrictions on imports and exports; imposition or increase of import or export taxes; expropriation; government interference with entities owing insured obligations; seizure of goods; prevention of sale; or prevention of export, interference with the carriage of goods, war or civil disturbance, embargo, diversion of voyage as a consequence of any of these risks, as well as the same risks occurring while goods are in transit in a participating country.

\textsuperscript{19} A recent example of high-level support for ATIA came in a letter of October 10, 2005, from President Paul Kagame of Rwanda to World Bank President Wolfowitz.

\textsuperscript{20} See for example, IDA, Strategic Framework for IDA’s Assistance to AFRICA (SFIA): The Emerging Partnership Mode, IDA/SecM2003-0406, June 25, 2003, p. 9.
diversification of exports in particular. The RTFP also supports the objectives of the Bank’s Strategic Framework for Assistance to Africa to increase growth and enhance competitiveness, and it complements the priority given to regional integration in the Strategic Framework for IDA Assistance. The IDA framework underscores the importance for countries to leverage national development programs to achieve sustainable outcomes through regional approaches such as financing, capacity building, and knowledge sharing. The RTFP is to contribute to improved coordination among subregional organizations, a priority objective for NEPAD.

REGIONAL CONSENSUS

2.6 Project stakeholders identified the following challenges facing the region: a) lack of financing for export and production activities due to perception of risk in Africa as a whole and in individual countries; b) political risk insurance, especially for intraregional transactions, is rarely available from commercial sources or export credit agencies, and where it is available, it is very costly; and c) cover is particularly thin or nonexistent for medium-term transactions, thereby restricting the import of essential capital goods. They said that addressing these challenges requires collective action.

2.7 Competing explanations for poor trade performance, which the project documentation acknowledges but does not address, include poor transportation infrastructure, weak markets, lack of products, and poor product quality.

2.8 The experience of the Bank in supporting political risk guarantee/insurance facilities in three countries in Eastern Europe (see footnote 13) reinforced a consensus in COMESA and seven member countries to enlist Bank help, which eventually led to the creation of the ATIA.21

2.9 COMESA assisted in the formation of ATIA, including mobilizing country members and helping formulate the international treaty that established ATIA. According to ATIA management, 50–60 percent of inquiries to ATIA now come from non-ATIA member countries.22 At its meeting in December 2005, the General Assembly of ATIA accepted Liberia as an ATIA member.

DESIGN OF THE REGIONAL PROGRAM

2.10 ATIA was designed to offer short- and medium-term political risk cover and, through private insurers, short-term commercial risk insurance, to African firms importing to, and exporting from, member countries.

2.11 The design of some aspects of the RTFP was technically sound. These include:

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21 The Organization of African Unity (superseded by the African Union), the EU, the Government of Japan, private insurers, MIGA, and the International Finance Corporation also contributed to these discussions.

22 Meeting with ATIA management, Nairobi, June 30, 2005.
- The governance and management structures of the ATIA, including a detailed operational manual with fiduciary safeguards
- The involvement of the private (brokers, exporters, importers) and public sectors in each member country in the design and implementation of the project
- An intention to include, over time, commercial risk insurance.

2.12 As previously noted, the RTFP design drew from the experience of similar projects in Eastern Europe, which started with coverage only of political risk coverage and later expanded to commercial insurance and other products. The same trajectory was envisioned by some of the designers of ATIA as it became financially sustainable. A major difference between the European and African experiences was that the latter involves a \textit{regional} approach. The key rationale for this, according to some stakeholders, was a desire to promote intra-African trade when there was very little of it and exporters were reluctant to export to another African country.\textsuperscript{23}

2.13 The following four weaknesses in the RFTP design became apparent during the initial years of implementation:

- \textit{Faulty product mix}. Project design assumed there would be robust demand for relatively short- and medium-term political risk insurance, when experience showed such demand to be longer-term, and that the stronger short-term demand tends to be for commercial risk insurance.\textsuperscript{24} IDA management opposed ATIA’s issuing commercial cover, one reason being that the commercial credit information base in the region was insufficient for IDA to responsibly authorize the use of its credits to insure commercial risk. To get around this limitation, ATIA established a partnership with Atradius, a Dutch private insurance firm, in order to offer a \textit{comprehensive} package that would include commercial as well as political risk insurance. But Atradius proved willing to offer commercial insurance only to enterprises in Europe doing business in Africa, not enterprises located in Africa. This left ATIA restricted to offering a product of limited demand.

