



Enhanced Integrated Framework (EIF)
for trade-related assistance for Least Developed Countries (LDCs)

2009 2010
2013
2011 2012

EIF ANNUAL PROGRESS REPORT

ACHIEVING RESULTS





Enhanced Integrated Framework (EIF)
for trade-related assistance for Least Developed Countries (LDCs)

EIF ANNUAL PROGRESS REPORT – 2013

ACHIEVING RESULTS

This report is based on a master set of data in a data hub that has been compiled by the Executive Secretariat for the Enhanced Integrated Framework (ES) and EIF Trust Fund Manager (TFM) and partner countries of the EIF in response to requirements of the EIF Board as endorsed by the EIF Steering Committee (EIFSC). The report covers the period 1 January to 31 December 2013, providing progress on EIF implementation at global and country levels.

The full report in English and French can be accessed on the internet at: www.enhancedif.org

A hard copy of the publication is available upon request eif.secretariat@wto.org.

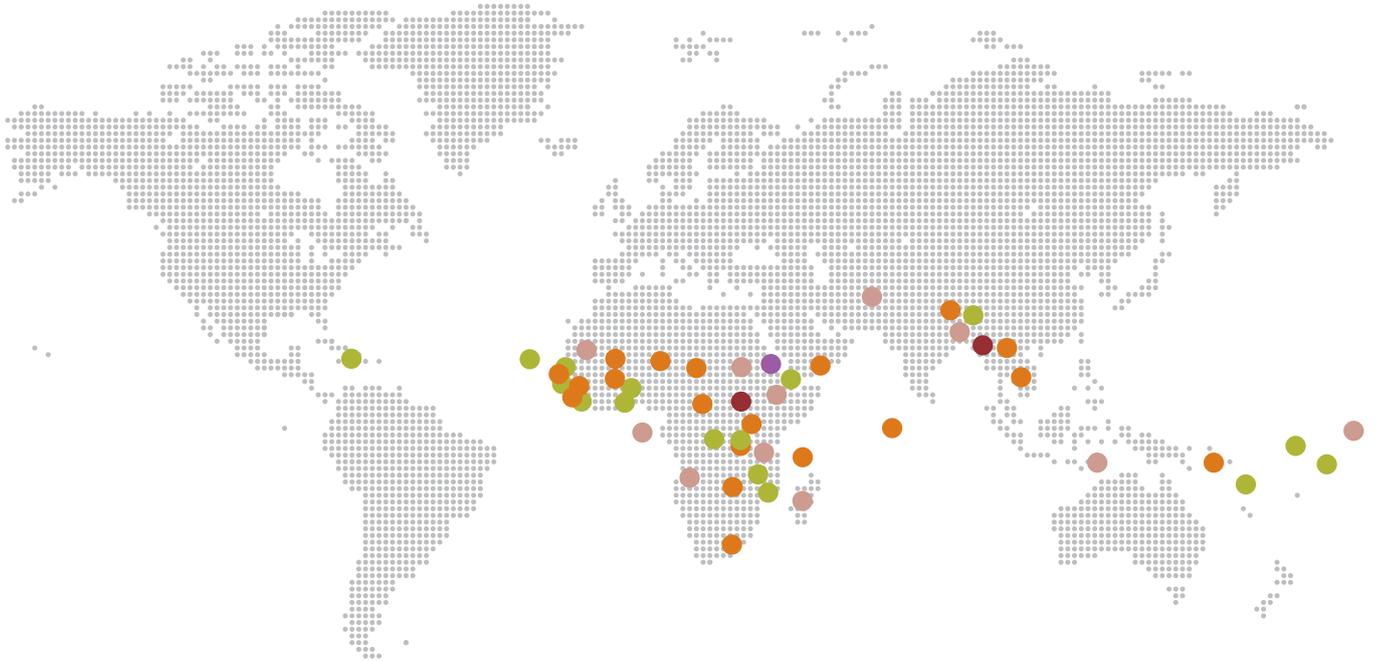
Photo-credits:

© José Carlos Alexandre/EIF (pages xiv, 4, 8 and 30)

© EIF (pages 52 and 60)

© EIF 2013

Where we Work



EIF countries:

Afghanistan ●	Comoros ●	Lao PDR ●	Rwanda ●	Togo ●
Angola ●	Democratic Republic of the Congo ●	Lesotho ●	Samoa ●	Tuvalu ●
Bangladesh ●	Djibouti ●	Liberia ●	São Tomé and Príncipe ●	Uganda ●
Benin ●	Eritrea ●	Madagascar ●	Senegal ●	Vanuatu ●
Bhutan ●	Ethiopia ●	Malawi ●	Sierra Leone ●	Yemen ●
Burkina Faso ●	The Gambia ●	Maldives ●	Solomon Islands ●	Zambia ●
Burundi ●	Guinea ●	Mali ●	South Sudan ●	
Cambodia ●	Guinea-Bissau ●	Mauritania ●	Sudan ●	
Cabo Verde ●	Haiti ●	Mozambique ●	Tanzania ●	
Central African Republic ●	Kiribati ●	Myanmar ●	Timor-Leste ●	
Chad ●		Nepal ●		
		Niger ●		

● Tier 2, Tier 1 and DTIS
 ● Tier 1 and DTIS
 ● Tier 1 only
 ● DTIS
 ● Pre-DTIS
 ● Technical Review

Table of Contents

Acronyms	v
EIF in Numbers	vii
Foreword	viii
Executive Summary	xi
Trade and Poverty Reduction	1
The EIF at the Programme Level	5
Progress at the Goal and Purpose Levels	5
Accession to the World Trade Organization (WTO)	5
Real GDP per capita	6
LDCs' export growth	6
Doing business	7
The EIF at the Strategic Level	9
Progress at The Project Level and the Actual Development Results	9
Strategic Priority 1: Consolidation and acceleration of delivery for Tier 1 and Tier 2 Projects	9
Strategic Priority 2: Operationalization of the EIF M&E Framework, including an MTR	10
Evaluation	19
Programme MTR	19
MTEs	20
2014 Comprehensive EIF Evaluation	20
Strategic Priority 3: Enhancing the effectiveness of NIAs	21
Capacity building	21
Communications, outreach and advocacy	22
Legal Framework	22
Resource Allocation in Productive Sector Operations	23
Poverty-focused productive sector activities	23
Trends in the number of, and commitments to, Tier 2 projects	24
Targeted Sectors in Country-Owned DTIS Action Matrices	24

Financial, Fiduciary Outlook and Accountability **31**

Financial and fiduciary management	31
Donor commitments and contributions received	31
Allocations for EIF activities	33
Disbursements	38
Available funds	38
EIF Project Pipeline	39
Tier 1 project pipeline	39
Tier 2 project pipeline	41
Main Inputs Supporting Results	42
TFM 2013 work plan and results framework	42
TFM missions	43
Project pre-approval and approval process	44
Appraisal and assessment processes and tools	45
Accountability	45
TFM reporting status	45
LDC reporting status	46
Agency and other MIE reporting status	47
Auditing practices	48
Database and information system	49
Coordination and communications	49
TFM human resource and regional setting	51

Emerging and Cross-cutting Issues **53**

Introduction	53
Customized Capacity Development	53
Private Sector Engagement and Regional Integration	54
Horizontal issues	54
Sustainability	54
Gender and Trade	55
Strategic Partnerships and Collaboration	55
Country-level partnerships	56

The Donor community	56
EIF Partner Agencies	56
Role of the EIF at the post-Ninth Session of the WTO Ministerial Conference	56
The EIF at the Ninth Session of the WTO Ministerial Conference	56
The way ahead	57

Annexes **61**

List of Tables

Table 1: Recent EIF LDCs accession to the WTO	6
Table 2: Top ten LDCs with real GDP per capita growth rate, 2012	6
Table 3: Values of trade in goods and services	7
Table 4: Tier 1 Phase 2 Projects: EIF Board Approval Date	11
Table 5: Number of Tier 2 Projects and financial commitments, 2009–2013	23
Table 6: Donor commitments	31
Table 7: Donor contribution details	32
Table 8: Contributions received	33
Table 9: EIF projects by MIE	35
Table 10: Allocations for EIF activities	36
Table 11: Disbursements	38
Table 12: EIF Tier 1 project pipeline	40
Table 13: EIF Tier 2 project pipeline	41
Table 14: TFM missions	44
Table 15: TFM reporting	46
Table 16: Status of reporting – LDCs	47
Table 17: Status of reporting – Agencies, NGOs and others	47
Table 18: Status of audit reports	49
Table 19: TFM interaction with key EIF stakeholders (2013)	50

List of Figures

Figure 1: Conceptual framework guiding the EIF's contribution to poverty alleviation	3
Figure 2: Real GDP per capita growth for LDCs per group, 2009-2013	6
Figure 3: Ease of doing business	7
Figure 4: Total number and volume of projects, 2013	10
Figure 5: Trends in number and volume of projects	10
Figure 6: Number of Tier 2 projects, commitments and disbursement	24
Figure 7: Trends in the number of projects per sector	25
Figure 8: Contributions received as of 31 December 2013	33
Figure 9: EIF Tier 1 projects at a glance	34
Figure 10: EIF Tier 2 projects at a glance	34
Figure 11: Cumulative allocations for EIF activities	38
Figure 12: Disbursements	39
Figure 13: EIF funds available for allocation	39

List of Boxes

Box 1: Sample country-specific results on indicators of Outcome 1	13
Box 2: Sample country-specific results on indicators of Outcome 2	15
Box 3: Sample country-specific results on indicators of Outcome 3	17
Box 4: Sample country-specific results on indicators of Outcome 4	19
Box 5: EIF-funded agribusiness projects	25
Box 6: EIF-funded TF projects	27
Box 7: EIF-funded standards projects	27
Box 8: EIF-funded tourism project	28
Box 9: EIF-funded feasibility study projects	28
Box 10: EIF-funded textiles and apparel projects	29

Acronyms

ADB	Asian Development Bank	IDB	Inter-American Development Bank
AFD	Agence Française de Développement	IF	Integrated Framework
AfDB	African Development Bank	IFAD	International Fund for Agricultural Development
AfT	Aid for Trade	IFC	International Finance Corporation
ASEAN	Association of Southeast Asian Nations	IFIs	International Financial Institutions
CIDA	Canadian International Development Agency	IFTF	IF Trust Fund
CEM	Country Economic Memorandum	ILO	International Labour Office
COMESA	Common Market for Eastern and Southern Africa	IMF	International Monetary Fund
CUTS	Consumer Unity & Trust Society International	IPoA	Istanbul Programme of Action for the Least Developed Countries for the Decade 2011-2020
DAC	OECD Development Assistance Committee	ITA	International Trade Adviser
DANIDA	Danish International Development Agency	ITC	International Trade Centre
DF	EIF Donor Facilitator	JICA	Japan International Cooperation Agency
DP	Development Partner	LDC	Least Developed Country
DTIS	Diagnostic Trade Integration Study	MDGs	Millennium Development Goals
DTISU	DTIS Update	MIE	Main Implementing Entity
EAC	East African Community	M&E	Monitoring and Evaluation
ECCAS	Economic Community of Central African States	MOU	Memorandum of Understanding
ECOWAS	Economic Community of West African States	MTE	Mid-term Evaluation
ED	Executive Director of the Executive Secretariat for the EIF	MTP	Medium-term Programme
EIF	Enhanced Integrated Framework	MTR	EIF Mid-term Review
EIFSC	EIF Steering Committee	NCE	No-cost Extension
EIFTF	EIF Trust Fund	NDP	National Development Plan
ES	Executive Secretariat for the EIF	NDS	National Development Strategy
EU	European Union	NES	National Export Strategy
FAO	Food and Agriculture Organization	NGO	Non-Governmental Organization
FDI	Foreign Direct Investment	NiAs	EIF National Implementation Arrangements
FP	EIF Focal Point	N/A	Not Applicable
GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit	NIU	EIF National Implementation Unit
icipe	International Centre of Insect Physiology and Ecology	NSC	EIF National Steering Committee
		ODA	Official Development Assistance
		ODI	Overseas Development Institute
		OECD	Organisation for Economic Co-operation and Development
		PiFS	Pacific Islands Forum Secretariat
		PRS	Poverty Reduction Strategy
		PRSP	Poverty Reduction Strategy Paper

PS	Permanent Secretary	UNCTAD	United Nations Conference on Trade and Development
REC	Regional Economic Cooperation	UNDAF	United Nations Development Assistance Framework
RPM	TFM Regional Portfolio Manager	UNDP	United Nations Development Programme
SECO	State Secretariat for Economic Affairs (Switzerland)	UNIDO	United Nations Industrial Development Organization
SIDA	Swedish International Development Cooperation Agency	UNOPS	United Nations Office for Project Services
SME	Small and Medium Enterprises	UNWTO	United Nations World Tourism Organization
SPS	Sanitary and Phytosanitary	WAEMU	West African Economic and Monetary Union
STDF	Standards and Trade Development Facility	WB	World Bank
SWAp	Sector Wide Approach	WHO	World Health Organization
TAC 1	EIF Tier 1 Appraisal Committee	WIPO	World Intellectual Property Organization
TAC 2	EIF Tier 2 Appraisal Committee	WTO	World Trade Organization
TBT	Technical Barriers to Trade		
TFM	EIF Trust Fund Manager		
TOR	Terms of Reference		
TA	Technical Assistance		
TF	Trade Facilitation		
TRTA	Trade-related Technical Assistance		
UN-CEB Cluster	United Nations Chief Executives Board Inter-Agency Cluster on Trade and Productive Capacity		

EIF in Numbers

2014

year in which Comprehensive Evaluation of the EIF will be conducted.

49

countries assisted by the EIF.

36

EIF Countries with approved Tier 1 'Support to NIAs' projects.

22

approved Tier 2 projects for a total of approximately 52.7 million US\$.

19

EIF Countries with approved Tier 2 projects.

8

EIF Core and Observer Partner Agencies.

23

Donors supporting the EIF.

251.45

million US\$: approximate total Donor pledges to the EIF.

238.26

million US\$: approximate total Donor commitments to the EIF.

190.80

million US\$: approximate total contributions to the EIF.

132.55

million US\$: allocation for EIF activities.

Foreword

The green shoots of economic recovery that started in selected countries in the latter half of 2012 could not spread globally, resulting in subdued prospects of economic recovery over the course of 2013, although the outlook for 2014 and beyond look relatively more promising. The increasing level of integration of the LDCs with the global economy means that their performance is largely determined by a much-awaited global economic recovery. Three major channels of transmission of global economic changes to LDCs, namely development assistance, investment and trade are germane to the work of the Enhanced Integrated Framework (EIF).

While net overseas development assistance flows that have rebounded in 2013 and increased by 6.1%¹ provides renewed sense of optimism, the inflow of foreign direct investment, which is estimated to have declined by 6% in 2013² does not offer any sense of respite. Equally concerning is the growth rate in world trade that slowed to just 2.1% in real volume terms in 2013³. Since building trade capacity of the LDCs is the major objective of the EIF, it would be worthwhile to take a closer look at how the LDCs fared in 2013. WTO figures indicate that growth in the dollar value of LDC exports was a meagre 5%, although the prospects for them to disproportionately benefit from the recovery in the developed countries, in particular the European Union, is higher.⁴

The year 2013 was a special year for the EIF for a multiplicity of reasons. First, 2013 marks the EIF's fifth and, going by the original count, the final year of operation during which considerable efforts were made to consolidate its achievements, although based on the recommendation provided by the EIF Mid-term Review (MTR) of the programme, the EIF Steering Committee decided to extend the programme until December 2015, with an operational period going up to December 2017.



Second, this was the first year of operation with renewed hope and enthusiasm after a positive MTR. Addressing recommendations from the MTR constituted the major preoccupation for the EIF during 2013 with a focus on streamlining EIF procedures, redoubling efforts to serve the EIF Countries better through customized and targeted programme intervention, building capacity of the EIF Countries by rolling out numerous capacity-building initiatives and revamping the EIF's communication strategy to better reach out to stakeholders.

Third, a considerable degree of success was achieved through the capacity-building efforts as LDCs became increasingly capable of taking ownership of their trade and development agenda and of the EIF process. As an example, in 2013, both Cabo Verde and Cambodia managed the process of the update of the Diagnostic Trade Integration Study (DTISU) entirely at national level. Also, 12 out of 22 Tier 2 projects underway in 2013 are based on national implementation only and one on mixed national-agency implementation.

Fourth, the EIF as a programme received a considerable degree of support from its tripod of stakeholders, namely Agencies, Donors and the LDCs. Recognizing the increasing importance of the EIF, some Agencies

enhanced their level of representation on the EIF Board so that they can contribute to more substantive discussions, something that is expected to continue in days to come. Similarly, Donors made additional pledges to the EIF Trust Fund (EIFTF) due to which Donor pledges crossed the US\$250 million mark agreed upon during the High-level Pledging Conference in Stockholm in 2007. The LDCs on their part not only contributed by managing EIF projects more effectively but also by extending their unconditional and unequivocal support to the EIF in the various global platforms.

Fifth, the EIF on its part has matched the generosity of the stakeholders by enhancing its efficiency as well as effectiveness of the services it provides. In 2013, the EIF Board approved three new Tier 1 projects and nine new Tier 2 projects. DTIS/DTISUs were completed and validated in six countries. After a new window of supporting the countries to understand the viability of projects so as to allow them to make an informed decision on whether or not to pursue the projects, the EIF provided support to conduct a feasibility study on the shea butter value chain.

Sixth, the EIF welcomed the United Nations World Tourism Organization (UNWTO) as a new observer to the EIF Board, thereby expanding its family. This was done in recognition of the preeminent role of tourism in the economies of the LDCs and the contribution that the UNWTO had made in bolstering the EIF work in this area. It is expected that the Madrid-based UN tourism body will bring in its substantive knowledge and expertise in the area of responsible, sustainable and universally accessible tourism to help LDCs in achieving their development objectives through tourism trade within the EIF framework.

Finally, the key coordination role of the EIF was specified in relation to implementation of the WTO Agreement on Trade Facilitation agreed during the Ninth Session of the WTO Ministerial Conference. The Conference

specifically underscored the significance of the EIF in the Ministerial Decisions on the Operationalization of the Waiver Concerning Preferential Treatment to Services and Service Suppliers of Least-Developed Countries as well as on Cotton.

The EIF programme, through its unique country-owned and country-driven approach and fully in conformity with the Paris Declaration on Aid Effectiveness, provides trade-related support to LDCs, first and foremost to mainstream trade into their national development strategies and create the necessary institutional structures to seek, obtain and manage Aid-for-Trade resources. This entire process is underpinned by a detailed, rigorous analytical work in the form of DTISs for the countries in first-time partnership with the EIF and DTISUs for countries that have already conducted and validated their DTISs. This analytical report that identifies, *inter alia*, some priority areas of interventions in the form of an Action Matrix forms the basis of developing bankable projects.

Once the countries reach a certain threshold in terms of their capacity, the EIF provides support to build their productive capacity and address their critical supply-side constraints. The real value added of this phase of the programme is that it enables swift, coordinated and prioritized follow-through on the implementation of priorities identified by DTISs/DTISUs in an independent country-led manner. This support in 2013 has continued to help the world's poorest communities through sectoral assistance having a direct positive impact on poverty reduction, and in particular for women.

Looking forward, in terms of strategy for the immediate future, we hope to make salient strides towards contributing to create a virtuous circle of aid, trade and investment in the LDCs through an enhanced engagement with the private sector, subject to the approval of the EIF Board. This will be buttressed by the active engagement in the post-Bali work

programme of the WTO, in particular on Trade Facilitation and the Services Waiver, although the programme will be on stand-by to support the needs of the LDCs on the Cotton issue as well.

Moreover, based on the increased demands from the LDCs as well as other stakeholders, the EIF has the potential to play a much more active role in supporting LDCs in their pursuit of better integrating into their respective regional economic cooperation frameworks. This is not least because it is relatively easier for the LDCs to access the regional market with some form of trade agreement in place than break into developed countries' markets. Added to this is the need for the LDCs to diversify their trade away from a select group of countries to avoid vulnerability, as has been clearly seen during the period of global financial and economic crises of the recent past. To this end, starting an exploratory engagement with at least one regional economic cooperation framework on a pilot basis could be one of the items on the agenda for the immediate future.

In order to effectively communicate the results on the ground, including the challenges and constraints that the programme faces in delivering results in some of the most difficult environments, to reach out to stakeholders that are not within the organic structure of the EIF and to contribute to enhanced transparency as well as visibility of the programme, analytical work and publications will be initiated and continued on a sustained basis. This strand of work will, to the extent possible, build on the existing wealth of knowledge available within the programme.

In relation to global advocacy, the EIF will work to build on the Istanbul Programme of Action for the Least Developed Countries (IPoA) and explore how the programme can be a vehicle to contribute towards the post-2015 development framework. To this end, the programme will pursue a multitude of strategies, including up-scaling publication and outreach efforts, ramping up the

engagement with a new set of stakeholders, such as South-South development partners, and enhancing partnerships with various agencies and entities outside of the EIF structures, such as other UN bodies, think tanks and civil society organizations.

I would like to end the foreword on a personal note by paying tribute to the outgoing Executive Director of the EIF, Ms. Dorothy Tembo, who left a rich legacy for me to carry forward. I am indebted to the EIF Board and in particular H.E. Mr. Minelik Alemu Getahun for welcoming as well as supporting me in every endeavour since I assumed office on 7 October 2013. I am equally grateful to the EIF Core, Observer and Partner Agencies, Donors and LDCs, who have contributed immensely to this Partnership to help LDCs in building their trade capacity and achieving their key development objectives. Finally, I would like to thank my colleagues – both at the Executive Secretariat for the EIF as well as the EIF Trust Fund Manager – who spent several days and nights going beyond the call of duty to finalize the Annual Progress Report, despite a considerable delay experienced in receiving country reports.



Ratnakar Adhikari
Executive Director
Executive Secretariat for
the EIF at the WTO

Executive Summary

Trade is central to the economic growth and poverty reduction goal of the EIF. To this end, the EIF's support interlocks aid and trade into a broader pro-growth strategy, whose overall objective is to reduce poverty and achieve sustainable economic growth in Least Developed Countries (LDCs). To achieve this objective, the LDCs need assistance in building their capacities to integrate trade into their national development plans (NDPs), policies, strategies and institutions so as to compete effectively in the global economy. They also need assistance to overcome supply-side constraints that inhibit their ability to benefit from market access opportunities.

For the past five years, the Enhanced Integrated Framework (EIF) has provided trade development assistance to LDCs through Tier 1 and Tier 2 projects. This report outlines gains that the LDCs have made in achieving results during this initial phase of the EIF programme. The results suggest that trade mainstreaming into NDPs and strategies is taking root across the LDCs and that trade is becoming central to the LDCs' development agendas.

In this report, results are provided at two levels. At the programme level with primary focus on programme goal and purpose; and at the strategic level focusing on project-level implementation and the actual development results.

At the programme level, the results show that the LDCs have prioritized acceding to the WTO in their trade development agendas. Eight countries are in the process of acceding to the WTO, in addition to the 36 that have already acceded. Yemen will complete accession in 2014. Over the five years, the EIF has provided support to the accession of Lao PDR, Liberia, Samoa, Vanuatu and Yemen.

At the macroeconomic level, the LDCs are recording increasing real per capita growth rates despite the global economic crises. In 2012, four LDCs attained annual growth rates

exceeding the 7% target set by the Istanbul Programme of Action for the Least Developed Countries (IPoA) as requirement to graduate from LDC status, and six other countries performed close to the IPoA target (at least %). The LDCs' exports of manufactured goods expanded by 22.4%, while that of commercial services expanded by 17.2%, even though the LDCs' share in world trade exports and imports increased insignificantly from 1.14% in 2012 to 1.16% in 2013. The LDCs are scoring high on their ranking of ease of doing business, moving from three to two digit ranks over the last five years, some even halving their rank in 2013 compared to the ranks in 2009; Rwanda showed the most remarkable shift from 2009 to 2013.

At the project level, during the period from 2009 to 2013, the number of EIF Board approved projects has reached 108 in 44 of the 49 EIF Countries. Of the 108 projects, 86 are Tier 1 and 22 Tier 2 projects. Five of the 'Support to NIAs' projects (Cambodia, The Gambia, Lao PDR, Sierra Leone and Uganda) have progressed to Phase 2, each for a period of two years. Correspondingly, the commitment portfolio in LDCs stood at US\$99 million in 2013, rising from US\$8.9 million in 2009.

The EIF has intensified capacity development of LDCs to effectively develop and implement trade policies and strategies in a variety of trade-related sectors, mainstreaming trade into NDPs and poverty reduction strategies, and establish mechanisms for leveraging and coordinating trade across stakeholders. As a result, over half of the EIF Countries have developed trade strategies that are rated to be at least satisfactory in quality. On average, the National Implementation Units (NIUs) are gradually upgrading their skills at performing fiduciary functions with 73% being at least satisfactory by the end of 2013, compared to 3% at baseline.

Seventy-eight percent of EIF Countries reported to have integrated trade into their Poverty Reduction Strategic Papers (PRSPs) or NDPs, while 90% of EIF Countries with Tier 2 projects have trade integrated into at least three of their productive sector strategies. In 2013, 90% of countries with Tier 1 'Support to NIAs' projects have established high-level public-private sector consultative mechanisms to dialogue on trade policy issues.

