



**GUIDEBOOK:**

# RESOURCE MOBILIZATION

*Strategies, tips and resources*



Enhanced Integrated Framework

Trade for LDC development



## INTRODUCTION

### *How to use this guidebook*

*The Enhanced Integrated Framework (EIF) has produced this Resource Mobilization Guidebook to advance the work we are doing with our valued partners to attract and grow funding for trade development in least developed countries (LDCs).*

EIF operates in a competitive and increasingly results-oriented environment for funding. Creating inclusive and sustainable trade for LDCs is at the heart of EIF's work. But this goal can only be achieved if countries have access to funding and investment opportunities.

This guidebook is intended to complement and accelerate the impacts of ongoing resource mobilization efforts at the country level.

It aims to address the most pressing resource mobilization challenges and bring to light exciting opportunities for LDCs, including:

- pursuing greater investment from domestic sources, development partners and banks
- developing tailored proposals to maximize existing and new funding avenues
- linking trade more explicitly to domestic and international challenges and opportunities.

## *There are three emerging priorities to better mobilize and sustain funding for trade:*

- Increased attention to and investment in aid for trade, economic development and global trade provides opportunities to mobilize funding.
- EIF may provide initial or back-up funding for areas that may fall short of domestic or international support, to assist in pooling or leveraging other resources.
- The urgent need to accelerate work towards achieving the Global Goals may open new opportunities for trade to play a bigger role in development.

We want to further EIF's mission to assist LDCs own and implement a trade agenda conducive to sustainable pro-poor growth. This guide offers strategies, tips and resources so that, together, we can mobilize the funding we need to deliver on this mission. We hope that it will encourage discussion and shared learning within the EIF partnership and beyond.



### *What is resource mobilization?*

The process of mobilizing different types of resources – including financial, technical and human – to support your organization or mission.



### *What is aid for trade?*

Assistance to developing countries, particularly LDCs, to build their capacities to trade to fully benefit from the global trading system. Part of Official Development Assistance (ODA), support comes in the form of grants and concessional loans targeted at trade-related programmes and projects.



### *What is resource leveraging?*

The use of existing public, development or EIF funding to mobilize additional investments from other types of funding partners, including aid, domestic resources and development and private sector finance.



## SECTION 1

### Why

#### *Why focus on resource mobilization for trade?*

- Trade can play a key role in a country's economic transformation and lead to positive development outcomes. Yet many LDCs have not fully leveraged trade as a means of creating jobs, increasing per capita incomes and diversifying their economies.
- Many LDCs face significant challenges in securing the levels of funding they need to strengthen their trade capacities. This in turn prevents countries from harnessing the opportunities offered by the global trading system.
- Resource mobilization is an area that requires immediate and focused attention to ensure that EIF's assistance and country-owned efforts are sustainable beyond 2022. To achieve this, LDCs can make the most of EIF's support to secure funding, both during and beyond the duration of the programme.
- Increasing funding for trade can ensure LDCs will continue to build their trading capacity. The greater the resources available from government and bilateral, multilateral and private sector partners, the more sustainable trade investments in LDCs will be.




## Kingdom of Cambodia

The Government of Cambodia and EIF are working to support the country's cassava sector, identified as a priority in the country's most recent [Cambodia Trade Integration Strategy 2014-2018](#). As the country's second largest crop, cassava has enormous export potential.

### ✓ What was the strategy?

 With EIF's assistance, Cambodia's Ministry of Commerce, with support from the Swiss Foundation for Technical Cooperation (Swisscontact) and the United Nations Development Programme (UNDP), organized the Cassava Business Investment Forum. The Forum attracted more than 150 participants, largely from the private sector and including international and domestic investors. As a result, Green Leader Holdings Group, a Hong Kong-based investment firm, announced an investment of US\$150 million to build 20 cassava processing factories and develop farmland in the country.

 [A video produced in 2018](#) is being widely promoted to highlight the potential of the cassava sector to create jobs and drive economic growth and exports.

### What next?

 The Government of Cambodia recently launched a new National Strategy for Cassava (2018–2022) aimed at enhancing the sector's trade competitiveness and at encouraging further investment.





## SECTION 2

### Who

#### *Who are we trying to source funding from?*

Our potential sources of funding include:

- domestic resources
- development partners
- multilateral and regional development banks
- the private sector
- corporate foundations.

#### **Tips:**

Your funding request should align with the priorities and interests of individual types of funding partners. Think carefully about their missions, and demonstrate how the activities you would like them to fund could help them achieve their goals



## DOMESTIC RESOURCES

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Domestic resources consist of funding from finance, planning and other line ministries with a mandate to implement ODA and allocate domestic resources. Their priorities centre on national development, achievement of the Global Goals and opportunities to reduce national deficits.

