EIF: Trade for LDC Development

Impact Report 2015

EIF Enhanced Integrated Framework

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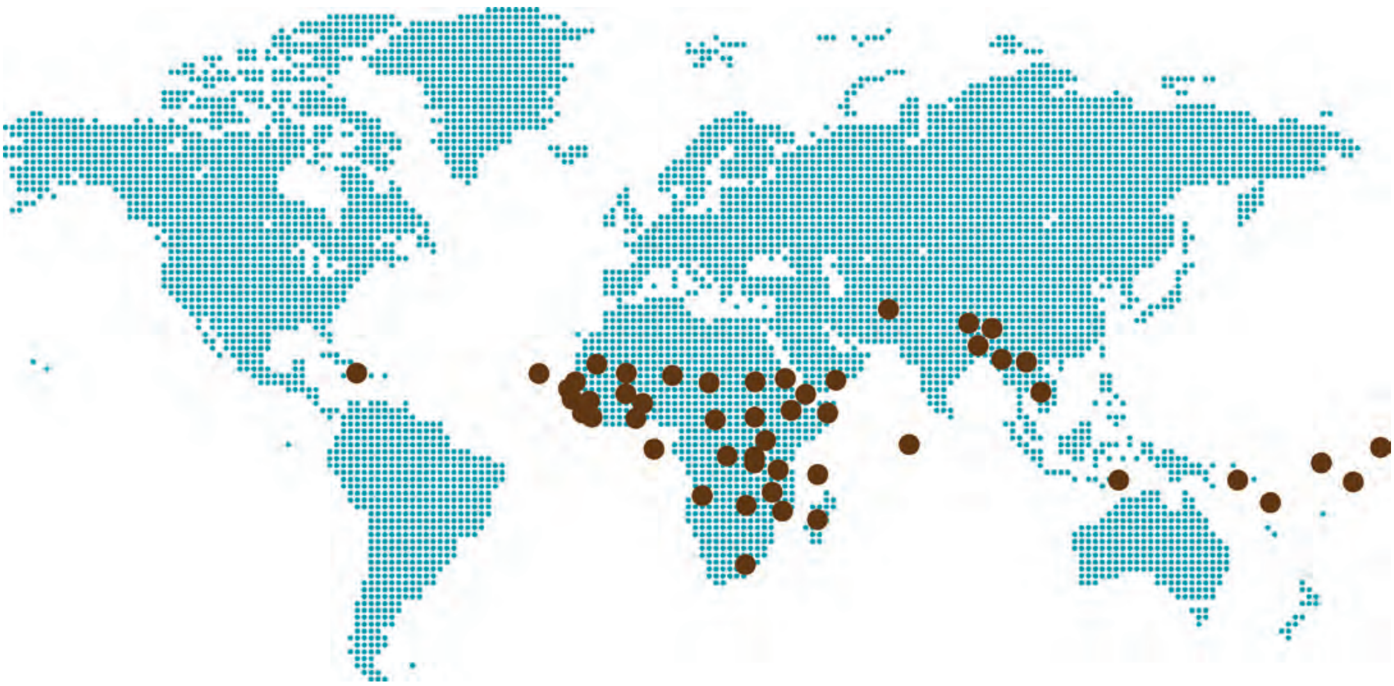
Where we work



Africa

Angola
Benin
Burkina Faso
Burundi
Cabo Verde
Central African Republic
Chad
Comoros
Democratic Republic of the Congo
Djibouti
Equatorial Guinea
Eritrea
Ethiopia
The Gambia
Guinea
Guinea-Bissau
Lesotho
Liberia
Madagascar
Malawi
Mali
Mauritania
Mozambique
Niger
Rwanda
São Tomé and Príncipe
Senegal
Sierra Leone
Somalia
South Sudan
Sudan
Tanzania
Togo
Uganda
Zambia

Americas

Haiti

Asia

Afghanistan
Bangladesh
Bhutan
Cambodia
Lao PDR
Maldives
Myanmar
Nepal
Timor-Leste

Middle East

Yemen

Pacific

Kiribati
Samoa
Solomon Islands
Tuvalu
Vanuatu

The EIF programme is supported by

Australia

Belgium

Canada

Denmark

Estonia

European Union

Finland

France

Germany

Hungary

Iceland

Ireland

Japan

Luxembourg

Norway

Netherlands

Republic of Korea

Saudi Arabia

Spain

Sweden

Switzerland

Turkey

United Kingdom

United States of America

Acronyms

AfT	Aid for Trade
CP	Chyangra Pashmina
DF	EIF Donor Facilitator
DP	Development Partner
DTIS	Diagnostic Trade Integration Study
DTISU	Diagnostic Trade Integration Study Update
ED	Executive Director of the Executive Secretariat for the EIF
EIF	Enhanced Integrated Framework
EIFSC	EIF Steering Committee
EIFTF	EIF Trust Fund
ES	Executive Secretariat for the EIF
EU	European Union
FAO	Food and Agriculture Organization
FP	EIF Focal Point
GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit
Icipe	International Centre of Insect Physiology and Ecology
IF	Integrated Framework
IFC	International Finance Corporation
IFTF	IF Trust Fund
IMF	International Monetary Fund
ITA	International Trade Adviser
ITC	International Trade Centre
JICA	Japan International Co-operation Agency
LDC	Least Developed Country
MIE	Main Implementing Entity
M&E	Monitoring and Evaluation
MOU	Memorandum of Understanding
MTE	Mid-term Evaluation
MTP	Medium-term Programme
MTR	EIF Mid-term Review
NCE	No-cost Extension
NDP	National Development Plan
NDS	National Development Strategy
NES	National Export Strategy
NIAs	EIF National Implementation Arrangements
N/A	Not Applicable
NIU	EIF National Implementation Unit
NSC	EIF National Steering Committee
ODA	Official Development Assistance
PRSP	Poverty Reduction Strategy Paper
PS	Permanent Secretary
REC	Regional Economic Cooperation
RPM	TFM Regional Portfolio Manager
SDG	Sustainable Development Goals
SME	Small and Medium Enterprises
SPS	Sanitary and Phytosanitary
STDF	Standards and Trade Development Facility
SWAp	Sector Wide Approach
TA	Technical Assistance
TAC 1	EIF Tier 1 Appraisal Committee
TAC 2	EIF Tier 2 Appraisal Committee
TFM	EIF Trust Fund Manager
TOR	Terms of Reference
TRTA	Trade-related Technical Assistance
UNCTAD	United Nations Conference on Trade and Development
UNDP	United Nations Development Programme
UNIDO	United Nations Industrial Development Organization
UNOPS	United Nations Office for Project Services
UNWTO	United Nations World Tourism Organization
WB	World Bank
WTO	World Trade Organization

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Foreword

This report presents how the EIF partnership supported the Least Developed Countries (LDCs) to actively participate in the global trading system as a route to sustainable development and poverty reduction during Phase One of EIF implementation, which concluded in 2015. The report highlights the major achievements as well as the challenges faced during the past five years.

On the programmatic side, the EIF partnership continued to grow, with Equatorial Guinea joining the EIF as the last of the 48 LDCs. The EIF has therefore reached its target of 51 countries, including three graduated LDCs (Cabo Verde, Maldives and Samoa). In 2015, three EIF Countries began receiving capacity-building support to mainstream trade into their development agendas and coordinate the delivery of trade-related technical assistance. This brought the total number of EIF Countries receiving such support to 40.

The delivery of EIF-funded Tier 1 and Tier 2 projects has continued to gain momentum. Fifteen (15) projects were approved in 2015, bringing the total number of EIF-funded projects to 134, with a total allocation of US$200.6 million, of which 73% has been disbursed. In addition, 8 Diagnostic Trade Integration Studies (DTISs) or their Updates (DTISUs) were validated in 2015, bringing the total of completed DTISs/DTISUs to 26. Thirty-three (33) countries have fully mainstreamed trade into either their development plans or their poverty reduction strategies, so that trade is directly supporting national development objectives; 29 quality trade strategies have been formulated, for which 25 countries have dedicated funding for their implementation; and 38 countries have developed two or more trade-related sector strategies. In addition, 32 countries have regular public-private dialogue mechanisms; and regular government-donor consultation mechanisms exist in 30 countries.

During 2015, increased government ownership of the programme was manifested by governments contributing 38% of the resources for EIF-supported projects. In line with such commitment, sustainability and exit strategies will be implemented in all EIF Countries by the end of EIF Phase Two. This process has already begun in five countries.

On the reform agenda, a comprehensive evaluation was conducted in 2014 and led to the extension of the EIF into EIF Phase Two. As a result, a Working Group (WG) representing the entire partnership was constituted to prepare the foundation for EIF Phase Two by producing the Programme Framework Document (PFD) and the Change Management Plan and selecting the EIF Trust Fund Manager for EIF Phase Two through a competitive bidding process. The WG finalized the PFD following an extensive global and country-level stakeholder consultative process, including the first-ever EIF Global Platform organized in March 2015. This was followed by a high-level launch of the EIF programme on 1 July 2015 during the Fifth Global Review of Aid for Trade.

On the funding side, the Executive Secretariat for the EIF (ES) organized a successful EIF Pledging Conference on 14 December 2015 on the sidelines of the Tenth WTO Ministerial Conference in Nairobi and raised approximately US$90 million in pledges for the implementation of EIF Phase Two. The Netherlands became a new EIF Donor, joining the 23 existing Donors that had contributed to EIF Phase One. The generous pledges made by the EIF Donors are highly appreciated.

Building on the results of EIF Phase One, the programme will continue to play a crucial role in driving forward the Aid for Trade development agenda and to provide the much-needed development assistance to the LDCs. As we pursue this, four issues deserve special mention:

First, the continued reforms to make the EIF programme more efficient and effective while achieving better value for money remain a priority.

Second, the EIF will continue to build the capacity of the LDCs to effectively advocate the importance of trade; leverage additional resources by accessing trade-related technical and financial assistance from various organizations and initiatives; deliver results on the ground; and achieve the sustainability of results.

Third, continued efforts will be made to mobilize additional resources by engaging with both traditional and nontraditional donors in order to ensure the full funding of the programme for its entire duration.

Fourth, re-emphasizing the framework function, in particular the catalytic nature of the programme and building on the partnership approach, an active collaboration with organizations beyond the EIF partnership will be pursued. This will help the EIF to make strategic use of limited resources.

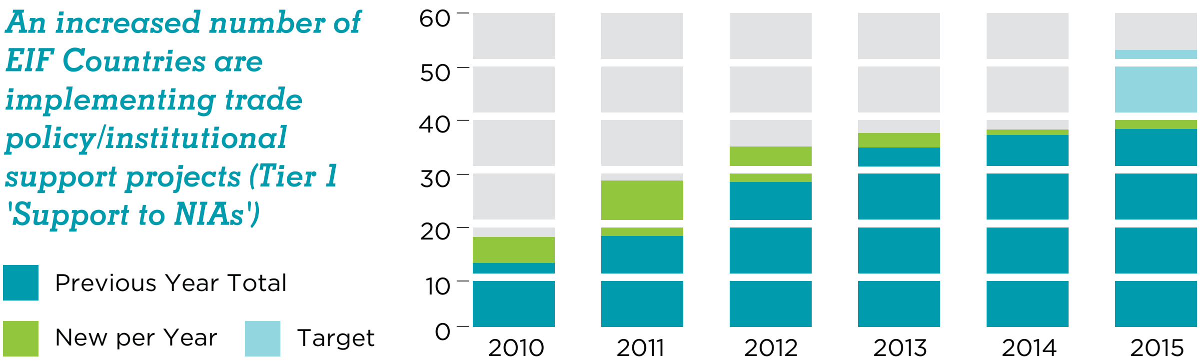
The multi-stakeholder nature of the EIF is central to the programme's work of supporting the LDCs to fully participate in the global trading system as a route to poverty reduction. This partnership represents the unique nature of the EIF as a tool for aid effectiveness, where a wide range of actors contribute to programme planning and implementation. The added value of the EIF was recently recognized in the Sustainable Development Goals and was previously recognized by the Programme of Action for the Least Developed Countries for the Decade 2011-2020 and the Addis Ababa Action Agenda on Financing for Development.

Finally, I would like to express my gratitude to Mr Roberto Azevêdo, Director-General of the WTO, and his team for hosting the ES as well as for helping the EIF mobilize resources for Phase Two of the programme. I would also like to express my gratitude to H.E. Mr Daniel Blockert, Chair of the EIF Steering Committee, H.E. Ms Yvette Stevens, Chair of the EIF Board, and Ms Benedicte Fleischer, Chair of the EIF Board Working Group, for their valuable guidance, support and cooperation, especially during the period of transition. I would also like to thank the dedicated and invested Members of the EIF Board and the Members of the EIF Board Working Group for their contribution to the development of EIF Phase Two. The success achieved thus far would not have been possible without the hard work of the EIF staff – for which they deserve special thanks.