- \textit{Limited financial structure}. Until December 2006, ATIA was not fully authorized by both its Board and the Bank’s Board to capitalize and was unable to

\textsuperscript{23} Bank staff interview, September 2, 2005. Trade in the Europe and Central Asia (ECA) project is mostly EU-oriented, although intercountry trade in southeastern Europe comprises a larger share of their total than does intra-African trade. At the time the ECA projects became effective, the two Balkan countries—Albania, and Bosnia and Herzegovina—were in the midst of a region still afflicted with conflict. Moldova is separated by Romania from the southern Balkans. So a regional approach would not have made sense. Bank staff interview, January 10, 2006.

\textsuperscript{24} The demand survey evidence used to justify the project grossly overestimated the demand for political risk insurance. Because such insurance virtually did not exist in the region, the survey focused on plans rather than achievements. It is a well known survey phenomenon that respondents tend to be more optimistic about plans than about past achievements. Interview with Bank staff, January 10, 2006. Other factors cited to explain lower than projected demand include overambitious financial targets and implementation schedules. Initial projections for volumes of underwritten business were apparently made on the basis of combined leverage with the private sector, while premium revenues generated occurred on the basis of ATIA lines only.
internally leverage its own capital. It could insure only the value of the IDA credits received by its members. In accordance with the preference of its members, it could not reinsure, or pool IDA credits provided to the different members. The Bank project team has engaged in sustained dialogue with members to shift their views in support of pooling IDA credits, which is to be a feature of the current project restructuring.

- **Reliance on promotion by the public sector.** The RTFP design called for ATIA liaison offices attached to government ministries as key stakeholders, but these offices were not effective promoters of ATIA among the private sector. ATIA was slow to give more attention to marketing to the private sector and to change project design from a reliance on public sector liaison offices to private sector agents and brokers. A significant share of policies bound by ATIA has been for parastatals, which depending on government policies, behave more or less like commercial operations.

- **Noninclusion of some major exporting countries** in the subregion—for example, South Africa.²⁵

²⁴ These weaknesses have contributed to a significant shortfall in RFTP’s performance against its principal objective of improving access to financing for intra- and extraregional trade. The Bank and ATIA have devised corrective measures that entail a significant restructuring of the project, as discussed in the following section. On the basis of expectations of success from the restructured program, the ATIA and the Bank are designing an *RTFP II* that would initially cover six West African countries: Côte d’Ivoire, Ghana, Liberia, Mali, Nigeria, and Senegal. Preliminary discussions have been held with ECOWAS, which has expressed interest in playing the same “incubator” role vis-à-vis ATIA as COMESA played in the ESA region.

**Clarity and Monitorability of Objectives**

²⁵ Although South Africa is not a member, ATIA can insure transactions with South African firms, providing the other party is an ATIA member.

²⁶ The ATIA Board of Directors notes that “performance indicators have been incorporated in the Agency’s Credit Agreement, as well as in every member-country’s credit agreement, not only as a performance benchmark, but also as a loan covenant. These form the basis of measurement of implementation, performance, and development impact.” Minutes of the 17th Meeting of the Board of Directors of the African Trade Insurance Agency. The PAD recognizes that achieving the project objective would depend
success. On a quarterly basis, ATIA is tracking the following key input and output indicators: volume of transactions, number of claims, number of members, and financial operations. The volume of lending by commercial banks operating in the sub-region has been difficult to monitor because not all transactions are tied to bank lending. Other indicators are monitored on a continual basis, including perception of risk (which is determined by the gearing ratio and how much risk the private sector would take on). But ATIA has not tracked the single outcome indicator that would be most relevant; namely, the increase in export value insured by ATIA policies.