The Diagnostic Trade Integration Study (DTIS) assesses the status of the trade sector and the internal and external constraints in a given country and its associated Action Matrix is the programming tool for implementing the activities identified in the DTIS based on the country's trade priorities. The effective and efficient use of this tool is imperative for the LDCs to have a clear strategy on mainstreaming trade into their NDPs/PRSPs. Thirteen countries have produced or updated their DTISs, while 24 are in the process of doing so. Linked with the DTIS is an implementation overview that LDCs are expected to produce, which integrates funding for all trade-related government- and donor-supported activities. Seventy-seven percent of LDCs with Tier 1 'Support to NIAs' projects reported to have the overview.

EIF Countries are making strides in securing resources in support of initiatives delineated in the DTIS Action Matrix by establishing mechanisms to monitor and coordinate donor activities in a manner that could facilitate synergies for joint initiatives. In 2013, 80% of countries with Tier 1 'Support to NIAs' projects have a mechanism for government and donor consultations on trade matters that covers coordination of donor interventions, while 53% of countries with Tier 1 'Support to NIAs' projects have a Medium-term Programme (MTP) that is at least satisfactory and linked to the DTIS Action Matrix. An MTP is an implementation plan integrating DTIS/Action Matrix priorities and indicating financing needs to be met through Official Development Assistance (ODA).

Despite the strong support and ongoing efforts to improve the LDCs' capacity to benefit from trade, they still face several constraints in leveraging Aid-for-Trade (AfT) resources.

While the EIF is providing support in this direction through Tier 2 projects, national governments are allocating funds for the implementation of their trade strategies. Some countries have established basket funds for trade-related funding, which is coordinated by the ministry of trade in collaboration with other line ministries like the ministry of finance.

The EIF is supporting Tier 2 projects developed from DTIS Action Matrices. The most popular sectors receiving support across the LDCs include agribusiness, trade facilitation, tourism and sanitary and phytosanitary standards.

These results indicate that EIF Countries are on the right path to achieving the targets of the EIF programme. While some of the targets were met within the first phase of a Tier 1 project, the probability of achieving all the targets in the second phase of a Tier 1 project is high, given the current momentum of country-level project implementation

Evaluation

A milestone in the five-year phase of the EIF was the conduct of a Mid-term Review (MTR) of the EIF programme in 2012. The Review verified that progress had been made on three of the four EIF result areas — strengthening capacity, mainstreaming trade and coordinating delivery of trade-related technical assistance. Progress on the fourth result area 'securing resources' was found lacking and will require different approaches and partners at the country level to see progress, especially with the increasing number of Tier 2 projects. EIF operations after the MTR lay special emphasis on Outcome 4. The MTR also concluded that the EIF as a programme is highly relevant to the trade and economic priorities of LDCs, is positively contributing to strengthening capacities for trade-related strategies and plans, is supporting trade mainstreaming into national development strategies and is ensuring a coordinated delivery of prioritized trade-related assistance. The outcome of the MTR was discussed in an EIF Board Retreat, which endorsed an action plan to address the MTR recommendations. The Executive

Secretariat for the EIF (ES) and the EIF Trust Fund Manager (TFM) are implementing the plan.

A Comprehensive Evaluation of the EIF is due in 2014. The process for the Evaluation has already begun with an advertisement of an expression of interest to conduct the Evaluation. A firm will be hired in 2014 by the procurement unit of the WTO through a competitive bidding process. The outcome of the Evaluation will inform the design and direction of the second phase of the programme, if a second phase is to be pursued.

Capacity building

Capacity-building efforts are starting to show results, and countries are increasingly taking ownership of their trade and development agenda and of the EIF process. As an example, in 2013, both Cabo Verde and Cambodia managed the DTIS Update process entirely at national level. Also, 12 out of 22 Tier 2 projects underway in 2013 are based on national implementation and 1 on mixed national-agency implementation.

Financial situation

To date, total funds committed by EIF Donors in the EIFTF represent over 95% of the total funding target of US\$250 million over five years (up to 2013). As of 31 December 2013, the EIFTF donors signed Contribution Arrangements for commitments of a total of US\$238.26 million, of which US\$190.8 million were received.

EIF governance

During the five-year phase of the EIF, the Chairmanship of the EIF Board changed hands once with H.E. Mr Minelik Alemu Getahun, Ambassador and Permanent Representative of the Federal Democratic Republic of Ethiopia, succeeding in 2012 H.E. Mr Mothae Anthony Maruping, former Ambassador and Permanent Representative of the Kingdom of Lesotho, who had chaired the EIF Board since 2008. In the same year, H.E. Ms Päivi Kairamo, Ambassador and Permanent Representative of Finland in Geneva, was elected as the new Chairperson of the EIF Steering Committee

(EIFSC). H.E. Ms Päivi Kairamo took over from H.E. Mr Hannu Himanen, former Ambassador and Permanent Representative of Finland in Geneva, who had chaired the EIFSC since the first meeting in 2010.

In December 2012, Nepal was elected as Coordinator of the LDC Consultative Group at the WTO, represented on the EIF Board by H.E. Mr Shanker Das Bairagi, Ambassador and Permanent Representative of Nepal to the WTO. He took over from H.E. Mr Georges-Henri Barberousse, Ambassador and Permanent Representative of Haiti to the WTO. In December 2013, H.E. Mr Christopher Onyanga Aparr, Ambassador and Permanent Representative of Uganda to the WTO, took over the realms as LDC Group Coordinator.

In October 2013, Mr Ratnakar Adhikari became the second Executive Director (ED) of the ES after Ms Dorothy Tembo, who was the ED since 2008.

Looking beyond 2013

At the core of EIF programme beyond 2013 is the implementation of a strategic action plan that focuses on capacity building that enables EIF Countries to take full ownership of formulating and implementing their trade strategies, including resource mobilization for AfT. The capacity-building approach aims at enabling countries to implement all EIF projects using the national implementation modality and using EIF Partner Agencies or experts in an advisory rather than implementation capacity.

In line with the recent Ninth Session of the WTO Ministerial Conference in Bali, the EIF is referenced as main delivery and coordination mechanism for technical assistance and capacity building to LDCs in three key decisions adopted. These include Trade Facilitation, Operationalization of the Services Waiver, and Cotton. The EIF has the coordinating mechanisms in place in most countries and will therefore continue leveraging its comparative advantage in capacity building, strengthening institutions and coordination of technical assistance at country level, with an increased focus on the implementation of the Bali Package.



Trade and Poverty Reduction

In recent years, the LDCs in general have shown moderate economic growth despite the slow global economic performance. Per capita income for the group as a whole has been expanding steadily, raising hopes that some of them may even be able to graduate from the category before the targeted date of 2020 set by the Istanbul Programme of Action for the Least Developed Countries (IPOA).⁵ However, there are widespread concerns that the contribution of this growth trend to poverty reduction has been limited and may not be sustainable.

One main explanation for this scepticism in current growth strengths is that LDCs have not generated enough productive capacity to trade and thus integrate themselves into the global trading system. This inadequacy can be explained by the failure of many LDCs to engage their human resources in productive activities through the creation of an enabling environment to trade for sustainable growth, despite the widely held belief that creating such an environment through policy reforms in LDCs to mainstream trade contributes to generating jobs, improving productivity and providing income that drives broad-based economic growth and reduces poverty.⁶ Filling these gaps was the major *raison d'être* of the Enhanced Integrated Framework (EIF) and, as will be subsequently explained, how the programme has contributed to achieving these objectives on the ground.

Over the period of operation of the EIF, poverty reduction, sustainable development and other key development objectives enshrined in the Millennium Development Goals (MDGs)⁷ have

become central to the development discourse on LDCs. More recently, these beliefs have been aptly captured by the IPoA⁸ for the LDCs. Another strand of discourse, which is not explicitly articulated in the MDGs, is based on the premise that international trade can be an “enabler” for achieving a broad range of development goals.⁹

In the context of the LDCs, their integration into the global trading system by mainstreaming trade into the national development plans is viewed as a means to achieve these objectives. It is this belief that guides the functioning of the EIF. Indeed, the concepts of trade, economic growth, poverty reduction and sustainable development are embedded in the Compendium of EIF documents, which states that:

“The EIF is a global partnership involving LDCs, donors and international organizations, which support LDCs to be more active players in the global trading system by helping them tackle obstacles to trade. In this way, the programme works towards a wider goal of promoting economic growth, sustainable development and helping lift more people out of poverty.”¹⁰

Although scholars and practitioners are divided on the role of trade in achieving broad-based economic growth and poverty alleviation, an overwhelming majority of them tend to concur with the notion that trade is one of the several catalysts that contributes to economic growth, even though the evidence is “not ubiquitously unambiguous”.¹¹ This is where the role of flanking policies and

institutional apparatus such as the one put in place through the EIF intervention in an overwhelming majority of LDCs come into play. These measures are aimed not only at helping LDCs alleviate their critical supply-side constraints but also enhance export competitiveness of their enterprises, which eventually contribute to enhanced trade capacity.

The international community recognizes that the eradication of poverty is a shared responsibility and a moral imperative. It is generally acknowledged that the linkages between poverty and trade are not as direct and immediate as the linkages between poverty and national policies on social issues like agriculture, education and health. It would, therefore, not be out of place to mention that the impact of international trade on poverty is context-specific and depends on a whole host of other measures, which work as transmitting mechanisms facilitating countries to benefit from international trade. It is a common wisdom that international trade and the institutional set-up that governs the same can affect the income opportunities of the poor in a number of ways, including through allowing people to exploit their productive potential, assist economic growth, curtail arbitrary policy interventions and help to insulate against growth shocks.¹²

This suggests a role for the public sector at international as well as national levels. Today, the EIF is playing a role of a major public sector platform at the global level in the form of an Aid-for-Trade partnership buttressed by a multilateral donor trust fund for providing financial and technical support to LDC governments to build their trade capacity. At the national level, it is helping to create a multi-stakeholder institutional arrangement geared towards devising inclusive trade-related strategies and implementing them not only with the support of the EIF, but also by leveraging resources from other bilateral donors. Given the strong level of ownership by the governments in some LDCs even governments are allocating

budgetary resources for implementing some of the priority strategies.

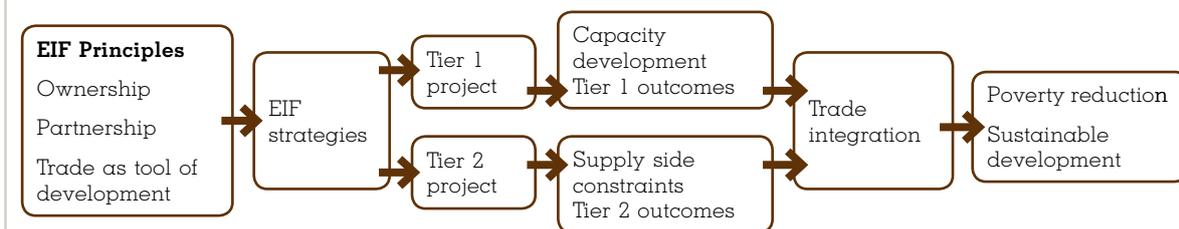
This trade and development dimensions of the EIF is aligned with the Brussels Programme of Action for the Least Developed Countries¹³ and the Principles of the Paris Declaration on Aid Effectiveness¹⁴. Currently, the programme focuses on country ownership, greater coordination and commitments from all EIF partners and stronger national and global governance structures as major pillars to support the LDCs' integration into the global trading system.

This EIF Annual Progress Report 2013 highlights how the EIF is supporting LDCs to promote trade that generates growth and enables them to achieve the EIF goal of poverty reduction and sustainable development. The report aims to show the relevance and effectiveness of the EIF's results-oriented approach, giving explicit attention to programme strategies and operations.

Unlike its previous editions, this Report attempts to provide some concrete evidence on how an initiative of this nature can make a difference to help the stakeholders appreciate how the EIF operations have actually helped mainstream trade, promote growth and contribute to poverty reduction. Moreover, it is intended to offer insights on how to continuously orient EIF strategies and operational activities to meet the programme's development objectives in line with the demands of its stakeholders.

Two issues set the context for this Report. The first is the substantial demand from LDCs for the EIF's technical assistance through trade mainstreaming and capacity development. Over the past five years, the total number of LDCs accessing EIF funds through Tier 1 'Support to NIAs' projects has increased from 8 in 2009 to 36 in 2013 (see Annex 1). This increase has drawn attention to the EIF's relevance and the additionality of its capacity development intervention, including the potential development impact in LDCs. Second, starting in 2011, the EIF's

Figure 1: Conceptual framework guiding EIF's contribution to poverty alleviation



development objectives and strategy have articulated an increased focus on alleviating supply-side constraints to trade through its Tier 2 projects. The fact that a number of Tier 2 projects (see Annex 2) approved by the EIF Board has reached 22 by the end of 2013 from a humble beginning of one in 2011 is a testimony to a decisive stride being made along this trajectory. More importantly, the success of these interventions in LDCs as varied as Cambodia, The Gambia, Mali, Yemen and Zambia provide further impetus to intensify efforts so as to create impacts that are both tangible and sustainable.

Conceptually, Figure 1 shows how the EIF's support for trade integration of LDCs, through its development windows of Tier 1 and Tier 2, contributes to poverty reduction and sustainable development. It builds on the EIF principles of country ownership of the programme and partnership-driven approach to deliver the programme, with trade as a tool for development, by reflecting the EIF's strategic direction and country-specific evidence of how projects help promote trade and reduce poverty.

Using this framework, the Report assesses how the EIF's strategies, projects and results measurement framework contribute to economic growth that is likely to reduce poverty. This is examined at two levels:

- 1 At the programme level with a primary focus on the programme goal and purpose; and
- 2 At the strategic level focusing on project-level implementation and the actual development results supported by:
 - a Financial prudence; and
 - b The emerging and cross-cutting issues.



The EIF at the Programme Level

Progress at the Goal and Purpose Levels

Poverty reduction and sustainable development through trade mainstreaming are the *raison d'être* of the EIF. The EIF pursues this goal by promoting economic growth through its support for the LDCs' integration into the global trading system, using its Tier 1 and Tier 2 windows of operation.

Due to the paucity of secondary data, both from international databases and country-level sources, reporting on the goal- and purpose-level indicators is a challenge. Therefore, only indicators with sufficient data are included in this report.

The EIF currently covers 33 countries in Africa, nine in Asia, five in the Pacific and one each in the Americas and the Middle East. However, for analytical purposes, countries are classified according to region and proximity and aligned with UNCTAD's

LDC Group classification. Haiti is, therefore, classified as an African LDC Group, and Yemen is included in the Asia LDC Group.¹ Cabo Verde and the Maldives officially graduated from the LDC Group in 2007 and 2011, respectively, but are still benefiting from EIF support. Samoa is slated for graduation in January 2014. Also, South Sudan was added to the list of LDCs in 2012.

Accession to the World Trade Organization (WTO)

According to the WTO, any state or customs territory having full autonomy in the conduct of its trade policies may become a Member ("accede to") of the WTO, but all WTO Members must agree on the terms of accession, which is done through the establishment of a working party of WTO Members and through a process of negotiations.¹⁵ From the list of EIF Countries, most LDCs are Members of the WTO. There are eight EIF Countries (Afghanistan, Bhutan, Comoros, Equatorial Guinea, Ethiopia, Liberia, São Tomé and Príncipe and Sudan) that are in the process of acceding to the WTO, while four (Eritrea, Kiribati, Timor-Leste and Tuvalu) have not yet started the accession process. Yemen, whose accession was officially announced during the Ninth Session of the WTO Ministerial Conference in Bali, will have until 2 June 2014 to become a full-fledged WTO Member. Table 1 shows the most recent LDCs to have acceded to the WTO. Acceding to the WTO is a roadmap for a country's full integration into the global trading system.

1 African LDCs and Haiti: Angola, Benin, Burkina Faso, Burundi, Central African Republic (CAR), Chad, Democratic Republic of the Congo (DRC), Djibouti, Equatorial Guinea, Eritrea, Ethiopia, The Gambia, Guinea, Guinea-Bissau, Haiti, Lesotho, Liberia, Madagascar, Malawi, Mali, Mauritania, Mozambique, Niger, Rwanda, Senegal, Sierra Leone, Somalia, South Sudan, Sudan, Tanzania, Togo, Uganda and Zambia.

Asian LDCs: Afghanistan, Bangladesh, Bhutan, Cambodia, Lao PDR, Myanmar, Nepal and Yemen.

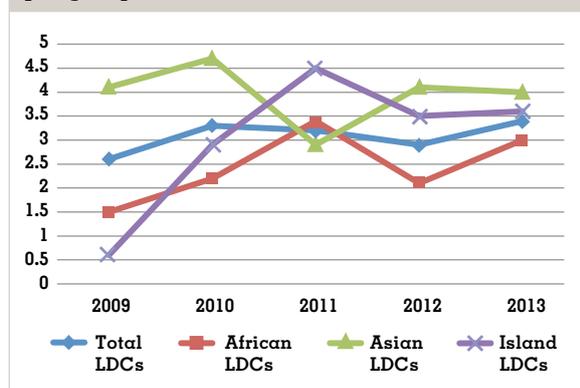
Island LDCs: Comoros, Kiribati, Samoa, São Tomé and Príncipe, Solomon Islands, Timor-Leste, Tuvalu and Vanuatu.

Table 1: Recent EIF LDCs accession to the WTO

	Country	Acceded to the WTO
1	Lao People's Democratic Republic (Lao PDR)	2 February 2013
2	Vanuatu	24 August 2012
3	Samoa	10 May 2012
4	Cabo Verde	23 July 2008

Real GDP per capita

On aggregate, while real GDP per capita growth rate declined in LDCs for the past two years, 2013 shows a projected recovery of up to 3.4%. On a regional basis, the African LDCs recorded growth rates below the Asian and the Pacific LDCs. While these growth rates are encouraging, when compared to the programme's base year record of 2.6%, they are still below the 7% growth rate established as the target in the IPoA for all LDCs.

Figure 2: Real GDP per capita growth for LDCs per group, 2009-2013

Source: UNCTAD Secretariat calculations based on IMF, World Economic Outlook database, April 2013.²

2 In The Least Developed Countries Report 2013: Growth with employment for inclusive and sustainable development.

Note: The LDCs' growth is calculated as the weighted average of each country's real growth (base year 2000); data for 2012 are preliminary and are forecast for 2013.

The varied performance of LDC groups is reflected not only in their aggregate real GDP per capita growth rates, but also in the growth rates of individual countries. In effect, in 2012, four LDCs (Afghanistan, Bhutan, Liberia and Sierra Leone) attained annual growth rates exceeding the 7% target set by IPoA as shown in Table 1. In addition, six other countries (Burkina Faso, Cambodia, Chad, Ethiopia, Lao PDR and Niger) performed close to the IPoA target (at least 5%). All of these countries have accessed the EIF and are implementing either Tier 1 or both Tier 1 and Tier 2 projects. While it is not possible to establish a direct relationship between the implementation of Tier 1 and Tier 2 projects with real GDP per capita growth in LDCs, it however contributes directly or indirectly to growth and poverty reduction and thus signals a reason for continued EIF support to the LDCs.

Table 2: Top ten LDCs with real GDP per capita growth rate, 2012

	2009	2012
Sierra Leone	3.2	13.0
Afghanistan	-	11.6
Bhutan	-	7.6
Liberia	4.6	7.3
Burkina Faso	3.5	6.9
Niger	-1.2	6.7
Lao PDR	7.5	6.2
Ethiopia	-	5.7
Chad	-1.6	5.7
Cambodia	0.08	5.4

Source: World Development Indicators, The World Bank.

LDCs' export growth

The increase in the real per capita growth rate in LDCs has positive implications for their poverty reduction. If the nexus between the international trade-induced growth rate and poverty reduction is to be reckoned with, then there is need for optimism in poverty reduction in these countries, however cautious that optimism might be. Based on the dependence between real GDP per capita

and GDP growth to support this optimism, a WTO Secretariat Report (2013)¹⁶ showed that the value of LDCs' total exports (goods and commercial services) grew by 23.9% in 2011 to reach US\$229.8 billion. The LDCs' export of manufactured goods expanded by 24.8%, while that of commercial services expanded by 15.6%, even though their share in world trade exports and imports increased insignificantly from 1.09% in 2010 to 1.12% in 2011. For trade in goods and services (Table 3), the LDCs as a group and LDC regional groupings show increasing values in world trade.

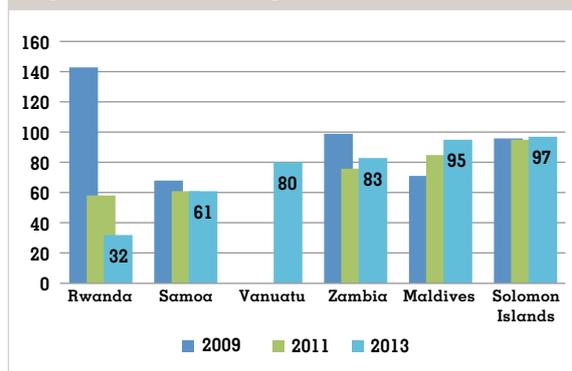
Thus, although the LDCs' participation in international trade has increased during the last five years, their share in global trade remains marginal. The heterogeneity in international trade among the LDCs is a consequence of wide disparities in other macroeconomic indicators. One of such indicators that is significant to the EIF's support to LDCs, as required by the EIF logframe, is the ease of doing business trading across borders.

Doing business

Broad-based economic growth of LDCs can lead to reforms that lower the risk and the cost of doing business and create greater opportunities for the poor. Enabling growth and ensuring that all people can participate in its benefits requires an environment where new entrants with drive and good ideas, especially small and medium enterprises (SMEs), can get started in business, thereby generating more jobs. In this sense, doing business values serve as a measure of the regulatory environment

for domestic businesses. LDCs are scoring high on their ease of doing business, moving from high ranks to lower than 100 in the last five years, some even halving their rank in 2013 compared to the base year; Maldives though, has regressed. Figure 3 shows the best performers in 2013 and how they have progressed since 2009, with Rwanda showing the most remarkable shift from 2009 to 2013.

Figure 3: Ease of doing business



Source: World Bank, World Bank doing Business database.

Improving the business environment requires access to financial resources to take advantage of the parameters that the cost of doing business brings with it. LDCs are generally dependent on external financing, which makes them vulnerable to fluctuations in different sources of funding. This is where the stability and predictability of the EIF is important, not only as a source for small-scale grants to support the LDCs' supply constraints to trade, but also to assist them in leveraging other sources of funds to address their trade agenda as prioritized in their Diagnostic Trade Integration Study (DTIS) Action Matrices.

Table 3: Values of trade in goods and services (in million US\$)

	2009	2010	2011	2012	2013
World	15,922,176	18,966,687	22,417,206	22,645,419	23,189,386
LDCs	149,999	190,285	232,232	236,224	251,132
LDCs: Africa and Haiti	108,070	136,655	168,827	172,570	177,995
LDCs: Asia	41,054	52,562	62,051	62,183	71,688
LDCs: Islands	875	1,068	1,355	1,470	1,449

Source: UNCTAD, UNCTADstat.



The EIF at the Strategic Level

Progress at the Project Level and the Actual Development Results

The EIF's strategies have articulated a clear intent to support LDCs. These intentions are embedded in the EIF's strategic priorities (2011-2013) that reflect the programme's objectives of mainstreaming trade into national development strategies; coordinating the delivery of trade-related technical assistance (TRTA); and building capacity to trade, which includes addressing critical supply-side constraints. In order to meet these objectives, the EIF is delivered through three strategic priorities, namely:

- Consolidation and acceleration of delivery for Tier 1 and Tier 2 projects;
- Operationalization of the EIF Monitoring and Evaluation (M&E) Framework, including an EIF Mid-term Review (MTR); and
- Enhancing the effectiveness of NIAs.

Strategic Priority 1: Consolidation and acceleration of delivery for Tier 1 and Tier 2 projects

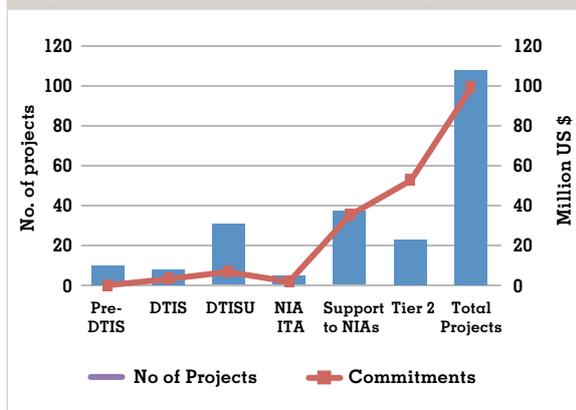
Since its establishment in 2008, the EIF has operated an open-door policy for all LDCs to

access the EIF Trust Fund (EIFTF). Since then, disbursements from the EIFTF have been directed at ensuring that Tier 1 and Tier 2 projects were developed, implemented and tracked for results. In this context, priority is given to LDCs with a clear demand and an active engagement with the national trade and development agenda, supported by high-level in-country political commitment and engagement.

During the period 2009-2013, the number of EIF Board-approved projects and the volume of commitments to LDCs have increased. Up to December 2013, the EIF Board approved 108 projects covering 44 EIF Countries (86% of the potential 49 EIF Countries). Of the 108 projects, 86 are Tier 1 projects (9 pre-DTISs, 7 DTISs, 30 DTISUs, 4 International Trade Advisers (ITAs) for 'Support to NIAs' projects and 36 'Support to NIAs' projects) and 22 Tier 2 projects. Five of the 'Support to NIAs' projects (Cambodia, The Gambia, Lao PDR, Sierra Leone and Uganda) have progressed to Phase 2, each for a period of two years.