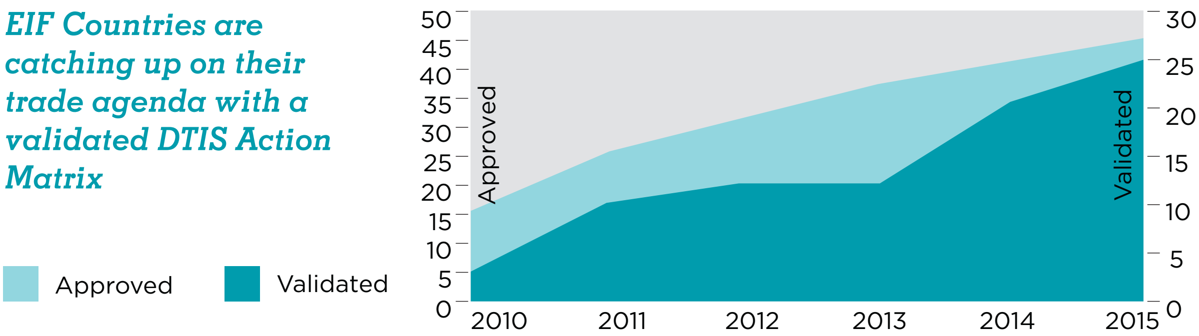
Ratnakar Adhikari
Executive Director
Executive Secretariat for the EIF at the WTO

Results Summary of EIF Phase One

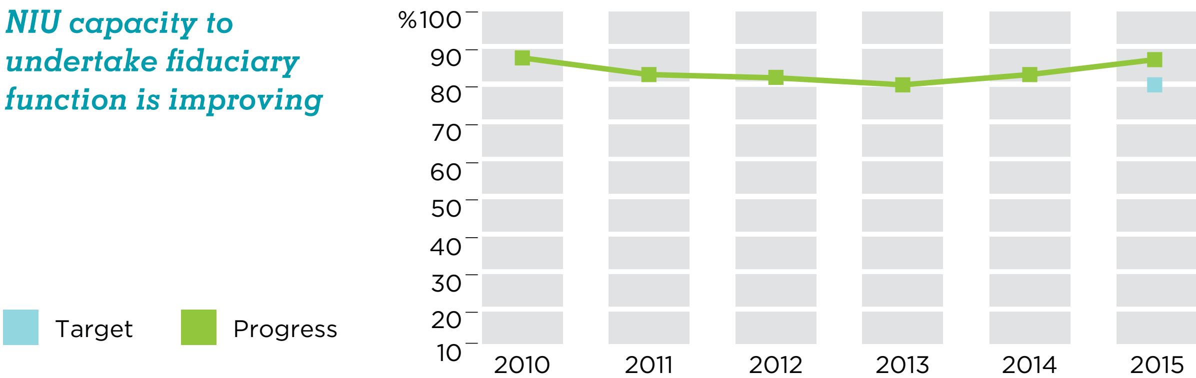
An increased number of EIF Countries are implementing trade policy/institutional support projects (Tier 1 'Support to NIAs')



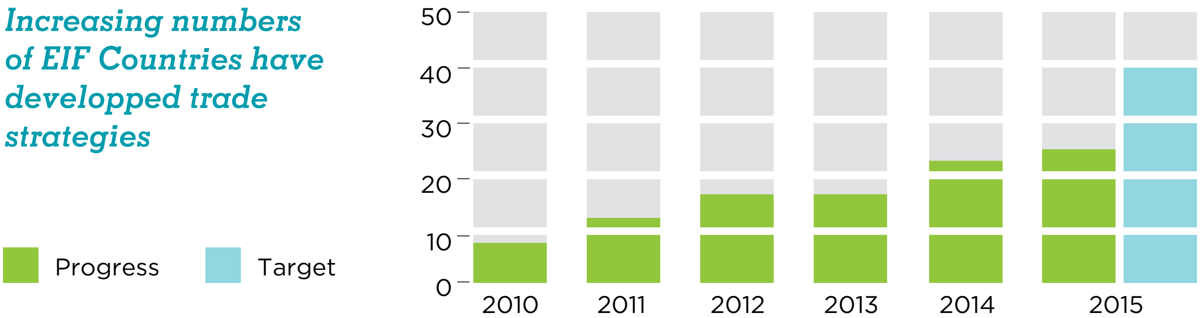
EIF Countries are catching up on their trade agenda with a validated DTIS Action Matrix



NIU capacity to undertake fiduciary function is improving

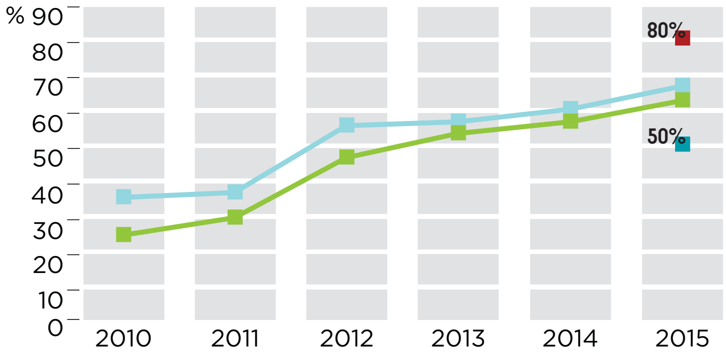


Increasing numbers of EIF Countries have developped trade strategies



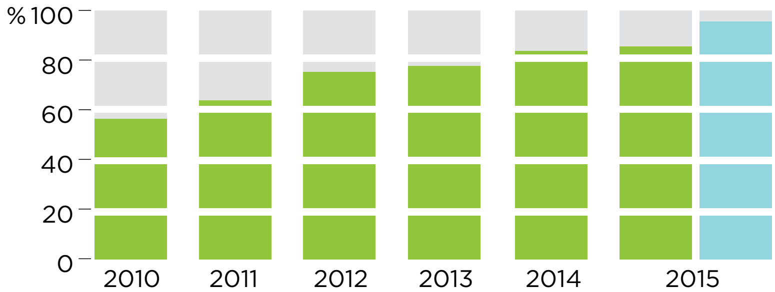
EIF Countries with quality trade strategies and implementation plans

Progress (quality trade strategies)
Target (quality trade strategies)
Progress (implementation plans)
Target (implementation plans)



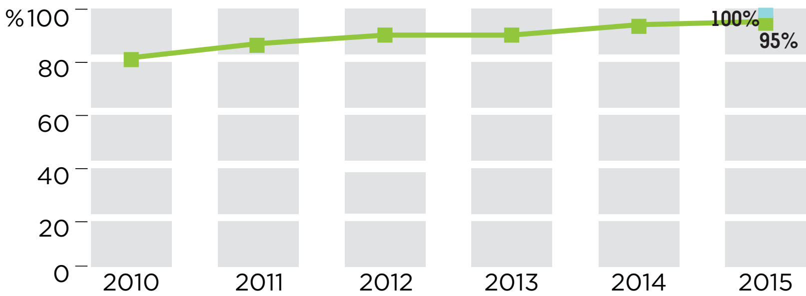
Trade is being integrated into NDPs/PRSPs, underlining the importance of trade

Progress
Target



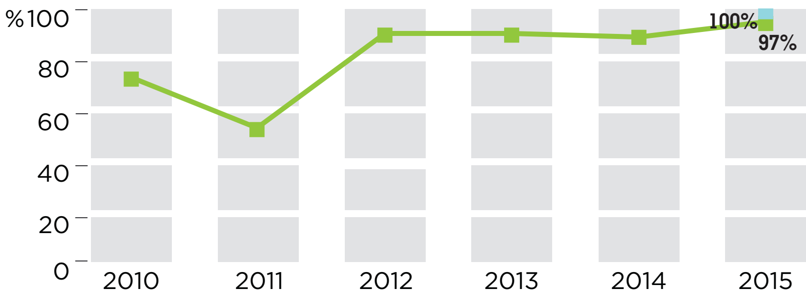
Almost all EIF Countries have trade integrated into at least one productive sector strategy

Target
Progress



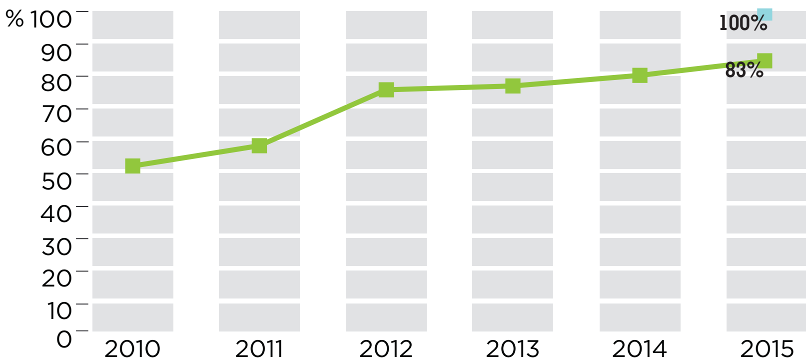
Governments and the private sector are consulting each other on trade matters in nearly all EIF Countries

Target
Progress

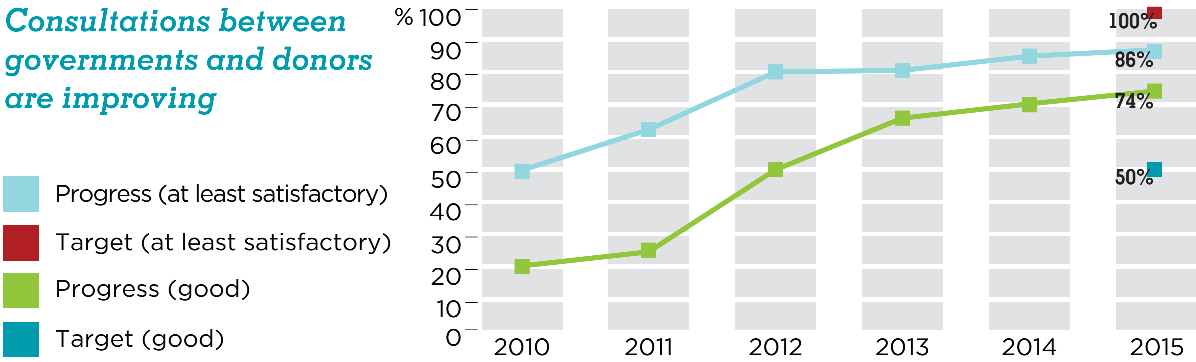


EIF Countries with a publicly available overview of Aid for Trade funding

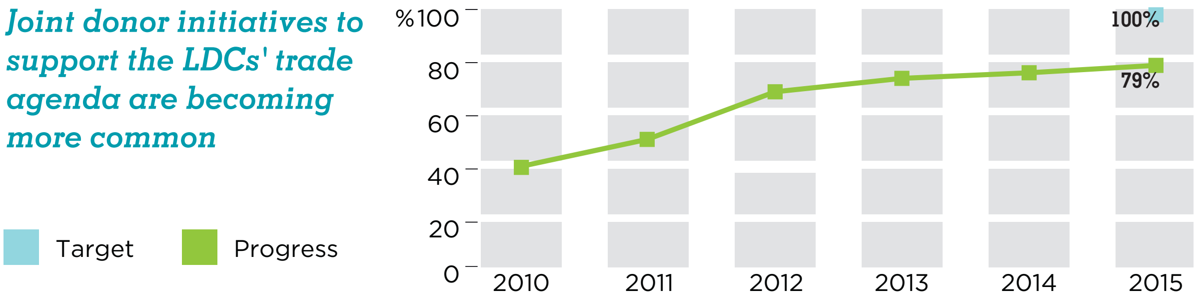
Target
Progress



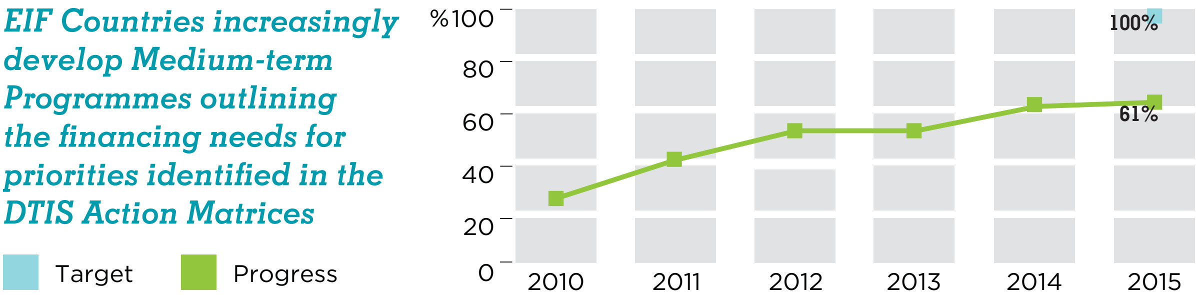
Consultations between governments and donors are improving



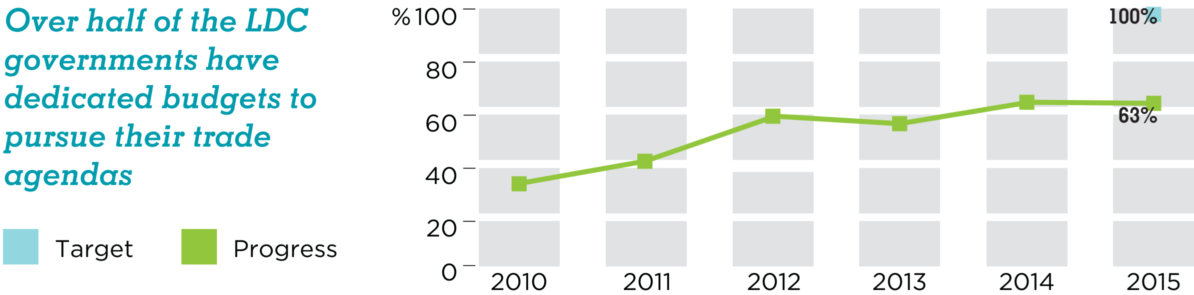
Joint donor initiatives to support the LDCs' trade agenda are becoming more common



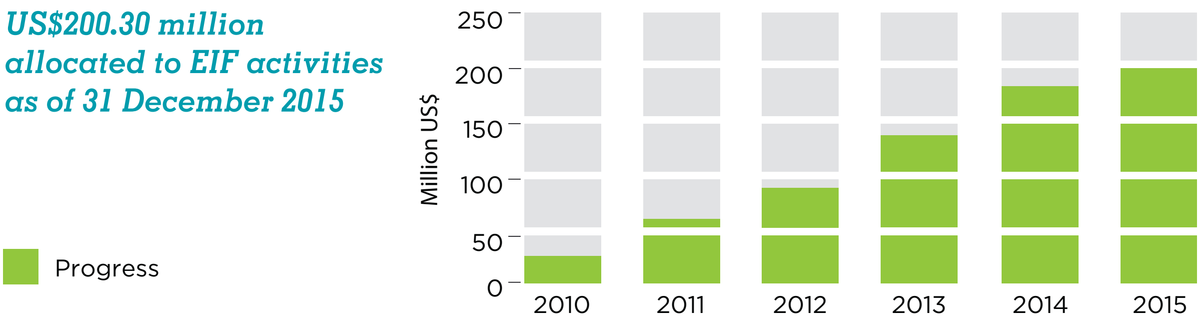
EIF Countries increasingly develop Medium-term Programmes outlining the financing needs for priorities identified in the DTIS Action Matrices



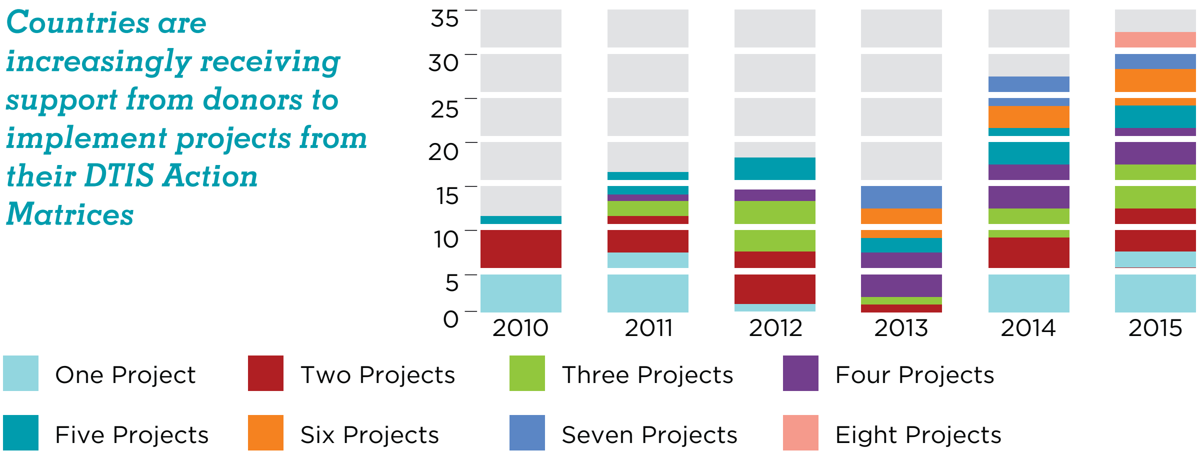
Over half of the LDC governments have dedicated budgets to pursue their trade agendas



US$200.30 million allocated to EIF activities as of 31 December 2015



Countries are increasingly receiving support from donors to implement projects from their DTIS Action Matrices



Only US$3.53 million was available for allocation, as of 31 December 2015

EIF Phase One in Numbers

US$252 million pledged
US$202 million received

134 projects totalling *US$ 143.39* million

Regular public-private consultation mechanisms active in *32* countries

51 beneficiary countries in five years

95 projects supporting trade and development policy capacity

Regular government-donor consultation mechanisms in place in *30* countries

23 Donors to the EIF Trust Fund

37 projects helping countries to address barriers and increase their ability to trade

Donor coordination mechanisms on trade established in *28* countries

8 Partner Agencies

Trade strategies formulated and implemented in *29* countries

124 projects identified as priorities by EIF countries have leveraged funding from donors

41 analytical studies

Trade features in the national development strategies of *32* countries


HYSTER

The EIF: Its objectives and role in Aid for Trade

What is the Enhanced Integrated Framework (EIF)?