### Box 2.1. RTFP Performance Monitoring: a Plethora of Indicators

The PAD identifies the following “primary performance indicators” for the project objective:

1. volume of policies issued per country (at another point the PAD indicates that “project output would be measured by the value of insurance policies issued”)
2. ATIA becomes self-financing after two years of operation
3. on average one claim or less resulting from a government performance risk per country, per year
4. ATIA enters into a leveraging partnership with private risk insurers for political risk cover.  

Secondary performance indicators include:

1. catalyzing the introduction of private comprehensive trade credit insurance
2. increase in volume of commercial bank lending for trade transactions (target of 10 percent per year)
3. decreasing trend in cost and increasing trend in maturity of trade finance
4. increased number of participating countries over the life of the project
5. broadening of ATIA’s client base within a borrower’s territory over the life of the project
6. diversification of participating countries’ economies, reflected by a decreasing trend in the share of commodities and cash crops as a percentage of Gross Domestic Product (GDP) and exports
7. improved perception of political risks reflected by a higher leverage ratio for private risk insurers participating with ATIA, better country political risk ratings, and new private entrants providing risk coverage.

At another juncture, the PAD calls for tracking both the value and number (volume) of policies issued, as well as increases in:

1. imports into the region and in exports from the region, with a target of 7 percent growth per year in the value of trade flows (US dollars)
2. volume of intraregional trade, beginning with a 7 percent growth rate, increasing to 15 percent by project completion in 10 years.

2.17 The PAD recognizes that “It will take a number of years for the project, in conjunction with other initiatives and reforms in the region, to have a measurable impact … [at outcome and impact levels]. The indicators will be monitored throughout the project life, but it should be noted that the results in the first couple years may not be

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27 PAD, *op.cit.*, p. 11. A related performance indicator, the “leverage ratio” (ratio of private sector insurance coverage to that of IDA for a given transaction), is closer to an output rather than outcome measure of ATIA’s performance. It measures by definition the extent to which private insurers are participating in the ATIA market.
It is true that extra- and intraregional imports and exports are subject to a number of nonproject influences, but growth in trade is the bottom line against which ATIA should be measured.  

2.18 Two indicators were identified to trigger corrective action at the Mid-Term Review (MTR), following three years of operation: a) ATIA is not self-financing and b) the second tranche of IDA credits for individual countries is not yet fully utilized. As explained in the following section on efficacy, after four years of operation, these indicators are far from being achieved. As part of the project’s Mid-Term Review (MTR), the indicators were redefined, as a reflection of the experience to date, so as to be more relevant and measurable and accompanied by a revised results framework. Instead of being couched in terms of private sector–led growth and poverty reduction, project success was to have been measured by the extent to which the project facilitates access to financing for inter-regional trade and African exports.

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28 PAD, *op.cit.* p. 4.

29 Without more precise definition, the first “secondary performance indicator” shown in Box 2.1—“catalyzing the introduction of private comprehensive trade credit insurance”—is not measurable. Country-by-country performance benchmarks for project outputs measured as total values of insurance policies issued in participating countries over the 10-year implementation period are shown in Chapter 3.
3. Efficacy: Outcomes, Impacts, and Sustainability

3.1 Summary. Although human and organizational capacities have been established in Nairobi, ATIA’s performance has fallen considerably short of the original projection that growth in insurance volume would have resulted in ATIA operating self-sufficiently by 2003. This shortfall, discussed below, is due to the lower than projected issuance of political risk policies, reflecting an initial, substantial overestimation by Bank staff of the demand for this kind of insurance, and the failure of a European insurance broker, in partnership with ATIA, to offer commercial risk insurance in ATIA member countries or other African countries. A second reason for ATIA’s performance shortfall was early difficulty in recruiting top management staff. Although ATIA expected premium income to rise in 2005, the results for the first three quarters fell below those for the same period in 2004. In fact, the expectation at the time of project approval was that premium income would cover operating expenses after the first two years. Therefore, financial sustainability of ATIA over the longer term is still in question.