- Tips:**
- Raise awareness of national trade priorities identified in EIF's Diagnostic Trade Integration Studies and associated funding needs.
  - Engage line ministries, public institutions and professional associations as technical partners for EIF or other trade development projects.
  - Showcase examples of how trade works to benefit national development goals, and detail EIF's assistance toward this effort.
  - Submit timely annual budget requests to ministries of finance, backed by high-quality, tailored proposals.



## DEVELOPMENT PARTNERS

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Development partners are countries that provide ODA for and/or invest in aid for trade. Their priorities for LDCs centre on activities that will help achieve the Global Goals, reduce poverty, promote economic and rural development, mitigate climate change and adapt to its effects. They support sectors such as agriculture, health, education and infrastructure.

**Examples:** UK Department for International Development (DFID), Swedish International Development Agency (Sida), European Union (EU), United States Agency for International Development (USAID)

- Tips:**
- Promote a sector-wide approach using existing EIF or other in-country coordination mechanisms that bring government and development partners together to finance trade-related activities in a strategic and coordinated way.
  - Develop high-quality funding proposals that make a strong case for investing in trade. Detail how planned activities will explicitly contribute to development partners' country strategies to build strong and long-term relationships based on shared goals.



## MULTILATERAL AND REGIONAL DEVELOPMENT BANKS

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Multilateral or regional development banks are institutions created by a group of countries that provide financing and professional advice for the purpose of development. These banks have large memberships, including both developed funding countries and developing borrower countries. They are well placed to help make Agenda 2030 a reality, by helping to mobilize finance, tackle issues that cross national borders and reach the poorest and most vulnerable people in fragile contexts.

**Examples:** African Development Bank (AfDB), Asian Development Bank (ADB), World Bank Group, Islamic Development Bank (IsDB), International Fund for Agricultural Development (IFAD) and Agence Française de Développement (AFD)

- Tips:**
- Identify projects or activities that require significant scaling up and additional investments to meet national trade development goals.
  - Obtain assistance from EIF to develop a Project Preparation Grant <sup>1</sup> (up to a maximum of US\$100,000) to design a bankable project that targets funding from the bank(s) whose mandate is most aligned to support your country.
  - Work closely with finance, planning and other line ministries responsible for your country's collaboration with these banks to develop a funding proposal that could be supported by a range of financing products best suited to your country.

<sup>1</sup> See [EIF Compendium for Phase Two](#) (2016-2022) for more information or contact the responsible Country Coordinator.



## PRIVATE SECTOR AND CORPORATE FOUNDATIONS

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A number of private sector companies and corporate foundations are aligning strategies and operations to take action to advance the Global Goals. These may be a potential source of funding for LDCs while LDC efforts are still at an infancy stage. Corporate foundations are private foundations that derive their grant-making

funds primarily from the contributions of a profit-making business. This type of support is motivated by a combination of philanthropy and business interests.

**Examples** of both companies and foundations can be found at [www.amfori.org](http://www.amfori.org) and [www.unglobalcompact.org](http://www.unglobalcompact.org).

- Tips:**
- Identify causes that align with specific companies' business interests and highlight mutual goals.
- Involve companies and foundations in projects that focus on specific value chains to highlight how they can benefit from investing in a specific work area.

Work closely with your country's investment promotion board and/or public-private sector coordination group to leverage existing connections.





## Lao PDR trade development facility

Lao PDR created a trade development facility to assist the implementation of a sector-wide approach to trade and private sector development. The aim is to integrate trade policy and activities into a broader development and poverty reduction agenda.

### ✓ What was the strategy?



With EIF's assistance, Lao PDR put into place a trade development facility – a kind of multi-donor trust fund – to help finance the priorities identified in the country's Diagnostic Trade Integration Study. The strategy was to demonstrate how government and donor coordination and alignment were integral to achieving a sector-wide approach that could be financially sustainable. To date, the facility has secured over US\$39 million in funding. It has helped improve the regulatory environment governing the movement of goods and select service sectors, particularly in telecommunications and agricultural trade, and has supported more than 200 private companies to become more competitive, helping to raise incomes and provide new jobs.

### ▶ What next?

Lao PDR aims to strengthen trade and create a conducive environment for business to achieve sustained and inclusive long-term growth. For the country to grow its economy sustainably, the government's strong efforts to improve trade must be complemented by improvements in the business climate – and the facility is a major vehicle for doing so.