The EIF is a global partnership of Least Developed Countries (LDCs), Donors and International Organizations, which supports the LDCs to be more active players in the global trading system by helping them tackle obstacles to trade. It is the only multi-donor global Aid for Trade (AfT) programme exclusively designed for the LDCs and is therefore uniquely placed to assist them to create the enabling environment to trade by developing sustainable trade strategies conducive to private sector development, especially for micro, small, and medium enterprises, which helps create jobs and income opportunities. In this way, the programme works towards a wider goal of promoting economic growth and sustainable development and helping to lift more people, in particular women and youth, out of poverty.

Why the EIF?

The LDCs face high trade costs owing to many obstacles impeding their ability to trade. These obstacles include poor infrastructure; a weak institutional, regulatory and policy capacity; the lack of a well-functionning private sector; and a poor business climate. The EIF was established to help LDCs overcome these constraints and reach their trade potential.

The EIF provides the LDCs with customized support to help identify, prioritize and address their trade needs. The EIF also provides a basis for development partners to deliver coordinated, transparent and efficient AfT and support increased participation of the LDCs in the global trading system.

The EIF Phase One core objectives

#1 Mainstream trade into national development strategies;

#2 Coordinate the delivery of trade-related technical assistance; and

#3 Build capacity to trade, which includes addressing critical supply-side constraints.

The EIF value addition: what we do

The EIF partnership supports the LDCs to address their trade needs by:

- Undertaking evidence-based analysis to identify, prioritize and address major constraints to trade;
- Ensuring that trade directly contributes to the national development agenda;
- Setting up institutional and coordination mechanisms for trade policy dialogue and AfT (including with the private sector and civil society); and
- Triggering key policy reforms and mobilizing additional resources to address priority trade needs.

These results are achieved by directly reaching out to the LDCs through their national governments or indirectly through other implementing entities, using the mechanisms outlined in Figure 1:

Figure 1: EIF funding mechanism for the LDCs

Technical review	**What**: Review of country's economic and political situation and analysis of country's progress and commitment to incorporate trade into national development strategy. **Process**: Technical review undertaken by core agency and candidate presented to the EIF Board for approval.
Pre-DTIS	**What**: Aims at setting up the conditions for the EIF Country to make the arrangements for the DTIS to be conducted. Pre-DTIS projects are intended to fund activities such as stakeholder sensitization and consultation, setting up the basic overall governance and institutional structures to mainstream trade. Pre-DTIS projects have an expected duration of up to 12 months. **Process**: Request by LDC -> capacity review by the EIF Trust Fund Manager (TFM) -> approval by the EIF Focal Point (FP) and the Executive Director of the Executive Secretariat for the EIF (ED) -> agreements and disbursement -> monitoring of implementation.
DTIS/ DTIS Update	**What**: Main instrument to identify and analyze the constraints hampering the integration of LDCs into the multilateral trading system. The DTIS includes an Action Matrix, i.e., a list of priority reforms, which is validated by national stakeholders and by the government. **Process**: The FP submits the DTIS request to ES and ES/TFM formulate assessment summary -> EIF Board approval -> draft DTIS -> national validation workshop -> endorsement by LDC government -> implementation of DTIS Action Matrix
'Support to NIAs' projects	**What**: Projects which aim to address institutional capacity constraints for trade mainstreaming, donor coordination on AfT and implementation of the DTIS Action Matrix. **Process**: Project proposal presented to the EIF Tier 1 Appraisal Committee (TAC 1) -> TAC 1 approved projects appraised by ES (programmatic) and TFM (fiduciary) -> EIF Board approves -> agreements and disbursement -> implementation, facilitation and supervision -> M&E
Tier 2 projects	**What**: Funding for small-scale projects to build up trade-related and supply-side capacities. However, the bulk of the AfT funding to implement the Action Matrix and the national trade and competitiveness policies and action plans should be sought from bilateral donor support or other sources of support at country level. **Process**: Project proposal presented to the EIF Tier 2 Appraisal committee (TAC 2) -> TAC 2 approved projects appraised by ES (programmatic) and TFM (fiduciary) -> EIF Board approves -> agreements and disbursement -> implementation, facilitation and supervision -> M&E


SUSTAINABLE DEVELOPMENT GOALS
17 GOALS TO TRANSFORM OUR WORLD
1 NO POVERTY
2 ZERO HUNGER
3 GOOD HEALTH AND WELL-BEING
4 QUALITY EDUCATION
5 GENDER EQUALITY
6 CLEAN WATER AND SANITATION
7 AFFORDABLE AND CLEAN ENERGY
8 DECENT WORK AND ECONOMIC GROWTH
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
10 REDUCED INEQUALITIES
11 SUSTAINABLE CITIES AND COMMUNITIES
12 RESPONSIBLE CONSUMPTION AND PRODUCTION
13 CLIMATE ACTION
14 LIFE BELOW WATER
15 LIFE ON LAND
16 PEACE, JUSTICE AND STRONG INSTITUTIONS
17 PARTNERSHIPS FOR THE GOALS
SUSTAINABLE DEVELOPMENT GOALS

The EIF will tie its work to the SDGS, noting that:

1. It is widely recognized that international trade will play a crucial role in the implementation of the United Nations' 2030 Agenda for Sustainable Development as trade is directly related to 11 Targets under 9 Goals and indirectly related to 32 more Targets under 14 Goals;

2. This recognition and emphasis on trade in the SDGs means that the EIF has a significant role to play. Goal 8 reads:

> *"Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all".*

Goal 8 has a direct reference to the EIF and AfT, as Target 8.A states:

> *"Increase Aid for Trade support for developing countries, in particular least developed countries, including through the Enhanced Integrated Framework for Trade-related Technical Assistance to Least Developed Countries."*

3. Also, the goal of the EIF is aligned with Target 17.11, which states:

> *"Significantly increase the exports of developing countries, in particular with a view to doubling the least developed countries' share of global exports by 2020."*

This close alignment of the SDGs' targets with the targets of the EIF underlines the importance for the EIF to deliver stronger on its mandate.

What the EIF delivered in Phase One: Results

Within the Enhanced Integrated Framework (EIF) partnership, programme delivery oversight is done through the EIF governance structure, which is aimed at creating a strong and effective results-oriented culture among all EIF stakeholders. The EIF governance model includes decision-making through the EIF Board, the Executive Secretariat for the EIF (ES) and the EIF Trust Fund Manager (TFM), and a clearly defined accountability and rigorous Monitoring and Evaluation (M&E) system is used to support the Least Developed Countries (LDCs) in achieving results of the programme. **The following sections provide the results achieved in EIF Phase One (from 2010 to 2015).**

The goal- and purpose-level results: the EIF's contribution

The goal of the EIF is to support the LDCs to use trade as a route to poverty reduction and sustainable development by enabling them to be more active players in the global trading system. The EIF pursues this goal by creating a strong and effective results-oriented partnership among all EIF stakeholders and providing a framework for trade capacity-building, as well as through financial and technical support to the LDCs using its Tier 1 and Tier 2 windows of operation.

Although the EIF cannot claim direct attribution to results achieved at the goal and purpose levels, the EIF support did contribute to these higher level results by developing the LDCs' capacity to create the enabling policy and regulatory environment to trade and supporting them to address critical supply side constraints to trade. The following goal and purpose level results of the EIF logframe were tracked during Phase One of the EIF.

> **The graduated LDCs are being capacitated by the EIF to champion their own trade agenda. For instance, while most DTISUs are undertaken by agencies other than the LDCs themselves, Cabo Verde conducted and validated its own DTISU in 2013.**

EIF Support strengthens trade-related technical assistance (TRTA) in LDCs

The EIF currently provides TRTA support to 51 countries: 33 countries in Africa, 9 in Asia, 5 in the Pacific region, Haiti in the Americas and Yemen in the Middle East. Though Cabo Verde, Maldives and Samoa officially graduated from the LDC Group in 2007, 2011 and 2014, respectively, the EIF continues to support them to facilitate their smooth transition. Equatorial Guinea and Vanuatu are slated for graduation in 2017 and 2020 respectively. The graduated LDCs are being capacitated by the EIF to champion their own trade agenda. For instance, while most Diagnostic Trade Integration Study Updates (DTISUs) are undertaken by agencies rather than the LDCs themselves, Cabo Verde conducted and validated its own DTISU in 2013.

Supporting the LDCs' accession to the WTO as a route to international trade

Acceding to the WTO is an important step in a country's full integration into the global trading system. The EIF helps the LDCs with their accession process by supporting their participation in accession-related meetings and by having accession-related issues analyzed in their DTISs. Among EIF Countries, 71% are WTO Members, while six EIF Countries (Bhutan, Comoros, Equatorial Guinea, Ethiopia, São Tomé and Príncipe and Sudan) are in the process of acceding to the WTO, as presented in Table 1. In 2015, the EIF supported Liberia's and Afghanistan's accession process to the WTO, and both countries will become WTO members in July 2016.

After Liberia was unanimously welcomed by trade ministers for the WTO membership deal at the Tenth WTO Ministerial Conference in Nairobi in 2015, Liberian President Ellen Johnson Sirleaf said:

"Liberia's accession to the WTO marks another turning point in our history, particularly in our journey of economic transformation for inclusive growth. Our transformation can neither be done alone, nor in isolation, but by forging partnerships. We appreciate the collective efforts of our partners who have made this accession a resounding success."

Ellen Johnson Sirleaf, President of Liberia.

Table 1: Recent EIF Countries acceding to the WTO

Country	Acceded to the WTO
Afghanistan*	2016
Liberia*	2016
Yemen	26 June 2014
Lao PDR	2 February 2013
Vanuatu	24 August 2012
Samoa	10 May 2012
Cabo Verde	23 July 2008

Ongoing accessions	Date initiated
Bhutan	September 1999
Comoros	February 2007
Equatorial Guinea	February 2007
Ethiopia	January 2003
São Tomé and Príncipe	January 2005
Sudan	October 1994

Source: World Trade Organization.

*Slated to accede in 2016.

The LDCs' real GDP per capita is increasing compared to the rest of the world

On aggregate, while the real GDP per capita growth rate declined in the LDCs in 2014, Figure 2 shows that some LDCs maintained a growth rate higher than the world average. In 2013 and 2014, both Ethiopia and Myanmar exceeded the 7% target set by the Istanbul Programme of Action (IPoA). w, DRC and Lao PDR did not quite reach the IPoA target but still achieved significant growth rates of at least 5%. These well-performing countries have accessed the EIF and have benefited from either Tier 1 or both Tier 1 and Tier 2 projects, though their GDP per capita growth rates cannot be directly attributed to the EIF.

LDC exports are slowly increasing

The goal of the EIF supports the notion that export-led growth is important for the LDCs, and a failure to do so, among other growth parameters, can limit the LDCs economic growth prospects and the potential to create jobs, raise wages and lift their people out of poverty.

LDC exports of goods and services have increased during the last ten years, even though their share in global trade remains marginal. Their share of world exports doubled from 0.5% of total trade in 2005 to 1.1% in 2014. The value of exports more than doubled from US$95 billion in 2005 to US$258 billion in 2014 (Table 2).

Figure 2: Real GDP per capita growth by Year

Source: World Development Indicators, The World Bank.

Table 2: Values of the LDCs' trade in goods and services (millions of US$)

	2005	2010	2011	2012	2013	2014
World	12,813,506	18,835,974	22,368,111	22,691,379	23,330,552	23,704,351
LDCs	95,880	194,687	238,869	244,743	257,439	258,425
LDCs: Africa and Haiti	66,907	139,214	173,901	178,527	184,277	181,887
LDCs: Asia	28,549	54,588	63,806	64,947	71,928	75,261
LDCs: Pacific Islands	424	884	1,162	1,269	1,234	1,276

Source: UNCTAD STAT dataset.

The importance of tourism for the LDCs

In the past five years, tourism has become an increasingly important sector for the LDCs. Due to rising international tourist arrivals, the travel receipts of the LDCs have grown by 11% on average per year since the mid-1990s, reaching an estimated US$15 billion in 2014. This represents 1.6% of the LDCs' GDP, which is up from 1.2% ten years earlier (Figure 3).

Travel exports are an important source of revenues for the LDCs. Traveler expenditures enter the tourism value chain in industries such as accommodation, food and beverages, transport, retail, recreation and cultural activities, which creates employment opportunities, especially in rural areas. Tourism revenue also spurs the development of other sectors, such as agriculture (e.g., food supply to hotels and restaurants), construction, communications, utilities (e.g., supply of electricity and water to hotels) and event management, as illustrated by the case of Cabo Verde (Box 1).