ACHIEVEMENT OF OBJECTIVES

3.2 From among the plethora of indicators described in the previous chapter, ATIA and Bank managements have focused on one output indicator—the value of insurance policies issued. But with the exception of post conflict Burundi, where burgeoning demand has required a supplemental IDA credit of $7.5 million, ATIA insurance sales have grown slowly, reaching a cumulative total of US $110 million in June 2005, less than 15 percent of the current adjusted 2011 target. Only in 2005, through a combination of increased interest income, mainly from IDA credits, proceeds from policy premiums, and cost-cutting measures, has there been sufficient resources to cover operating costs. To insure sufficient resources for operating expenses a second IDA credit of $5 million was issued to ATIA in 2005, supplementing the original credit of $5 million in 2001. The ATIA currently projects a break-even point in 2008.

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30 The PAD states that ATIA’s income “would come from premium income charged to policy holders, which after the initial period should be enough to cover operating expenses.” Op. cit., p. 16.

31 See Table 3.1. The fact that ATIA has insured $110 million—more than the $21 million value of the IDA credits involved—reflects “coinsurance,” with other insurers providing parallel coverage, as long as ATIA is the insurer of first recourse. From 2001 to 2004, ATIA and its coinsurers averaged about $28 million a year in insurance coverage. This is about 1.3 percent of the annual volume of trade (exports + imports) of the seven founding ATIA member countries combined over the same period.

32 The ATIA database of past enquiries shows that while during the same period that ATIA generated about US $1.5 million in overall premium income, it had also turned down corporate and sovereign nonpayment business that would potentially have generated $129.1 million in policy sales and $34.7 million in gross premiums. Therefore, ATI could have earned substantially more in premium income had it been able to issue policies to these categories of clients.

33 A previous estimate projected that ATIA would exhaust its budget by November 2005. The six-month stretch-out to April 2006 was made possible by reductions in expenses and an increase of 2 percentage points in interest earned. The ATIA Second Quarter Financial Position argues that transactions in the following quarters of 2005 are expected to earn more premium income than during the same period of
3.5 Liberia, although it is not in the ESA region, applied and was accepted as a tenth ATIA member in December 2005. Bank and MIGA staff members have mixed views on the desirability of expanding the number of ATIA member countries before a solid track record has been established among existing member countries.

3.6 Other implementation efforts undertaken by ATIA in 2004 and 2005 with the potential to increase performance include:

- **Marketing events** carried out in member countries as well as the design of new brochures and an ATIA “brand.”
- **Greater reliance on the private sector.**
  - Via establishment of liaison agreements with private sector representatives who are closer to the market, replacing the public sector offices appointed by member governments.  
  - Appointment of a number of private sector agents/brokers to strengthen the distribution network and market ATIA’s products.

### Capacity Building

3.7 The RTFP has supported the creation of ATIA and its human capacity in Nairobi, but the skilled capacity needed for an effective insurance program, particularly underwriting, has been slow in coming. This has been delayed by the lags in hiring the new Chief Underwriting Officer (CUO) and new Chief Executive Officer (CEO). Three to five new underwriters were to have been in place by the summer of 2006. A major training program jointly sponsored by ATIA and the World Bank Institute, funded by a grant of US $0.5 million, was inaugurated at the beginning of calendar year 2005. The initiative includes a multiyear training program in underwriting and other aspects of the business for all ATIA staff and its country business representatives (liaison officers, brokers, and other agents); training programs for in-country investors, parastatals, exporters, and importers; and workshops and country policy sessions on trade finance for COMESA policy-makers. Training sessions have been held, including courses in July and August 2006.

3.8 The member country Technical Advisory Committees (TACs) were set up in each member country to assist in the formation of ATIA, but the TACs lapsed with ATIA’s establishment. The ATIA Board of Directors and management continue to constitute a form of organizational and institutional capacity. But ATIA has not been widely known in some member countries, especially in the private sector, nor has it always had proactive representation. The identification of private sector representatives was a step in

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39 However, lead ATIA agent remains a public entity in some member countries (e.g., Rwanda and Uganda). Bank staff members assert that no private agency with sufficient capacity or credibility to take on the role of promoter and marketer exists in most countries. Bank staff interview, January 10, 2006.
the direction of giving ATIA a more visible and dynamic regional presence. How well the new approach works in practice remains to be seen.