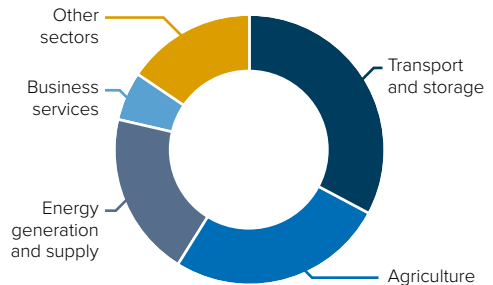


## SECTION 3

# Know the facts about what is being funded and who is funding

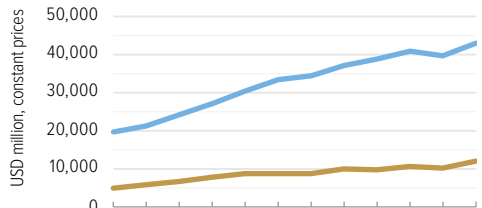
### What are the latest trends in aid for trade?

To date, almost 85% of total aid for trade in LDCs has financed activities in only four sectors: transport and storage (33%), agriculture (25.9%), energy generation and supply (19.8%) and business services (5.8%)<sup>2</sup>.



Since 2006, the share of aid for trade funding going to LDCs has increased and accounts for roughly 25% of the total today.<sup>3</sup>

Aid for trade disbursements, total and to LDCs, 2006–2017



Adapted from: OECD-DAC CRS, aid activity database (2019) (accessed April 2019)

2 <https://trade4devnews.enhancedif.org/en/news/whats-going-aid-trade-least-developed-countries>  
3 <https://www.oecd.org/dac/aftr/aid-for-trade-statistical-queries.htm>

## The top 10 LDC recipients

**are:** Burkina Faso, Cambodia, Ethiopia, Mali, Mozambique, Myanmar, Nepal, Senegal, Tanzania and Uganda.



## Major funders in LDCs

include the World Bank Group, the United States, European Union and Japan.



Australia, France, Germany and the EU have **global strategies dedicated to aid for trade, with a strong focus on LDCs.**



## WHAT YOU NEED TO KNOW ABOUT THE LATEST AID FOR TRADE STRATEGIES



*The EU and its Member States have established themselves as the world's largest provider of aid for trade, supplying one-third of global aid.<sup>4</sup> The latest 2017 [EU Aid for Trade strategy](#) aims to raise countries' productive capacity and tackle poverty through trade, with a central focus on better coordination and clearer impact, along with support for LDCs.*



*The [Germany strategy for Aid for Trade](#) is firmly based on the 2030 Agenda. Its focus is on regional economic integration, trade facilitation and quality infrastructure, with special attention to LDCs, job creation and poverty reduction.*



*[Australia's Aid for Trade](#) priorities include: trade and investment policy, trade facilitation, global value chains, private sector development, services, economic empowerment of women, knowledge and skills development, economic infrastructure and agriculture. It places a strong focus on LDCs in the Pacific, followed by East Asia.*

4 EU Aid for Trade Progress Report 2018

*Stay informed of the latest trends in aid for trade, including special initiatives and strategies, regions of focus, key sectors, and topics such as gender equality.*



## What are other trade-relevant sectors or areas of interest for trade funding?

- Development assistance in agriculture, education, global health, global health research and development, and nutrition has increased since the start of the Global Goals era in 2015.
- Agriculture is the backbone of many LDC trade economies, and development assistance funding is growing every year. Most funding has been allocated to sub-Saharan Africa and Asia, with 41% going to LDCs. The top recipients include Afghanistan, Bangladesh, Ethiopia, Myanmar, Tanzania and Uganda.
- Gender equality and women and girl's empowerment is a key focus in the global conversation around development. The largest funders are the US, Germany, the UK and the EU. Relevant to trade are investments related to decision-making and governance, economic empowerment, rural development, agriculture and education.

### WHAT IS BEING FUNDED IN GENDER EQUALITY AND WOMEN'S ECONOMIC EMPOWERMENT RELEVANT TO TRADE AND BY WHOM?

*Addressing gender-specific barriers to inclusive economic growth (Canada, UK DFID)*



*Women's civic and economic empowerment (USAID)*



*Support for women's rights organizations, feminist movements and female human-rights defenders (Sweden)*



*Empowering smallholder women farmers (EU, Spain)*



*Empowering women in decision-making and democratic governance (Australia, Canada, EU, France, Japan, The Netherlands, Norway, South Korea, Spain)*



## *What are the emerging trends in support to countries affected by fragility or conflict?*

- There is a positive trend in overall ODA to support these countries, with notable increases in funding year by year.
- European funders are shifting their focus to the Middle East and Africa and, overall, to fragile regions affected by conflicts and humanitarian crises.
- The UK allocates 50% of DFID's budget to fragile and conflict-affected regions.
- France is strengthening its focus on the Sahel region in Africa, where it funds projects in areas such as agriculture, nutrition, health and education to promote regional stability.
- Germany has set up three special initiatives: 'Tackling root causes of migration', 'Stability and development in North Africa and the Middle East' and 'A world without hunger'.
- In 2017, Norway announced an increased presence and position in vulnerable and conflict-affected states, with targets including LDCs in the Sahel.