The EIF is supporting tourism projects in Burundi, Cambodia, Liberia, Sierra Leone, Solomon Islands and Vanuatu.

Figure 3: Travel exports and international tourist arrivals in LDCs

Source: WTO/UNCTAD/ITC estimates and WTO estimates based on UN World Tourism Organization data.

Box 1: Services-led growth in Cabo Verde booms at 80% of GDP

Services sector growth as per cent of GDP since **2000**

80%

The EIF Tier 1 support to the Government of Cabo Verde has helped to improve human and institutional capacity, and as a result, the country opted to update its DTIS without external expertise in 2013. The 2013 DTISU showed that the Cabo Verde economy is increasingly specializing in a booming but narrow segment of services. It underlined that the services sector accounted for approximately 80% of GDP in the last few years and that this percentage has been growing steadily since the early 1990s, when it accounted for 55%. The services sector is also the largest employer. Tourism represents over 60% of the services sector and on average 19% of GDP between 2006 and 2011. Cabo Verde is now classified as a "highly tourism-based economy" and has had the fastest sector growth rate among such countries. The World Travel and Tourism Council estimates that the industry's total contribution was about 43.2% of GDP in 2015.

The ease of doing business is improving in the LDCs

The ease of doing business, as measured by the World Bank, requires an environment where new businesses, especially micro, small, and medium enterprises (MSMEs), can get started with little or no hindrance. Through its Tier 1 window, the EIF supports the LDC governments to create the enabling environment to trade by mainstreaming trade into their national development plans (NDPs) and trade related sector strategies, and establishing institutional mechanisms that create the partnerships to trade, including resource-leveraging for implementing projects for MSME growth. This EIF window of support is designed to help improve the ease of doing business in LDCs.

Some LDCs have demonstrated significant improvements over the past several years in the World Bank Ease of Doing Business Rankings. Figure 4 shows the best performers in 2015 and their performance over five years. Though some have recently regressed, they have still kept their ranking below 100. Bhutan in particular has shown a dramatic improvement in recent years.

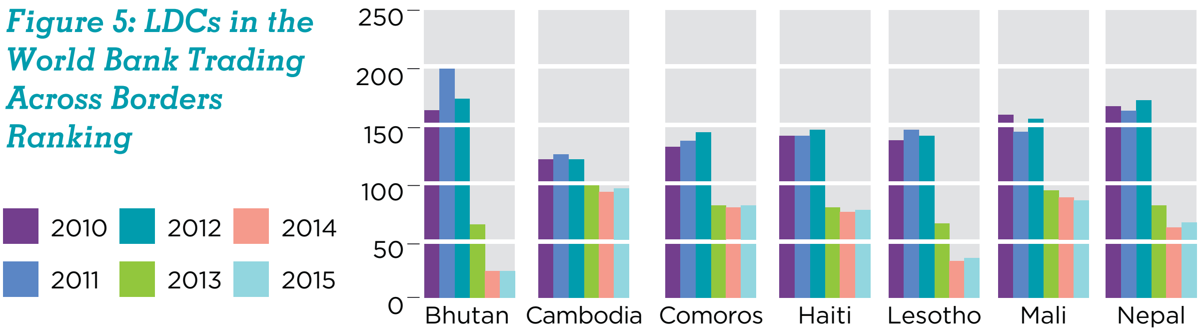
Figure 4: LDCs in the World Bank Ease of Doing Business Ranking

The LDCs are overcoming border challenges to trade

Some EIF Countries are logistically hindered due to their geographic location, and thus the time and cost associated with exporting or importing goods can be prohibitively high.

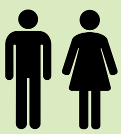
The EIF is supporting the LDCs to overcome these challenges by helping them with the necessary soft and hard infrastructure to ease the problems of trading across borders, both regionally and internationally. Figure 5 shows the top performing LDCs with Bhutan, Lesotho and Nepal recently demonstrating great improvement.

Figure 5: LDCs in the World Bank Trading Across Borders Ranking



Box 2 illustrates how improving infrastructure in Rwanda can improve the lives of cross-border traders, especially women, by better integrating them into cross-border supply chains.

Box 2: Women in Rwanda to benefit from crossborder trade



74%

of cross-border traders in Rwanda are women.

While Rwanda has made tremendous efforts to improve its ease of doing business, trading across borders remains a challenge. The EIF Tier 1 project was created to overcome some of these difficulties by supporting the production of Rwanda's National Cross-Border Trade Strategy (2013-2018), including feasibility studies for cross-border trade market infrastructure for six districts bordering other EIF Countries (Burundi, DRC and Uganda) to facilitate the implementation of the Strategy.

Building on this groundwork, a Tier 2 project was launched to improve the crossborder business environment as envisioned in the National Cross-Border Trade Strategy. The project aims to comprehensively improve the crossborder business environment by addressing institutional mechanisms, trade-related capacities and strategic trade support infrastructure. The project is setting up one-stop border posts with the East African Community neighbours to reduce customs clearing time and cost. The overall objective of the project is to improve the livelihoods and earnings potential of those engaged in crossborder trade in Rwanda, of which 74% are women.

Outcome-level results: The EIF's direct impact

The capacity of the LDCs to accelerate economic growth is hindered by various structural constraints and obstacles to trade. These are, among others, a lack of skilled human resources; inadequate infrastructures; the lack of an enabling environment to support entrepreneurship and promote a public and private partnership; and the lack of access of the poor, particularly women and youth, to productive resources and services.

In response to these constraints, the EIF supports the LDCs to stimulate their productive capacity to trade by creating the policy and regulatory frameworks for investment and enterprise development, establishing an effective dialogue between the government, the in-country donor community and the private sector, as well as integrating trade into NDPs and sector strategies geared towards economic growth, poverty reduction and sustainable development in the LDCs. The effect of **such EIF support is measured by the following four Outcomes:**

The EIF supports trade capacity-building in the LDCs with different sets of expertise and institutional arrangements in the ministries responsible for trade and other relevant line ministries. To do so, state and non-state actors are engaged to define and prioritize national trade-related technical capacity-building needs, to which the EIF and in-country donors respond. This approach ensures that knowledge creation is linked to the evolving needs of governments and that the capacity to formulate and implement trade policies and strategies is sustainable.

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

Support to the National Implementation Arrangements (NIAs) is gaining momentum

The EIF supports the LDCs to establish a structure, called the NIAs, aligned with in-country structures to champion and promote the national trade agenda. The implementing arm of the NIAs is the National Implementation Unit (NIU), which is charged with mainstreaming trade into NDPs and trade-related strategies; coordinating TRTA; monitoring the implementation of priorities in the DTIS AM; and leveraging financial and technical resources from the government and development partners for the development of the national trade agenda.

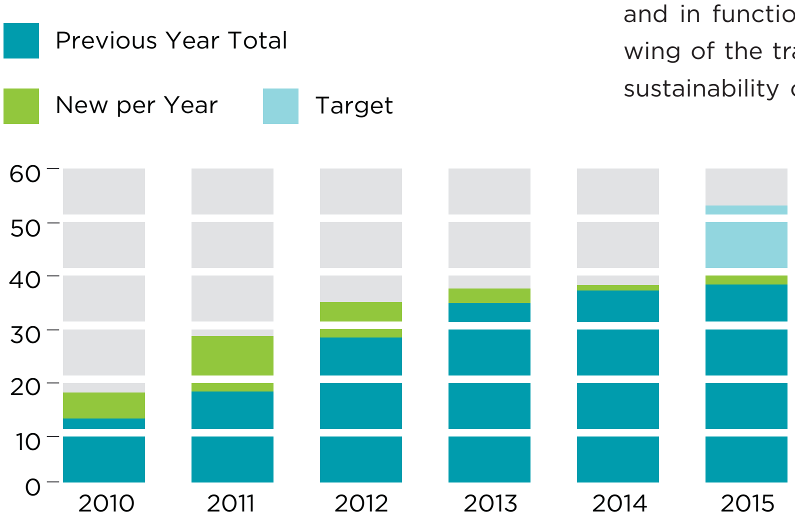
40

The number of NIAs supported in EIF Phase One.

3

The number of new NIAs established and supported in 2015.

Figure 6: An increased number of EIF Countries are implementing trade policy/institutional support projects (Tier 1 'Support to NIAs')



During Phase One of the EIF, 40 NIAs received capacity-building support, out of which three (Bangladesh, Kiribati and Myanmar) were established in 2015 compared to one in 2014 as shown in Figure 6. Five NIAs (Cambodia, The Gambia, Lao PDR, Sierra Leone and Uganda) are on track towards integrating, in structure and in function, into the mainstream technical wing of the trade ministry, thereby fulfilling the sustainability objective of the EIF.

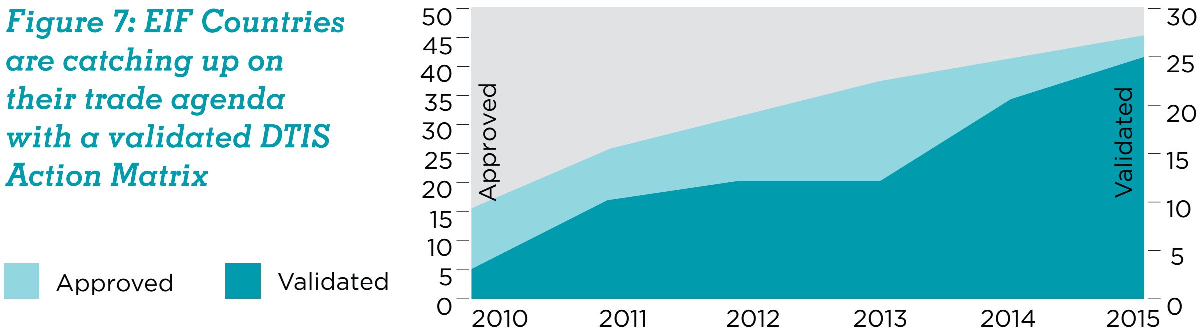
Satisfactory progression in the number of validated DTISs or DTISUs

The DTIS and its associated Action Matrix constitute the evidence-based analytical document that identifies and prioritizes a country's trade agenda and Aid for Trade (AfT) needs, including trade integration constraints and opportunities. The DTIS normally elaborates on a wide range of trade related issues, such as the macroeconomic outlook of the country; business and regulatory reforms; improving trade in services and trade facilitation, protectionism and competiveness; and encouraging knowledge sharing amongst the countries.

Producing and validating a DTIS is a country-wide consultative process involving the government, the private sector, civil society, the donor community and other development partners. A DTIS is updated every three to five years to reflect the latest trade-related developments in a country. While almost all first-generation DTISs were undertaken by EIF Partner Agencies, such as The World Bank, UNCTAD and UNDP, which continue to provide their technical expertise in this area, some EIF Countries, including Cabo Verde, Lao PDR, Nepal and Samoa, have updated their latest DTISs themselves. Togo is also in the process of updating its own DTIS.

Figure 7 shows that the number of EIF Countries with a validated DTIS and DTISU has satisfactorily progressed over Phase One of the EIF programme. Up to December 2015, the EIF Board approved a total of 45 DTISs and DTISUs, of which 26 have been completed (Figure 7), with 6 completed in 2015 alone, which includes Comoros, Ethiopia, Liberia, Mali, Mauritania and Sudan.

Figure 7: EIF Countries are catching up on their trade agenda with a validated DTIS Action Matrix



Box 3: Mauritania's DTISU targets diversifying the economy and putting women-led small and medium-sized-enterprises (SMEs) front and centre

The DTISU of Mauritania was completed in 2015. It involved extensive consultations with the Government of Mauritania, the donors, the private sector and civil society representatives. The preparation of the report was supported by the EIF and the Mauritanian Ministry of Trade, with technical support by the World Bank Group. The report covers a macro-level green growth and trade analysis, including a sector analysis of fisheries, agriculture and services (ICT, transport and tourism). The report proposes a shift from a heavy reliance on the Government to a diversification of the economy through private sector development, including an explicit gender perspective, underlining the importance of small-scale women traders and entrepreneurs in the national economy.

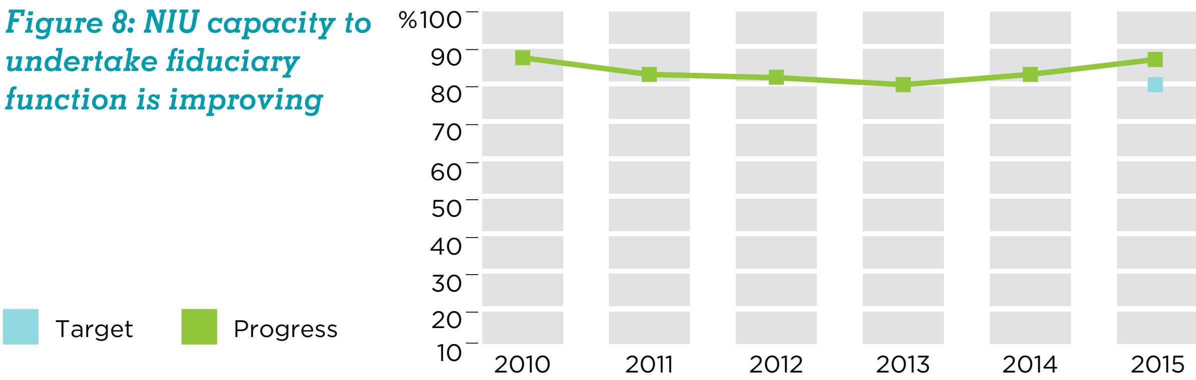
Fisheries and agriculture remain key sectors and therefore have a particularly strong potential to reduce poverty through high value-addition along their value chains. In addition, tourism has a long-term strategic potential, given the advantage of Mauritania's sizeable cultural heritage and vast desert lands. Women are key players in the fisheries, agriculture and tourism sectors.

The DTISU emphasizes that a diversification of Mauritania's economy could lead to the development of a reliable, high-quality supply of fisheries products, animal products, gum arabic products and other agricultural products. It further shows that the country is well placed to take advantage of its proximity to European market while at the same time tapping into markets in Africa.

Almost all NIUs have demonstrated the capacity to perform fiduciary programme management functions at a satisfactory level or above

In order to judiciously utilize EIF resources, achieve value for money in project implementation and be accountable, the level of capacity of the NIU and/or the ministry responsible for trade to perform fiduciary functions is regularly assessed by the TFM. Figure 8 illustrates that the vast majority of NIUs have met this target and have maintained this rating throughout project implementation, with 88% of the targeted 80% being at least satisfactory in performing their fiduciary functions by the end of 2015, compared to 83% in the previous year. During project implementation, the capacities of the NIUs are reassessed and, if found inadequate, they are addressed through ongoing ES/TFM regional workshops as well as a close follow-up of fiduciary matters through regular contacts and supervision missions from the TFM.