**Realized Distribution of Costs and Benefits**

3.9 Benefits foreseen at the initiation of the RTFP included: a) poverty alleviation through sustainable, private sector–led growth; b) increased employment and production resulting in poverty reduction; and c) increased exports and generation of foreign exchange. The beneficiary population would presumably consist in large measure of the working poor, including the self-employed and small business owners. Those enterprises for which policies have been issued so far tend to be large parastatal and private domestic and foreign enterprises.

3.10 Benefits across countries were intended to be proportional to the IDA credits to each member country. But as Table 3.2 shows, disbursements of IDA credits for the original seven member countries as security against ATIA policies have not correlated closely with each other. Disbursements from policies issued in Malawi, Rwanda, and Uganda have been low relative to IDA financing. But disbursements are higher relative to IDA financing in for Burundi, Kenya, Tanzania, and Zambia.

<table>
<thead>
<tr>
<th>Table 3.2 IDA Disbursements as Security on ATIA-Issued Policies, Seven Founding ATI Countries (US $ million)*</th>
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</thead>
<tbody>
<tr>
<td><strong>Country</strong></td>
</tr>
<tr>
<td>-----------------</td>
</tr>
<tr>
<td>Burundi</td>
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<tr>
<td>Kenya</td>
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<tr>
<td>Malawi</td>
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<tr>
<td>Rwanda</td>
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<tr>
<td>Tanzania</td>
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<tr>
<td>Uganda</td>
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<tr>
<td>Zambia</td>
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<tr>
<td>TOTAL</td>
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</tbody>
</table>

*IDA financing includes supplemental credit of May 2005 of US $7.5 million to Burundi.

**Includes additional IDA credit of $7.5 million in 2005.

**Risk to Outcomes and Impacts**

3.11 It is not possible at this point to predict the extent to which outcomes and impacts of the program are likely to be sustainable because outcomes and impacts have yet to be realized.

3.12 ATIA is closer to self-sustaining status than it has been, but its net premium or underwriting income of $177,330 during the first nine months of 2005 was less than half
8. Conclusions

SUMMARY OF FINDINGS

8.1 The RTFP became effective at a time when there was a significant decline in demand for political risk insurance worldwide, and particularly in the Africa region. Yet in extensive interviews with representatives of the private sector trade credit insurance industry, the Bank project team reported very positive reaction to the concept of countries insuring the maintenance of market-friendly policies. Moreover, as noted in Chapter 2, potential demand appeared to be considerably greater for comprehensive political and commercial risk insurance. But the firm engaged to provide commercial risk insurance decided not to cover firms located in Africa, choosing instead to do business only with those outside. Until the current restructuring, ATIA had been restricted from directly offering a comprehensive package of both covers.  

8.2 Although ATIA human, institutional, and organizational capacities have been largely established, especially in Nairobi, its performance against its principal objective of improving access to financing for intra- and extraregional trade has fallen considerably short of the original projection that premium income growth would have made ATIA self-sufficient by 2003. There has been active participation by key stakeholders in the project during the design and implementation stages. But poor ATIA strategic and senior staffing decisions and delays have contributed to low efficiency and efficacy. As a result, ATIA has only recently reached operational self-sufficiency (two years behind its original target) and, because this is due largely to interest earnings on reserves and one-time cost reductions, its long-term self-sufficiency remains an open issue.

8.3 The Bank played an instrumental role in getting the RTFP off the ground. It took full advantage of its knowledge of similar operations elsewhere and utilized its expertise, convening power, and senior leadership to keep things moving at a critical juncture during project preparation. Yet the survey instrument employed by Bank staff members substantially overestimated regional demand for political risk insurance. The Bank has recently been actively engaged with ATIA’s management and Board to design a restructuring that will enable ATIA to issue commercial risk insurance and provide it with capital on the basis of pooling member countries’ IDA credits. It remains to be seen whether these major corrective measures will make the program of real value to countries and ensure its financial sustainability.