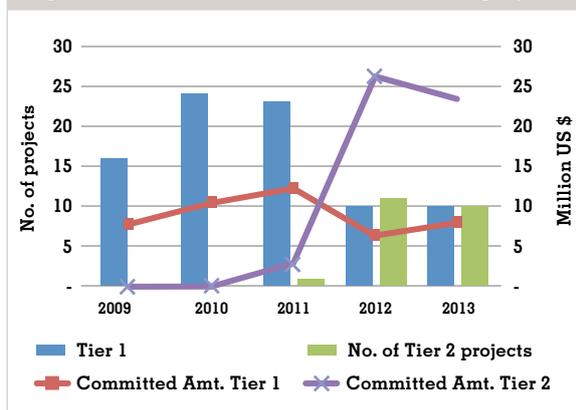
Correspondingly, the commitment portfolio in LDCs stood at US\$98.9 million in 2013, rising from US\$8.9 million in 2009. This signifies a clear demand by LDCs for EIF operations and underlines the relevance of the programme to the trade needs of LDCs. The rapid increase in commitments and disbursements from the EIFTF to LDCs calls for a replenishment of funds if operational disruptions resulting from non-predictability and non-continuity of funds are to be mitigated.

Figure 4: Total number and volume of projects, 2013



During the period 2009-2013, EIF operations increased in a number of EIF Board-approved projects and volumes of commitments to LDCs. While the number of Tier 1 projects is tapering off, signifying a reduction in the total number of LDCs that have not accessed Tier 1, the number of Tier 2 projects reached an average of ten projects per year. Correspondingly, the EIF's total commitments in LDCs for Tier 2 projects rose from US\$2.9 million in 2011 to US\$23.4 million in 2013 (Figure 5).

Figure 5: Trends in number and volume of projects



While the volume and number of EIF operations are increasing, there are projects that have moved to the second phase of the five-year period of Tier 1 project implementation. These projects have completed their initial three-year phase of implementation, have successfully undertaken a mid-term review showing results sufficient enough for a shift to the next phase, have developed a second phase proposal that is appraised by the ES and the TFM, and have officially applied to the EIF Board for approval of the second phase for a two-year period.

Strategic Priority 2: Operationalization of the EIF M&E Framework, including an MTR

Outcome 1: Sufficient institutional and management capacity built in EIF Countries to formulate and implement trade-related strategies and implementation plans

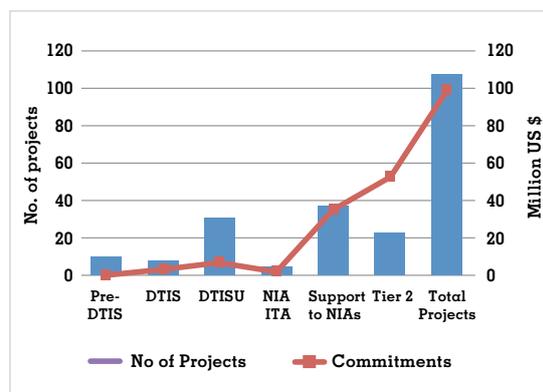
The creation of a common framework, within which national trade-related technical capacity building needs are defined and prioritized and to which donors respond, is one of the approaches underlying the EIF. This approach emphasises that knowledge production is linked to the evolving needs of governments and that the capacity to produce and implement trade policies and strategies is maintained in the future. Effective implementation of trade policies, strategies and implementation plans will mostly require a strong capacity in trade-related sectors with different sets of expertise and institutional arrangements. This requires a sufficient level of trade-specific skills in the ministry of trade/commerce and other relevant line ministries/agencies and engaging both state and non-state actors.

Table 4: Tier 1 Phase 2 Projects: EIF Board Approval Date

Project/Country	Phase 1	Phase 2
Cambodia	29 September 2009	18 July 2013
The Gambia	15 December 2009	24 July 2013
Lao PDR	26 January 2010	20 December 2013
Sierra Leone	1 July 2009	17 July 2013
Uganda	28 September 2009	12 August 2013

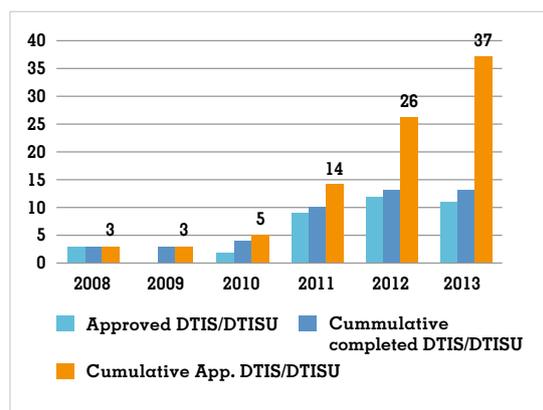
Number of LDCs with Tier 1 ‘Support to NIAs’ projects

The number of LDCs that have accessed the EIFTF and established an EIF National Implementing Unit (NIU) has been gradually increasing since 2009. This positive trajectory gained momentum in 2011, and by the end of 2013, 36 out of 47 LDCs (70% of the target) benefited from the support to establish NIAs. While the majority of these NIUs are fully operational, many are moving towards a stage of sustainability through their integration into the mainstream trade ministry in structure and function. As the number of NIAs increase, so will the demand on the EIFTF, particularly for projects that support supply-side constraints to trade. Support to NIAs is to lead the country’s trade agenda through the integration of trade into national development strategies, improve ministries’ institutional and human capacities, as well as help mobilise and coordinate the delivery of trade-related assistance.



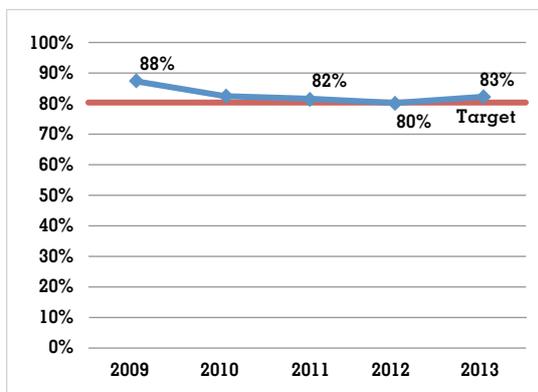
Number of LDCs with a validated DTIS Action Matrix

The cycle of a DTIS Action Matrix is three years. In 2009, a year after the launch of the EIF, eight LDCs had validated a DTIS Action Matrix. While the process has been slow, mainly due to the pace of implementation by agencies contracted to support LDCs in producing the DTIS Action Matrix and slow response by some governments, the number of LDCs with validated DTIS Updates (DTISU) has progressed over the five-year phase of the programme. A better understanding of this progression is reflected in the number of EIF Board-approved DTISs and DTISUs. To date, the EIF Board has approved 7 DTISs and 30 DTISUs, of which a total of 13 have been completed, while 24 are still under implementation.



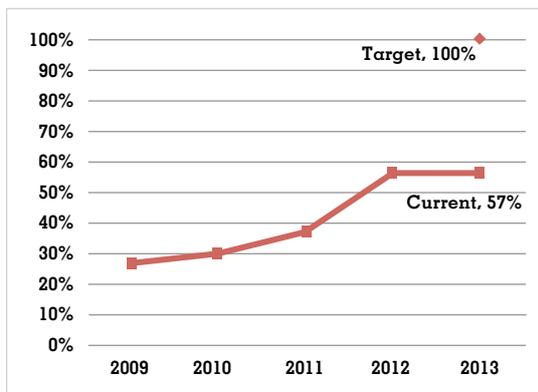
At least satisfactory level of capacity of the NIU to perform fiduciary programme management functions for Tier 1 ‘Support to NIAs’ projects

Before and after establishing an NIU, the level of capacity of the NIU to perform fiduciary functions is assessed with the target of at least being satisfactory to do so. On average, NIUs have met this target and have maintained this rating throughout project implementation, with 83% of the targeted 80% being at least satisfactory in performing their fiduciary functions by the end of 2013, compared to 80% in the previous year. This reporting year records one EIF Country achieving a very good fiduciary rating, showing a great improvement from its satisfactory baseline rating, as noted by ES and TFM supervisory missions. The down side is that four EIF Countries were found to be deficient. The capacities of these countries are being addressed through customized training and through ongoing ES/TFM regional workshops (Annex 3) as well as close follow up of fiduciary matters through regular contact from the TFM, supervision missions and reports.



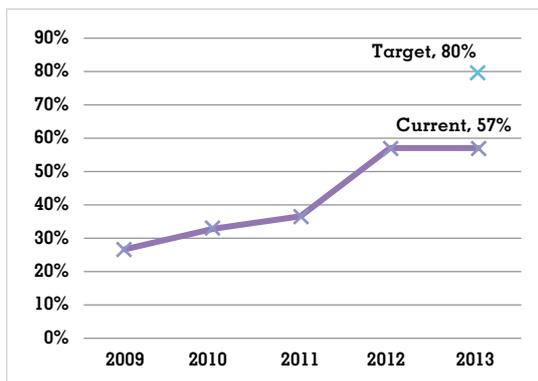
Number of LDCs with up to date trade strategies

The number of EIF Countries with up-to-date trade strategies remains constant with no increase over the previous year, implying no new trade strategy was produced in 2013. Trade strategies are usually linked to a country’s PRSP or national development plan, which takes about five years to update. During the reporting period, most EIF Countries are not at this stage of reviewing their PRSP/NDP and are therefore not at the stage of reviewing their trade strategies. Also, the trade policy review cycle of an LDC trade strategy is at least six years, by WTO standard.



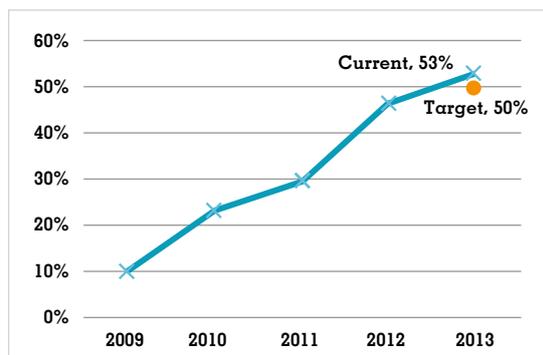
Number of EIF Countries with at least a satisfactory quality of trade strategy

The quality of a trade strategy is directly linked to the number of EIF Countries with an up-to-date trade strategy. Therefore, as the number of EIF Countries having a trade strategy is on the rise, so is the quality of the trade strategies. All EIF Countries that reported having a trade strategy rated the trade strategy to be at least satisfactory in quality.



Number of EIF Countries with trade strategy implemented

In 2013, 57% of the EIF Countries reporting to have a trade strategy indicated that they had an implementation plan for their trade strategy. Even though the target set (50% target by 2013) for the indicator has been achieved, the ES and the TFM still continue providing support to the other countries to produce and execute an implementation plan for their trade strategy.



Box 1: Sample country-specific results on indicators of Outcome 1

In 2013, three Tier 1 'Support to NIAs' projects were approved by the EIF Board: Bhutan, Tanzania and Vanuatu.

Senegal's DTISU was validated in 2013. It provided inputs to develop the trade component in the Senegal National Strategy for Economic and Social Development 2013-2017.

Sierra Leone's DTISU validation workshop took place in November 2013. A draft paper will be submitted by the Minister of Trade and Industry to the Cabinet for endorsement. The DTISU provided inputs into the preparation of the PRSP III and is aligned with the country's vision of the Agenda for Prosperity outlined.

Maldives' Economic Diversification Strategy document was completed and officially launched in September 2013. The document places emphasis on attracting foreign direct investment (FDI) by creating special economic zones.

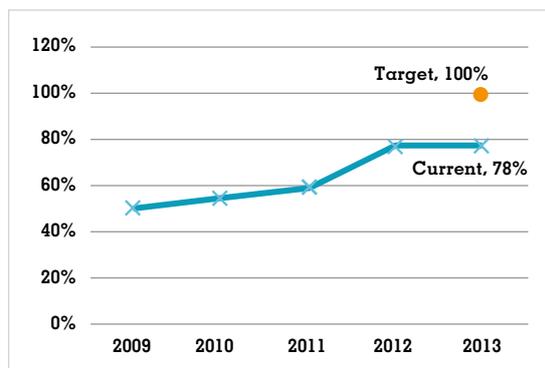
Liberia is finalizing a trade policy with the assistance of ITC. The draft trade policy identifies sector by sector comparative and competitive advantages. The document is linked to short-, medium- and long-term development plans. A National Export Strategy (NES) has also been produced, which identifies regional and international markets as well as sectors with export potential.

Outcome 2: EIF Countries mainstream trade into their national development strategies and NDPs

For the EIF, trade mainstreaming means integrating trade into national development plans and poverty reduction strategies, including incorporating trade into sector strategies, action plans and budgets. It requires strengthening both human and institutional capacities to systematically integrate trade into decision-making in the planning and execution of the broader national trade development agenda. The process requires players, well-built institution and committed actors for the effective monitoring of the implementation of a country's DTIS Action Matrix and more effective consultations amongst its stakeholders.

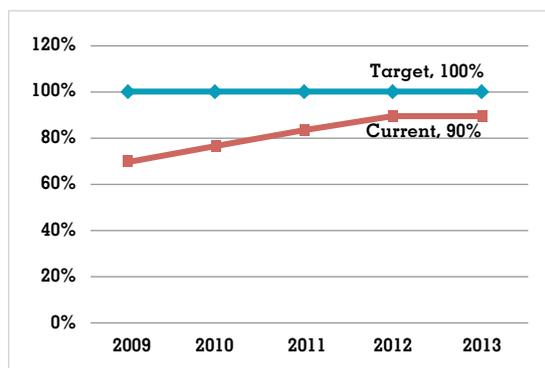
Trade in PRSPs/NDPs

Compared to the baseline, not only has the number of EIF Countries with trade integrated into their PRSPs/NDPs gradually increased, but the quality of integration, too, with 78% of the EIF Countries reporting to have at least a satisfactory level of trade integrated into their PRSPs/NDPs. This positive path is noteworthy in 2013 with 33% of EIF Countries reporting that trade integration in their PRSPs/NDPs is very good, meaning that there is an identifiable section in the PRSP/NDP relating to trade, that the DTIS cycle is aligned with the PRSP cycle, that the PRSPs/NDPs cover other national and international factors affecting trade (supply-side constraints, such as infrastructure; demand-side constraints, such as market access; and trade issues relating to local and regional markets in addition to the international level) and that trade is fully integrated into key sector strategies.



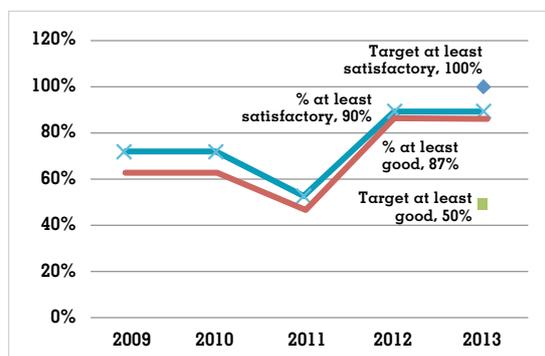
Existence of a productive sector strategy integrating trade

By December 2013, there were 22 EIF Countries with Tier 2 projects under implementation. These EIF Countries reported that trade was integrated into at least one productive sector strategy. Over the five years, the most reported sectors that have mainstreamed trade into their strategies include agriculture, tourism, energy, industry and transport and infrastructure, while sub-sectors like livestock and apiculture are gaining traction. Up to end-2013, 90% of the EIF Countries with Tier 2 projects have at least three productive sectors with trade integrated into their sector strategies. This is not equivalent to the required target of 80% of sectors in each LDC, but it is an indication that the EIF Countries are on the right path to achieving the target. Integration of trade into sector strategies requires a lot of coordination and engagement between the trade ministry and trade-related line ministries.



Functioning public-private sector consultative mechanism

In 2013, 90% of the EIF Countries with Tier 1 'Support to NIAs' projects had established high-level public-private sector consultative mechanisms to dialogue on trade policy issues with a follow-up on decisions taken during meetings. Of this number, 87% of the EIF Countries reported having very good consultative mechanisms, implying a frequent public-private sector dialogue on trade-related issues and a higher level of private sector involvement in decision-making and trade policy formulation and implementation. This shows that the above target level for this indicator has been achieved.



Box 2: Sample country-specific results on indicators of Outcome 2

In **The Gambia**, The NDP, entitled Programme for Accelerated Growth and Employment 2012-2015, integrates trade issues under its Pillar 1: Accelerating and sustaining economic growth and Sub-Pillar 3: Improving Competitiveness.

In **Sierra Leone**, trade is integrated into the PRSP III (2013) under the pillars of Diversified Economic Growth and International Competitiveness.

In **Malawi**, the second Malawi Growth and Development Strategy (MGDS II) 2011 - 2016 is currently being implemented. Trade is covered in Theme I, Sub-theme IV (titled Industry and Trade). It is complemented by the NES, which covers sugar, oilseed and manufacturing as productive sectors. In 2013, codes of trade activities that support the MGDS II were incorporated into the public sector budget preparation.

In **Cabo Verde**, The Growth and Poverty Reduction Strategy Paper (GPRSP) III was approved by the Council of Ministers in 2013. Trade is integrated into agribusiness, maritime economy, culture, tourism, aero business, ICT and financial services.

In **Maldives**, trade is integrated into tourism, agriculture, fisheries, energy, SMEs, transport, employment and HR development, environment, water and sewerage services, land reform, communications and science and technology.

In **Niger**, trade has been incorporated into tourism, agriculture and mining strategies.

In **Uganda**, trade is integrated into several sector plans, such as agriculture, ICT, works and transport, tourism and local government. There are various fora, such as the Presidential Investors Round Table, the Inter-ministerial Committee and the Competitiveness and Investment Climate Strategy, where the public-private dialogue takes place.

In **Comoros**, the National Development Trade Policy Forum serves as a key element for interaction between the private and the public sectors and civil society.

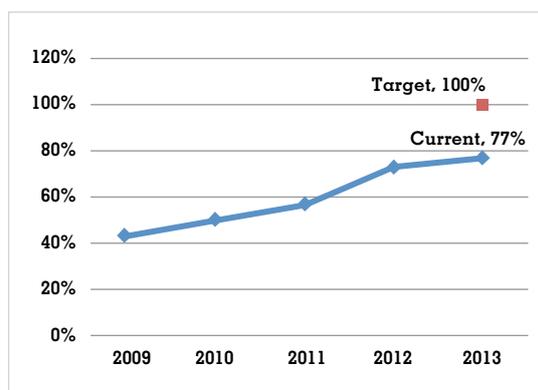
In **Lao PDR**, public-private consultation mechanisms include the Lao Business Forum, the Public-Private Partnership Dialogue, the Program Executive Committee and the Transitional Program for Stabilization and Development (TPSD) Working Group. Representatives of the private sector form part of the steering committee for several TPSD-related projects.

Outcome 3: Coordinated delivery of trade-related resources (funding, TA, etc.) by donors and implementing agencies to implement country priorities following the adoption of the DTIS Action Matrix

The EIF is the overarching framework to coordinate the delivery of AfT technical assistance and the channelling of AfT multi-lateral funds to LDCs. The DTIS assesses the status of the trade sector and the internal and external constraints in a given country, and its associated Action Matrix is the programming tool for implementing the activities identified in the DTIS based on the country's trade priorities. The effective and efficient use of this tool is imperative for the LDCs to have a clear strategy on mainstreaming trade into their NDPs/PRSPs. The EIF supports the production of DTISs/DTISUs and the identification of bankable projects from DTIS Action Matrices in line with country priorities.

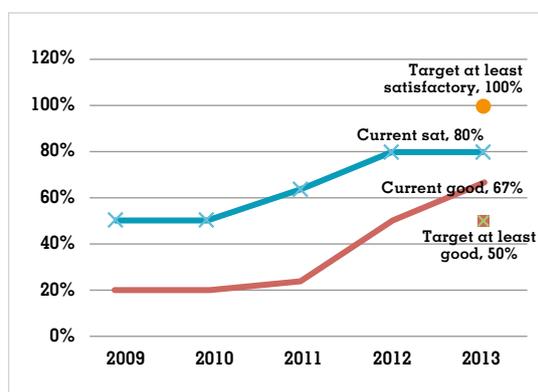
Availability of an annual rolling implementation overview

Though the five-year target that all EIF Countries with Tier 1 'Support to NIAs' projects should have an annual publicly available overview for trade-related funding was not met in 2013, the figure shows gradual progression towards this target, with 77% of EIF Countries reporting to have an annual rolling implementation overview for trade-related funding. Coordinated delivery of trade-related resources at EIF Country level requires a plan that integrates all government- and donor-supported activities.



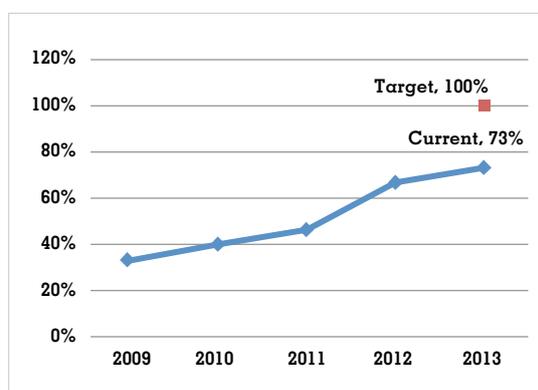
Frequency of government and donor consultation on trade matters

In 2013, 80% of EIF Countries with Tier 1 'Support to NIAs' projects had government and donor consultations on trade matters, of which 67% reported having very good consultative mechanisms. This implies at least two high-level development partner (DP) and government formal meetings per year where trade policy issues and greater coordination of donor interventions are included as specific agenda items. Although all EIF Countries do not have a government-donor consultative mechanism, current NIAs have reported above the target level. Translating such a government-donor activities overview into action requires a series of consultations and a dialogue between all parties. Government-donor consultations take time to establish and mature into effective implementation. It requires willingness and commitment by all parties to operate in a coordinated manner and deliver as one.



Number of EIF Countries with joint donor initiatives

All EIF Countries are expected to have good government-donor consultative mechanisms on trade-related matters. One pivotal way to achieve this is to have, within each EIF Country, a mechanism to monitor donor activities to see that they are well coordinated in a manner that can facilitate synergies for joint initiatives. In 2013, 73% of the EIF Countries achieved this goal, illustrating that progress is being made in this direction when compared to 33% in the base year.



Box 3: Sample country-specific results on indicators of Outcome 3

In **Malawi**, formal meetings are held every year through the Ministry of Finance (Debt and Aid Division) and also the Donor Group on Private Sector Development. Trade issues are included for discussions in the Donor-Government Liaison meetings' agenda.

In **Nepal** two Aft Donors' Group meetings were held in 2013, where mainstreaming trade into the country strategy of DPs was discussed. Bilateral meetings with DPs, such as officials from Australia, Finland, Great Britain, Japan and Korea were conducted on a regular basis at the Ministry of Commerce and Supplies.

In **Niger**, the first Economic Niger-Turkey Forum took place in January 2013, where a partnership convention between the Chamber of Commerce, Industry and Handicrafts and the Turkish Private Sector Association was signed. In June 2013, the Fonds de Solidarité Africain (African Solidarity Fund) meeting was held in Niamey.

In **Benin**, in collaboration with the Government, the WB is working on transport and Trade Facilitation (TF) and private sector development in agriculture. Other agencies and organizations partnering with the Government on trade-related issues include the U.S. Millennium Challenge Account; the French Development Agency (AFD); the German Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ); the Belgian Development Agency (CTB); and the Danish International Development Agency (DANIDA).

In **DRC**, the EU is contributing to the business environment, TF, customs reforms, support on trade policy, improvement of infrastructure and quality of exported products, as well as support to businesses. The UK's DFID is supporting projects related to SMEs. UNDP is working on the expansion of outreach activities related to the DTIS and trade integration, as well as international trade statistics. The African Development Bank (AfDB) and the WB are supporting the development of base infrastructure of productive sectors.

In **Guinea**, the WTO, UNCTAD, ITC, ECOWAS and the West African Monetary Institute are contributing to trade policy. The AfDB is supporting exports of agricultural products (e.g. potatoes). The EU is working on the improvement of customs services and the Autonomous Port of Conakry.

In **Togo**, the WB is supporting private sector promotion and the improvement of the business environment.

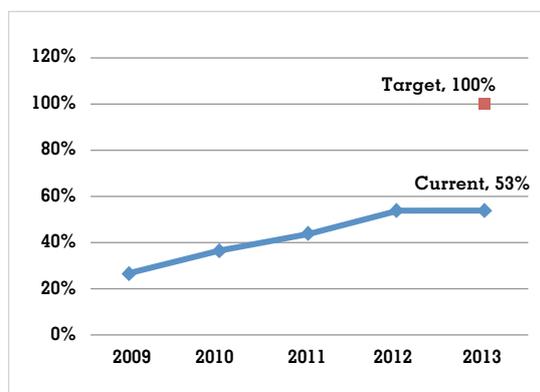
In **Cambodia**, the Department of International Cooperation (D/ICO) of the Ministry of Commerce is executing a Multi-lateral Donor Trust Fund created by DANIDA, the EU and UNIDO, which is administered by the WB.