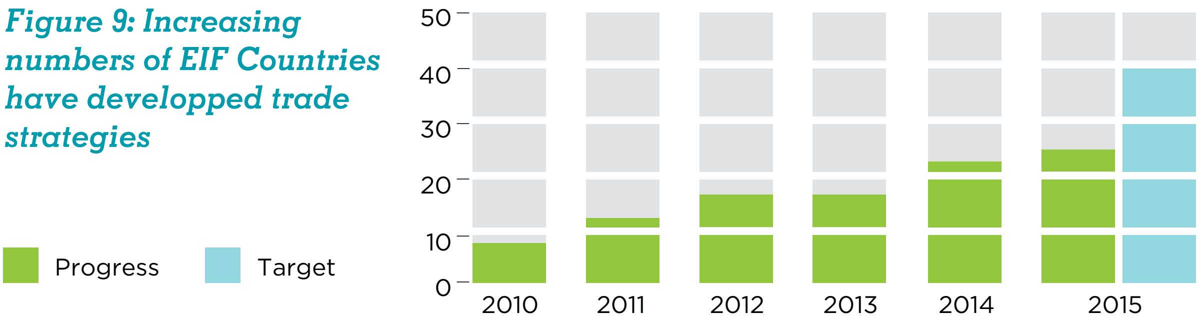
Figure 8: NIU capacity to undertake fiduciary function is improving



Increased number of EIF Countries with a quality trade strategy and implementation plan

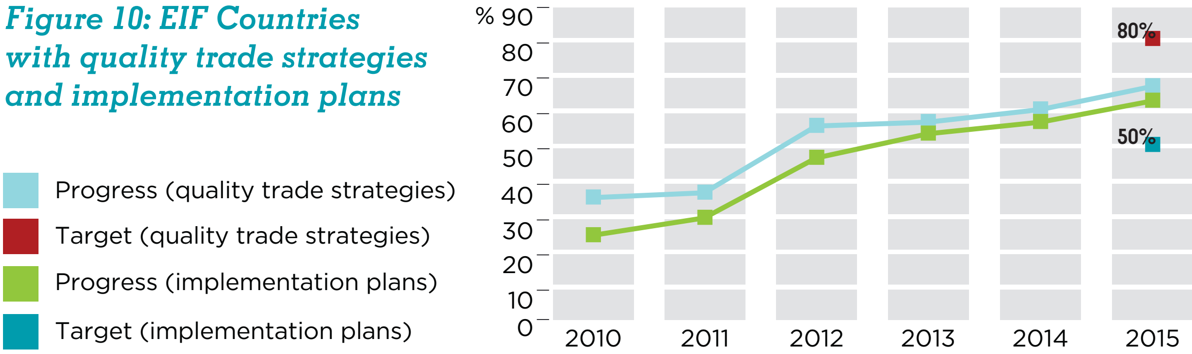
Sector by sector approach is one that targets national competitiveness (i.e., identifies comparative and competitive advantages) and productivity improvements; follows a sector by sector approach, including reference to quality standards; has had an effective stakeholder consultation process during development; and has been formally approved by the government and then published. Beyond those qualities, a trade strategy is considered very good if it identifies links with poverty, gender and the environment; links to other formally adopted national strategies; identifies key target markets, including reference to bilateral, regional and multilateral trade arrangements; and includes issues relating to trade facilitation and infrastructure. Trade strategies are usually linked to a country's poverty reduction strategy paper (PRSP) or NDP, though synchronization of the two processes is still challenging in some LDCs. This challenge is the key reason for the slow pace of meeting the target for all countries to have a quality trade strategy.

Figure 9: Increasing numbers of EIF Countries have developped trade strategies



Associated with a trade strategy is an implementation plan with clear measureable indicators and a monitoring mechanism to guide the implementation towards the targeted results. The process of producing a quality trade strategy and rolling out its implementation often involves series of interministerial consultations and coordination between ministries and the private sector. Figure 10 shows that in 2015, 62% of the EIF Countries with established NIAs had a trade strategy implementation plan. Even though the 50% target for the indicator has been achieved, the ES and the TFM still continue providing support to the rest of the EIF Countries that have not yet met the target.

Figure 10: EIF Countries with quality trade strategies and implementation plans



Box 4: Myanmar's National Export Strategy (NES) sets the pathway to sustainable growth

Myanmar's first-ever NES, designed to fuel the country's sustainable development through export promotion, was launched on 25 March 2015 by Myanmar's Vice President and the Minister of Commerce. The EIF-supported NIA played a key coordinating role in the process, and technical support was provided by ITC.

The NES is a five-year roadmap of the needs and priorities for Myanmar's sustainable development through trade. Action plans in the NES include interventions to boost the competitiveness of SMEs and longer-term policy and legislative changes, all geared towards realizing the vision of the Strategy: sustainable export-led growth and prosperity for an emerging Myanmar. As the Vice President noted during the launch:

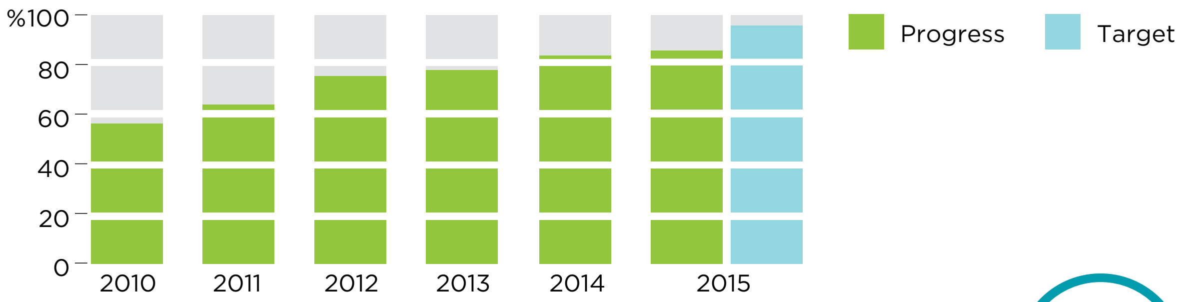
> *"The priority sectors identified in the strategy have been selected as the most effective export sectors to deliver socioeconomic development to the people of Myanmar. In that regard, I am convinced that the implementation of the NES will effectively support the main objectives of the nation, such as poverty alleviation, rural development and broad-based income growth, and will successfully lead Myanmar to sustainable growth and prosperity."*

The NES process was synchronized with the development of Myanmar's DTIS, which was funded by the EIF. The DTIS resulted from extensive public and private consultations and the engagement to contribute to the trade development agenda of the country.

Outcome 2: EIF Countries mainstream trade into their NDPs and/or PRSPs

Mainstreaming trade is a process that requires well-built institutions, strengthened capacities and committed actors to integrate trade into NDPs, PRSPs and sector strategies. Trade mainstreaming also requires monitoring of the implementation of DTIS AMs and effective consultations amongst EIF stakeholders in order to make decisions in the planning and execution of the broader national development objectives.

Figure 11: Trade is being integrated into NDPs/PRSPs, underlining the importance of trade



Gradual growth in the number of EIF Countries with trade integrated into their PRSPs/NDPs

The number of EIF Countries with trade integrated into their PRSPs/NDPs has gradually increased over the years. These countries have an identifiable section in their PRSP/NDP relating to trade; the DTIS cycle is closely aligned with the PRSP cycle; the PRSP/NDP covers 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 action plans for the implementation of the national trade agenda are defined.

Box 5: The Gambia Programme for Accelerated Growth and Employment (PAGE) strengthens trade policy and sectoral plans

The PAGE 2012-2015 was developed as the successor to The Gambia's Poverty Reduction Strategy Paper II. The PAGE aims to improve employment, per capita income, social services, gender equity and economic competitiveness. Two main sectors were identified as the drivers for The Gambia's economic growth: agriculture (including fisheries) and tourism.

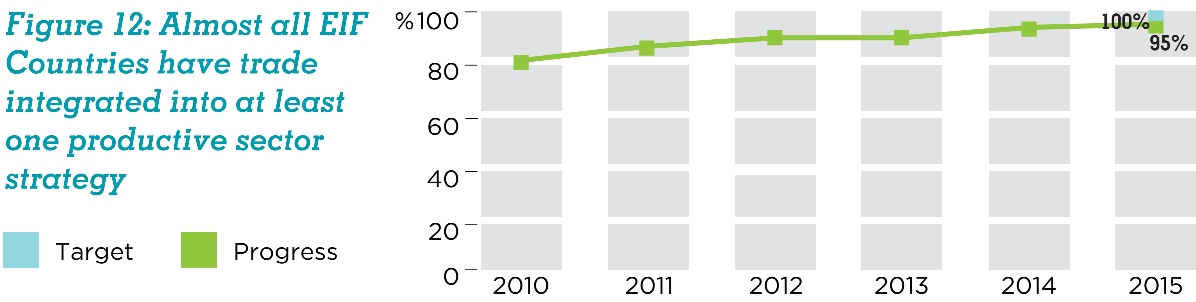
From the PAGE, a Tourism Master Plan was produced to serve as a blueprint for tourism development until 2020. A National Trade Policy Framework and Action Plan was also produced and operationalized through the Competition Law and Policy and the ECOWAS Common External Tariff.

Almost all EIF Countries have trade integrated into at least one productive sector strategy

By December 2015, there were 27 EIF Countries with Tier 2 projects under implementation, of which 95% had at least three productive sectors with trade integrated into them (Figure 12). Sectors that have mainstreamed trade into their strategies over Phase One of the EIF programme include: agriculture, tourism, energy, industry, environment, ICT, transport and infrastructure. SMEs, livestock and apiculture are emerging subsectors. This indicates a strong coordination and engagement between the trade ministries and sector-related line ministries. It also underlines the need for a sector strategy to guide the implementation of priority projects in the DTIS AM.

The Government of Maldives has integrated trade into the sector strategies for tourism, agriculture, fisheries, energy, SMEs, transport, environment, land reform, communications and science and technology sectors.

Figure 12: Almost all EIF Countries have trade integrated into at least one productive sector strategy

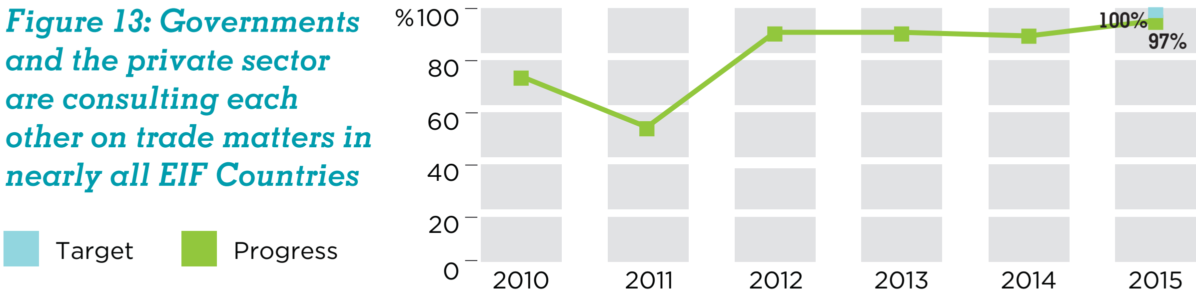


The public and private sectors increase the frequency of trade consultations

In 2015, 97% of the EIF Countries with Tier 1 'Support to NIAs' projects had established high-level public-private sector consultative mechanisms on trade policy issues, including follow-up on decisions taken during meetings.

Uganda has established various public-private fora, including the high-level Presidential Investors Round Table and the Interministerial Committee on the Competitiveness and Investment Climate Strategy.

Figure 13: Governments and the private sector are consulting each other on trade matters in nearly all EIF Countries



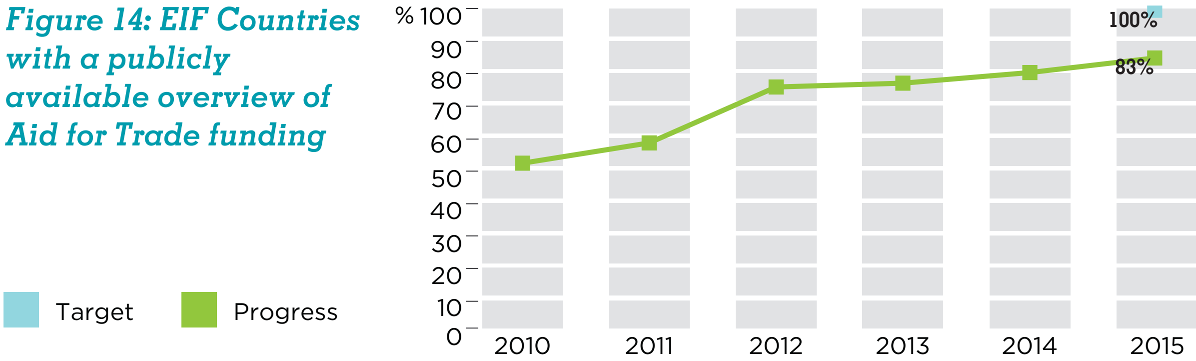
Outcome 3: Coordinated delivery of trade-related resources (funding, technical assistance, etc.) by donors and implementing agencies to implement country priorities following the adoption of the DTIS AM

As the overarching framework to coordinate the delivery of AfT technical assistance to LDCs, the EIF is helping the LDCs to make trade a key part of their NDPs and poverty reduction strategies. A key way of accomplishing this is by helping the LDCs to develop and use the analytical and evidence-based DTIS. 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 and the identification of bankable projects in line with country priorities. By supporting the LDCs to develop and use the DTIS and its Action Matrix, the EIF is helping them to make trade a key part of their NDPs and poverty reduction strategies. This is helping the countries to coordinate their AfT needs based on their requirements.

EIF Countries with a publicly available overview of AfT funding

83% of the EIF Countries with Tier 1 'Support to NIAs' projects had an annual publicly available rolling implementation overview for trade-related funding by the end of EIF Phase One. Figure 14 shows a gradual progression towards achieving the target for all EIF Countries to have a coordinated delivery of trade-related resources and a regularly monitored plan that integrates all government and donor-supported activities.