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57 In addition, as noted in Chapter 4, the mechanism for completing transactions worked poorly in practice and should have been made simpler and more accessible to all players in the private sector market. Another factor that has militated against ATIA achieving its targets is the departure of the first chief executive of ATIA. The project team believes the delay in appointing a successor set ATIA back at a time when its pipeline was showing signs of expanding and developing. The successor has industry credibility, but time has been lost. See footnote 2 in the executive summary for information on the restructuring decisions taken.
IMPLICATIONS FOR EFFECTIVE SUPPORT

8.4 Five main implications for effective support of regional programs emerge from RFTP experience in launching and supporting ATIA:

- Building the capacity of a new regional institution requires continuous support from the Bank:
  - during the early implementation phase as well as the design phase, and
  - from individual country offices as well as from the regional office,
  - but the Bank should not get involved in decisions that in the interests of ownership should be made solely by the new institution, such as hiring.

- An existing regional or subregional institution, such as COMESA, can have important legitimizing and policy-making roles in laying the foundation for a new subregional program (e.g., helping to frame and sponsor the initial international agreement establishing ATIA):
  - It can serve as an interlocutor between member national governments and new subregional structures.
  - It can also serve as an “incubator” by sponsoring and assisting the development of a new institution.
  - ATIA needs the capacity and mandate to ensure that sound analytical work underpins its initiatives or, in the absence of its own capacity, mobilizes external expertise to undertake needed work.

- Efforts are needed up front to determine with countries the appropriate financing structures for regional projects. Where project efficiency may call for an approach that countries are not willing to accept at the outset, such as pooling of country resources, some process and tentative timetable for evolving a mutually acceptable approach should be considered at the outset.

- As in regional programs involving public institutions, private sector–oriented programs such as the RTFP require strong linkages between regional and national institutions. By design, 60 percent of the ATIA Board is from the private sector, yet until recently, ATIA’s use of private sector entities to promote the program as agents and brokers has been uneven. The effectiveness with which the private sectors of ATIA member countries will become actively engaged in the program and linked to the Board of Directors remains to be seen.

- A solid empirical basis is required to estimate demand for a new regional trade financing program. A survey designed on the basis of expressed need is likely to have an upward bias.
Annex A: Background Information on the Regional Program

<table>
<thead>
<tr>
<th></th>
<th><strong>Program (or project) number</strong></th>
<th>P063683</th>
</tr>
</thead>
<tbody>
<tr>
<td>2.</td>
<td><strong>Program Dates</strong></td>
<td>August 2001–present</td>
</tr>
<tr>
<td>3.</td>
<td><strong>Approval Dates</strong></td>
<td>First credit of US $5 million to ATIA (34880): 04/03/2001&lt;br&gt;Second credit of US $5 million to ATIA (34481): 05/31/2005</td>
</tr>
<tr>
<td>5.</td>
<td><strong>Closing Dates</strong></td>
<td>Original closing date for first credits to ATIA and member countries: 06/30/2004&lt;br&gt;Revised closing date for first credits: 06/30/2006&lt;br&gt;Planned closing date for second credits: 06/30/2011</td>
</tr>
<tr>
<td>6.</td>
<td><strong>Sectoral or thematic areas</strong></td>
<td>Finance (noncompulsory pensions, insurance and contractual savings)</td>
</tr>
<tr>
<td>7.</td>
<td><strong>Regional or subregional</strong></td>
<td>Regional project–subregional (Eastern and Southern Africa): Burundi, Democratic Republic of Congo, Kenya, Madagascar, Malawi, Rwanda, Tanzania, Uganda, and Zambia. Liberia was accepted as a member in December 2005</td>
</tr>
<tr>
<td>8.</td>
<td><strong>Regional partnership or project</strong></td>
<td>Regional project&lt;br&gt;Does it comprise country projects? If yes, do the country projects:&lt;br&gt;- Conform to a template&lt;br&gt;- Address the same problem(s)&lt;br&gt;- Regularly interact with each other (e.g., through information sharing, research, monitoring and evaluation)?&lt;br&gt;Separate IDA credits to nine countries but one project title.&lt;br&gt;Yes&lt;br&gt;Yes&lt;br&gt;Yes—e-mails, meetings, newsletter</td>
</tr>
<tr>
<td>9.</td>
<td><strong>Rationale for the regional program</strong></td>
<td>Regional Integration (PAD, p. 2)&lt;br&gt;Economies of Scale (PAD, p. 13)&lt;br&gt;Export development and competitiveness, regional integration, trade facilitation, and market access</td>
</tr>
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Annex B: Governance and Management Arrangements