Outcome 4: EIF Countries secure resources in support of initiatives that address DTIS Action Matrix priorities

The EIF is designed to be catalytic in LDCs by building their capacity to develop bankable projects that can be funded by DPs. With the support of the EIF Donor Facilitator (DF), the EIF process also aims at strengthening donor support to a country's trade agenda. The EIF can thus act as a bridge between donors and LDCs, whereby donors can sign up to the EIF as a vehicle to deliver on their Aft commitments, while LDCs can use the EIF as a vehicle to assist in coordinating donor support and to leverage more Aft resources. Despite the strong support and ongoing efforts to improve the LDCs' capacity to benefit from trade, they continue to face numerous constraints in leveraging Aft resources.

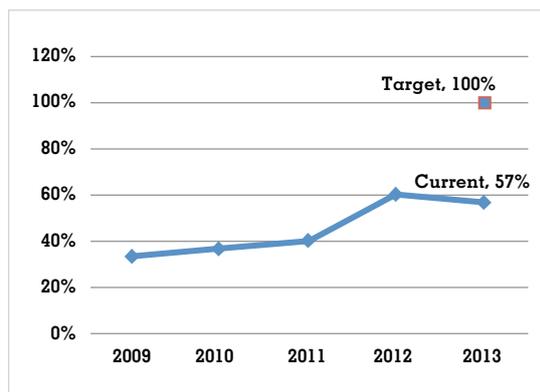
EIF Countries with MTPs integrating DTIS Action Matrix priorities and indicating financing needs to be met through ODA

In 2013, 53% of EIF Countries with Tier 1 'Support to NIAs' projects have a medium-term programme (MTP) that is at least satisfactory and linked to the DTIS Action Matrix. This shows some progress from the baseline year and reflects an increased number of EIF Countries having implementation plans that integrate DTIS Action Matrix priorities and indicating financial needs to be met through ODA. This implies that the MTP was developed in consultation with the donor community (with the DF as the key counterpart) as part of the government-donor dialogue. It also shows that it is an EIF/AfT programme with an estimated cost, indicating priorities and sequencing that have been developed and validated by the NSC as part of the national development plan.



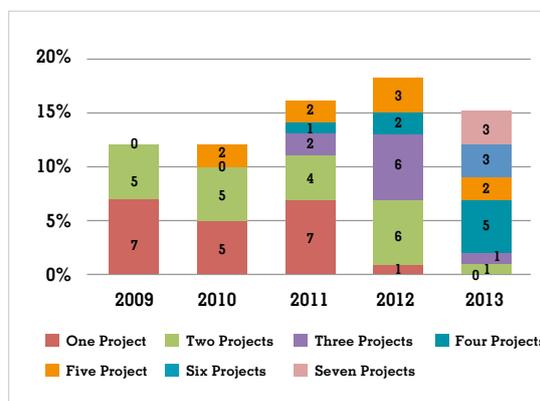
Number of EIF Countries with a government budget for trade strategy implementation

By December 2013, the share of LDCs whose national governments were allocating funds for the implementation of their trade strategy had reached 57%, just half way to the target. The allocation of financial resources for trade strategy implementation is yet to be fully embraced by LDCs. In some EIF Countries, budget allocation shifts to other priorities each year, thus affecting continuity in allocating funds for trade strategy implementation. This scenario happened in two EIF Countries from 2012 to 2013, as graphically illustrated by a dip in the 2013 level.



Number of projects funded by donors related to the DTIS Action Matrix

The number of projects linked to the DTIS Action Matrix funded by donors, per country and per year has been increasing since the baseline year from a maximum of 2 to a current cumulative maximum of 25 projects under implementation. Some EIF Countries have established basket funds for trade-related funding. The fund is coordinated by the ministry of trade in collaboration with other line ministries, such as the ministry of finance. Thus, though leveraging funds has not gained the expected momentum in most LDCs, those who have are doing so in a more coordinated manner and using the EIF mechanism in doing so.



Box 4: Sample country-specific results on indicators of Outcome 4

For countries producing an MTP:

In **Comoros**, the MTP consists of 18 objectives with outcome indicators to measure change in the MTP implementation. It also lists projects for resource mobilization.

In **Vanuatu**, the Trade Policy Framework Implementation Matrix doubles as the MTP.

For government budget allocation:

In **Haiti**, the Treasury has provided financial support of 2,364,000 gourdes (US\$60,000).

The Government of **Burundi** has increased its contribution from 3,820,805,000 FCFA (US\$8 million) in 2012 to 5,585,825,000 FCFA (US\$11.7 million) in 2013.

In **Mali**, the Government has adopted Financial Law 2014 with a provisional allocation of 1,500,000,000 FCFA (US\$3 million) for 2014. In 2013, the Government disbursed 1,382,760,666 FCFA (US\$2.7 million) for the EIF.

For resource-leveraging:

Maldives has leveraged resources amounting to US\$31.97 million for seven projects.

Lao PDR has 18 projects amounting to US\$77.17 million.

Evaluation

Evaluation at both programme and country levels is key to the successful delivery of the EIF. It involves the systematic assessment of the relevance, efficiency, effectiveness, impact and sustainability of projects at the county level and programme at the global level, in relation to stated EIF objectives. Each programme or project-level evaluation is based on the guiding principles of impartiality, independence and credibility.

Programme MTR

The MTR of the EIF was conducted between July and November 2012, and the final report was submitted to the EIF Board in November 2012. The Review assessed the progress made against the programme's goal, purpose and outcomes across the whole portfolio and deepened in country case studies, based on the programme-level logframe. It also assessed the relevance, effectiveness, efficiency, impacts and sustainability of the EIF programme at the global (programme)

and country (project) level and at the intersection between project and programme levels, including a full evaluation of the EIF's operation systems and structures, as well as project and financial management processes.

Findings of the Review showed in general that the objectives and strategic approach of the EIF were highly relevant to the trade and capacity-building needs of the LDCs, though it also noted that the role of the EIF was often misunderstood among LDCs, donors and agencies with LDCs perceiving the EIF more as another funding programme than a facilitating mechanism. Second, the highly standardized and centralized approach to managing the EIF was limiting its relevance to individual LDCs. The MTR highlighted the fact that the process was over-centralized, rigid and complex. In terms of effectiveness, the MTR saw progress on three of the four EIF Outcomes – strengthening capacity, mainstreaming trade and coordinating delivery of TRTA. Progress on the fourth outcome – securing resources – was found lacking and will require different approaches and partners at the country level to see

progress, especially with the increasing number of Tier 2 projects coming on stream.

In terms of efficiency, the MTR noted that the EIF was at a point where it could begin to streamline its procedures and steps, decentralize coordinating staff, improve the transition to Tier 2 projects and better engage partner agencies and donors in the work of the EIF. The MTR stressed that sustainability was not about the EIF as a mechanism or an institution but about the capacities of the LDCs to target and maximize the resources for trade. The EIF must thus strengthen its 'honest broker' role in order to permanently reinforce the capacities of the LDCs to support trade.

Based on the conclusions and recommendations of the MTR, the EIF Steering Committee at its December 2012 Meeting accepted the proposal by the EIF Board to extend the programme mandate up to the end of 2015, with an additional operational period for project implementation to 31 December 2017. This was followed by a two-day EIF Board Retreat in February 2013, during which the eight recommendations of the MTR were discussed. The EIF Board developed a Table of Actions (see Annex 4) that was adopted in February 2013 as a response to the various recommendations of the MTR. This has been implemented over the last year in areas such as strengthening EIF partnerships, more effective trade mainstreaming by engaging Partner agencies in support of Tier 1 projects and showcasing EIF Countries' implementation in the recent Aid for Trade in Action report

MTEs

The EIF programme is centred on delivering results at programme and project levels. At the project level, it is imperative that each Tier 1 'Support to NIAs' project is evaluated towards the end of the three-year first phase of the project. The purpose is to examine and provide feedback on the implementation processes, given the prevailing in-country conditions, and to determine the extent of

results achieved. Project-level MTE also helps to identify obstacles to performance, provide justification for an extension of the project for another two years, to a full five-year phase, and provide information for global-level programming.

By the end of 2013, 12 Tier 1 projects were independently evaluated (Burkina Faso, Burundi, Cambodia, Comoros, The Gambia, Lao PDR, Lesotho, Liberia, Rwanda, Sierra Leone, Uganda and Zambia), all of which were found to be at least satisfactory in achieving results. For each project, the independent consultants provided recommendations to feed into the design of the second phase and guide the project implementation towards achieving results. Most reported recommendations include greater emphasis on capacity building in order to strengthen skills to respond to the constraints associated with participating in international trade, improve monitoring and reporting, improve donor coordination and mobilization of resources, and to periodically update the DTIS.

2014 Comprehensive EIF Evaluation

As set out in the section on the EIF M&E Framework in the Compendium of EIF Documents, the EIF programme should be evaluated at the end of a five-year phase. The main purpose is to undertake an independent external evaluation of the results achieved by the EIF programme over its five-year implementation span and to identify lessons learned, which would inform the design of the second phase, if a second phase is to be pursued. The Evaluation will effectively be launched in 2014. However, modalities for its successful conduct started in 2013 with the preparation and EIF Board approval of an Expression of Interest, which was subsequently advertised for consultancy firms to express interest in conducting the Evaluation.

Strategic Priority 3: Enhancing the effectiveness of NIAs

A critical area to support a strong delivery of the EIF is the effective functioning of the EIF structures set up to coordinate the realization of the programme objectives at country level. This concerns the role of the EIF Focal Point (FP), the NIU, the NSC, the DF and agencies.

In order to enhance LDC productive and export capacities for global trade integration, the EIF is providing trade capacity-building and communications support to NIAs. In particular, the EIF-supported activities have an important bearing on how LDCs integrate into the global economy and how they leverage partnerships for a better articulation of trade policies through the EIF in-country work.

Capacity building

At the core of the EIF programme is a capacity building approach that aims at enabling EIF Countries to take full ownership of formulating and implementing their Trade Strategies, including resource mobilisation for AFT.

EIF capacity building is being delivered across the programme.

- One key aspect is the EIF's preferred use of the national implementation modality which implies that countries are managing the projects from a programmatic and a fiduciary point of view, using their own procedures for project implementation including financial management, procurement, and recruitment.
- The EIF Tier 1 projects include a bespoke capacity building plan, based on needs assessments. This plan is being delivered through EIF developed capacity building

modules³, customised to the specific country/audience⁴, and other capacity building as needed, including for example an International Trade Advisor where necessary. Capacity building is delivered to the full range of EIF stakeholders, e.g., EIF National Steering Committees (NSC), EIF host ministries, EIF National Implementation Units (NIU), private sector and other stakeholders as identified by the country.

- Other EIF projects such as DTIS, DTIS Updates and Tier 2 projects also include capacity building aspects to ensure that knowledge is transferred and capacity built with a view to enabling EIF Countries to eventually run these projects using the national implementation modality.

In the medium to long term, the EIF capacity building aims at enabling countries to implement all EIF projects using national implementation modality, using EIF partner agencies or experts in an advisory rather than implementation capacity.

Some initial results of this approach include:

- Comoros' Tier 1 project has been implemented through UNDP as MIE. The first phase of the project is

3 The EIF has so far developed and piloted six capacity building modules on (1) project formulation and management, (2) monitoring and evaluation, (3) integration of the gender dimension in design and implementation of projects, (4) preparing an EIF Mid-term programme, (5) effective communication in support of programme delivery, and (6) engaging non-state stakeholders. See Annex for more details.

4 The EIF modules on project development, Medium-term Programme (MTP) and mainstreaming and the one under development for stakeholder engagement are delivered in a country-specific and customized manner. The project development module, for example, works only with home-grown proposals throughout the module. Similarly, the mainstreaming, MTP and stakeholder engagement modules are "customized" by virtue of a preliminary scoping mission, through which the training is fully customized to the prevailing situation.

coming to a close in early 2014, and the Mid-term Evaluation completed in December 2013 recommends for the Phase 2 of the Tier 1 project national implementation because the national capacity reinforced over the first phase of the Tier 1 project is now deemed sufficient.

- Almost all first generation DTIS were undertaken by EIF Partner Agencies the World Bank and UNDP. However, for their DTIS Updates EIF Countries are now starting to use national implementation; such is the case for Cabo Verde (DTIS Update validated in 2013), Cambodia (DTIS Update ongoing in 2013) and Lao PDR (DTIS Update validated in 2012); Nepal is also planning to undertake its NTIS update in 2014 using national implementation.
- An increasing number of EIF Tier 2 projects are being developed for national implementation. In 2012, 6 Tier 2 projects were proposed for national implementation, 5 for agency implementation and one mixed; in 2013 we added 6 more for national implementation and 4 with agency implementation. So in total, the Tier 2 portfolio at the end of 2013 had 12 projects using national implementation, 9 using agency implementation and one mixed.

To facilitate knowledge transfer and uptake, the ES and the TFM have developed modules that are being rolled out to LDCs (see Annex 5).

Communications, outreach and advocacy

Communications play a key role in supporting the programme delivery, both at global and local levels. The 2012 MTR of the EIF highlighted a number of issues that communications can help to address, such as diverse understanding and expectations vis-à-vis the programme and the need to

support NIUs to engage with a wide variety of stakeholders at national and sub-national levels. In 2013, EIF communications activities have focused on enhancing the visibility of the programme at the global and national levels and on providing support to NIUs with targeted capacity-building actions.

Programme visibility at the global level included hosting, during the WTO's Fourth Global Review of Aid for Trade, an EIF Heads of Agency meeting, an LDCs Trade Exhibition event and an EIF LDCs Photo Competition, and showcasing the challenges and priorities of the Government of Cabo Verde since graduating from LDC through an EIF Roundtable event. During the Ninth Session of the WTO Ministerial Conference in Bali in December 2013, the EIF organized a Ministerial Breakfast Meeting. Many EIF Countries have been active on communications, outreach and advocacy, including through the dissemination of EIF publications and national press coverage, newsletters, trading stories, national films and the launch of websites.

Legal Framework

The establishment of a suitable legal partnership framework with all the EIF stakeholders has been one of the most critical objectives of the TFM in its operational stages. The EIF stakeholders are the EIF Donor countries, LDC governments, EIF Core Partner Agencies, EIF Observer Agencies and other implementing partners.

In 2012 and before, agreements with LDCs increased, including amendments. The Partnership Agreements with the EIF Core Agencies have been in use, with implementation letters signed for the implementation of Tier 1 and Tier 2 projects. New implementation partner arrangements were developed, including with the IFC for the implementation of a Tier 2 project in Cambodia and with the FAO for the implementation of a Tier 2 project in Nepal.

In 2013, new implementation partner arrangements were developed for Tier 2 projects in collaboration with the International Centre of Insect Physiology and Ecology (*icipe*), SNV Netherlands Development Organization (SNV) and Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ). There were 23 new agreements and a continued increasing amount of amendments (over 70). In 2014, new implementation partner arrangements may be developed with an NGO for the upcoming Cambodia CEDEP II Tier 2 project. The TFM legal platform described below has been built in compliance with the Compendium of EIF Documents in its initial and revised form, and in consultation with all the parties concerned and the EIF Board (see Annex 6).

Resource Allocation in Productive Sector Operations

Poverty-focused productive sector activities

The EIF Tier 2 window is the project arm of the EIF that supports productive sector activities and directly engages and benefits the very

poor people in the LDCs. All beneficiary LDCs that have validated their DTIS and Action Matrix can have access to Tier 2 funding.

Although much of the focus of the EIF process is on the Tier 1 window to bring trade-related priorities into national development plans and strategies, Tier 2 projects, though limited in size to support LDCs in implementing their Action Matrix priorities, are providing the necessary in-country support to address supply-side constraints of trade and help develop a strong and sustainable basis for export growth. The EIF is using the level and extent of its operations in productive sector activities as key indicators to measure Tier 2 support for trade development in LDCs.

The following table shows the level of support the EIF is providing to LDCs through Tier 2 projects. Out of 44 EIF Countries that have accessed EIF resources, 19 have EIF Board-approved Tier 2 projects with commitments ranging from a minimum of US\$190,732 to a maximum of US\$4,401,922 per project. Minimum commitment is usually a component of a full Tier 2 project, which has an average project value of US\$3 million. For instance, a project submitted by Cambodia (see the table below) as one project proposal has three components and therefore counted as three sub-projects, since each component is implemented by a different Main Implementing Entity (MIE), even though the components may be linked in some way. Another Tier 2 project is a feasibility study,

Table 5: Number of Tier 2 projects and financial commitments, 2009-2013

Sector	Number of Projects	Sector Sub-types	Sector Budget (US\$)	Sector Ratio of Total (%)
Agribusiness	12	13	33,399,880	63
Feasibility study	2	2	812,060	2
Standards	3	3	5,886,089	11
Textile and apparel	1	2	2,887,445	5
Tourism	1		3,012,425	6
TF	3	3	7,103,033	13
Overall total	22	24	53,100,932	100

which sets the groundwork for a standard Tier 2 project with the potential to contribute to a country's trade agenda and linked to the DTIS Action Matrix. Tier 2 projects of more than US\$3 million, which is the maximum commitment for Tier 2 projects, are projects that receive counterpart funding from the government or an agency – usually the MIE.

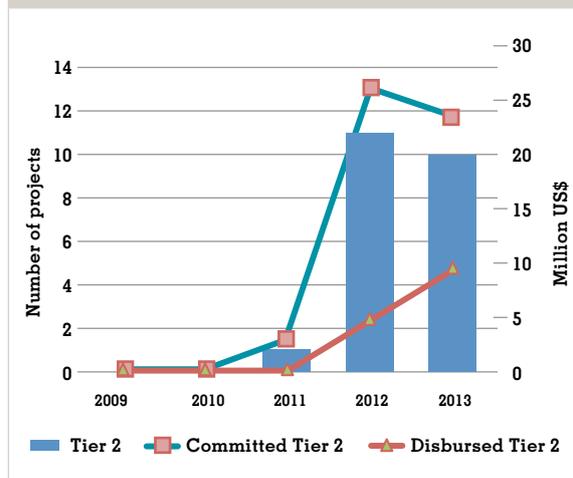
Trends in the number of, and commitments to, Tier 2 projects

The graph below shows trends in the number of projects and resource allocation to Tier 2 projects.

The first Tier 2 project was approved by the EIF Board in 2011, and implementation commenced in early 2012. Since then, EIF Countries have responded to the programme with renewed enthusiasm. Between 2011 and 2013, the number and share of Tier 2 projects have increased with a noticeable jump from 1 project in 2011 to 11 projects in 2012 and an additional 10 projects in 2013, thus bringing the total number of Tier 2 projects under implementation to 22 in 19 EIF Countries and in 5 productive sectors, plus a set of feasibility studies.

Tier 2 projects accounted for 53% of the total EIF project portfolio in commitments (Tier 1 and Tier 2) as of December 2013. The associated volume of the Tier 2 project portfolio in 2013 alone stood at US\$23.44 million. Of the total Tier 1 and Tier 2 commitments, about 46% has been disbursed. At this rate of disbursement, there is a high probability that in the next two years, the disbursement rate would equal the committed targets, especially for Tier 2 projects under current implementation. This increase in the number and volume of projects signifies that LDCs are signing up to the EIF programme and owning it. If this trend continues, the imminent risk exists that demand for EIF funds may outstrip supply, if the current level of funds is not replenished.

Figure 6: Number of Tier 2 projects, commitments and disbursement



Targeted Sectors in Country-Owned DTIS Action Matrices

EIF priorities for Tier 2 projects are based on their potential contribution to trade development, economic growth and poverty reduction as linked to the country's priorities in the DTIS Action Matrix. Growth is more effective in helping to reduce poverty when it occurs in sectors where poor people earn their livelihoods and increases their access to markets for goods and services.

In order to significantly contribute to growth and poverty reduction, LDCs target sectors are selected from their DTIS Action Matrices. Currently, the sectors benefiting from EIF support include agribusiness, TF, standards, tourism and textiles and apparel, as well as feasibility studies (which are cross-cutting and therefore not sector-specific). The development needs in these sectors are huge, so interventions need to be carefully selected

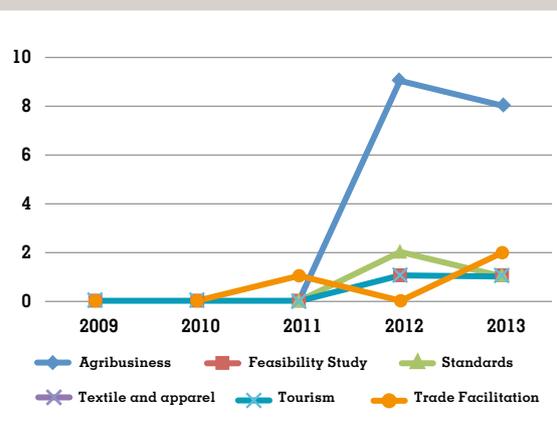
to maximize impacts on growth and poverty reduction.

But what has been the trend in EIF support to these sectors?

The composition of operational commitments within targeted sectors is dominated by agribusiness, followed by TF and then standards and tourism.

Agribusiness: Up to December 2013, agribusiness had 12 projects and a volume equivalent to 63% of the total Tier 2 project portfolio. From 2011 to 2013, the number of agribusiness projects was at least double the number of projects in any of the other five sectors of the Tier 2 portfolio.

Figure 7: Trends in the number of projects per sector



Box 5: EIF-funded agribusiness projects

Burkina Faso’s “Enhancement of Productive Capacities of the Sesame Sector” project will reinforce the operational capacities of existing processors of sesame, while actors in the sesame value chain will have increased access to finance through the establishment of innovative credit mechanisms adapted to the different segments of the sesame sector.

Cambodia’s “Export Diversification and Expansion Program (CEDEP) Part I” project will strengthen and diversify export supply capacity in milled rice focusing on SMEs. A Rice Standard Technical Working Group and an Export Promotion Working Group are formed, including establishing a Federation of Cambodian Rice Exporters.

Chad’s gum arabic project is to promote a sustainable exploitation of the resources facilitating the efficient operation of the value chain, while promoting gender mainstreaming.

The Gambia’s product development and export promotion of groundnuts, sesame and cashew nuts project aims at reducing poverty through product diversification, improved value addition, quality enhancement, finding new export opportunities and strengthening sector support institutions.

Lesotho’s “Agriculture Trade Development Project for the Fresh Produce Sector” will contribute to the enhancement of Lesotho’s sustainable economic growth, employment, food security, nutrition and poverty alleviation through building and strengthening the capacity of smallholder producers to commercialize, diversify and promote production of fresh fruits and vegetables for domestic and export markets.

Mali’s gum arabic project is to increase the revenue of producers, collectors and exporters, thereby reducing poverty in Mali through the development and exportation of gum arabic.

Niger’s leather sector (hides and skins) project is to increase the contribution of the hides and skins sector to economic and social development in order to reduce poverty. It will also build the capacity of actors participating in the leather value chain.

Yemen’s “Improving Honey Productivity and Quality” project aims at a long-term sustainable growth in the incomes of small-scale beekeepers, leading to improved livelihoods in the targeted governorates.

Project sub-sectors, in the agribusiness sector, are highly concentrated in food crop production (rice, corn, sesame, palm oil, cashew and groundnut), with no dominant sub-sector at the moment. This signifies a varied nature of LDC priorities in a sector that is so diverse in type of product for export and in the options that the poor farmers may have, if provided the needed support. Investment in agribusiness leads to a multiplier effect in the product-distribution value chain, comprising production, marketing, logistics, processing and distribution, which can have extensive impacts on growth, rural development and poverty reduction.

Agribusiness can be a major driver of growth in the agricultural and non-farm sectors in rural areas. In principle, short-term agribusiness or sectors whose benefits are immediately felt, can make important contributions to growth and poverty reduction by facilitating faster and easier access to direct cash income, helping processors and exporters and or middle men as well as SMEs with financing needs that support trade transactions. Agribusiness has very strong upstream and downstream linkages with agriculture, where the majority of poor people in agriculture-based LDCs earn their livelihoods.

TF: The EIF's Strategic Action Plan has highlighted an emphasis on TF — the trade nexus that provides an enabling environment for trade — as a major element of its growth and poverty agenda. TF has been identified as a priority for productive activities and advisory services because of its importance to growth, job creation and poverty reduction in many LDCs. This was emphasized at the Ninth Session of the WTO Ministerial Conference in Bali.

The EIF is applying a two-pronged approach to TF: direct support through Tier 2 projects and indirect support through Tier 1 projects. Tier 2 addresses productive activities and Tier 1 capacity development and policy reforms activities. The EIF's total productive activity

commitments in TF grew from US\$3 million in 2011 to US\$7.1 million in 2013.