Figure 14: EIF Countries with a publicly available overview of Aid for Trade funding



The frequency of government and donor consultations on trade matters has improved

In 2015, **86%** of the EIF Countries with Tier 1 'Support to NIAs' projects had established a satisfactory government-donor consultative mechanism (Figure 15). The mechanism is composed of senior-level development partners and public sector officials who meet at least twice a year to discuss trade policy issues and greater coordination of donor interventions. This requires willingness and commitment on both sides and to operate in a coordinated manner. By 2015, such a dialogue was considered very effective in 74% of the EIF Countries and was being translated into actionable outcomes of the national trade agenda.

Government of Cambodia works with donors to implement a trade SWAp

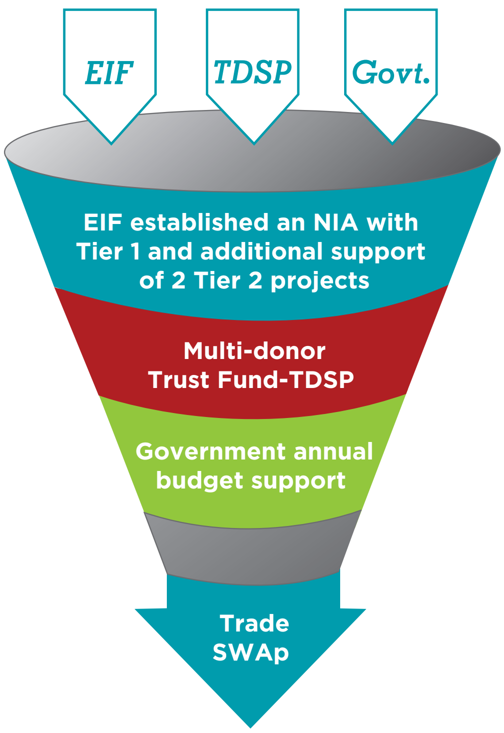
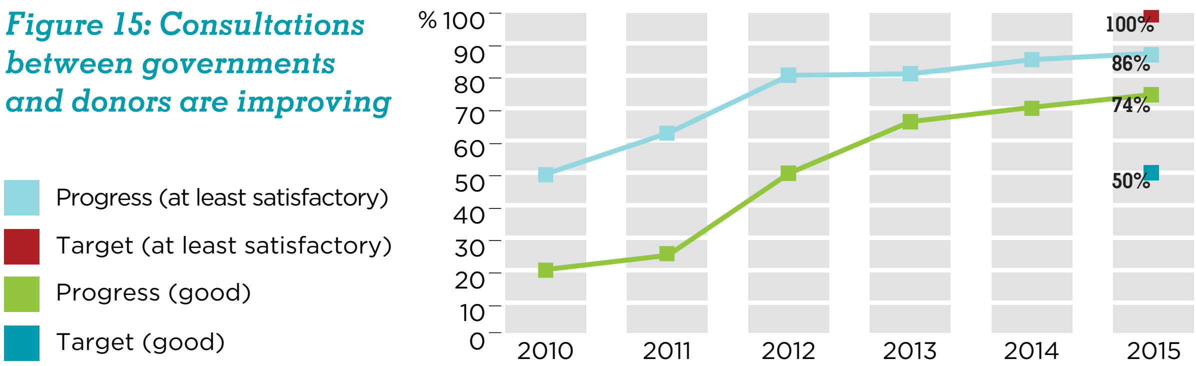


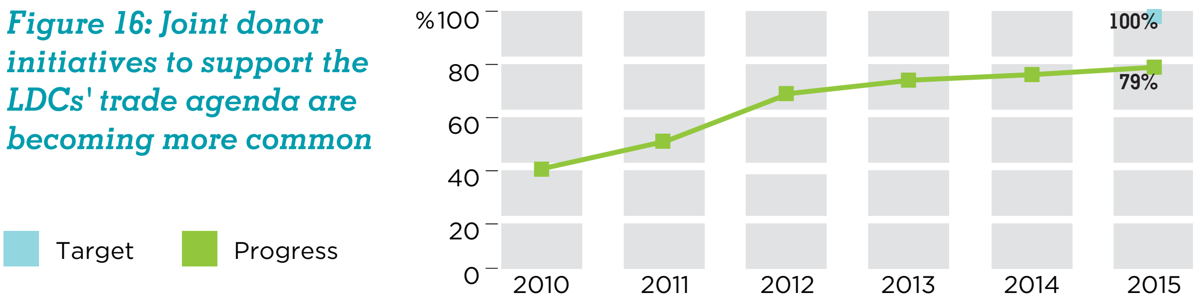
Figure 15: Consultations between governments and donors are improving



The number of EIF Countries with joint donor initiatives is gradually increasing

Aid is better delivered and coordinated when donors work together to support a country's national trade agenda. Joint donor initiatives provide synergies and prevent duplication of efforts. As shown in Figure 16, by the end of 2015, **79%** of the EIF Countries with Tier 1 'Support to NIAs' projects had a mechanism to monitor donor trade-related activities to ensure coordination. Box 6 provides a typical example of a joint donor initiative.

Figure 16: Joint donor initiatives to support the LDCs' trade agenda are becoming more common



Box 6: In Lao PDR, a multi-donor trust fund brings donors together as one

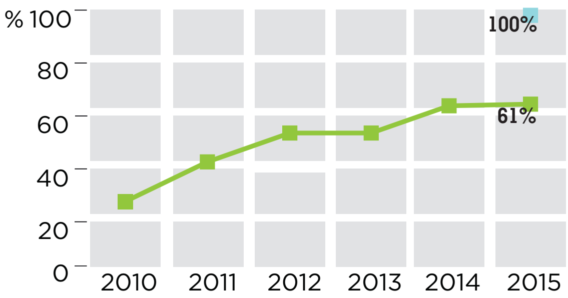
In Lao PDR, donors have come together to support Lao PDR's trade goals through a multi-donor trust fund, the Trade Development Facility (TDF). The TDF is administered by The World Bank and implemented by the Ministry of Industry and Commerce through the EIF-supported NIU. Its objective is to support the implementation of the Government's trade and integration priorities as outlined in the 2012 DTISU funded by the EIF, and in particular to contribute to improved competitiveness and diversification.

Moreover, the Programme Executive Committee (PEC), which is a working group on trade and private sector development, chaired by the Minister of Industry and Commerce, has been established as a combined steering committee for all TRTA, including the EIF and the TDF. It serves as a critical forum, bringing together trade related institutions, development partners and the private sector, to discuss and implement AfT initiatives. All work plans and reports are consolidated and reviewed by the PEC. The monitoring arm of the PEC is the Project Review Committee, which meets regularly to monitor the implementation of TRTA projects. It is chaired by the EIF Focal Point (FP) – the Deputy Director General of Planning and Cooperation Department.

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

EIF funded projects are designed to be catalytic in attracting funds from donors and other development partners in order to support projects in the DTIS AM. With the support of the EIF Donor Facilitator (DF) in collaboration with the FP, the NIU is expected to coordinate and implement this process.

Figure 17: EIF Countries increasingly develop Medium-term Programmes outlining the financing needs for priorities identified in the DTIS Action Matrices



Progress in the EIF Countries with a Medium-term Programme (MTP) integrating DTIS AM priorities and indicating financing needs to be met through Official Development Assistance

In 2015, **61%** of the EIF Countries with Tier 1 'Support to NIAs' projects had an MTP that was satisfactorily linked to the DTIS AM (Figure 17). These MTPs indicate priorities and the necessary sequencing of projects, while also estimating costs. Satisfactory MTPs are developed in consultation with the donor community (with the DF as the key counterpart) as part of the government-donor dialogue.

Box 7: Comoros leverages US$3.35 million to implement its MTP

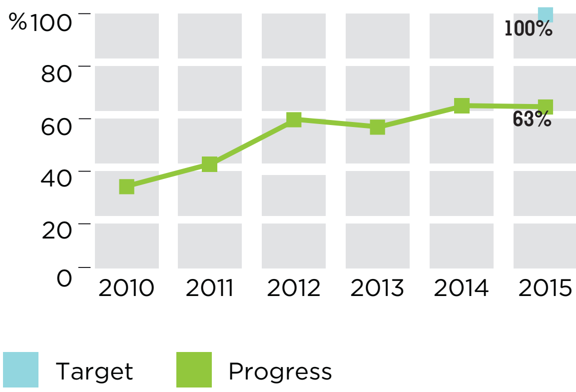
In Comoros, the EIF has been instrumental in the development of a national trade agenda. Through the DTIS, the Government of Comoros developed an MTP that was launched through a donor round table at the WTO. The MTP has attracted resources for the following projects:

- **US$435,000** European Union funding for the migration to ASYCUDA++;
- **US$1,033,673** STDF funding to build sanitary and phytosanitary (SPS) capacity in Comoros to increase the market access potential for agricultural products and fisheries, including complementary funding of **US$648,318** from Agence Française de Développement for SPS capacity-building;
- **US$700,000** support from the Common Market for Eastern and Southern Africa to compensate for revenue loss stemming from regional trade integration;
- **US$300,000** UK Trade Advocacy Fund funding to support WTO Accession; and
- **US$300,000** Islamic Development Bank funding to support WTO Accession.

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

Budgetary allocations for trade fluctuate in most EIF Countries. While some governments provide annual funding (as it is the case of the Government of Mali presented in Box 8 below), others commit on an ad hoc basis depending on the in-country situation. By the end of EIF Phase One, the share of LDCs whose national governments were allocating funds for the implementation of their trade strategy had reached 63%, down from 65% in the previous year. In general, however, LDC government budget allocations for the implementation of their trade agendas shows a positive trend (Figure 18).

Figure 18: Over half of the LDC governments have dedicated budgets to pursue their trade agendas



Box 8: Mali's Government commits to the EIF process in the short and long term

Mali's political commitment has been focused on clear trade and development outcomes. From 2012 to 2017, funding has been allocated to the EIF initiative through the Medium-Term Expenditure Framework to mainstream trade priorities into the country's PRSP. In 2014, the Government disbursed US$3 million to trade development, up from US$2.7 million in 2013. These funds are used for programme related activities prioritized in the DTIS AM.

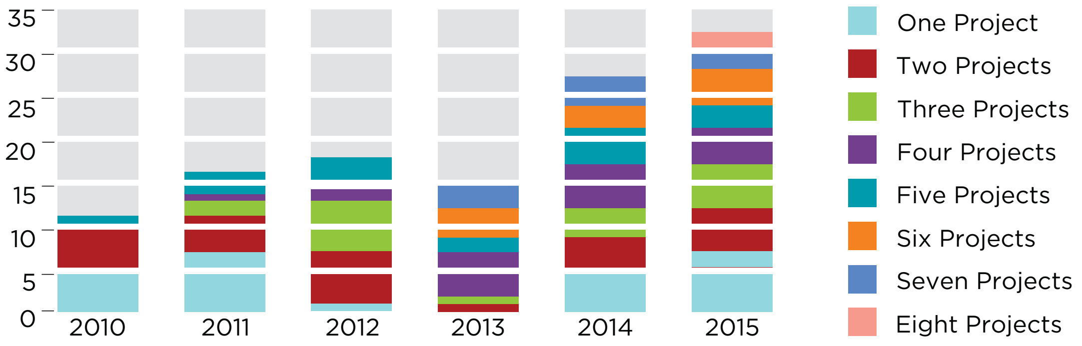
In Phase One of the EIF, the NIU participated in several coordination meetings with development partners around the implementation of projects in the agriculture sector, as well as with the Ministry of Finance to discuss budget allocations to the EIF interventions in support of priorities in the DTIS AM.

The number of projects funded by donors related to the DTIS AM has dramatically increased

Leveraging additional funding for the implementation of priorities in the DTIS AM is a priority for EIF Countries. The EIF is helping the LDCs to formulate competitive bankable projects to access donor funds. Some EIF

Countries are using the EIF process to establish basket funds (as presented in Box 9) for trade-related funding, which is coordinated by the ministry responsible for trade in collaboration with other line ministries, such as the ministry of finance.

Figure 19: Countries are increasingly receiving support from donors to implement projects from their DTIS Action Matrices



Box 9: Mozambique diversifies support for the implementation of the DTIS AM

The Mozambique DTISU was completed in August 2015 with the active participation of the NIU hosted in the Ministry of Industry and Commerce (MIC). In order to facilitate the implementation of the DTIS AM and cultivate greater buy-in, the NIU team conducted missions in October 2015 to six provinces in Mozambique to: (a) present the EIF and its current status to provincial stakeholders, (b) discuss the potential of trade on job creation, SME development, linkages and economic development; and (c) inform businesses working on internal or external trade on the importance of the DTIS AM and explore sectors with the potential for project development. Coordination and synergies between the EIF and the other donor-funded initiatives are also being explored through the participation of the EIF in the meetings of the private sector working groups, including the trade sub-committee, and other trade-related fora at the national level. As a result:

- In August 2015, H.E. Mr Ernesto Tonela, Minister for Industry and Commerce, signed a Memorandum of Understanding (MOU) with the U.S. Ambassador to launch the Trade Africa Mozambique Partnership, which will provide **US$10 million** of funding from USAID over two years to support an improved trade framework for Mozambique;
- In September 2015, the MIC signed an MOU with USAID through which MT 23 million (about **US$470,000**) were made available to the MIC to (i) revise the 1998 Mozambican Trade Policy and Strategy; and (ii) hire trade advisers, train staff and attend international trade negotiating sessions; and
- Within the framework for the implementation of EIF trade mainstreaming activities, UNDP Mozambique will facilitate training activities and contribute approximately **US$25,000** (**50%** of the total planned budget).

Fostering a people-centered trade promotion agenda

The Enhanced Integrated Framework (EIF), with the commitment of the Least Developed Country (LDC) governments and with the help of donors and other development partners, is creating an enabling environment to trade by supporting the LDCs to formulate the right policies and strengthen their institutions while improving the scope and effectiveness of service delivery for pro-poor growth. Empowering the poor, especially women and the youth, in bringing about sustainable economic growth and poverty reduction is crucial for inclusive growth. The preparation and implementation of EIF Tier 2 projects address issues of gender inequality and employment for women.

Tier 2 projects supporting pro-poor growth

Tier 2 projects complement Tier 1 projects by responding to the priorities identified in the Diagnostic Trade Integration Study's (DTIS) Action Matrix (DTIS AM). These projects are strategically selected to complement existing projects or fill gaps, as well as to help leverage additional financial and technical resources from bilateral donors, EIF Agencies and other developments partners and from the governments of the EIF Countries themselves. This forms a sustainable base for export growth.