<table>
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<th>Management Agency for Project Implementation</th>
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<tr>
<td>1. Management arrangements for project implementation</td>
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<thead>
<tr>
<th>Regional Coordinating Body</th>
</tr>
</thead>
</table>
| 2. Name, location, and internet address of the regional implementing agencies/coordinating body for the project | **African Trade Insurance Agency**  
P.O. Box 10620, 00100-GPO, Nairobi, Kenya  
Tel: +254-20-2719727/2726999  
Fax +254-20-2719701  
Safaricom: +254 722 205007  
Kencell: +254 733 625511  
E-mail: Info@africa-ECA.com |
| 3. Current size | Ten member countries |
| 4. Current membership | Public and private sectors in all countries |
| 5. Membership criteria | Agreement with terms of agreement establishing African Trade Insurance Agency |
| 6. Membership responsibilities | Promoting, selling, and administering ATIA insurance policies |
| 7. Functions of the coordinating body | Board meets four times a year |
| 8. Meeting frequency | |
| 9. Name, location, and internet address of other implementing agencies/coordinating body for the project | P.O. Box 10620, 00100-GPO, Nairobi, Kenya |
### Annex C: Goals, Objectives, Outcomes, Outputs, and Activities

<table>
<thead>
<tr>
<th>Goals/Mission</th>
<th>Program Objectives</th>
<th>Intended Outcomes</th>
<th>Outputs</th>
<th>Inputs/Activities</th>
</tr>
</thead>
<tbody>
<tr>
<td>To alleviate poverty though private sector–led growth in participating countries by improving access to financing for transactions and cross-border trade.</td>
<td>To improve access to financing for productive transactions, and cross-border trade.</td>
<td>Export development competitiveness; regional integration; trade facilitation and market access; international financial architecture</td>
<td>Output Indicators&lt;br&gt;• Volume of policies issued per country&lt;br&gt;• ATIA becomes self-financing after two years of operation&lt;br&gt;• On average one claim or less resulting from a government performance risk per country, per year&lt;br&gt;• ATIA enters into a leveraging partnership with private risk insurers for political risk cover</td>
<td>Components&lt;br&gt;1) Component&lt;br&gt;&lt;br&gt;<strong>Creation of regional political risk insurance facilities</strong> (capital provided by IDA, an additional IDA credit would be extended to finance the operating costs of ATIA for the first two years of operation (p. 28, PAD). The facility will cover productive activity involving cross-border trade.&lt;br&gt;&lt;br&gt;<strong>Types of political/noncommercial coverage (see p. 29, PAD).</strong>&lt;br&gt;a) Inability to convert and/or transfer currency, b) Imposition of exchange controls, c) Cancellation of licenses and restrictions on import and export, d) Expropriation, e) Seizure of goods, prevention of export, f) Interference with the carriage of goods, g) War or civil disturbance, h) Embargo.&lt;br&gt;&lt;br&gt;2) Component&lt;br&gt;&lt;br&gt;<strong>ATIA’s Operating and Capital Costs</strong>&lt;br&gt;An IDA credit to ATIA will cover the costs for the startup period of ATIA’s operations. Participating countries will share ATIA’s operating and capital costs …. For more details see p. 35, PAD.</td>
</tr>
</tbody>
</table>
Annex D: Persons Consulted


Said Al Habsy, LEG, interviewed September 2, 2005.

Sherri Archondo, current Task Manager for RTFP, January 5, 2005 to present, interviewed September 1, 2005.

Peter Jones, MIGA, January 29, 2006.


Annex E: References


Other References:

Internal Project Documents (Memoranda and Aide Memoires)