The current and future importance of TF in the economies of LDCs and their potential to contribute to growth and poverty reduction deserve attention. Growing development discourse on trade shows that improving TF can promote growth and reduce income inequality. Thus, there is a strong development rationale for the EIF's support to TF. As the first generation of TF projects supported by the EIF, consisting mainly of institutional and regulatory reforms to customs and port efficiency, are being or are planned to be implemented by the LDCs, it is becoming obvious that their successful integration into the world economy increasingly depends on the realization of a series of TF measures. The EIF's future plan attaches great importance to TF, as supported by its new portfolio of TF projects under implementation and more in the pipeline. Indeed, the EIF's more rapidly increasing trade-related work as linked to the Ninth Session of the WTO Ministerial Conference will be in the area of TF. The EIF is well suited to provide support to LDCs for the implementation of the WTO Agreement on Trade Facilitation owing to the range of instruments at its disposal: (1) the DTIS and DTIS Updates as diagnostic tools for trade facilitation (TF); (2) the institutional support projects to facilitate the establishment of national TF committees or similar committees; (3) the feasibility study window to conduct TF needs assessments; and (4) the Tier 2 windows, which can be used to fund technical assistance necessary for the implementation of the Agreement. The magnitude of the challenges facing LDCs, which go beyond financing, imply that carefully targeting operations in this growing and important area of trade will be critical in leveraging growth and poverty impacts in LDCs. The EIF mechanism is well placed in LDCs to provide the support in meeting these challenges.

Box 6: EIF-funded TF projects

The **Gambia Airport project** is to promote TF and reinforce logistics infrastructure and services at Banjul International Airport through improved institutional arrangements, building human capacity and providing support services to ensure transparent, secured and competitive airport services that are available to exporters and smallholder businesses. The project will contribute to improved livelihoods in the tourism, horticulture and fisheries export sub-sectors, through reduction in cargo handling time and increase in cargo handling capacity.

Maldives' "Strengthening Institutional Capacity of Key National Trade Facilitation Agencies project" will strengthen the institutional capacity of the Maldives Customs Services through adopting procedure and process changes to be compliant with the WTO Valuation Agreement and an effective operationalization of a post-clearance audit system. It will also develop and implement a comprehensive economic regulatory framework for the management of airport services.

The **Cambodia Trade Sector Wide Approach (SWAp)** supported by the EIF, has led to halving the number of days required for clearance of containers at the border through computerization of customs operations using ASYCUDA and reforms bringing customs into compliance with WTO obligations. EIF-supported awareness programmes on TF for customs officials, the Cambodia Import-Export Inspection and Fraud Repression Directorate General (Camcontrol), port officials and the private sector have contributed to increase productivity at Sihanoukville Port. As a result, efficiency of border agencies has increased threefold, from the operation of 10 containers/hour to 30 containers/hour.

Standards: Standards have a broad reach that is likely to include poor people and is also a prerequisite for access to markets and other services. In most LDCs where agriculture is a mainstay of the economy, agricultural export quality needs to meet sanitary and phytosanitary (SPS) measures. SPS measures include laws and regulations, inspection and certification procedures, treatments and a range of technical activities. Those measures that conform to international standards are deemed to be non-restrictive, but importing countries can impose higher standards with scientific justification. If such standards cannot be met, market access is lost. The EIF is supporting the LDCs' capacity development to comply with standards by creating the enabling policy and institutional environment and supporting various private and public sector actors to effectively perform the SPS management functions. Between 2012 and 2013, three Tier 2 SPS projects were approved by the EIF Board with total EIF commitments of US\$5.8 million.

Box 7: EIF-funded standards projects

The **Burundi "Reinforcement of Trade Capacities" project** will improve the national quality system for SPS requirements by providing world-class conformity assessment services (inspection, standardization and testing) and improve quality and export competitiveness of targeted value chains (fruit and vegetables and coffee) through compliance with international SPS standards.

Lao PDR's "Strengthening National Quality Infrastructure and Industrial Statistics" project will strengthen the national quality infrastructure, including standards, metrology and conformity assessment; and support the enhancement of industrial statistics through policy-oriented empirical analysis of the country's manufacturing sector and data-user services. It will also improve and integrate a computerized system of the central database within the Ministry of Industry and Commerce.

Nepal's "Enhancing Sanitary and Phytosanitary Capacity of Ginger Exports" project will increase the income level of ginger farmers through improvements in SPS arrangements and value addition for export to India and other countries.

Tourism: The tourism sector creates increased access to services and thus provides opportunities for poor people to improve their livelihoods and contribute to growth. Thus tourism can be an effective tool for poverty reduction. In 2013, one tourism project was approved by the EIF Board, and three projects are in the pipeline for 2014.

Box 8: EIF-funded tourism project

Sierra Leone’s “Sustainable Tourism Development and Promotion” project will create an enabling environment for a sustainable growth of the tourism sector, thereby rebranding the image of the country, creating jobs, conserving the environment and reducing poverty. This will be done through the formulation of an Ecotourism Policy and Action Plan and an amendment of the Tourism Act 1990; the improvement of tourism products through the development of ecotourism sites; and the promotion of marketing initiatives that support ecotourism in Sierra Leone and enhance the capacity of selected institutions in the tourism sector.

Feasibility studies: Feasibility studies are key for developing bankable projects linked to the DTIS Action Matrix that can provide ex ante information on the feasibility and speculative outcomes of a planned priority project in a productive sector that addresses supply-side constraints of trade.

Box 9: EIF-funded feasibility study projects

Burundi’s feasibility study aims at conducting studies that would allow implementing the instruments of export promotion and diversification while ensuring quality standards of the products. Three studies have been identified: Revision of the legislation concerning Export Processing Zone (EPZ); construction of a refrigerating terminal at the Bujumbura Airport; and identification and delimitation of tourist sites in Burundi.

Burkina Faso: The global objective of the project is the creation of a development and export sector strategy for shea nuts as well as implementation support of this strategy through the formulation of a Tier 2 project. A diagnosis of the value chain of the sector, the preparation of an action plan and capacity building of the National Committee for Monitoring Strategies on Non-Timber Forest Products will be conducted.

Textiles and apparel: Textiles and apparel encourages diversification of export destinations and building the sector’s productive capacity. It is the single largest formal sector employer, especially in Asia, which provides employment for poor and uneducated workers, most of them women. The textiles and apparel industry is important in economic and social terms. In the short run, it provides incomes, jobs (especially for women) and foreign currency receipts, and in the long run, the opportunity for sustained economic development in countries with appropriate policies and institutions.

Box 10: EIF-funded textiles and apparel projects

Nepal's "Pashmina Enhancement and Trade Support (PETS)" project is to contribute to export growth and market diversification, thus bringing about increased incomes, an improved trade balance and overall development. This initiative revolves around the Government's aim of creating positive brand recognition of Chyangra pashmina in international markets and of increasing the export quantity and quality of Chyangra pashmina products and strengthening the Nepal Pashmina Industry Association.

Cambodia's "Export Sales of Handmade High-value Silk Products" project will support between 1,200 and 1,500 female weavers in rural villages in adding value to their products. Exports of Cambodian silk products are expected to grow by 21,000 in new sales by 7 companies through participation in trade fairs (the target value increased by 50% from the baseline export average of US\$25,417 per company). Main exports include scarves, fashion accessories including silk necklaces and small bags.



Financial, Fiduciary Outlook and Accountability

Financial and fiduciary management

The tables below present the EIF financial situation as of 31 December 2013, taking into consideration contributions received, funds allocated and disbursements and funding available.

Donor commitments and contributions received

The funding target for the multi-donor trust fund (EIFTF) of the EIF programme amounts to US\$250 million over five years (up to 2013). Total funds committed through a signed legal agreement by EIF Donors in the EIFTF represent close to 95% of the total funding target. As of 31 December 2013, the EIFTF has received commitments totaling US\$238.3 million as per the detail below:

Table 6: Donor commitments			
Contributions	Reporting Period Current (2012)		
	2008-2012	2013	Grand Total
IF UNDP Co-mingled Fund	31,542,678	-	31,542,678
IF UNDP Holding Account	7,870,346	-	7,870,346
Donor contributions	192,756,446 ⁵	2,746,753	195,503,198
Sub-total	132,169,469	2,746,753	234,916,222
Interest earned	2,871,840	468,862	3,340,702
Grand Total	235,041,308	3,215,615	238,256,924

5 Due to exchange rate differences between the time of the commitment and the time of receipt of Donor funds, this figure has changed from what was presented in the EIF Annual Progress Report 2012.

The Donor contribution details are presented below, including Donor commitments and funds received as of 31 December 2013:

Table 7: Donor contribution details (as of 31 December 2013, in US\$)

Donor	Commitment	Receipt
European Commission	13,090,375	12,569,122
Federal Republic of Germany	8,750,864	8,750,838
Government of Australia	4,872,600	3,963,800
Government of Belgium	2,755,889	2,755,864
Government of Canada	19,109,695	19,109,695
Government of Denmark	16,916,942	16,916,942
Government of Finland	8,518,301	8,518,283
Government of French Republic	9,597,311	9,597,278
Government of Iceland	200,000	200,000
Government of Japan	733,525	733,525
Government of Luxembourg	4,947,036	4,947,032
Government of Norway	24,704,908	24,704,908
Government of Republic of Hungary	400,000	400,000
Government of Sweden	14,299,175	14,299,175
Government of the Kingdom of Spain	6,953,404	6,953,378
Government of the Republic of Korea	1,000,000	1,000,000
Government of the Republic of Turkey	1,000,000	1,000,000
Government of the Swiss Confederation	162,789	162,789
Government of United Kingdom	58,304,779	12,274,690
Government of United States of America	600,000	600,000
Kingdom of Saudi Arabia	3,000,000	3,000,000
Republic of Estonia	125,550	125,536
Republic of Ireland	3,238,342	3,238,339
IF UNDP Transfer, Co-mingled funds ⁶	31,542,678	31,542,678
Interest IF Finland Sub-Trust Fund	15,280	15,280
Interest IF UNDP Holding Account	76,779	76,779
Interest EIF Income 2008	478,842	478,842
Interest EIF Income 2009	624,402	624,402
Interest EIF Income 2010	392,144	392,144
Interest EIF Income 2011	706,402	706,402
Interest EIF Income 2012	670,049	670,049
Interest EIF Income 2013*	468,862	468,862
Sub-total	238,256,924	190,796,632

* This amount does not include the interest income of 2013 Q4.

Total funds deposited in the EIFTF represent over 76% of the total funding target of US\$250 million, which shows an increase of 7% compared to last year.

6 Co-mingled funds include some of the above-mentioned Donors, plus the Netherlands and Iceland.

The table below shows the total contributions received as of 31 December 2013:

Table 8: Contributions received			
Contributions	Reporting Period (as of 31 December 2013, in US\$)		
	2008-2012	2013	Grand Total
IF UNDP Co-mingled Fund	31,542,678		31,542,678
IF UNDP Holding Account	7,870,346		7,870,346
Donor contributions	136,056,591	11,986,315	148,042,907
Sub-total	175,469,615	11,986,315	187,455,930
Interest earned	2,871,840	468,862	3,340,702
Grand Total	178,341,454	12,455,178	190,796,632

Allocations for EIF activities

In 2013, allocations for EIF activities totaled US\$38.6 million, for a grand total of almost US\$132.4 million.

The 2013 allocations for EIF activities in LDCs consisted mainly of Tier 2 projects (totaling almost US\$23.5 million) and a few Tier 1 projects of almost (US\$8 million). The total LDC implementation allocation was over US\$66 million, representing approximately 50% of total allocations. LDC implementation has continued at a steady pace with a growing demand for Tier 2 projects from LDCs.

The breakdown of allocated funds between the different categories of Tier 1 projects (Support to NIAs], DTIS, DTIS Updates, and pre-DTIS) and Tier 2, and between the previous and current reporting period is as follows, and is further detailed by project per country in Annexes 1 and 2.

Figure 8: Contributions received as of 31 December 2013

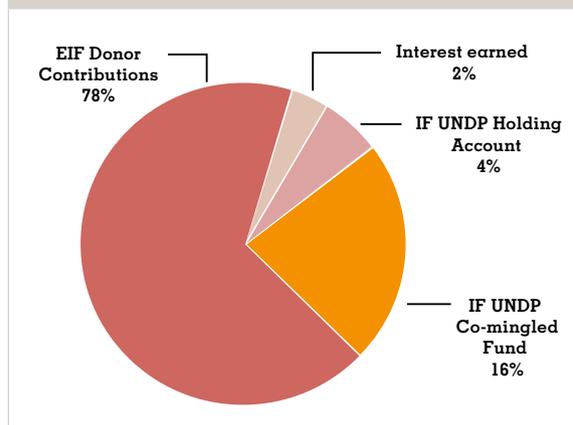


Figure 9: EIF Tier 1 projects at a glance
(in US\$, as of 31 December 2013)

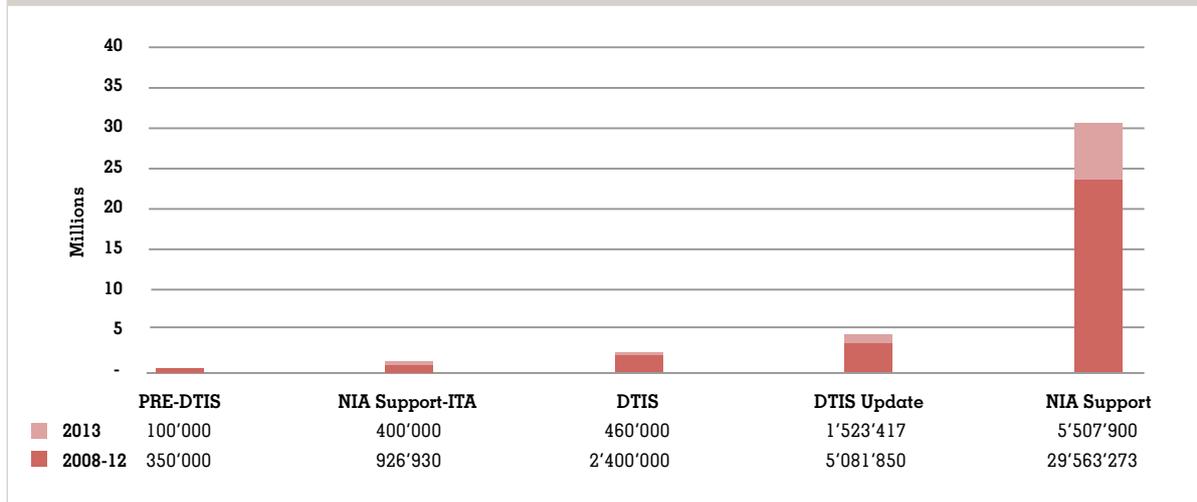
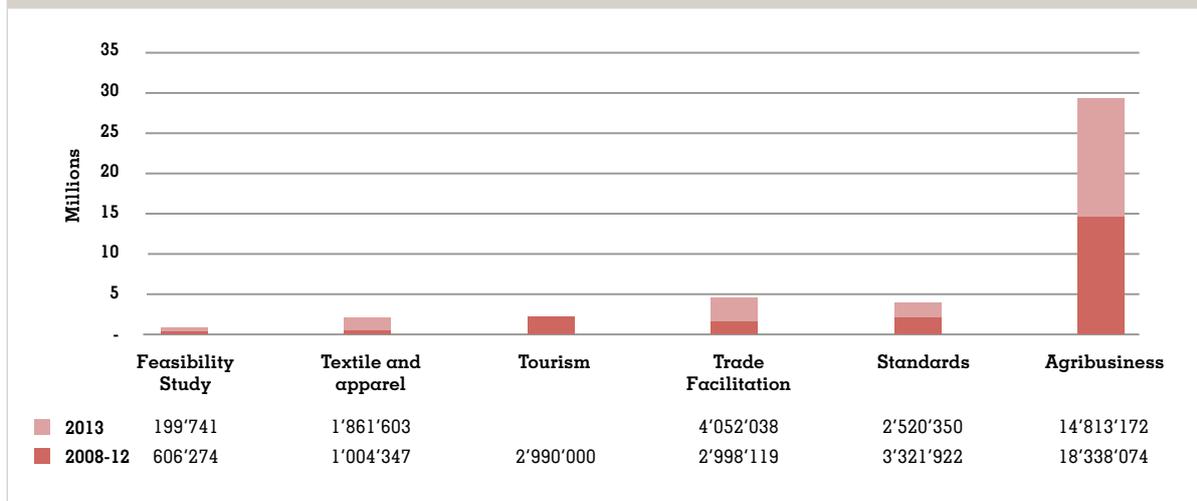


Figure 10: EIF Tier 2 projects at a glance
(in US\$, as of 31 December 2013)



While LDC implementation of projects, particularly for Tier 2s, is increasing, agency implementation has slowed down, as more Tier 2 projects are implemented by governments or by other implementation entities (such as SNV or GIZ). Agency implementation totaled US\$4.7 million in 2013, with a grand total of almost US\$25 million.

The EIF project portfolio breakdown by MIE, detailed below, shows that approximately half of the EIF projects, 56 in total, are implemented by LDCs (50.1% of the EIF portfolio), while 45 are implemented by Agencies (41% of the EIF portfolio). The remaining 9% are under implementation by other entities (i.e., GIZ, *icipe*, USAID and SNV).

Table 9: EIF projects by MIE				
Project type	MIE	2008-2012	2013	Total
DTIS	Agency implementation	6	1	7
DTIS Total		6	1	7
DTIS Update	Agency implementation	14	9	23
	LDC implementation	2	0	2
	Other	1	0	1
	TBD ⁷	9	(5) ⁸	4
DTIS Update Total		26	4	30
Support to NIAs	Agency implementation	2	1	3
	LDC implementation	31	2	33
Support to NIAs Total		33	3	36
Support to NIAs – ITA	Agency implementation	4	0	4
Support to NIAs – ITA Total		4	0	4
Pre-DTIS	LDC implementation	7	2	9
Pre-DTIS Total		7	2	9
Tier 2	Agency implementation	4	2	8
	LDC implementation	7 ⁹	6	12
	Other implementation ¹⁰	1	2	3
Tier 2 Total		12	10	22¹¹
GRAND TOTAL		88	20	108

At its meeting of December 2012, the EIF Board approved the 2013 budgets for (1) the ES funding to cover its operational costs (approximately US\$4.5 million); (2) the TFM funding to cover its operational costs and management fees, involving all of the costs of the Geneva office and of the regional offices in Bangkok, Dakar and Nairobi (approximately US\$2.9 million); and (3) the global activities to cover LDC participation at the EIF Board meetings, capacity building and the EIF TFM Review, for a total of approximately US\$650,000. The 2013 TFM fee amounted to US\$285,913, for a grand total of US\$985,253.

7 DTIS Updates submitted and approved as part of a Tier 1 project under government implementation, but without a specified MIE, are listed here as TBD (to be determined) until they are finalized.

8 The negative number reflects a determination of the MIE (from TBD to either EIF Agency, LDC or other implementation). It also includes the Rwanda DTIS Update allocation, which was moved to the 'Support to NIAs' project.

9 One Tier 2 project (Cambodia CEDEP I) is under mixed implementation, with one component implemented by the Government, one by ITC and one by IFC.

10 The Yemen Tier 2 project is implemented by *icipe*, the Zambia Tier 2 project by SNV and the Nepal Tier 2 (MAPs) project by GIZ.

11 Since the Cambodia CEDEP I is implemented by three entities, the total number of projects by MIEs is greater than the total number of projects.

Table 10: Allocations for EIF activities				
Report Category	Sub-type	2008-2012	2013	Grand Total
Agency implementation	DTIS	2,400,000	460,000	2,860,000
	DTISU	3,107,450	2,047,333	5,154,783
	Support to NIAs	1,800,000	900,000	2,700,000
	Support to NIAs - ITA	926,930	400,000	1,326,930
	Tier 2 – Agribusiness	6,204,049	-	6,204,049
	Tier 2 – Feasibility study	-	199,741	199,741
	Tier 2 – Standards	3,321,922		3,321,922
	Tier 2 – Textile and apparel	1,004,347	1,861,603	2,865,950
	EIF WB Subsidiary Trust Fund (Unallocated)	1,601,500	(1,140,350)	461,150
Agency implementation Total		20,366,198	4,728,327	25,094,525
Other implementation	DTISU	160,000		160,000
	Tier 2 – Agribusiness	1,807,500	6,369,930	8,177,430
Other implementation Total		1,967,500	6,369,930	8,337,430
LDC implementation	Pre-DTIS	350,000	100,000	450,000
	DTISU	1,814,400	(523,916)	1,290,484
	Support to NIAs	27,763,273	4,607,900	32,371,173
	Support to NIAs - ITA	-		-
	Tier 2 – Agribusiness	10,326,525	8,443,242	18,769,767
	Tier 2 – Feasibility study	606,274		606,274
	Tier 2 – Standards		2,520,350	2,520,350
	Tier 2 – TF	2,998,119	4,052,038	7,050,157
	Tier 2 – Tourism	2,990,000		2,990,000
LDC implementation Total		46,848,591	19,199,614	66,048,205
ES	ES support	11,233,391	4,456,124	15,689,515
ES Total		11,233,391	4,456,124	15,689,515

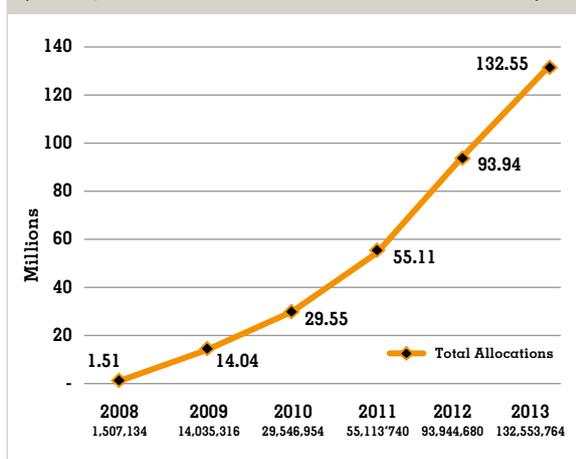
Table 10: Allocations for EIF activities (continued)

Global activities	Consultants	617,177		617,177
	Database	192,300		192,300
	M&E	256,955		256,955
	EIF Board Travels	235,387	105,955	341,342
	Capacity building	711,047	427,664	1,138,711
	Capacity needs assessment	1,000,000		1,000,000
	Knowledge-building activities	120,910		120,910
	MTR	702,700	(162,233)	540,467
	Workshops	297,616		297,616
	EIF TFM Review		275,000	275,000
Global activities Total		4,134,093	646,386	4,780,479
TFM	TFM support	8,695,568	2,921,291	11,616,858
TFM Total		8,695,568	2,921,291	11,616,858
Fee		699,340	287,413	986,753
GRAND TOTAL		93,944,680	38,609,084	132,553,764

Notes:

- There is a slight change as compared to the 2012 figures as the EIF Annual Progress Report 2012 used budget figures for the ES, while this Report now has the actual expenditures.
- The EIF WB Subsidiary Trust Fund (unallocated) entry refers to the funds in the EIF WB Subsidiary Trust Fund, which have not yet been allocated.
- The reduction in DTISU funds in LDC implementation refers to DTISU that were originally part of a 'Support to NIAs' project and were subsequently allocated for agency implementation following the agreed-upon approval process.
- The MTR was budgeted for US\$700,000 but cost US\$540,000.

Figure 11: Cumulative allocations for EIF activities (in US\$, as of 31 December 2013, with TFM fee)



Available funds

Prospects for 2014 and beyond are becoming more difficult since, as of 31 December 2013, the EIFTF had US\$58.71 million available for allocation to Tier 1 and Tier 2 project activities. This is the difference between funds received including accrued interest (see Table 8) minus the funds already allocated (excluding the EIF WB Subsidiary Trust Fund unallocated funds) to EIF activities through signed agreements (Table 10). As described below in more detail, the Tier 1 and Tier 2 project pipeline largely surpasses the funds available for allocation, thus creating a funding gap. This issue was discussed at EIF Board level throughout 2013.

Disbursements

Based on the allocations detailed above, the TFM undertook disbursements as agreed in the respective legal agreements and payment calendars, for a total of US\$26 million in 2013 (an increase of 30% compared to 2012). Total disbursements are US\$77.4 million, representing 58.5% of total allocations.

Table 11: Disbursements (in US\$)

Annual Report Category	2008-2012	2013	Grand Total
LDC implementation	18,137,190	11,184,656	29,321,846
Agency implementation	9,894,492	5,732,625	15,627,117
Other implementing entity	160,000	1,816,640	1,976,640
ES	10,113,431	4,128,940	14,242,372
TFM	8,695,605	2,752,937	11,448,543
ES global activities	4,046,380	163,012	4,209,392
Trust Fund management fee (0.75%)	382,853	193,341	576,194
GRAND TOTAL	51,429,952*	25,972,152	77,402,104

* Inclusive of an adjustment of US\$24,801, which was not reported in the EIF Annual Progress Report 2012.