Table 3: Number and category of Tier 2 projects approved by the EIF Board

Category	Number of Projects	Category Budget (US$)	Category Budget Share of Total (%)
Agribusiness	18	56,026,949	62
Trade facilitation	5	13,480,250	15
Standards	4	8,841,361	10
Tourism	4	8,634,700	9
Textiles and apparel	2	2,865,950	3
Feasibility study	4	1,194,760	1
Overall total	**37**	**91,043,970**	**100**

Agribusiness

The dominant sector in the LDCs is agriculture, which provides opportunities for initiatives that can tackle poverty and inequality. The fact that agribusiness projects are highly concentrated in food and cash crop production (rice, corn, sesame, palm oil, cashew and groundnut), where the majority of poor people in the LDCs earn their livelihoods, means that they can be a major driver of poverty reduction. The EIF supports investment in agriculture because it triggers a multiplier effect along the product value chain from production, marketing, logistics and processing to packaging and distribution, which in aggregate can extensively impact growth, rural development and nutrition. Benefits that can be felt in the short term include faster and easier access to income that can help address the financing requirements for SMEs, particularly processors and exporters.

Box 10: Improved agricultural technology links farmers to exporters in Lesotho

- The Tier 2 project in Lesotho is strengthening the capacity of smallholder producers to commercialize and diversify their production of fresh fruit and vegetables for both domestic and export markets. The project is directly benefiting **1,050 smallholder farmers, of which 30% are women**. Through the project, productivity has improved, with each greenhouse yielding on average **274 tomato, 200 sweet pepper and 110 cucumber plants with potential returns of between US$3,500 and US$4,500** each growing season.

- Since June 2015, the project re-oriented its activities by progressively from greenhouses (productivity) into the second phase of addressing market development (trade development). A Market Centre for agro products will be available in late 2016 to help link cooperatives with domestic and international markets. It will also serve as a point for collection, packaging and distribution for fresh produce. The Market Center will also function as an intermediary to assist the farmers to have a "footprint" in the banking sector, which is particularly important, as access to credit has been a constraint for many SMEs. Matiti Kabi Sekamaneng, who is benefiting from the project and employing 14 people in her two greenhouses, notes:

"From our greenhouse operations, we have contributed meaningfully towards the livelihoods of others around the village in which we're working. We are supplying supermarkets and restaurants in Maseru as well as in markets in neighboring South Africa; thanks to the EIF."

Matiti Kabi Sekamaneng, Employer.

Tourism

Tourism is emerging as a driver not only for economic growth, but also for sustainable development benefiting women and youth in particular. The tourism sector has a greater reach in the LDCs, since it provides employment and income in agriculture and industry-related services, thereby promoting economic diversification, strengthening the LDCs' economies and contributing substantially to reducing poverty and increasing overall economic growth. The emerging ecotourism sub-sector has the potential to open up and develop remote rural areas and promote the conservation of the environmental and cultural heritage. However, the LDCs encounter significant challenges in maximizing these gains from their national tourism industries, including the need to strengthen weak intersectoral linkages and reducing excessive revenue leakage from their national economies.

Box 11a: Inclusive tourism to drive growth in Solomon Islands

In the Solomon Islands DTIS, tourism has been identified as a key sector to help drive future inclusive economic growth and contribute to poverty reduction. Linkages to agriculture, fisheries and handicrafts are emphasized in order to promote local value chains and provide a source of livelihoods for women and youth, particularly in rural communities. The EIF-supported tourism project, which is featured in the Solomon Islands National Tourism Development Strategy (2015 2019), has provided four grants to innovative eco-tourism entrepreneurs, three of whom are women. These women working with grassroots organizations are engaged at both the low end of the tourism value chain (producing for hotels and airlines) and the high end (selling handicrafts to tourists).

The project has also facilitated the mapping of the whole tourism value chain and made it available online, for the very first time, as a marketing and research tool, as noted by Mr Barnian Sivoro, the Director of Tourism:

''The new tracking software has increased the Tourism Department's research and information sharing capacities. The Visitors Bureau is now marketing small-medium operators through its online portal, which is significant because most SME tourism operators had not previously been marketed online.''

Mr Barnian Sivoro, Director of Tourism.

Box 11b: Partnership rejuvenating livelihoods in Vanuatu

The EIF is helping Vanuatu to rebuild its vital tourism infrastructure and regenerate the seafront precincts in Port Vila, which were in bad shape and then destroyed by tropical cyclone Pam in 2015. As a consequence, all trading activities were drastically reduced, critically limiting job and income opportunities in this Pacific LDC. Now, with the launch of the Vanuatu Tourism Infrastructure Project in August 2015, in partnership with the Government of New Zealand and the Government of Vanuatu, hope is being restored. The project will ensure an integrated approach to environmental management, with improved resilience to natural disasters and climate change. For example, the building of a rock revetment along the bay will help protect the coastline from further erosion due to cyclones and sea level rise.

To Florence, a seller at the Arts and Crafts Market in Port Vila, this project means a new start for her and the **90 other members of her association**, to make an income and provide for their children. Florence, seated at the site where the former market was destroyed by the cyclone, looks around pensively and recalling in a bitter-sweet manner says:

''We would like to say thank you for this project. We would now have a well designed building where our products will be visibly displayed and therefore attract the tourists who can enjoy their time, relaxing, chatting with us and buying our wares.''

Florence, Seller at the Port Villa Arts and Crafts Market.

Textiles and apparel

The EIF supports the textile and apparel industry because of its economic and social importance to the LDCs, and especially the Asian LDCs, where it is the single largest formal sector providing income and jobs for poor and uneducated people, most of them women. In the long term, with appropriate policies, it can provide foreign currency receipts, create opportunities for sustained economic development, encourage the diversification of export destinations and build the sector's productive capacity.

Box 12: Cambodia's Golden Silk – The past and future link export growth and better livelihoods

Silk weaving represents one of Cambodia's greatest artistic expressions, and the practice still reflects deeply rooted cultural and social traditions in the countryside. Facing increased competition from neighboring countries due to the use of improved technology, the Cambodian silk industry encountered serious challenges in maintaining its market share. Realizing this constraint, the EIF in partnership with ITC supported the Cambodian Government to launch the High Value Silk Project aimed at increasing the competitiveness of the Cambodian silk sector to create jobs, particularly for women, support export diversification, reduce poverty and boost income growth. By 2015, business linkages were created with more **than 300 prospective buyers in 5 markets** (Australia, European Union, Japan, New Zealand and United States of America (USA)). This led to a 74% increase in exports of Cambodian silk products by the **14 small businesses directly benefiting from the project, created 88 new jobs and contracted 168 weavers, whose incomes have increased by 100% between 2012 and 2014.** As proudly stated by one of the beneficiary weavers, Moul Thary:

"I used to sell my products out of my house. Now after receiving training from the High Value Silk Project and connecting me to two companies, my income has increased due to increased sales. Now I have employed four women weavers and sent my son to university in Phnom Penh."

Moul Thary, Silk Weaver.

Trade facilitation

Trade facilitation has been identified by many LDCs as a priority for improving their trade performance. The EIF mechanism is well suited to provide support to the LDCs for implementing the WTO Agreement on Trade Facilitation, owing to a range of instruments at its disposal: (1) the DTISs and DTISUs as diagnostic tools for trade facilitation; (2) the institutional support projects to facilitate the establishment of national trade facilitation committees or the use of similar national committees established with support from the EIF; (3) the feasibility study window to conduct trade facilitation needs assessments; and (4) the Tier 2 window, which can support technical assistance necessary for the implementation of the WTO Agreement on Trade Facilitation. As the first generation of trade facilitation projects supported by the EIF are being implemented by the LDCs, consisting mainly of institutional and regulatory reforms to customs and port efficiency, it is becoming obvious that their successful integration into the world economy increasingly depends on the realization of a series of trade facilitation measures.

Box 13: Maldives – Strengthening the institutional capacity of key national trade facilitation agencies to improve competitiveness

As an import-reliant and tourism sector-dependent economy, it is vital for the Maldives to ensure that the movement of goods and increasing levels of passenger traffic are managed efficiently and effectively. A fully automated customs service in line with international best practices is vital to limit the revenue leakages and create a conducive environment for international trade.

The EIF is supporting the enhancement of the trade facilitation capacity in the Maldives by reinforcing the ability of the Maldives Customs Services (MCS) to operate as the lead trade facilitation and border control agency in the country through:

- The adoption of procedure and process changes to be compliant with the WTO Customs Valuation Agreement and an effective operationalization of a post clearance audit system;
- An improvement in the MCS clearance process via the implementation and full utilization of ASYCUDA World; and
- The enhancement of the MCS's IT infrastructure and technical capacity for effective border management.

Furthermore, the EIF is supporting the development of an appropriate economic regulatory framework to aid the Maldives Civil Aviation Authority to ensure the safe, efficient and economic provision of airport services and providing relevant training programmes to the Authority to develop the expertise necessary to handle regulatory functions. During an EIF supervision of the support provided, A customs officer highlighted the significant time savings:

"With the automation process in MCS, significant time savings have been achieved in goods clearance. On average, under the current conditions, if there are no major issues in an invoice, a trader could clear his/her shipment in 10-20 hours compared to 2-3 days."

Standards

Agricultural exports are a mainstay for most LDCs, but they need to meet sanitary and phytosanitary (SPS) measures to be able to successfully export to countries that impose high or special standards. If such standards cannot be met, market access is worthless.

The EIF is supporting the LDCs to comply with standards by building their capacity, creating the enabling policy and institutional environment and supporting various standards-oriented initiatives.

Box 14: Burundi – Accessing international markets through improved product quality

In Burundi, agriculture accounts for about **43% of GDP and employs 95%** of the population. However, production of high quality products is a major constraint to the competitiveness of Burundi's agricultural products in regional and international markets. Damien, the Director of the Standards and Quality Control Bureau, knows this too well:

"Without standards, you cannot ensure quality and be competitive, you cannot gain customers' trust and ultimately, you cannot get the right price for what you produce."

Damien, Director the Standards and Quality Control Bureau.

With EIF support, new internationally recognized equipment to analyze products destined for export and well trained and staff certified in international SPS standards are now in place to scientifically analyze products and provide certification as prerequisites for exports. Coordination and partnership among the National Standards Bureau, the private sector, research institutions, laboratories and traders have allowed the harmonization of over **1,000 SPS** standards at the national level.

Feasibility studies

The EIF supports countries to undertake feasibility studies in order to test a project idea for its technical feasibility and commercial viability. If positive, the feasibility study could lead to the development of bankable projects linked to the priorities identified in the country's DTIS AM. The range of the EIF's feasibility studies includes: assessment of the quality of production and increased production for export; a review of trends of production and export; the identification of major constraints to production and export expansion in terms of external market demand and a country's overall competitive position; export diversification, including the identification of a country's most attractive markets; and strategies for the exploitation of the trading opportunities of traditional products by enhancing their value addition and regional crossborder trade.

Box 15: Burkina Faso – Tapping into the export potential of shea butter for economic growth and poverty reduction

Shea nuts provide substantial revenues for rural producers, many of whom are women. Despite the importance of shea nuts for the country, Burkina Faso possesses neither a detailed analysis of the potential of shea nuts for export nor an analysis of its contribution to economic growth. To address this situation, the Government of Burkina Faso tasked ITC to undertake such an analysis and approached the EIF for funding.

The feasibility study showed that the shea plant has great economic and social potential for the country and will positively impact lives, especially that of the poor. It also showed that:

70% of Burkina Faso's surface area is covered by shea trees;

850 tons of shea nuts are produced each year;

250 tons of shea butter are processed each year; and

500,000 women depend on shea for their livelihoods.

This report of the feasibility study led to:

- The production of a **Shea Almond Sector Development Strategy**, which was adopted by the Government in June 2015 as the reference document for all interventions in the shea almond industry;
- The formulation of a project, based on the Sector Development Strategy, to support the integrated development of the shea industry:
  - The project has leveraged **US$1 million** from the African Development Bank;
  - The project will be coordinated by the Ministry of Industry for export growth; and
  - The project will focus on the impact on **poverty alleviation, job creation, gender equity and environmental protection.**

The centrality of gender and environment issues to EIF-supported projects

Mainstreaming gender and environmental considerations is an ongoing priority of the EIF. During the design and appraisal stages of project development, prospective projects are required to indicate how they would address both dimensions. The selection of priority projects arises from close consultations with the major in-country stakeholders and reflects the potential contribution of the projects to export growth and their impact on poverty alleviation.

Trade and environmental sustainability

Economic growth and development triggered through trade influences both poverty reduction and environmental sustainability. Growth that is environmentally sustainable requires adequate public policy and regulatory frameworks to guide the growth process and to protect the environment so that the benefits of growth can reach the poorest and most vulnerable people.

Because of this environmental concern, the EIF recognizes that economic development resulting from trade that creates substantial income and reduces poverty but endangers the environment is not sustainable. For this, the EIF supports trade development projects that put together poverty reduction and environmentally sound strategies.

While the EIF Countries are encouraged to examine the environmental impacts of potential projects at the project formulation stage, the Executive Secretariat for the EIF (ES) conducts environmental due diligence on projects at the quality-at-entry stage. If a project is found wanting, mitigation measures based on the potential level of impact should be instituted using standards set by the in-country environmental protection agency. Up to 2015, six projects (Benin gum arabic project, Mali gum arabic project, Nepal ginger project, Nepal medicinal and aromatic plants project, Niger leather (hides and skins) project and Sierra Leone tourism project) particularly included environmental sustainability as a key component in their implementation.

Box 16: Mali halting the advance of the Sahara desert

In Mali, **370,500 people** depend on the production of gum arabic, of which **80% (296,400)** are women. The project is working to reduce poverty by increasing the revenue of producers, collectors and exporters. The project is centered in six regions, including some of the most environmentally vulnerable provinces of Mali. In order to address the environmental threats:

- **10,000 hectares of land** are being planted with three tons of acacia trees, which is a nitrogen-fixing tree used for sustainable land management by protecting the land from environmental degradation;
- The project is also part of regional efforts to create a **"Great Green Wall of Africa"** with the goal of halting the advance of the **Sahara desert**; and
    - This is significant for Mali, because over **60% of Mali's total surface area** of 1.22 million km^2 is already either desert or semi-desert, and **20%** is in the Sahel zone.

This environmentally friendly project is thus focusing in regions where:

- **177** gum arabic cooperatives have now been established at the local level;
- **19** unions of gum arabic cooperatives have been established at the district level;
- **13** sites for gum arabic production have been identified;

Box 16 (Cont'd)

- **8** geophysical studies have been carried out at 8 sites;
- **82** representatives from gum arabic producers, partners from non-governmental organizations and the forestry sector have been trained across 10 training of trainers' workshops. They will now be responsible for training in the 13 Districts covered by the project;
- A training guide and modules covering gum arabic-producing techniques have been produced by a forestry expert; and
- Information and training on the protection of gum arabic has also targeted nomadic pastoralists who engage in excessive cutting of acacia to feed their livestock.