**Tips:** Stay informed of the latest trends in aid for trade, including special initiatives and strategies, regions of focus, key sectors, and topics such as gender equality.

Explore opportunities to develop bilateral partnerships in your country, such as with UK DFID's development arm.



## SECTION 4

# *What are we trying to source funding for?*

*Our work on trade links to a variety of global challenges and opportunities related to poverty reduction, economic development, women's economic empowerment, food security and climate change.*



*When sourcing funding, make the linkages between trade and global challenges explicit and clear*

 EIF

**Tips:** When sourcing funding, make the linkages between trade and global challenges explicit and clear.

Consistently integrate key messages into funding proposals, reports and overall engagement with funders.



## Examples of key messages:



**Trade can unlock the potential of a country's economic development, helping to lift people out of poverty while creating better jobs.**

*What has trade achieved in your country and what is its future potential?*



**For trade openness to play a role in poverty reduction and inclusive growth in LDCs, countries need access to evidence and analysis as well as technical assistance to improve their capacities to trade.**

*What is an example of the type of assistance needed in your country?*



**Young people are increasingly moving in search of jobs and economic opportunities. Open trading systems help create jobs and provide viable alternatives to tackle the root causes of poverty.**

*What is an example of youth involvement in trade or its potential in your country?*



**Agriculture is the backbone of many LDC economies, creating jobs and offering multiple development benefits.**

*How is the agriculture sector contributing to your country's development goals?*



**Women are heavily involved in trade as cross-border traders, producers of marketed goods and services, and entrepreneurs and managers of export firms.**

*What are specific barriers to trade facing women in your country? How can your country create more opportunities for women in trade?*



## Vanuatu

*Vanuatu's Port Vila seafront was destroyed in March 2015 by Tropical Cyclone Pam. With the help of the New Zealand government and EIF, Vanuatu redeveloped its major seafront.*

### ✓ What was the strategy?

 Vanuatu leveraged nearly US\$19 million from the Government of New Zealand, EIF and domestic resources to build a new seafront following the disaster. The strategy was to link the rebuilding of the seafront with job creation, women's economic empowerment and climate change. The new seafront is an attractive area for locals and visitors, helping Vanuatu to strengthen its tourism sector. It has also equipped women entrepreneurs with electricity and the internet, and the reinforced seafront wall offers protection against erosion.

### ▶ What next?

Vanuatu is working with Port Vila Municipality and local businesses to ensure upkeep and re-investments, and partners are looking at investing in similar initiatives on other islands in the country. Vanuatu's EIF Coordinator is now the Head of Aid Coordination in the Prime Minister's office, and the model for working with development partners developed through the EIF is now being rolled out to other sectors such as agriculture.





## SECTION 5

# Where should we concentrate our efforts?

*Limited time and resources require a strategic approach to resource mobilization. Choosing potential partners whose work is complementary to yours is crucial.*

### **Tips for government:**

- Build a strong rapport with the ministry in your country that has a special mandate to coordinate development assistance.
- Use existing EIF donor coordination mechanisms or public-private mechanisms to reach out to potential partners.
- Showcase key results at high-impact events to draw funders' interest.
- Many funding partners may not be able to directly channel funds to LDC governments. Instead, they rely on a mix of delivery channels, such as multilateral organizations, non-governmental organizations and private sector partnerships with a certain level of ODA going to ministries of finance or planning for disbursement.

### **Tips for building strong relationships with funding partners:**

- Keep in mind that funding partners are more than sources of funding. They have more than a vested financial interest in the outcomes of a project – they care about helping your country develop in a sustainable and inclusive way.
- Stay up to date on funding partners priorities, whether through meetings, tracking blogs and news, or listening to their presentations at conferences.
- Develop the relationship over time to keep funding partners up to date on your work and priorities and to keep track of their current and future interests.
- Communicate regularly, either directly through face-to-face meetings and calls, or indirectly by producing blogs or articles, sharing ideas on Twitter, making presentations at conferences and events, and staying involved in important public dialogues about funding and research priorities.