Figure 12: Disbursements
(in millions of US\$), as of 31 December 2013 (without TFM fee)

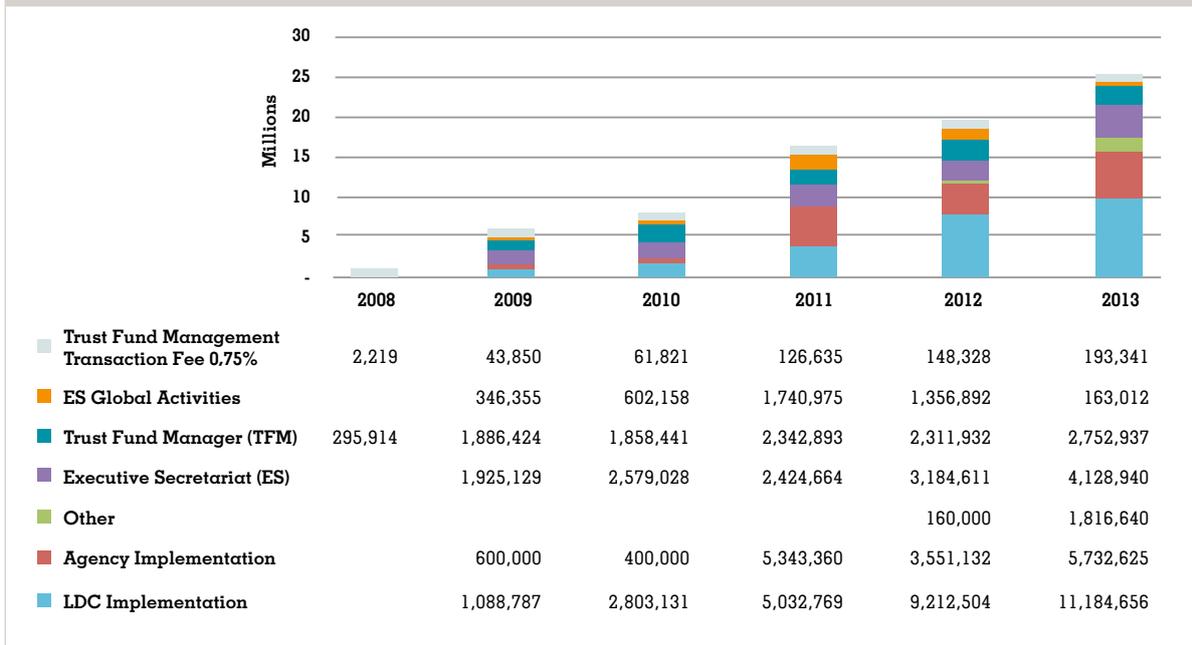
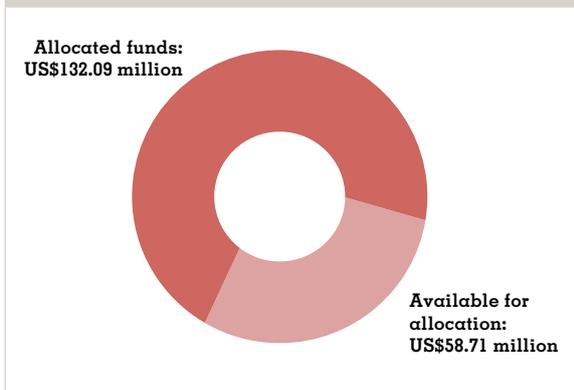


Figure 13: EIF funds available for allocation
(in US\$, as of 31 December 2013)



EIF Project Pipeline

Tier 1 project pipeline

A number of LDCs had already submitted to the ES and the TFM draft Tier 1 projects for first reading and appraisal as detailed in the table below. These proposals *may* become project targets for 2014 depending on various factors, internal as well as external to the EIF process (progress of the proposals, situation in the country and decisions of the EIF Board).¹² The Tier 1 now also includes Tier 1 Phase 2 cost extensions.

¹² Annex 9 will be complemented by the ES/TFM progress report per country.

Table 12: EIF Tier 1 project pipeline

Country	Type of Project	Estimated Budget (US\$)	Estimated Approval Date in 2014
Afghanistan	Tier 1	900,000	Q2
Bangladesh	Tier 1	900,000	Q3-4
Burkina Faso	Tier 1 Phase 2	600,000	TBD
Burundi	Tier 1 Phase 2	600,000	TBD
Comoros	Tier 1 Phase 2	600,000	Q2
Ethiopia	Tier 1	900,000	Q2
Ethiopia	DTISU	400,000	Q2
Kiribati	Tier 1	900,000	TBD
Lesotho	Tier 1 Phase 2	600,000	Q3
Liberia	Tier 1 Phase 2	600,000	Q2
Madagascar	Tier 1	900,000	TBD
Mali	Tier 1 Phase 2	600,000	Q3
Myanmar	DTIS	400,000	TBD
Myanmar	Tier 1	900,000	TBD
Niger	DTISU	200,000	Q1
Rwanda	Tier 1 Phase 2	600,000	Q2
São Tomé and Príncipe	Tier 1	900,000	TBD
South Sudan	Tier 1	900,000	TBD
Sudan	Tier 1	900,000	TBD
Timor-Leste	Tier 1	900,000	TBD
Zambia	Tier 1 Phase 2	600,000	Q2
TOTAL		14,800,000	

This table leads to the following conclusions:

- If all these Tier 1 projects are approved, this would mean that two new LDCs (Ethiopia and Kiribati) would become EIF Tier 1 beneficiaries, bringing the total number of Tier 1 beneficiaries to 46 by the end of 2014 (i.e., 90% of EIF Countries and 96% of LDCs);
- The estimated budget amounting to US\$14.8 million is comprised of eight Tier 1 Phase 2 extension projects, ten Tier 1 'Support to NIAs' projects, as well as two DTISUs and one DTIS; and
- Projects are planned in 15 LDCs in Africa and in 6 LDCs in Asia/Pacific.

The examination of the list of projects already approved and this preliminary list of projects in the pipeline indicate that, by the end of 2014, some 46 LDCs could be benefiting from EIF funding for Tier 1 projects.

Tier 2 project pipeline

Throughout 2013, the ES and the TFM have reviewed and analyzed during their regular coordination meetings potential Tier 2 projects per country. Below is the Tier 2 project pipeline, which is being developed for EIF funding in 2014 and beyond. The table leads to the following conclusions:

- Twenty-three Tier 2 projects are under development, for which a draft proposal has been submitted to the ES/TFM;
- The estimated budgets amount to approximately US\$62.6 million;
- Twenty projects are planned in Africa, two in the Asia/Pacific region and one in the Middle East;
- The majority of projects are in the agribusiness sector (a few are standards and TF, and there is one each on tourism, feasibility and "other"); and
- The table does not include projects that are in the identification phase (i.e., for which a proposal has not yet been received).

Table 13: EIF Tier 2 project pipeline

Country	Sub-type	Title	Proposed MIE	Proposed Budget US\$	Status
Burkina Faso	Agribusiness	Project support to the marketing of dried mango and processed cashew	Government	3,415,197	Q2 2014
Burundi	Tourism	Tourism (SNDT)	UNIDO	3,000,000	Q2 2014
	TF	Support to Strengthen the Business Space	Government	1,171,539	Q3/Q4 2014
Chad	Agribusiness	Leather (hides and skins)	Government	2,850,000	Q3 2014
	Feasibility study	Feasibility study (dates, natron, sesame)	UNIDO	189,312	Q1 2014
DRC	Agribusiness	Palm Oil	Government	2,405,424	Q2 2014
Ethiopia	Agribusiness	Promoting Sericulture and Establishing Silk Global Markets	Government	2,200,000	Q3/Q4 2014
		Scaling up Quality Honey Productivity and Fair Trade	Government	2,880,000	Q3/Q4 2014
Guinea	Agribusiness	Pineapple	Government	4,900,000	TBD
	Standards	SPS Laboratory	Government	2,999,919	Q3/Q4 2014
Guinea-Bissau	Agribusiness	Strengthening Productive and Commercial Agricultural Capacities	Government	2,882,258	TBD

Table 13: EIF Tier 2 project pipeline (continued)

Liberia	Standards	Strengthening Sanitary and Phytosanitary Measures	Government	2,994,700	TBD
Maldives	Agribusiness	Tourism Value Chain	Government	3,000,000	Q3/Q4 2014
Mali	Agribusiness	Mango	Government	1,115,002	TBD
Rwanda	TF	Inclusive Cross Border Trading Capacity Development	Government	3,746,500	Q3/Q4 2014
Samoa	Tier 2 TBD	Samoa Trade Sector Wide Programme	Government	3,078,317	Q2 2014
Senegal	Agribusiness	Mango	Government	2,679,946	Q3/Q4 2014
Sierra Leone	Standards	Strengthening the Sierra Leone Quality Infrastructure to Support Industrial Development and Trade	Government	4,358,458	Q3/Q4 2014
Togo	Agribusiness	Soy	Government	3,124,868	Q2 2014
Uganda	Agribusiness	Gum Arabic	Government	1,420,305	TBD
		Silk	TBD	2,871,850	TBD
Yemen	Agribusiness	Center for Bee Disease and Pest Management	<i>icipe</i>	2,500,000	Q3 2014
Zambia	Agribusiness	Dairy	Government	2,863,214	Q2 2014
GRAND TOTAL				62,646,809	

Main Inputs Supporting Results

To support results and achievements, the TFM has put in place diverse programmatic tools and operational and managerial procedures to ensure a systematic implementation and follow-up of the financial and fiduciary processes. This section provides a brief review of such inputs supporting results for the reporting period.

TFM 2013 work plan and results framework

The TFM 2013 work plan and results framework matrix – updated after an internal assessment of results achieved in 2012 – has been the most important programmatic tool guiding the overall TFM operational activities during 2013, consisting of 9 components, 17 intended outputs and specific output targets. In addition, the 2013 work plan was a helpful internal planning tool: measuring results of what had been achieved and identifying the areas requiring improvements proved to be useful to draw lessons for an enhanced performance of the TFM.

TFM missions

To perform its functions, the TFM undertook, during the reporting period, a number of missions, including:

- Capacity assessment missions: Prior to project approvals by the EIF Board, the TFM undertakes, as appropriate, a project appraisal and carries out a capacity assessment mission, when possible in conjunction with the ES, which forms the basis of its recommendations to the EIF Board.¹³ During the reporting period, five capacity assessment missions were undertaken (one for a Tier 1 project and four for Tier 2 projects). Given the number of 'Support to NIAs' projects already approved, capacity assessment missions for Tier 1 are fewer. In addition, due to the increased number of Tier 2 projects under government implementation, there were less capacity assessment missions as the proposed MIEs had already been assessed for the Tier 1 projects.
- Start-up facilitation missions: After a legal agreement is signed with the respective MIE and funds are disbursed, there is a "start-up facilitation" phase aimed to introduce in practice the accountability mechanisms and tools as required. This phase generally includes a mission to be undertaken by the TFM, except in the case of partner agency implementation, usually within the first three to six months once the project has become operational: six such missions took place in 2013 (four for Tier 1 and two for Tier 2 projects).
- Supervision missions: After the start-up facilitation phase, the TFM undertakes supervision missions, to the extent possible twice a year, to follow up on the implementation of projects, review the status of recommendations and submit new "key recommendations" as necessary to the respective country partners. Forty-four supervision missions for Tier 1 and Tier 2 projects took place in 25 countries (as compared to 28 in 2012 and 18 supervision missions in 2011 – a 57% increase year to year). This should even further increase in 2014.
- Workshops and conferences:¹⁴ In 2013, in coordination with the ES, the TFM took part in the capacity-building activities undertaken by the EIF, such as the Ninth Session of the WTO Ministerial Conference in Bali; an EIF familiarization workshop in Myanmar; the regional M&E and Communications Workshop in Zambia; and the OECD Policy Dialogue on Aid for Trade in Paris. This also included Geneva-based training for one TFM portfolio assistant based in one of the regional offices, as well as two joint ES/TFM workshops in Geneva.
- Familiarization/assistance missions: In addition to the above, the TFM, in consultation with the ES, is sometimes required to undertake missions to address specific needs of EIF Countries or to participate and provide input into an event relevant to the EIF programme.

It should be noted that joint ES/TFM missions are a best practice, and common mission TOR have been developed.

¹³ In the case of projects implemented by partner agencies, the TFM may undertake a capacity assessment/ project appraisal mission or, as appropriate, a desk review.

¹⁴ This reflects the number of TFM participants (from Geneva as well as the regional offices) in the events.

In addition, increasingly, missions are combined (i.e., a Tier 1 supervision with a Tier 2 facilitation mission) in order to save time and travel costs.

As seen below, in 2013, 74 missions were undertaken (compared with 59 in 2012 and 32 in 2011), reflecting a 25% increase year to year due to the growing number of projects.

Project pre-approval and approval process

As in previous years, the project design and formulation phase – particularly for Tier 2 projects – continues to be in many cases a complex and lengthy process for most LDCs. The approval process involves the coordination with the ES regarding the overall assessment and approval of the project proposals. It also involves providing comments and input on several versions of draft project proposals, coordination regarding fiduciary matters with the LDCs at the different steps of project formulation, finalization of documents and signature of agreements. The process occurs through three different phases: (1) From the first draft to a mature project proposal triggering an assessment mission; (2) from the assessment mission (or desk review) to the submission of the project proposal to the EIF Board; and (3) after project approval by the EIF Board. The three phases engage the whole technical and operational capacities of the ES and the TFM in Geneva and at the regional level,

as well as in-country main EIF stakeholders (FP, DF, NIU/NIA and Chair of the NSC). It should be noted that this process and quality check, despite its length, has been generally successful as Tier 1 project proposals have mostly gone through the approval process without objections. Tier 2 project proposals have encountered more comments from the EIF Board, as the application of the Tier 2 guidelines is still in the early phases, and NIUs generally lack experience and successful models to assist them in meeting the requirements. Generally, there is a minimum of two exchanges of comments on project proposals between the ES/TFM and the LDC, with the majority requiring three or four exchanges; each exchange (including subsequent actions) takes between one and three months.

In 2013, the ES and the TFM submitted to the EIF Board for its approval two Tier 1 projects (including a DTISU), five Tier 1 Phase 2 projects, two DTIS/DTISU budget increases, one DTISU beyond the delegation of authority of the ED, two 'Support to NIAs' – ITA cost extensions and ten Tier 2 projects. In addition, the ES and the TFM submitted to the ED for approval, based on the delegation of authority from the EIF Board, one DTIS and nine DTISUs (including TOR, with an activity plan and a budget), one Tier 2 feasibility study and two pre-DTIS projects.

Table 14: TFM missions

Type of missions	Number of missions		
	September 2008 to December 2012	January 2013 to December 2013	Total
Capacity assessment – Tier 1	37	1	38
Capacity assessment – Tier 2	5	4	9
Start-up facilitation – Tier 1 and Tier 2	28	6	34
Supervision – Tier 1 and Tier 2	47	44	91
Workshops/conferences	36	14	50
Familiarization/assistance	24	4	28
Total number of TFM missions	177	73	250

Appraisal and assessment processes and tools

The TFM has developed a number of processes and tools to assess, appraise and monitor projects from the fiduciary perspective and eventually deliver the expected results. Such processes and tools have been presented in previous TFM reports and in other documents. They are regularly reviewed and adjusted as the programme evolves and the TFM's knowledge and experience expand.

Before submission of a project to the EIF Board, the TFM team (both Geneva- and field-based) conducts a project review committee meeting to review project proposals according to the EIF guidelines from a fiduciary perspective. The TFM held 14 such meetings in 2013 for Tier 1 'Support to NIAs' and for Tier 2 projects.

Accountability

One of the greatest challenges for the TFM is to ensure the appropriate alignment of the EIF principles (country ownership, tripartite partnership, demand-driven and participatory approaches) with financial and fiduciary principles (accountability, transparency, efficiency and effectiveness). This section describes the main mechanisms in use aimed at ensuring compliance of both normative building blocks.

TFM reporting status

Reporting is one of the key fiduciary responsibilities of the TFM as per the EIF Accountability Framework. The TFM reporting framework addresses three main constituencies: the EIF Board, the LDCs and the ES counterparts.

Based on the Compendium of EIF Documents and its accountability requirements, the TFM provides the EIF Board with:

- Capacity Assessment Reports: For Tier 1 and Tier 2 projects, Capacity Assessment Reports are prepared following a capacity assessment mission (or in the case of partner agency implementation, a desk review) and after reviewing institutional and implementation capacity, human resources and administrative management capacity, financial management capacity, procurement management capacity and the work plan/M&E systems put in place by the proposed MIE. This is shared with the EIF Board and the ES.
- Financial reports: The TFM started its financial reporting in mid-2009, following the receipt of a substantial number of Donor contributions. As of 31 December 2013, the TFM has presented 4 annual certified financial reports to the EIF Board (for 2009, 2010, 2011 and 2012) and 14 quarterly financial reports (2010 – Quarters 1-4; 2011 – Quarters 1-4; 2012 – Quarters Q1-4; and 2013 – Quarters 1-2¹⁵) and additional reports upon request.
- Narrative progress reports: Beside this EIF Annual Progress Report 2013, the TFM submitted jointly with the ES five progress reports to the EIF Board: (1) Covering the period from the inception in September 2008 to October 2009; (2) covering the period until 31 March 2010; (3) covering the period until 31 March 2011; (4) covering the period from 1 January to 31 December 2011; and (5) covering the period from 1 January to 31 December 2012. These reports included global results and operational and financial reports. Funding forecasting models and budget requests for the ES and the

¹⁵ The 2013 Quarter 3 and 4 financial reports will be submitted to the EIF Board in February 2014.

TFM operations are now submitted separately at EIF Board meetings.

- **Ad hoc reporting:** As may be requested by the EIF Board.

For LDCs, based on the TFM's regular missions, the TFM produces, assesses and updates its recommendations after each mission. This is captured in the mission reports, for which the recommendations are shared with the LDCs (the full report is shared with the ES).

Finally, for the ES counterparts, the TFM routinely shares its mission reports and recommendations, ensuring consistency between the ES and the TFM follow-up. The TFM also provides a variety of ad hoc reports for the ES in preparation of EIF Board meetings, workshops and conferences and donor or LDC meetings.

The table below shows the status of the TFM reporting on projects, which is closely linked to the TFM missions detailed above.

Table 15: TFM reporting			
Description	Number of Reports		
	September 2008 to December 2012	January 2013 to December 2013	Total
Capacity assessment – Tier 1	37	1	38
Capacity assessment – Tier 2	5	4	9
Start-up facilitation – Tier 1 and Tier 2	27	6	33
Supervision – Tier 1 and Tier 2	47	44	91
Total number of missions	75	55	171

While the previous reporting period was characterized by a high number of Capacity Assessment Reports for Tier 1 projects as well as start-up facilitation mission reports due to the high number of Tier 1 projects starting, 2013 saw a large increase in supervision reports. The TFM has thus developed reporting templates covering all the above-mentioned reporting needs and requirements.

LDC reporting status

Overall, the reporting process by the LDCs is in accordance with the reporting calendars and the TFM reporting formats as agreed in the MOUs. LDCs must submit quarterly financial reports and semi-annual and annual narrative/technical reports to the TFM and the ES, in addition to final reports as applicable.

The quality of the financial reports is generally improving overtime. Narrative reports have mostly been received in a timely manner (at least for the initial version), though there are some capacity issues that need to be addressed. Generally, for both financial and narrative reports, some back and forth between the country and the TFM is required for the finalization of the reports. Based on the reports, subsequent payments to LDCs were processed by the TFM when they were due upon approval and clearance of the relevant reports by the ES and the TFM.

Table 16: Status of reporting – LDCs

Report	Status	Number of Reports		
		2008-2012	2013 ¹⁶	Total
Financial	Received	225	141	366
	Pending	1 ¹⁷	10	11
Total financial reports		226	151	377
Narrative	Received	99	51	150
	Pending	-	6	6
Total narrative reports		99	56	156

Of the pending financial reports (one in 2012 and ten in 2013, which constitute less than 3% of the financial reports), the TFM is following up with the concerned countries.¹⁸ Of the pending narrative reports (six in 2013, less than 4% of the narrative reports), the TFM and the ES are following up with the concerned countries.

Agency and other MIE reporting status

In respect of the Agencies and other MIEs' reporting status, reports are being submitted as per the reporting obligations noted in the corresponding legal agreements. Generally, the TFM is encountering greater delays in receiving both financial and narrative reports from the Agencies (almost 12% of financial reports and 9% of narrative reports). The ES and the TFM are following up on these pending reports, formalizing their requests within the Agency hierarchies as necessary.

¹⁶ 2013 refers to Quarters 1-3, as Quarter 4 will only be due on 31 January 2014.

¹⁷ In the Annual Progress Report 2012, nine were marked as pending. Since then, eight reports were received. The one pending report is from CAR, which as the EIF Board knows, is in a situation of armed conflict.

¹⁸ Of the 11 pending financial reports, 4 are for CAR.

¹⁹ This section no longer includes reports sent by WTO on the ES and global expenditures, as it had in the Annual Progress Report 2011.

Table 17: Status of reporting – Agencies, NGOs and others¹⁹

Report	Status	Number of Reports		
		2008-2012	2013	Total
Financial	Received	21	68	89
	Pending	-	12	12
Total financial reports		21	83	101
Narrative	Received	7	44	51
	Pending	-	5	5
Total narrative reports		7	49	56

Auditing practices

All the MIEs for EIF projects, whether government entities or others²⁰, are also due to submit annual audited accounts as stated in the respective agreements signed with UNOPS. Internal audit systems have been activated in all the LDCs implementing Tier 1 projects, and internal or external audit reports are undertaken after one full year of project implementation as contemplated in the respective MOUs and project budgets. In 2012, the TFM prepared audit guidelines to assist the NIUs in this task. It is also common practice for the NIUs to have the audit TOR reviewed by the TFM before launching the exercise.

As seen in the table below, 23 audit reports were received in 2013, 10 were in progress and 9 were pending (often due to lengthy government processes and/or situations of political crises). No major concerns have been noted, with the exception of one case, described in more detail below. The TFM is following up closely on the in-progress/pending audit reports, and the audit recommendations are reviewed by the TFM and followed up on with the countries and through the supervision missions.

As the EIF Board has already been informed, there have been some inconsistent audit findings in CAR for the 2011/2012 audit report received by the TFM in January 2013. The inconsistencies were issues that the TFM had already identified in previous supervision missions and that were pending action by the NIU. To further examine the inconsistencies raised, the ES and the TFM agreed to request a second audit by an international firm before continuing disbursements for project activities (all project disbursements except for staff salaries in the interim were suspended from January 2013 as a preservative measure). In light of the security situation in CAR, the second audit has not yet been undertaken (though a firm had been selected through a procurement process, which involved UNDP and the DF). Following discussions at the EIF Board Meeting in December 2012, the EIF Board decided to suspend project activities and maintain only a small number of essential staff. The ES and the TFM are monitoring the situation on a quarterly basis and will keep the EIF Board informed.

In addition, all the TFM financial and funding management activities are subject to periodical audit exercises following the EIF Accountability Framework and the UNOPS Audit Rules. An internal audit of the UNOPS Switzerland Operation Centre was undertaken in June/July 2011, including the EIF TFM operations. The audit exercise was satisfactory, and only one recommendation was made for the TFM to establish a control mechanism to monitor that audit reports from LDCs are delivered in a timely manner.²¹ A monitoring mechanism was put in place by the TFM, enabling the TFM team to check the status of the audits due and follow up with the concerned countries.

²⁰ Agencies are audited internally, as per the EIF Partnership Agreements and the UN single audit principle.

²¹ The audit report states: "IAIG/1001/11 Develop guidelines for project audits and ensure that project audits are carried out for all projects and audit reports submitted within due dates."

Table 18: Status of audit reports

Report	Status	Number of Reports		
		2008-2012	2013*	Total
Audit	Received	23	23	46
	In progress	-	10	10
	Pending	-	9	9
Total of audit reports		23	42	65

* 2013 audits are for the 2012 reporting period, and in some cases, for a few months of 2011 implementation.

Database and information system

In 2013, the development of the database has continued, specifically the roll-out to the broader EIF constituencies. The database is now aligned with the EIF website, feeding data to it. There are a few issues in the “information feeding process” on the EIF website side, but the ES is working to resolve these issues. The database is assisting the ES and the TFM in drafting the EIF Annual Progress Report 2013, providing data and facilitating the country reporting through an online template. Version 2 of the database is in development for finalization in 2014, including greater workspace management functions.

Coordination and communications

The TFM coordination and communications framework consists of permanent and continued interactions with the key EIF stakeholders through different events and activities. The table below summarizes such interactions as held during the period of this Report.

Table 19: TFM interaction with key EIF stakeholders (2013)

	Type of Event	Description
EIF Steering Committee	EIF Steering Committee meetings.	<ul style="list-style-type: none"> • Participation in the annual EIF Steering Committee meeting.
EIF Board	EIF Board meetings.	<ul style="list-style-type: none"> • Participation at the five EIF Board meetings held in 2013.
Executive Secretariat (ES)	Programming, communication and coordination.	<ul style="list-style-type: none"> • Four regular coordination meetings; • Two joint ES/TFM workshops; • M&E Framework revisions; • Training and capacity building, communications, Tier 2, etc.; and • Daily and constant communication and coordination between the ES and the TFM team members on EIF institutional, governance and country portfolio matters.
LDC Representatives	Information on the EIF programme and projects, advice and follow-up.	<ul style="list-style-type: none"> • Meeting with the LDC Group and EIF Board Members; • Meeting with LDCs' Geneva Missions staff as well as delegations from capitals regarding project proposals; and • Participation in the Ninth Session of the WTO Ministerial Conference in Bali and the OECD Aid for Trade Review in Paris.
Donor Representatives	Information, reporting and legal arrangements.	<ul style="list-style-type: none"> • Meetings with Donor representatives regarding their contributions to the EIFTF and the status of the EIFTF; and • Participation in WTO Ministerial Conference in Bali and OECD Aid for Trade Review in Paris.
EIF Agencies	Planning, coordination and legal arrangements.	<ul style="list-style-type: none"> • Meetings with EIF Agencies on Tier 1 and Tier 2 projects, including missions to UNIDO with the ES.
UN Agencies	UN Inter-Agency Cluster meetings.	<ul style="list-style-type: none"> • Meetings with the UN Inter-Agency Cluster on Trade and Productive Capacity (through UNOPS-GVAC, with the TFM providing technical assistance as necessary).
EIF Regional Groups	Regional workshops/ meetings.	<ul style="list-style-type: none"> • EIF M&E and Communications Workshop in Zambia; and • EIF familiarization workshop in Myanmar.

