



## **ADDITIONAL TECHNICAL SUPPORT TO EIF COUNTRIES**

### **ES/TFM GUIDANCE NOTE ON INTERNATIONAL TRADE ADVISORS**

April 2017

The Executive Secretariat for the EIF (ES) and the EIF Trust Fund Manager (TFM) submit this Guidance Note to the EIF Board for its approval on a proposed approach for providing additional technical support to EIF Countries in the context of the implementation of Tier 1 or Tier 2 projects in order to ensure efficient and effective project delivery and management.

#### **1. Context**

In EIF Phase One, in order to remedy specifically identified deficiencies in trade capacities and expertise in some NIUs, which would negatively impact the implementation of Tier 1 'Support to EIF National Implementation Arrangements (NIAs)' projects, funding for International Trade Advisors (ITAs) was provided on top of Tier 1 'Support to NIAs' funding. Following procedures approved by the EIF Board,<sup>1</sup> six countries received such support for Tier 1 'Support to NIAs' projects and one country for a government-implemented Tier 2 project.<sup>2</sup> The duration of the contracts of these ITAs varied – from short-term to multi-year support.

#### **2. Current Situation**

As of today, five ITAs are currently engaged: four are set to end by August 2017, and the fifth is progressively being scaled down in 2017. No ITAs will therefore remain in the EIF by the end of 2017.

Though no formal global assessment of the effectiveness of the ITAs has been undertaken, it is apparent that the results differ greatly from country to country. While some ITAs were effective in building capacity and assisting the NIUs in their work, others were less so, often due to timing/sequencing issues within the country (setting up of the NIUs and NIAs, length of recruitment process) or more endemic bureaucratic issues. Given that the countries that received this support were in greatest need of support, the ITAs have only been able to boost performance a little to an average level. A key lesson learned is certainly that sustainability, transfer of knowledge and capacity-building in general will require more focus and attention during EIF Phase Two, should the EIF continue to provide this type of assistance.

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<sup>1</sup> The EIF Board approved, in July 2011, criteria according to which the EIF may proceed to hire consultants on behalf of countries in exceptional circumstances.

<sup>2</sup> For Tier 1, in Chad, Djibouti, Democratic Republic of the Congo, Ethiopia, Guinea-Bissau and Mozambique, and for Tier 2 in Chad. Solomon Islands also recruited an ITA for their Tier 1 project but used their already allocated Tier 1 project funds.

### 3. Way Forward

For EIF Phase Two, according to the initial ES/TFM assessment, seven<sup>3</sup> new EIF Countries might need some kind of additional support. The ES/TFM is proposing the following approach to the EIF Board for its approval.

The ES and TFM, under the technical leadership of the ES, will review such requests from countries and indicate the technical assistance requirements on a case-by-case basis. In considering what kind of additional support should be made available, the ES/TFM and the government will abide by the following guiding principles:

1. **Country ownership:** In keeping with the EIF principles, country ownership is the foundation of all EIF interventions. Especially in local capacity-building, country ownership is critical, and the government must be on board with the proposed approach. A request for additional support should originate from the government with clear expected outputs and an implementation schedule.
2. **Value for money:** Considerations of value for money must inform all EIF decisions. As available trust fund resources are under increasing pressure, governments must be particularly attuned to ensuring that a value-for-money approach is followed. Accordingly, in EIF Phase Two, all additional support must be directly funded from within the project allocation (whether Tier 1 or Tier 2), thus allowing the governments to determine the most optimum use of the EIF funds received.
3. **Sustainability:** All additional support that is provided must clearly reflect, from the inception, upon the transfer of knowledge and capacities to the local stakeholders, with clear milestones and specific tools to implement it. The contracts should have a delineated timeline for a capacity-building plan and handover and a clearly established sunset clause.

Upon identification by the ES/TFM of a technical or fiduciary deficiency – either at the project appraisal stage or during implementation – and the government's request for support, efforts will be made to identify how additional support can be made available. This can include the following options, whether partially, in full or in combination:

- **Short term technical assistance:** In situations where the NIU may lack the expertise and experience in delivering technical assistance in specific areas, such as completing time-sensitive project components, addressing operational questions, supporting implementation or informing policy recommendations, but where such expertise is readily available at minimal or no cost from bilateral donors or other development partners, research institutions, universities, etc., such short-term opportunities should be sought.
- **National Trade Advisor (NTA):** As an alternative solution, an NTA may be directly recruited by the government. Clear deliverables and a transfer-of-knowledge plan will be required. Furthermore, all contracts will have a specific duration and milestones (rather than being linked

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<sup>3</sup> Angola, Equatorial Guinea, São Tomé and Príncipe, Somalia, South Sudan, Sudan and Timor-Leste.

to project implementation), and funding for such contracts will come directly from project funds. The NTA contracts may be part-time consultancies, or if full-time, the time inputs should be tapered down as implementation progresses.

- **Partner Agency Support:** As in EIF Phase One, EIF Partner Agencies are often in a position to assist countries with capacity-building efforts. This may consist in (a) full project implementation by the Partner Agency; or (b) hybrid implementation, with the Partner Agency assisting on specific aspects of project implementation along with government implementation. Hybrid implementation will be determined on a case-by-case basis in accordance with the country context and need.
- **International Trade Advisor (ITA):** The option of recruiting an ITA still remains, though the ES/TFM would advise that the other options are preferred. The July 2011 procedures approved by the EIF Board would remain in place for the contracting modalities.<sup>4</sup> As noted above, for all ITAs, clear deliverables and a transfer-of-knowledge plan will be required. Furthermore, all contracts will have a specific duration and will be linked to milestones (rather than being linked to the number of years approved for the project), and funding for such contracts will come directly from project funds with financial commitment by the government. The ITA positions may be part-time consultancies or, if full time, the time inputs should be tapered down as implementation progresses.

In order to ensure capacity and knowledge transfer to the NIU so as to ensure country ownership, value for money and sustainability, the ES and the TFM, under the leadership of the ES and in collaboration with the EIF Focal Point, will systematically undertake periodic assessments of the performance of the support provided, specifically before any extension. This assessment will be applicable to all cases, including where the support is provided through an EIF Partner Agency. As a general practice, extensions (whether at cost or with no cost) will be exceptional and reviewed on a case-by-case basis. To enforce a credible sunset clause, under no circumstances can the period of such engagement exceed 18 months in total.

With this additional support, the ES and the TFM aim to offer flexible and tailor-made assistance to the last remaining countries, which have yet to access Tier 1 'Support to NIAs' funding from the EIF or may need additional support for their Tier 2 projects.

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<sup>4</sup> Broadly speaking, the procedures laid out include the circulation of the request for assistance to all EIF Partner Agencies who are given the opportunity to indicate their interest to the country. The country is then able to decide which modality is best suited to its needs. Should no EIF Partner Agency be able to assist, UNOPS can provide such assistance, upon written request from the ES.