## SECTION 6

# *How to put together a successful funding request?*

### **1. Plan and brainstorm**

As a team, identify what you want to achieve on trade development, and discuss what will help you meet your trade for development goals.

Carry out a situation and stakeholder analysis to determine the opportunity for change that will help improve your country's access to global or regional trade.

Define objectives, activities, outputs, expected outcomes and resources needed.

Collaborate with other ministries to identify common goals and synergies.

### **2. Draft the narrative and budget**

Focus on the budget; it is as important as the narrative.

Write the proposal draft and refine. Ask: Is it clearly structured? Does it have a logical flow? Are the sections complete and complementary?

Check to make sure your format and information matches funding partner guidelines.

Share the draft(s) with partners and key stakeholders to get feedback before finalizing.

### **3. Meet the deadline**

Submit the proposal to the funding partner in advance of the submission deadline.

### **4. Close the deal**

Follow up with the funding partner to ensure the submission was received. Restate your case briefly and follow up regularly (without putting too much pressure).

**Tip:** Have the final proposal draft copy-edited, leaving enough time to address queries and undergo a final proofread. Ensure any formatting issues are resolved before submitting the document.



## Burkina Faso

*With the support of EIF, Burkina Faso obtained a total of US\$3.4 million from various funding partners to develop its shea butter value chain.*



### What's been done?



Burkina Faso approached EIF for support in obtaining funding to improve the competitiveness of its shea butter value chain on the international market. The country prepared a thorough proposal and succeeded in securing US\$ 1.5 million from EIF. In addition, the country successfully mobilized US\$1.5 million from the Government of Luxembourg and was very active in closing the deal. Burkina Faso also mobilized US\$500,000 from domestic resources, demonstrating how strategic and sustained efforts can pay off.



### What next?

Burkina Faso is currently implementing a new four-year shea butter value chain initiative that promises to deliver sustainable results into the future.





## SECTION 7

# *When is the best time to request funding?*

*Resource mobilization takes significant time and work. Being strategic about the timing of your efforts can make them pay off much faster.*

### **Tips:**

Be aware of opportunities in your own country, such as when funding partners launch a specific programme or a new strategy. Try to learn of these in advance of the launch (see Tools and Resources in this guide to keep abreast of opportunities).

Become active in the EIF-established donor coordination groups in your country. Keep the lines of communication open with potential funding and strategic partners.

Identify specific networks that could be leveraged for relationship-building.

Showcase your results and impact to offer potential funding partners a 'proof of concept'.

Identify channels and events where you can showcase results, to spread awareness and attract the interest of potential partners.

As soon as you obtain seed funding or establish a relationship with a new funding partner, immediately try to seek out others.



*Identify specific networks that could be leveraged for relationship-building*

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## TOOLS & RESOURCES

### INFORMATION AND RESEARCH ON AID FOR TRADE

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Organization for Economic Co-operation and Development:

<http://www.oecd.org/trade/aft/>

<http://www.oecd.org/aidfortrade/>

Australia: [Overview of Australia's aid for trade](#)

EU: [Overview of aid for trade](#)

Germany: [Free and Fair Trade as a Driver for Development](#)

### DEVELOPMENT FUNDING – GLOBAL AND BILATERAL

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Devex's how to get funding online platform, including funding trends and information on tenders and grants

<https://www.devex.com/funding>

The Commitment to Development Index 2018

<https://www.cgdev.org/commitment-development-index-2018>

UK Department for International Development Country Profiles

<https://www.gov.uk/government/collections/dfid-country-profiles-july-2018>

### PRIVATE SECTOR

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United Nations Global Compact – the world's largest corporate sustainability initiative

<https://www.unglobalcompact.org/what-is-gc>

### GRANT PROGRAMMES

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Trade Facilitation Agreement Facility Grant Program for LDCs

<http://tfafacility.org/grant-program>



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*The Enhanced Integrated Framework brings together partners and resources to support the Least Developed Countries in using trade for poverty reduction, inclusive growth and sustainable development.*

### EIF Partner Agencies

International Monetary Fund (IMF)

United Nations Development Programme (UNDP)

United Nations Industrial Development Organization (UNIDO)

International Trade Centre (ITC)

World Bank Group

World Tourism Organization (UNWTO)

United Nations Conference on Trade and Development (UNCTAD)

World Trade Organization (WTO)

### EIF Trust Fund Manager

United Nations Office for Project Services (UNOPS)

### EIF Trust Fund Donors



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