It is important to highlight that the TFM's communications function during the missions and at Geneva level focuses on introducing the accountability and fiduciary dimensions of the EIF into the different stakeholder environments.

TFM human resource and regional setting

The TFM team consists of a small technical and administrative capacity based in Geneva (composed of an Executive Officer, a Programme Officer, a Finance Officer, a Legal Officer and a Portfolio Assistant) and three regional offices in Bangkok, Dakar and Nairobi, established in late 2008 and managed by four Regional Portfolio Managers (following the recruitment of a second Regional Portfolio Manager in Dakar, as approved by the EIF Board in November 2011) and three Portfolio Assistants.

The initial UNOPS proposal also included a regional office in Johannesburg. Following discussions surrounding the EIF strategic planning, the proposal to open an office in Johannesburg for Southern Africa was abandoned, due to both cost considerations and the fact that the Africa regional offices were already well established, and instead, the Nairobi office could be reinforced when it becomes necessary.



Community Tourism
Organisation

Emerging and Cross-cutting Issues

Introduction

The relevance and effectiveness of the EIF to the trade and economic priorities of LDCs was emphasized in the findings of the 2012 MTR, which led to the extension of the EIF initial mandate from 2013 to 31 December 2015. In line with this extended mandate, and building on the momentum of the current levels of results delivered, the EIF beyond 2013 will emphasize customized capacity development, sustainability, gender mainstreaming and strategic partnerships and pilot private sector engagement and regional integration.

Customized Capacity Development

The EIF gives particular place to LDCs' capacity development so as to strengthen their human, institutional, and infrastructure capacity to achieve sustainable results for their trade mainstreaming agenda and to participate effectively in international trade.

- 1 A particular focus is on building capacity in countries that have not yet or not yet fully benefited from the EIF programme. These countries are: Afghanistan, Angola, Bangladesh, Eritrea, Ethiopia, Kiribati, Madagascar, Mauritania, Myanmar, São Tomé and Príncipe, Somalia, South Sudan, Sudan and Timor-Leste.
- 2 Tier 1 projects supporting the institutional capacity will focus on customized capacity building for delivery on the four result areas of the EIF, but in particular

Outcomes 3 and 4 (coordination of TRTA and resource mobilization to implement the DTIS Action Matrix), and the bespoke support to trade mainstreaming at all levels).

Priority will be given to:

- Support to NIAs to strengthen their respective functions for program implementation, with a particular focus on sensitization for DFs and capacity building for NSCs;
- Capacity building and support to increase ownership and management of the process of DTISUs and monitoring of the Action Matrix;
- Capacity building and support on good practices of Tier 2 projects for managing TRTA projects;
- Utilization of effective communication channels and engagement of the EIF partnership for trade mainstreaming and programme implementation; and
- Promotion and emphasis of institutional, human and financial sustainability of the EIF functions and results in trade ministries.

Private Sector Engagement and Regional Integration

In addition to these focus areas and priorities, cooperation with the private sector and the regional dimension of the EIF, which are becoming prominent in the LDC development discourse, will be pursued.

Cooperation with the private sector: The modalities of cooperation and engagement of the EIF with the private sector will be tabled to the EIF Board for a decision and guidelines.

Regional dimension of the EIF: At the beginning of the EIF programme, the regional question was discussed, which noted that the EIF was fully supportive of regional integration and regional partnerships and also fully supportive of using regional means of delivery. However, the regional dimension has not been given prominence in project design and implementation for the past five years. Beyond 2013, and based on the outcomes of the 2014 Comprehensive EIF Evaluation, the regional dimension of the EIF interventions would be explored. Furthermore, cooperation towards coordinated and effective AfT delivery with some of the Regional Economic Cooperation bodies would be explored.

Horizontal issues

Sustainability

As anchored in the three objectives of the EIF, the sustainability of the programme is pivoted on its principles of ownership, partnership and use of trade as a tool for development. In this regard, the sustainability of the EIF programme is very much embedded in the functionality of the NIA structure to continue and consolidate the EIF results areas of developing and enhancing capacity, trade mainstreaming, AfT coordination and resource leverage beyond the EIF programme. The functionality of NIAs within the four outcome areas should be sustained in the institutional, human and financial capacities and should

be benchmarked at two levels: process/functions established and results achieved. This NIA structure should be seen as an integral part of the national structure with programming responsibility to address the country's trade agenda and not as an EIF stand-alone structure.

NIA structures and functions vary across EIF Countries depending on the country context and institutions, the level of trade mainstreaming, the presence of DPs and the importance of AfT flows. While in some countries, the NIU is part of the main structure of the Ministry responsible for trade, the majority of NIUs are set up as an EIF stand-alone project. In some countries, the NSCs have a narrow mandate to supervise only the EIF Tier 1 project and are not linked to other national trade programming.

In view of this, including discussions at the EIF Board meetings and at LDCs' consultative groups in 2012 on the relevant sustainability parameters of the EIF support to the NIAs, and in taking into account the findings and recommendations of the programme's Mid-term Evaluation (MTE), the ES and the TFM have focused on advising EIF Countries to elaborate a sustainability and exit plan as part of Tier 1 Phase 2 proposals. The plan should focus on integrating the NIU functions into the mainstream ministry responsible for trade and should review the NSC mandate and structure to ensure that it can coordinate in-country AfT activities and provide a consultative mechanism between the government and all relevant stakeholders involved in mainstreaming trade into national development plans, PRSPs and trade-related sector strategies.

The ES and the TFM are also reviewing the EIF Concept Note on the Sustainability of Tier 1 Projects with a view of stimulating further reflection and discussion at the country level in the design of Tier 1 Phase 2 projects and beyond. During the reporting period, five Tier 1 projects have been extended for two years with the tenets of sustainability integrated into

the two-year phase. As a result, The Gambia and Sierra Leone have started the plan to integrate the NIU into the respective ministry of trade. Lao PDR and Cambodia will develop sustainability plans for the NIU beyond the EIF funding. In the case of Malawi, the NSC structure is being integrated with the Steering Committee for Trade, Investment and Private Sector-wide Approach Programme.

Gender and Trade

Expansion of trade brings growth as well as new opportunities for everyone, but it also has certain distributional implications that are to be addressed through sound trade policies. Policies that extend opportunities to both women and men living in poverty to access the benefits of trade will improve the poverty-reduction potential of EIF interventions. Given appropriate empowerment, women can contribute significantly to economic growth and development. In order to promote a supportive high growth/low gender inequality scenario of trade in LDCs, women's multiple roles and responsibilities need to be acknowledged. The EIF interventions recognize the role of women in enhancing the effectiveness of trade and poverty reduction in LDCs.

For this, gender-specific initiatives have been emphasized in most of the Tier 2 projects. Out of 26 Tier 2 projects, 50% make explicit reference to the incorporation of women, and 7% encourage gender participation. Most of the gender-related initiatives are in the agriculture sector.

For example, **in Africa**, in Burkina Faso the sesame project strongly emphasizes the employment of female farmers, who represent 40% of the sector. In Mali, 370,500 people live on the production of the gum arabic, of which 80% (296,400) women. The Comoros project on export competitiveness (vanilla, ylang ylang, and cloves) will help to organize women producers for greater involvement in the value chain. Similarly, gender balance is being pursued in Guinea, where 80% of

mango producers and harvesters (258,000) are women who combine mango production with gardening and handicraft. The honey project in Zambia will target groups that have women participating in the sector with a preference for women-led and women-owned enterprises as part of the strategy to ensure gender empowerment.

In terms of capacity building for agricultural purposes, the Lesotho agricultural trade development project for the fresh produce sector will directly benefit 1,050 farmers, of which 30% are women.

In Asia, the Nepalese project on the enhancement of the SPS capacity of ginger exports will train 2,000 farmers, of which 60% are female-headed households, in good agricultural practices, access to improved inputs and access to a new facility for washing, grading and curing of ginger rhizomes, and increase gross incomes from ginger at the farm level by at least 25%. Cambodia silk sector employs approximately 20,000 silk weavers, most of whom are women living in rural areas. The project has also provided training on market access (40 representatives – of which 31 were women) and training sessions on the organization of trade fairs (eight representatives – of which seven were women).

In Nepal, the Chyangra pashmina processing sub-sector consists of 544 manufacturers that produce pashmina garments for exports and which employ more than 20,000 people directly. Out of this workforce, 61% are women, and 39% are male employees. Also, this project will help women rearers of Chyangra goats.

Strategic Partnerships and Collaboration

Current development challenges in the context of the recent global financial and economic crises require renewed efforts for trade development if the LDCs are to fully integrate into the global trading system. This should

include efforts to strengthen partnerships in order to maximize development gains of the LDC's participation in international trade. The EIF will continue building and strengthening productive capacities of LDCs and give it prominence in their development agendas.

Country-level partnerships

At country level, the EIF will continue to encourage the establishment of public-private partnerships, especially where private sector participation in the national trade agenda is lacking. The nature of these partnerships is voluntary and necessarily country-specific. The EIF supports the partners to work collaboratively in setting and implementing the national trade agenda in line with the EIF's principles and objectives.

The Donor community

The EIF can only achieve its objectives if the international community delivers and increases its commitments on technical, financial and political support to trade mainstreaming in LDCs. This would help the LDCs to strengthen their trading and production capacities.

EIF Partner Agencies

Concurrently, the EIF will continue strengthening the partnership with the EIF Core and Observer Partner Agencies for a swift delivery of the programme. The Partnership Agreements with the EIF Core Partner Agencies will continue to be in use as signed in implementation letters for project implementation.

The EIF Core Partner Agencies and Observers have continued to provide support in the delivery of the programme. The partnership with the EIF has been at various levels of the project cycle, including feasibility studies, project proposal development (both Tier 1 and Tier 2), project implementation (both Tier 1 and Tier 2), DTISs and DTISUs, trade policy review support on AfT, WTO accession, trade and

gender mainstreaming and the preparation and delivery of training modules.



Role of the EIF at the post-Ninth Session of the WTO Ministerial Conference

The EIF at the Ninth Session of the WTO Ministerial Conference

The EIF featured quite prominently at the Ninth Session of the WTO Ministerial Conference in Bali, Indonesia, from 3 to 7 December 2013. The programme was referred to in most of the statements delivered by LDC Heads of Delegation in the plenary sessions as a vehicle to build institutional capacity, overcome supply-side constraints and promote economic diversification.

In the LDC Ministerial Declaration adopted on 2 December 2013, the LDC Ministers emphasized the continued relevance of the EIF; called upon DPs to extend the EIF beyond 2015 and to scale up their support to the programme in a substantial and meaningful manner, so that all LDCs in various stages of the EIF process could continue to make use of the facilities offered under it; urged DPs to honour their commitments to deliver resources; and underlined the need for a speedy implementation of the EIF, including a time-bound completion of DTISs/DTISUs and a simplification of the procedure for project approval.

The EIF is referenced in three key Ministerial Decisions that were adopted at the end of the Ninth Session of the WTO Ministerial Conference:

- Trade Facilitation (WT/MIN(13)/36 or WT/L/911). The Trade Facilitation Agreement states under Section II, 9.3d(ii) that “for least developed country Members, the Enhanced Integrated Framework should be part of this coordination process” [for delivering technical assistance on TF];
- Services (WT/MIN(13)/43 or WT/L/918). The Services Waiver Decision states under paragraph 1.4: “Special focus should be directed towards the delivery of targeted and coordinated technical assistance aimed at strengthening the domestic and export services capacity of LDCs, making optimal use of existing aid-for-trade channels such as the EIF and the technical assistance and capacity building work of relevant international institutions;” and
- Cotton (WT/MIN(13)/41 or WT/L/916). The Cotton Decision states under Paragraph 10: “We urge the development partners to accord special focus to such needs within the existing aid-for-trade mechanisms/channels such as the EIF and the technical assistance and capacity building work of relevant international institutions”.

The way ahead

The Bali Package ascribes a role to the EIF as part of the coordination mechanism for technical assistance and capacity building on TF for the LDCs. The implementation of the Agreement on Trade Facilitation by LDCs is linked to capacity building, while the decision on the Operationalization of the Services Waiver recognizes the need to strengthen the LDCs’ domestic services capacity in order to

make use of existing opportunities as well as any preferences afforded to them.

Supporting the Ministerial Decisions will translate for the EIF into streamlining existing EIF support for the LDCs’ trade and development agenda, while following the overall EIF principle of country ownership, partnership and use of trade as a development tool. The EIF’s mechanism and network in the LDCs represent a clear comparative advantage in this respect. The EIF is already an integral part of the coordination process for technical assistance and capacity building in many LDCs through the DTISs and DTISUs, the strengthening of institutional structures and donor coordination.

An analysis of the competitiveness and opportunities of the service sector is usually covered by the DTIS, in particularly tourism, and is increasingly included in the DTIS Action Matrix. For TF, wherever a TF needs assessment is undertaken, reference is usually made to the existing DTIS and vice versa to avoid duplication. As a consequence, priority areas for support to TF will be included in the DTIS Action Matrix, thus ensuring that a coordinated and efficient delivery of support to TF is ensured as part of the overall DTIS Action Matrix implementation.

Moreover, Tier 1 projects support NSCs and NIUs. In some countries, there are already links between the NSCs and TF committees/bodies. These links can be further strengthened through capacity building as part of the EIF’s coordinating role in the context of the Agreement on Trade Facilitation. The EIF work in the area of Trade Facilitation and Services goes beyond the coordination and provision of capacity building. The programme has already been supporting Tier 2 projects in the areas of Trade Facilitation and Services.

Endnotes

- 1 OECD (2014a) "Aid to developing countries rebounds in 2013 to reach an all-time high" 8 April 2014. Available at: <http://www.oecd.org/newsroom/aid-to-developing-countries-rebounds-in-2013-to-reach-an-all-time-high.htm> (accessed 27 May 2014).
- 2 OECD (2014b). FDI in Figures. February 2014. Paris: OECD
- 3 WTO (2014). World Trade 2013, Prospects for 2014. Press Release, 14 April 2014. Geneva: WTO.
- 4 WTO (2014), Trade statistics show the least developed hit more severely by global slowdown – Azevêdo. WTO News, 14 April 2014. Available at: http://www.wto.org/english/news_e/spra_e/spra12_e.htm (accessed 27 May 2014).
- 5 UNCTAD (2013). The Least-developed Countries report 2013, Growth with employment for inclusive and sustainable development.
- 6 UNCTAD (2012). Trade income distribution and poverty in developing countries: a Survey.
- 7 Millennium Development Goals. Retrieved at <http://www.un.org/millenniumgoals/> on 11 April 2014.
- 8 Istanbul Programme of Action for the Least Developed Countries. Retrieved at <http://unohrlls.org/about-ldcs/istanbul-programme-of-action/> on 11 April 2014.
- 9 UNCTAD (2014), "The role of international trade in the post-2015 development agenda." Note by the UNCTAD Secretariat, Trade and Development Board Sixth Session, 5-9 May 2014, Geneva.
- 10 EIF (2011). Compendium of EIF Documents: A User's Guide to the EIF. Geneva, Executive Secretariat for the EIF.
- 11 Singh, T. (2010). "Does International Trade Cause Economic Growth? A Survey." *The World Economy*, Vol. 33, No. 11, pp. 1517-64.
- 12 Ames, B., Brown, W., Devarajan, S., and Izquierdo, A. (2001). *Macroeconomic Policy and Poverty Reduction*. An International Monetary Fund and World Bank report.
- 13 Brussels Programme of Action for the Least Developed Countries. Retrieved from <http://unctad.org/en/Docs/aconf191d11.en.pdf> on 24 April 2014.
- 14 Principles of the Paris Declaration on Aid Effectiveness. Retrieved from <http://www.oecd.org/dac/effectiveness/parisdeclarationandaccraagendaforaction.htm> on 28 April 2014.
- 15 WTO Accession. Retrieved from http://www.wto.org/english/thewto_e/acc_e/acc_e.htm on 14 April 2014.
- 16 WTO/OECD, 2013: Connecting Least-developed Countries to Value Chains.



Annexes

Annex 1: Tier 1 project portfolio (in US\$)						
Country	Sub-type	Approval Date	MIE	Budget 2008-2012	Budget 2013	Budget Total
Afghanistan	DTIS (completed)	8 October 2008	World Bank	400,000		400,000
	Pre-DTIS (completed)	22 September 2010	Government	50,000		50,000
Afghanistan Total				450,000		450,000
Bangladesh	DTIS	25 March 2011	World Bank	400,000		400,000
		20 December 2013	World Bank		60,000	60,000
	Pre-DTIS (completed)	22 September 2010	Government	50,000		50,000
Bangladesh Total				450,000	60,000	510,000
Benin	DTIS Update	1 March 2013	World Bank		200,000	200,000
	Support to NIAs	11 August 2011	Government	899,991		899,991
Benin Total				899,991	200,000	1,099,991
Bhutan	DTIS (completed)	24 March 2011	UNDP	400,000		400,000
	Support to NIAs	14 June 2013	Government		900,000	900,000
	Pre-DTIS (completed)	15 January 2010	Government	50,000		50,000
Bhutan Total				450,000	900,000	1,350,000
Burkina Faso	DTIS Update	6 February 2013	World Bank		200,000	200,000
	Support to NIAs	22 November 2010	Government	900,000		900,000
Burkina Faso Total				900,000	200,000	1,100,000
Burundi	DTIS Update	24 March 2011	World Bank	200,000		200,000
	Support to NIAs	12 February 2010	Government	900,000		900,000

Burundi Total				1,100,000		1,100,000
Cambodia	DTIS Update	23 January 2013	UNDP		199,983	199,983
	Support to NIAs	29 September 2009	Government	709,900		709,900
	Support to NIAs Phase 2	18 July 2013	Government		584,000	584,000
Cambodia Total				709,900	783,983	1,493,883
Cabo Verde	DTIS Update	19 September 2012	Government	200,000		200,000
	Support to NIAs	23 November 2011	Government	900,000		900,000
Cabo Verde Total				1,100,000		1,100,000
Central African Republic	DTIS Update	3 February 2012	UNDP	276,000		276,000
	Support to NIAs	12 May 2010	Government	900,000		900,000
Central African Republic Total				1,176,000		1,176,000
Chad	DTIS Update	2 May 2012	UNDP	200,000		200,000
		15 February 2013	UNDP		167,000	167,000
	Support to NIAs	9 June 2011	Government	900,000		900,000
	Support to NIAs – ITA	17 November 2011	UNOPS	254,410		254,410
		11 December 2013	UNOPS		200,000	200,000
Chad Total				1,354,410	367,000	1,721,410
Comoros	DTIS Update	26 November 2013	UNDP		200,000	200,000
	Support to NIAs	25 January 2011	UNDP	900,000		900,000
Comoros Total				900,000	200,000	1,100,000
Democratic Republic of the Congo	DTIS (completed)	8 October 2008	World Bank	400,000		400,000
	Support to NIAs	31 May 2011	Government	900,000		900,000
	Support to NIAs – ITA	31 May 2011	UNDP	252,520		252,520
	Pre-DTIS (completed)	15 January 2010	Government	50,000		50,000
Democratic Republic of the Congo Total				1,602,520		1,602,520

Djibouti	DTIS Update	4 October 2013	UNCTAD		200,000	200,000
	Support to NIAs	1 June 2011	Government	784,590		784,590
	Support to NIAs – ITA	2 December 2011	UNOPS	200,000		200,000
		11 December 2013	UNOPS		200,000	200,000
Djibouti Total				984,590	400,000	1,384,590
The Gambia	DTIS Update (completed)	23 November 2011	UNCTAD	197,950		197,950
	Support to NIAs	15 December 2009	Government	900,000		900,000
	Support to NIAs Phase 2	24 July 2013	Government		600,000	600,000
The Gambia Total				1,097,950	600,000	1,697,950
Guinea	DTIS Update	21 March 2013	World Bank		280,350	280,350
	Support to NIAs	23 November 2011	Government	900,000		900,000
Guinea Total				900,000	280,350	1,180,350
Guinea-Bissau	DTIS Update	22 November 2010	TBD	100,000		100,000
	Support to NIAs	22 November 2010	Government	900,000		900,000
Guinea-Bissau Total				1,000,000		1,000,000
Haiti	DTIS	11 August 2011	World Bank	400,000		400,000
	Support to NIAs	17 December 2012	Government	900,000		900,000
	Pre-DTIS (completed)	15 October 2010	Government	50,000		50,000
Haiti Total				1,350,000		1,350,000
Lao PDR	DTIS Update (completed)	29 October 2010	Government	390,484		390,484
	Support to NIAs	26 January 2010	Government	846,515		846,515
	Support to NIAs Phase 2	20 December 2013	Government		599,999	599,999
Lao PDR Total				1,236,999	599,999	1,836,998

Lesotho	DTIS Update (completed)	7 December 2011	USAID	160,000		160,000
	Support to NIAs	26 January 2010	Government	874,000		874,000
Lesotho Total				1,034,000		1,034,000
Liberia	DTIS Update	14 August 2012	World Bank	200,000		200,000
	Support to NIAs	22 October 2009	Government	899,900		899,900
Liberia Total				1,099,900		1,099,900
Madagascar	DTIS Update	23 July 2013	World Bank		200,000	200,000
Madagascar Total					200,000	200,000
Malawi	DTIS Update	18 July 2012	World Bank	199,500		199,500
	Support to NIAs	23 September 2009	Government	899,250		899,250
Malawi Total				1,098,750		1,098,750
Maldives	Support to NIAs	22 December 2010	Government	900,000		900,000
Maldives Total				900,000		900,000
Mali	DTIS Update	17 October 2013	UNCTAD		200,000	200,000
	Support to NIAs	14 July 2010	Government	899,378		899,378
Mali Total				899,378	200,000	1,099,378
Mozambique	DTIS Update	26 October 2012	UNCTAD	200,000		200,000
	Support to NIAs	12 March 2012	Government	900,000		900,000
	Support to NIAs – ITA	11 June 2012	UNDP	220,000		220,000
Mozambique Total				1,320,000		1,320,000
Myanmar	Pre-DTIS	11 December 2013	Government		50,000	50,000
Myanmar Total					50,000	50,000
Nepal	Support to NIAs	15 March 2010	Government	900,000		900,000
Nepal Total				900,000		900,000
Niger	DTIS Update	26 January 2011	TBD	200,000		200,000
	Support to NIAs	26 January 2011	Government	900,000		900,000
Niger Total				1,100,000		1,100,000

Rwanda	Support to NIAs	23 September 2009	Government	834,400		834,400
		31 August 2012	Government	200,000		200,000
Rwanda Total				1,034,400		1,034,400
Samoa	DTIS Update	8 October 2012	TBD	200,000		200,000
	Support to NIAs	8 October 2012	Government	900,000		900,000
Samoa Total				1,100,000		1,100,000
São Tomé and Príncipe	DTIS Update	26 April 2012	World Bank	200,000		200,000
São Tomé and Príncipe Total				200,000		200,000
Senegal	DTIS Update	18 July 2012	UNCTAD	200,000		200,000
	Support to NIAs	24 November 2011	Government	900,000		900,000
Senegal Total				1,100,000		1,100,000
Sierra Leone	DTIS Update	26 March 2012	World Bank	200,000		200,000
	Support to NIAs	1 July 2009	Government	808,859		808,859
	Support to NIAs Phase 2	17 July 2013	Government		600,000	600,000
Sierra Leone Total				1,008,859	600,000	1,608,859
Solomon Islands	Support to NIAs	21 December 2010	Government	900,000		900,000
Solomon Islands Total				900,000		900,000
South Sudan	DTIS	24 January 2013	UNDP		400,000	400,000
	Pre-DTIS	10 December 2013	Government		50,000	50,000
South Sudan Total					450,000	450,000
Sudan	DTIS Update	23 April 2013	World Bank		200,000	200,000
Sudan Total					200,000	200,000
Tanzania	Support to NIAs	13 May 2013	UNDP		900,000	900,000
Tanzania Total					900,000	900,000
Timor-Leste	Pre-DTIS (completed)	15 January 2010	Government	50,000		50,000
Timor-Leste Total				50,000		50,000

Togo	DTIS (completed)	8 October 2008	World Bank	400,000		400,000
	Support to NIAs	23 November 2011	Government	900,006		900,006
	Pre-DTIS (completed)	15 January 2010	Government	50,000		50,000
Togo Total				1,350,006		1,350,006
Tuvalu	DTIS Update	14 December 2012	UNDP	200,000		200,000
	Support to NIAs	14 December 2012	UNDP	900,000		900,000
Tuvalu Total				1,100,000		1,100,000
Uganda	DTIS Update (completed)	18 October 2011	World Bank	200,000		200,000
	Support to NIAs	28 September 2009	Government	900,000		900,000
	Support to NIAs Phase 2	12 August 2013	Government		599,985	599,985
Uganda Total				1,100,000	599,985	1,699,985
Vanuatu	DTIS Update	24 September 2013	TBD		200,000	200,000
	Support to NIAs	24 September 2013	Government		900,000	900,000
Vanuatu Total					1,100,000	1,100,000
Yemen	DTIS Update	6 February 2013	UNDP		200,000	200,000
	Support to NIAs	1 July 2009	Government	931,000		931,000
Yemen Total				931,000	200,000	1,131,000
Zambia	DTIS Update	12 July 2012	World Bank	399,000		399,000
	Support to NIAs	8 February 2010	Government	899,400		899,400
Zambia Total				1,298,400		1,298,400
GRAND TOTAL				37,187,053	9,091,317	46,278,370

