

THE ENHANCED INTEGRATED FRAMEWORK PROGRAM- LESSONS LEARNT FROM MAINSTREAMING

**PRESENTATION AT THE CUTS WORKSHOP ON
AID FOR TRADE-FROM CONCEPTS TO ACTION**

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Background

- IF launched in 1997 by six core agencies (IMF, ITC, UNCTAD, UNDP, WB and WTO) as initiative to assist LDCs in enhancing capacity to address trade-related problems and facilitate integration into multilateral trading system.

Objectives

- i) Mainstream trade into national development plans/ processes such as Poverty Reduction Strategy Papers; and
- ii) Assist in the coordination of delivery of trade-related technical assistance.

Mainstreaming trade taken to mean as an assessment and integration of host of issues in number of categories including trade reform, market access, strengthening capacity of LDCs to supply

IF Process

- Preparatory process, which includes official request from LDC, technical review and the establishment of national steering committee.
- Diagnostic phase resulting in elaboration of a DTIS.
- Translation of DTIS into follow-up activities.

THE ENHANCED INTEGRATED FRAMEWORK

- Implementation of IF in the first few years revealed need to make it more effective and timely
- First review undertaken in 2000; and
- In 2005, Development Committee of WB and IMF recommended review of IF with respect to governance structures and financial resource provisions and predictability.

Issue Identified

- IF objectives of TRA not matching the instruments and means available for its implementation.

Result

- i) disgruntled recipients with increasing loss of country ownership
- ii) Minimal resource availability to address required interventions

Challenges of Mainstreaming

- Non recognition of trade's key role in contributing to development and poverty reduction

Process

- Lack of inclusive stakeholder approach in the initial stages resulting in lack of implications on appreciation, ownership and minimal implementation of Program. Focus on focal point and implementing agency, UNDP
- Lack of understanding of roles of IF partners

- Lack of preparedness to access Window II and implement matrix. Focus on approval of DTIS and not beyond.
- Inadequate guidance on preparation and consideration proposals
- Lack of political involvement at Parliamentary, Ministerial & Senior Officials levels key to success of IF.

- Human and Institutional Capacity Constraints.
 - Focal Point assigned numerous tasks and unable to follow up IF activities
 - Lack of formal inter Institutional Mechanisms to facilitate IF integration into PRSP/NDP- IF stand alone ownership trade driven

- Inadequate national treasury resource allocations due to conflicting but necessary demands
- Inadequate funding by donors

How does EIF assist in enhancing Mainstreaming

- Approved EIF recommendations present opportunity for enhanced program delivery
 - i) Increased, additional & predictable financial resources to implement matrices.
 - ii) Strengthened in country capacities to manage, implement & monitor IF process
 - iii) Enhanced Governance structures

IF/EIF Partnership

- EIF has since become a **partnership** between LDCs, bilateral development partners, the six Core Agencies plus two observers (FAO and UNIDO)
 - Partnership exists at the **country level** where LDC governments acting on behalf of national stakeholders cooperate with local agencies and donors, and at the
 - **global level** where all partners are represented at the IF Board.
 - IFSC- representation of all LDC, Agencies and IF donors

National EIF Structure

- **National Steering Committee** (inter-ministerial and private sector representation; civil society and donor representatives if desired): approves 5 year implementation plan; supervises IF process and implementation;
- **Focal Point and National Implementation Unit**: implements the 5 year implementation plan with focus on mainstreaming and preparation of priority projects to develop trade capacity; EIFTF funds institutional capacity building to enable beneficiary countries to manage the IF.
- **Donor Facilitator**: supports FP and NIU to find Development Partner funding for priority projects; small EIFTF allocation for priorities otherwise unfunded.

EIF Disbursement Mechanisms

Tier 1

- Enhancement of capacity building of IF Focal Point and NIU.
- Activities include:
 - i) Human resource capacity building;
 - ii) Support in preparation/ updating of DTIS; and
 - iii) Support to NIU and other key institutions.

Disbursement Mechanisms (contd.)

- iv) Activities facilitating mainstreaming of trade into planning processes:
- Tier 1 funding accessed through proposal initiation by NIU approved by Board having undergone consultations with UNOPS and ES;
 - Disbursement direct to Government or appropriate implementing institution/ Agency identified by LDC; and
 - Resource provisions from IFTF or Bilaterals.

Disbursement Mechanisms (contd.)

Tier 2

- Addresses priority activities identified in action matrices.
- Scope includes project preparation, feasibility studies and small scale projects.

Disbursement Mechanisms (concl.)

- Activities may include:
 - i) Assistance with WTO and other trade related commitments, including accession requirements;
 - ii) Preparatory support for infrastructure and large project implementation; and
 - iii) Development of national export strategies and their implementation.
- Resource provision from IFTF, Bilateral, regional and multilateral donors.

Funding

- Target as recommended by WB & IMF set at US\$250 million over five years
- EIF Stockholm Conference resulted in seventeen donors pledging a total of US\$113 million over a five- year period.
- Current pledges stand at US\$155 million.
- Additional US\$25 million balance from UNDP IFTF.
- Translates into over 70% of target .
- Additionally Bilateral, regional funding encouraged

Conclusion

- With clear prioritisation and integration of trade issues into national strategies, enhanced in country and multilateral governance and predictable funding, IF success is possible and for LDCs can act as catalyst for broader Aid for Trade resources