Annex 2A: Tier 2 project portfolio							
Country	Subtype	Title	Approval Date	MIE	Budget US\$ 2008-2012	Budget US\$ 2013	Budget US\$ Total
Burkina Faso	Agribusiness	Sesame	17 September 2012	Government	2,666,884		2,666,884
	Feasibility study	Shea Butter	22 November 2013	ITC		199,741	199,741
Burkina Faso Total					2,666,884	199,741	2,866,625
Burundi	Feasibility study	Support to MTIPT for the Establishment of Export Promotion and Support Mechanisms	20 December 2012	Government	606,274		606,274
	Standards	Reinforcement of Trade Capacities	4 July 2012	UNIDO	2,610,372		2,610,372
Burundi Total					3,216,646		3,216,646
Cambodia	Agribusiness	CEDEP Part-I – M&E (Govt) Component	6 August 2012	Government	290,520		290,520
		CEDEP Part-I - Rice (IFC) Component	6 August 2012	World Bank	1,112,847		1,112,847
	Textile and apparel	CEDEP Part-I - Silk (ITC) Component	6 August 2012	ITC	1,004,347		1,004,347
Cambodia Total					2,407,714		2,407,714
Central African Republic	Agribusiness	Reinforcing Supply Capacity of Agricultural Products	18 September 2012	Government	2,999,968		2,999,968
Central African Republic Total					2,999,968		2,999,968
Chad	Agribusiness	Gum Arabic	11 October 2013	Government		2,999,994	2,999,994
Chad Total						2,999,994	2,999,994
The Gambia	Agribusiness	Product Development and Export Promotion of Groundnuts, Sesame and Cashew Nuts	18 January 2012	ITC	2,355,517		2,355,517
	Trade facilitation	Trade Facilitation Project (Airport)	4 April 2013	Government		2,494,200	2,494,200
The Gambia Total					2,355,517	2,494,200	4,849,717

Guinea	Agribusiness	Mango	21 November 2013	Government	2,998,148	2,998,148
Guinea Total					2,998,148	2,998,148
Lao PDR	Standards	Strengthening National Quality Infrastructure and Industrial Statistics	27 November 2013	Government	2,520,350	2,520,350
Lao PDR Total					2,520,350	2,520,350
Lesotho	Agribusiness	Agriculture Trade Development for the Fresh Produce Sector	21 December 2012	ITC	2,735,685	2,735,685
Lesotho Total					2,735,685	2,735,685
Maldives	Trade facilitation	Strengthening Institutional Capacity of Key National Trade Facilitation Agencies	30 May 2013	Government	1,557,838	1,557,838
Maldives Total					1,557,838	1,557,838
Mali	Agribusiness	Gum Arabic	17 February 2012	Government	4,369,153	4,369,153
Mali Total					4,369,153	4,369,153
Nepal	Agribusiness	Medicinal and Aromatic Plants	18 November 2013	GIZ	3,900,000	3,900,000
	Standards	Enhancing Sanitary and Phytosanitary Capacity of Ginger Exports through PPP	6 May 2012	FAO	711,550	711,550
	Textile and apparel	Pashmina Enhancement and Trade Support	22 May 2013	ITC	1,861,603	1,861,603
Nepal Total					711,550	6,473,153
Niger	Agribusiness	Leather (hides and skin)	19 August 2013	Government	2,445,100	2,445,100
Niger Total					2,445,100	2,445,100
Sierra Leone	Tourism	Sustainable Tourism Development and Promotion	27 January 2012	Government	2,990,000	2,990,000
Sierra Leone Total					2,990,000	2,990,000
Uganda	Trade facilitation	District Commercial Services Support	30 August 2011	Government	2,998,119	2,998,119

Uganda Total				2,998,119	2,998,119
Yemen	Agribusiness	Improving Honey Productivity and Quality	21 December 2012	icipe	1,807,500
Yemen Total					1,807,500
Zambia	Agribusiness	Honey	28 January 2013	SNV	2,469,930
Zambia Total					2,469,930
GRAND TOTAL				29,258,736	23,446,904
				52,705,640	

Annex 2B: EIF Tier 2 Portfolio (submitted projects)					
Country	Sub-type	Title	Submission Date	MIE	Budget US\$ Total
Cambodia	Agribusiness	CEDEP Part-II – Cassava	Submitted for EIF Board approval on 29 November 2013	UNDP	997,026
		CEDEP Part-II – Evaluation Govt. Component	Submitted for EIF Board approval on 29 November 2013	Government	347,610
		CEDEP Part-II – Marine Fishery	Submitted for EIF Board approval on 29 November 2013	UNIDO	988,953
	Tourism	CEDEP Part-II – RACA	Submitted for EIF Board approval on 29 November 2013	Shift 360	950,000
Cambodia Total					3,283,589
Comoros	Agribusiness	Export Competitiveness (vanilla, ylang ylang and cloves)	Submitted for EIF Board approval on 28 November 2013	ITC	3,527,131
Comoros Total					3,527,131
Solomon Islands	Tourism	Tourism for Inclusive Development (SI-TIDE)	Submitted for EIF Board approval on 20 December 2013	Government	1,544,700
Solomon Islands Total					1,544,700
GRAND TOTAL					8,355,420

Annex 3: EIF Capacity Building of NIAs

Year	Type of Capacity Building	Beneficiaries
2009	In Mali, awareness-raising workshop on the objectives, principles and practice of the EIF. Emphasized in-country ownership of the programme.	
2010	In Lesotho: Same. Series of regional EIF workshops held in Vanuatu in the Pacific in March 2010; in Nepal in June 2010 for the Asian LDCs; and in Mali in December 2010 for Central and Western Africa. The workshop focused on sharing experiences on trade mainstreaming and coordination efforts and sharing of regional country examples.	
2011	The ES and the TFM conducted an M&E capacity development training in Uganda for NIUs in English-speaking EIF Countries. The workshop was conducted in partnership with UNDP and the Government of Uganda, as host country, and delivered by IOD Parc, a consultancy firm headquartered in the UK. Piloting of a gender mainstreaming module in Rwanda. Trade mainstreaming module pilot in Vanuatu.	24 participants from 12 Anglophone LDCs.
2012	The ES and the TFM conducted an M&E capacity development training in Burkina Faso for NIUs in French-speaking EIF Countries. The workshop was conducted in partnership with UNDP and the Government of Burkina Faso, as host country, and delivered by staff of the ES and the TFM. Rolled out a project development module in a training workshop in Senegal. Delivered a trade mainstreaming module in Burkina Faso, Cambodia and Zambia, which led to: <ul style="list-style-type: none"> • The adoption of a trade road map in Burkina Faso; • The development of trade strategies in Cambodia; and • Initiated a dialogue to reform policy implementation in trade and trade-related ministries and agencies in Zambia. 	35 participants from 15 Francophone LDCs.

2013	<p>The ES and the TFM conducted a results reporting and communications capacity development training workshop for English-speaking EIF Countries. The workshop was conducted in partnership with UNDP, TradeMark South Africa and the Government of Zambia, as host country, and delivered by staff of the ES and the TFM.</p> <p>Under the EIF Country exchange programme, the EIF Focal Point of Cambodia including the Cambodia NIU team and other staff from line ministries were invited to share experiences on Trade SWAp with their colleagues.</p> <p>Burkina Faso: national training workshop on effective communications.</p> <p>Cabo Verde: national training workshop on Monitoring and Evaluation and results reporting.</p>	<p>56 participants from 12 Anglophone LDCs.</p> <p>27 participants from the Government, the private sector, civil society and the media.</p> <p>30 participants from the Government, the private sector, NGOs and universities.</p>
------	--	---

The below table includes a status update of each of the agreed items from the Table of Actions from the EIF Board Retreat of February 2013.

Items completed are indicated in **green**, those in process are in **yellow**, and those yet to be done are in **red**. Additional items not captured in the table of actions are reported in **orange** in the Reference Document column.

Annex 4: MTR recommendations and update of the Table of Actions from the EIF Board Retreat of February 2013				
Agenda Item	Activity	Status	Board Action Required	Reference Documents
3	Adoption of the records of the last EIF Board Meeting.	Draft report of the EIF Board of 22 February 2013.	Adoption.	2_Draft report of EIF Board 22 Feb 13
4	TFM mandate: Status and update.	UNDERWAY: Draft TOR prepared. TO BE DONE: Systems review, TOR consideration.	Approval	Draft TOR
4	Operational timeline for Tier 1 and Tier 2 projects.	To be discussed at the EIF Board Meeting.		
5	Revise text on Tier 1 guidelines.	UNDERWAY: Paper on key issues learned from first few countries. Priority list of Tier 1 extension countries outlined in the attached paper. TO BE DONE: Draft revision will be completed following the M&E workshop.	Agreement on the way forward to simplify processes for Tier 1 extensions.	ES-TFM Note on Tier 1 Extension ²²
5	No-cost-Extension clarification.	DONE: Note on processes prepared.	For information and discussion.	ES-TFM Note NCE Practices Safeguards 10 Apr 13

²² An update and proposal for items to be changed has been submitted to the EIF Board. The guidelines will be revised in line with any further directions provided.

6	<p>Enhancing trade mainstreaming post MTR.</p> <p>Prioritize countries to focus on those with most needs.</p>	<p>DONE: Refocusing of Tier 1 projects to better attain mainstreaming objectives. This will include:</p> <ol style="list-style-type: none"> 1. Refocusing work plans to the logframes; 2. Implement trade mainstreaming modules in all EIF Countries. This will assist with: <ol style="list-style-type: none"> 1. Customization: Review the current national practices and institutions related to trade mainstreaming, PPD and donor coordination; 2. Direction: Development of a roadmap for trade mainstreaming in the country, including into the NDPs and different sectors; 3. Implementation: Assistance in preparing Tier 1 project proposals, extension proposals or in the case of ongoing projects, revisions to the logframes and Tier 1 work plans. The roadmap will also include sustainability measures and the agreed adaption of NIA structures where relevant. <p>Prioritization</p> <p>Proposal: Undertake a trade mainstreaming module in:</p> <ul style="list-style-type: none"> • Tier 1 extension countries (develop a roadmap to guide Phase 2). X countrieslist. Start June 2013; • No Tier 1 (mainstreaming roadmap to lead to development of a Tier 1 project). X countries....list. Start June 2013; and • Other countries to develop a roadmap by end 2014. Start January 2014. 	<p>Agreement on the way forward.</p> <p>Budget approval.</p>	<p>UNDP paper/ presentation on implementation of the Mainstreaming Module.</p> <p>ES Paper.</p>
---	---	---	--	---

6	ES/TFM Guidance Note on EIF Graduating Countries.	Guidance note prepared.	Approval	ES/TFM Guidance Note on EIF Graduating Countries.
6	Progress report on MTP.		Update	ES Report.
6	Proposal to enhance efficiency of the ES. Engagement of partners, M&E, communications, servicing of the EIF Board and the EIF Steering Committee.	DONE: Proposal for approval.	Approval	ES Paper on Enhanced Efficiency of the ES.
6	Myanmar update.	To be discussed at the EIF Board Meeting. Briefing note prepared.	Comments and guidance.	Briefing Note on EIF engagement in Myanmar.
7	4th Global Review of Aid for Trade.	<ul style="list-style-type: none"> • Concept note on EIF events: Heads of Agency Meeting, Cabo Verde Round Table, Trade Exhibition, Photo Competition; • EIF Steering Committee; and • EIF Board Meeting (to be confirmed). 	<p>Budget approval for Cabo Verde Round Table event.</p> <p>Approval of Concept Note on GSC.</p> <p>Decision on timing for next EIF Board Meeting.</p>	<p>Concept Notes on:</p> <ul style="list-style-type: none"> • Photo exhibition E/F; • LDC Trade Exhibition E/F; • Cabo Verde Round Table; and • EIF Steering Committee
7	Tier 1 and Tier 2 Update (Burundi).			<ul style="list-style-type: none"> • ES Report; and • Burundi.
8	Mali, Central African Republic.		Approval to reassess and re-engage in Mali.	<ul style="list-style-type: none"> • Paper on Mali; and • Paper on CAR.
9	Any other business.			
	Annual Progress Report 2012.	The Report was produced and submitted to the EIF Board in May 2013.		
	Website update.	Firm contracted and work has started.		
	Hub update.	Hub update in progress.	• N/A	• N/A

	Regional workshop on Results Reporting and Communications (22-25 April, Lusaka).	The regional workshop was successfully held with the participation of 11 EIF Countries.	• N/A	• N/A
	EIF Board Retreat.	Held in Geneva on 20-21 February. Table of Actions previously circulated in English and French.		Table of Actions 9 April 2013 previously circulated
	ES/TFM Review and Planning	The ES/TFM retreat took place between 5 and 7 March and considered the implementation of the Table of Actions from the EIF Board Retreat and enhanced implementation at the country level.		N/A
		Update on additional items from the EIF Board Retreat Table of Actions for April.		

	<p>Annex to the Compendium of EIF Documents.</p>	<p>UNDERWAY: Consolidation of documentation has started.</p> <p>TO BE DONE: The ES is preparing Annex V3 listing additional guidance provided from the ES that will be regularly updated in line with any further instructions to countries. Draft to be completed.</p> <p>ES preparing Annex V4 Good practice guidelines, including:</p> <ul style="list-style-type: none"> Tier 2 project development process (draft complete); DF engagement (Draft TOR in preparation); EIF Steering Committee (Draft); NIA flexibility and customization (to be done); and Tier 1 good practice examples (to be done). Propose contract consultant to compile good practice (estimated at 25 working days). 		<p>Improved Tier 2s (Strengthening mechanisms to deliver high priority, high impact and catalytical projects in an efficient and inclusive manner).</p>
	<p>More information for the EIF Board on the context of in-country activities, including milestones.</p>	<p>DONE: More information in Country Annual Progress Report.</p> <p>UNDERWAY: Update of website to provide quick view updates of countries for EIF Board Members.</p>		<p>Ref: 2012 Progress Report</p>
	<p>ES to provide a template/set of questions to each constituency to complete the mapping out of the current flow of information and where and how this could be improved.</p>	<p>TO BE DONE: Will be done for mid year EIF Board.</p>		

	Update and institutionalize the database of experts (request Agencies to notify technical areas where they can provide advice and support).	UNDERWAY: Database template complete. Next step: contact Agencies before EIF Board to respond with areas of expertise and departments to contact.		
	Develop and maintain a matrix of AfT.	UNDERWAY: ES requiring all new work plans to include preparing/ updating the Matrix. TO DO: ES to contact all FPs and DFs.		
	Revise guidelines for feasibility studies to increase the scope for project development and increase the delegated authority amount for the ED.	TO BE DONE: To be submitted to the EIF Board in June 2014.		
	Expand funding accessible for Tier 1 projects with clearly articulated project development and MTP development components.	TO BE DONE: To be submitted to the EIF Board in June 2014.		
	M&E support to countries.	UNDERWAY: 1 st Regional workshop on Results Reporting and Communications (22-25 April, Lusaka – 13 countries present).		Lusaka workshop materials to be shared through the website.
	Communications.	UNDERWAY: Website improvement underway to be complete in July 2013. Lusaka workshop April 2013.		Lusaka workshop materials to be shared through the website.

Annex 5: EIF capacity development modules

Mainstreaming trade into a country's development agenda

A trade mainstreaming module was developed in collaboration with UNDP, and a trade mainstreaming guide was launched during the July 2011 Third Global Review of Aid for Trade. The module provides hands-on, practical advice to EIF Countries on how to mainstream trade into the country's overall development plan, sectoral strategies, inter-ministerial coordination, public-private sector consultation mechanisms and government-donor dialogues. The module has been piloted in Vanuatu, Cambodia, Burkina Faso and Zambia in 2012/13. For the roll-out of the module, it will be offered through direct delivery and through an online platform (online module to be developed in 2014).

Project formulation and management

The ES partnered with STDF and the University of Wolverhampton to develop this module. Three pilots were undertaken in CAR, Nepal and Rwanda in 2011/12, and Tier 2 project proposals have been developed using the module. The module has since been rolled out upon demand.

M&E

The ES and the TFM have developed and regionally delivered three modules on M&E. One module, developed in collaboration with IOD Parc, a UK-based consultancy firm, focuses on developing and understanding the logframe within the framework of results-based management; the second on results reporting and evaluation; and the third, which is country-specific, focuses on general aspects of M&E, including the role of M&E in the project cycle, engaging stakeholders in M&E, identifying, capturing and reporting results and conducting evaluation.

Integration of the gender dimension into project design and implementation

The ES partnered with ITC to develop this module, which has been piloted modified and is now being rolled out on a demand-driven basis. The key objective in providing this training module is to build a train-the-trainers pool as a way of contributing to the sustainability aspects of the programme. The module was piloted in Rwanda (single country delivery); a regional pilot is planned for 2014 for West Africa (Francophone). Going forward, this module will be consolidated with the trade mainstreaming modules in view of complementarities between the two.

Preparing a Medium Term Programme

As required in the Compendium of EIF Documents, all EIF Countries with Tier 1 'Support to NIAs' projects and Tier 2 projects should have a Medium Term Programme. The ES and the TFM hired a consulting firm to produce a module that countries can use as a guide in producing country-specific MTPs. The main objective of the MTP is to clarify the priorities set out in a country's Diagnostic Trade Integrated Study (DTIS) and Action Matrix with a strategic and medium-term approach to programming and a clear connection to the core national development and economic growth strategy(ies), and to elaborate on necessary policy reforms. The module was piloted in 2013 in Burundi and Lesotho.

Effective communications in support of programme delivery

The ES has developed a 2-day module aimed at sensitizing NIUs to the importance of effective communications and outreach in support of programme delivery. The module has been administered both at regional and national levels. It provides a better understanding of the role of communications at each stage of the EIF process and how to develop communication strategies and plans and identify indicators to measure progress.

Engaging non-state stakeholders

The ES has tasked CUTS International to develop a module to enhance the participation of non-state actors (mainly the private sector and civil society) in the EIF process. The module will be piloted in three countries, and each pilot will be preceded by an in-country stakeholder survey, which aims to understand the main issues around non-state actor participation (or the lack thereof) in the EIF process. The outcomes of the country pilots will inform a Stakeholder Engagement Manual, which will be made available to all the EIF Countries for further capacity building.

Annex 6: TFM legal arrangements

UNOPS with	Type of Agreement	Description	Current Status
1. Contributors (Donors)	Contribution Agreements and Standard Provisions.	Legal agreement, on behalf of the EIF Board (which does not have legal identity), which maintains the integrity of the EIFTF as a multi-lateral financing facility.	<ul style="list-style-type: none"> • Standard Provisions approved on 24 October 2008; • Contribution Arrangements (CA) signed with 22 EIF Countries and 2 with the European Union; and • CA Amendments for the extension of the mandate of UNOPS as TFM until 31 December 2017 were signed with 22 Donors (one pending in 2014).
2. WTO	Exchange of letters.	Legal agreement with WTO as administrative host of the EIF Executive Secretariat (ES) to enable the provision of ES technical services.	<ul style="list-style-type: none"> • Exchange of letters on 25 November 2008; • Funds transferred for the ES's yearly budgets for 2009-2013; and • Letters from the ED on behalf of the EIF Board and as per the ED's mandate, instructing the TFM to enter into agreements or to transfer funds.
3. UNCTAD	Partnership Agreement with Core Agency.	Legal agreement with Core Agency for the implementation of Tier 1 and Tier 2 projects.	<ul style="list-style-type: none"> • Following the approval by the EIF Board and the UN Controller, UNCTAD, ITC and UNOPS signed the Agreement on 8 July 2009; • In 2011-2012, three implementation letters were signed (in 2011, The Gambia DTISU, and in 2012, Mozambique DTISU and Senegal DTISU); and two amendments were signed; and • Two implementation letters were signed (Djibouti DTISU and Mali DTISU), and seven amendments were signed.

4. ITC	Partnership Agreement with Core Agency.	Legal agreement with Core Agency for the implementation of Tier 1 and Tier 2 projects.	<ul style="list-style-type: none"> • Following the approval by the EIF Board and the UN Controller, UNCTAD, ITC and UNOPS signed the Agreement on 8 July 2009; • In 2012, two Tier 2 implementation letters (The Gambia Sector Competitiveness and Cambodia CEDEP I) and one amendment were signed; • In 2013, three implementation letters were signed (Burkina Faso Shea Butter Feasibility Study; Lesotho Agricultural Productivity and Trade Tier 2 project; and Nepal Pashmina PETS project). A Comoros Tier 2 project was submitted to the EIF Board in December 2013, for approval in January 2014.
5. UNIDO	Partnership Agreement with new UN Agency.	Legal agreement with new UN Agency as implementing partner, based on the ITC/ UNCTAD agreements.	<ul style="list-style-type: none"> • Following EIF Board approval, UNIDO and UNOPS signed the Agreement on 24 June 2009; • In 2012, one Tier 2 implementation letter was signed (Burundi trade capacity strengthening); and • In 2013, a Cambodia Tier 2 project with UNIDO as the MIE (CEDEP II Marine Fisheries) was submitted to the EIF Board in December for approval in January 2014.

6. UNDP	Partnership Agreement with Core Agency.	Legal agreement with Core Agency for the implementation of Tier 1 and Tier 2 projects.	<ul style="list-style-type: none"> • Following EIF Board approval, UNDP and UNOPS signed the Agreement on 8 July 2010; • In 2011-2012, seven implementation agreements (in 2011, Comoros Tier 1, Bhutan DTIS and DRC ITA; and in 2012, CAR and Chad DTISUs, Mozambique ITA and Cambodia trade mainstreaming workshop) and four amendments were signed; and • In 2013, five implementation agreements (Cambodia DTISU, South Sudan DTIS, Tanzania Tier 1, Tuvalu Tier 1 and DTISU and Yemen DTISU) and six amendments were signed.
7. World Bank	Externally Funded Outputs (EFOs).	Legal agreement following the World Bank's EFO agreement scheme.	<ul style="list-style-type: none"> • Three EFOs approved by the EIF Board in 2008 (DTISs in DRC, Togo and Afghanistan). The DRC and Togo DTIS EFOs were completed, and the Afghanistan DTIS was extended and is due to be completed in early 2014.
	EIF Subsidiary Trust Fund.	Legal agreement establishing a subsidiary trust fund with the World Bank for Tier 1 and Tier 2 projects.	<ul style="list-style-type: none"> • Following EIF Board approval, the World Bank and UNOPS signed the Agreement on 19 April 2011; • In 2011-2012, nine implementation letters (in 2011, Haiti and Bangladesh DTIS and Burundi and Uganda DTISU; and in 2012, DTISUs in Liberia, Malawi, São Tomé and Príncipe, Sierra Leone and Zambia) and seven amendments were signed; and • In 2013, 5 implementation letters (DTISU in Benin, Burkina Faso, Guinea and Madagascar and a DTIS in Sudan) and 14 amendments were signed.

8. LDCs (Governments)	Memorandum of Understanding (MOU/Grant Agreements).	Legal agreement with governments and parastatals for the implementation of Tier 1 and Tier 2 projects.	<ul style="list-style-type: none"> • MOU and Grant Agreement templates were finalized in English and French and circulated to the LDCs and revised and updated in 2011; • Following EIF Board approval, 32 Tier 1 MOUs, 7 pre-DTIS grant agreements, 4 Tier 2 MOU and 78 amendments have been signed with LDCs; and • In 2013 specifically, the TFM signed the following legal agreements: 2 Tier 1 'Support to NIAs', 5 Tier 1 Phase 2 'Support to NIAs', 5 Tier 2 and 47 amendments.
9. Other implementing entity	Legal Agreements.	Legal agreements with selected NGOs and development agencies as per LDCs' requests and EIF Board approval.	<ul style="list-style-type: none"> • Following approval by the ED (through delegated authority from the EIF Board), a Grant Agreement was signed in 2011 with USAID for the Lesotho DTISU; • In 2012, following approval by the EIF Board, agreements were signed with the IFC (for the Cambodia CEDEP I Tier 2 project) and the FAO (for the Nepal Ginger Tier 2 project); and • In 2013, following approval by the EIF Board, agreements were signed with icipe (Yemen Honey Tier 2) and SNV (Zambia Honey Tier 2). Negotiations are underway with GIZ (Nepal MAPs Tier 2).
10. Other – Policy instruments	Guidelines and other policy instruments approved by the EIF Board.	Completing, fine-tuning, reviewing and updating the Compendium of EIF Documents and other EIF tools (i.e., Guidelines).	<ul style="list-style-type: none"> • Guidance Note on Graduating Countries; and • Note on No-cost Extensions.

Published by the EIF
Enhanced Integrated Framework for Trade-related Technical Assistance
to Least Developed Countries at the World Trade Organization (WTO)
Rue de Lausanne 154
1211 Geneva 21
Switzerland
Tel: +41 (0)22 739 66 50
Fax: +41 (0)22 739 57 66
Email: eif.secretariat@wto.org
Internet: www.enhancedif.org

Find out more at:
www.enhancedif.org

or contact:
eif.secretariat@wto.org
eiffm@unops.org