Empowering women for inclusive growth

The expansion of trade brings growth as well as new opportunities for everyone, but it also has certain distributional implications, as it impacts men and women in different ways. Women can gain if the sectors in which they are mainly active expand or they are empowered to take advantage of export expansion through various facilitating measures. Sound trade and development policies are therefore required that extend equal opportunities to both women and men to access the positive benefits of trade.

Acknowledging that given appropriate empowerment, women can contribute significantly to economic growth and poverty reduction, the EIF promotes a gender-inclusive perspective in the design and implementation of trade policies and programmes in the LDCs in order to achieve fairer and beneficial outcomes for all. An essential part of this process is the preparation and updating of the Diagnostic Trade Integration Study (DTIS) as the analytical foundation for policy recommendations and related capacity-building and support to scalable interventions at the country level that potentially impact women. In this process, the EIF has supported projects that bring the concerns of women to the forefront.

Table 4: Gender-specific initiatives emphasized in Tier 2 projects

Country	Product	Project	Estimated % of female beneficiaries
Burkina Faso	Sesame	The project strongly emphasizes the employment of female farmers.	40
Cambodia	Silk	The sector employs approximately 20,000 silk weavers, most of whom are women living in rural areas.	60
	Rice	The project focuses on increasing Cambodia's rice exports.	25
Comoros	Vanilla, ylang-ylang and cloves	The project focuses on export competitiveness and organizes women producers for greater involvement in the value chain for each crop.	30
Guinea	Mango	The project promotes gender balance in mango production and export.	80
Lesotho	Fresh agricultural produce	The project focusses on capacity development in agricultural trade of 1,050 farmers.	30
Mali	Gum arabic	To improve the livelihood of 370,500 people who depend on the production of gum arabic.	80
Nepal	Ginger	SPS capacity enhancement of 2,000 farmers to export, through access to a new facility for washing, grading and curing of ginger rhizomes.	60
	Pashmina	Support to the pashmina processing sub-sector of 544 manufacturers who produce pashmina garments for exports.	61
	Medicinal and Aromatic Plants	Using indigenous knowledge to harvest plants for medical and cosmetic uses.	55
Zambia	Honey	The project targets women-led and women-owned enterprises as part of the strategy to ensure gender empowerment.	60

The EIF's entry points for gender-inclusive growth

In Phase One of the EIF, three main strategies emerged to increase the number of female participants in projects funded by the EIF:

- Supporting sectors that rely heavily on women workers, such as agribusiness, tourism and textiles;
- Encouraging the participation of women in male-dominated sectors, e.g., sanitary and phytosanitary (SPS) training for products in the agricultural sector and export oriented training; and
- Connecting women entrepreneurs or women-owned small businesses to global markets.

Box 17: Empowering women in the sesame sector of Burkina Faso

Burkina Faso is currently one of the top sesame producers in the world, but a lack of sector organization and low productivity have inhibited the sesame sector from reaching its full potential. Through the EIF-funded sesame sector project, the operational capacities of sesame processors are being strengthened in order to increase the amount and value of exports. Sesame producers and processors are being trained in areas including SPS, quality standards and best hygiene practices. The project also helps sesame exporters to develop improved export strategies through training and study visits to other sesame producing countries. The project strongly emphasizes the employment of **female farmers, who represent 40% of the sector.**

This project is therefore playing a pivotal role in uncovering a latent demand for employment by women by providing them the right set of conditions to participate in economic activity. The contribution of this project to female employment is compelling:

86%
women in the National Association of Processors;

6
women trained in SPS measures; and

7
women processors and exporters trained in basic legal aspects of international trade.

- The National Association of Processors that was formed as a result of the project is made **up of 86% women** and is **chaired by a woman.**
- The female dominance of sesame processing is well illustrated by the fact that there were **four times as many women as men** in the processing part of the sesame value chain in the 2014/2015 production season.

The whole sesame sector in Burkina Faso, from production to export, involves women in areas that were traditionally dominated by men. For instance:

- **30** inspectors were trained on SPS measures and quality standards, 6 of whom were women. This is significant because all too often women are excluded from receiving such technical training.
- **16** exporters (including **3** women) and **4** women processors participated in a workshop on trade fairs and the legal aspects of international trade.

Small and medium enterprises (SMEs) as productive and remunerative employment for women

In the LDCs, it is very common that women are more likely to operate at the lower end of the value chain in sectors characterized by low productivity and limited wages, as it is often the only source of employment available to them. These low-skilled and poor women have to work both from home and in the fields (sectors dominated by the production of primary goods and services and that are labour intensive) in order to balance business and family commitments. Success in raising the productivity and competitiveness in such sectors can sustain livelihoods, help to raise wages and lead to job creation for the unemployed, particularly for women.

SMEs can play a very important role in this direction, by creating employment, through labour-based enterprises, which often have a high level of women participation. For instance, in the agricultural sector, artisanal agro-processing is often a traditionally female occupation, and employment in agro-industrial processing of high-value products also tends to be predominantly female. Therefore, engaging female entrepreneurship, which is generally skewed towards smaller enterprises, is particularly beneficial in generating employment and business opportunities for women.

With appropriate incentives, women-led SMEs can create opportunities for increased incomes and with more support integrate into global and regional value chains, such as agro-processing, services in the tourism sector and dressmaking in the textile and apparel industry. These subsectors remain the most important source of employment for women in all EIF Countries. Because of this, entrepreneurship is regarded as a key aspect of the EIF's job creation drive as part of the efforts of integrating the LDCs into the global trading system. Women's entrepreneurship is an important untapped source of economic growth, as women create new jobs for themselves and for others and are known to make good use of entrepreneurial opportunities. However, they still represent a minority of all entrepreneurs in the LDCs. This shows that there exists a market failure limiting the possibility of women becoming successful entrepreneurs. This market failure needs to be addressed by the LDC governments, donors and development partners, so that the economic potential of women can be fully realized.

For this, the EIF is in a crucial, and in many ways, unique position to engage the LDC governments to create the enabling environment to trade and provide support mechanisms for SME development, including women-owned SMEs. Box 18 demonstrates that increasing women-owned SMEs' access to trade opportunities is not only good for women but also a profitable opportunity for the country as a whole. It illustrates that investing in women's entrepreneurship is good for business and essential for economic growth. As gender equality has become a strategic priority for the EIF, the programme has increasingly focused on supporting women-owned SMEs and harnessing the huge untapped potential of women to contribute to economic growth.

Box 18: Improving the productivity and export competiveness of the Guinean mango sub-sector

Guinea is one of the largest producers of mangoes in West Africa. Guinea's National Policy for Agriculture Development: Vision for 2015 highlights both the importance of mangoes as an export crop and current constraints to its production and export. The project aims to address these constraints and increase the competitiveness of the mango sector by strengthening the capacity of SMEs (particularly women-owned SMEs) and by improving smallholder productivity in the Eastern and Western Regions of Guinea. Approximately 323,000 people living in these two regions depend on mango production for their livelihood, **of which 80% or 258,000 are women producers and harvesters.**

In both regions, mango is a source of job creation, particularly for women, and a major source of income in the rural economy. Women are important players at the different levels of the mango value chain. As laborers (both paid and unpaid), they contribute to planting, tree maintenance, harvesting, sorting, packaging and other post-harvest processes. For example, **women account for at least 60% of workers involved in sea freight packaging.**

Women are also clearly represented as entrepreneurs at most levels in the mango sector:

- **At least 10%** are farm owners, exporters, entrepreneurs of small-scale processing units and as independent intermediaries between producers and exporters;
- **At least 5% are owners/entrepreneurs** of export/packaging companies;
- Of the 2,500 professional organizations including the chambers of commerce that exist in Guinea, **400 are exclusively comprised of women.** These organizations are formed by the various producers and actors (employed pickers, sorters, packers, etc.).

In order to sustain these institutions and strengthen the participation of women in the mango sector, including by attracting more women into ownership or management roles, the EIF has helped provide new infrastructure and extensive training to those engaged in the mango value chain. In 2015 alone:

- 177 actors in the mango value chain were trained by the *Institut de Recherche Agronomique de Guinée* on topics including plant production, orchard creation and grafting techniques. Of the trainees, **35% were women**;
- 10 people participated in June 2015 in a study tour to Mali to learn about the successful Malian model of mango production; and
- As part of the strategy to combat mango pests, a training programme for SMEs involved in production was delivered in August 2015 in collaboration with the *Service National de Protection des Végétaux*.

Potential contribution to export growth

The EIF priorities for Tier 2 projects are based on their potential contribution to trade development, economic growth and poverty reduction as linked to the countries' priorities in the DTIS Action Matrices (DTIS AMs). Growth is more effective in helping to reduce poverty when it occurs in sectors where poor people earn their livelihoods and when it increases their access to markets for goods and services. Nepal is implementing an EIF-funded project, where the poor are embedded in every segment of the value chain, as presented in Box 19.

Box 19: Rebranding Nepal's pashmina to regain market share

Nepal's pashmina products made from fine animal fibre obtained from the Chyangra mountain goat used to be very popular in the premium international fashion and luxury markets. Low quality imitation products from competing countries subsequently dampened consumer confidence, leading to a drop in demand and a near collapse of Nepal's pashmina industry. In response, the sector umbrella association – Nepal Pashmina Industries Association (NPIA) – with the support of the Government of Nepal, launched a quality initiative to rebrand and re-establish the prestige of Chyangra pashmina.

As a priority project in the Nepal Trade Integrated Strategy 2010 (NTIS 2010) and proposed to be one of the priory export products in the NTIS 2016, the EIF was approached to provide support to the initiative with technical support from ITC. The project's main beneficiaries include SMEs in the pashmina sector, their employees and Chyangra goat farmers. With the project:

- A high visibility and increased knowledge of the Chyangra Pashmina (CP) trademark in priority export markets is being enhanced:
  - **22** enterprises are being supported through capacity-building on market information, product and collection development, merchandising and trade fairs to be export-ready for the U.S. and Japanese markets;
  - **11** companies participated in the SOURCING at MAGIC trade fair (USA) in 2015:
    - **6** out of the 11 companies received orders from new clients after the SOURCING at MAGIC trade fair; and
    - New market-oriented designs showcased by enterprises at the SOURCING at MAGIC and the JFW-IFF (Japan) trade fairs.
  - **10** companies participated in the JFW-IFF Trade Fair, where the CP label was launched with good media coverage and good engagement with 182 buyers;
  - **1** company participated in the China LDC Import Expo in Kunshan, China, in May 2015; and
  - **3** companies participated in the Cashmere World in Hong Kong:

Box 19 (Cont'd)

    - 1 company reported orders of US$70,000 after the Cashmere World.

- **21** students engaged with 22 CP enterprises to create new designs and collections for the U.S. and Japanese markets;
- **751** CP sector participants benefited from NPIA export development and trade promotion services;
- **2** CP enterprises have successfully procured raw materials from the Mustang region on a sample basis, leading to **20%** higher prices for goat farmers:
    - **1,000 kg** of fiber bought directly from farmers by CP manufacturers; and
    - 90% higher price paid to farmers by CP manufacturers.
- **2** enterprises that did not previously export are now exporting, with EIF project support, to a tune of US$30,000; and
- **27** new business contacts established with buyers.

Accountability and Transparency

Financial and fiduciary management

The tables below present the Enhanced Integrated Framework's (EIF) financial situation as of 31 December 2015, taking into consideration contributions received, funds allocated, disbursements and funding availability.

(a) Donor commitments and contributions received

The funding target for the multi-donor trust fund (EIFTF) of the EIF programme amounted to US$250 million over five years. The funds committed through a signed legal agreement by EIF Donors in the EIFTF represented close to 102% of the total funding target. In 2015, US$4.56 million new funds were committed from Estonia, France, Germany and Switzerland, and approximately US$530,000 in interest was earned by the EIFTF. As of 31 December 2015, the EIFTF had received EIF Donor commitments totaling US$253.81 million as per the detail below:

Table 6: EIF Donor contribution details (as of 31 December 2015, in US$)

Donor	Commitment	Receipt
European Commission	13,090,375	12,569,122
Government of Australia	4,749,603	4,749,573
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	15,433,930	15,433,912
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 Sweden	17,276,750	17,276,750
Government of the Federal Republic of Germany	10,176,303	8,750,838
Government of the French Republic	10,696,212	10,696,179
Government of the Kingdom of Saudi Arabia	3,000,000	3,000,000
Government of the Kingdom of Spain	6,953,404	6,953,378
Government of the Republic of Estonia	160,807	160,793
Government of the Republic of Hungary	400,000	400,000
Government of the Republic of Ireland	3,238,342	3,238,339
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	2,162,789	162,789

Government of the United Kingdom	58,304,779	12,274,690
Government of the United States of America	600,000	600,000
IF UNDP Transfer, Co-mingled Funds		
Interest EIF Income	4,655,606	4,655,606
SUB TOTAL	**253,809,572**	**203,832,612**

The total funds deposited in the EIFTF represent over 82% of the total funding target of US$250 million, though naturally, fewer funds were received in 2015 as most of the EIF Donors had fully deposited their commitments.

(b) Allocations for EIF Activities

In 2015, allocations for EIF activities totaled US$18.44 million, for a grand total of US$200.3 million during Phase One of the programme. Annex 1 presents the list of projects approved in 2015. The 2015 allocations for EIF activities in the Least Developed Countries (LDCs) consist mainly of Tier 1 projects (totaling almost US$7.3 million), and one Tier 2 Feasibility Study (US$0.2 million). The total LDC implementation allocation is close to US$100.56 million, representing approximately 68% of total project allocations. Agency implementation totaled US$1.04 million in 2015, with a grand total of US$33.93 million.

At its meeting of December 2014, the EIF Board approved the 2015 budget for: (1) the Executive Secretariat for the EIF (ES) to cover its costs (approximately US$4.1 million); (2) the EIF Trust Fund Manager (TFM) to cover its operational costs and management fees (approximately US$2.2 million; the 2015 TFM (UNOPS) fee amounts to US$137,284); and (3) Global activities to cover the LDC representatives' participation at the EIF Board meetings, publications; and the EIF outreach activities for a total of approximately US$390,000. At its meeting of November 2015, the EIF Board approved the 2016 budget to kickstart EIF Phase Two for the operations of the ES and the TFM and Global activities amounting to US$7.1 million.

Table 7: Allocations for EIF activities

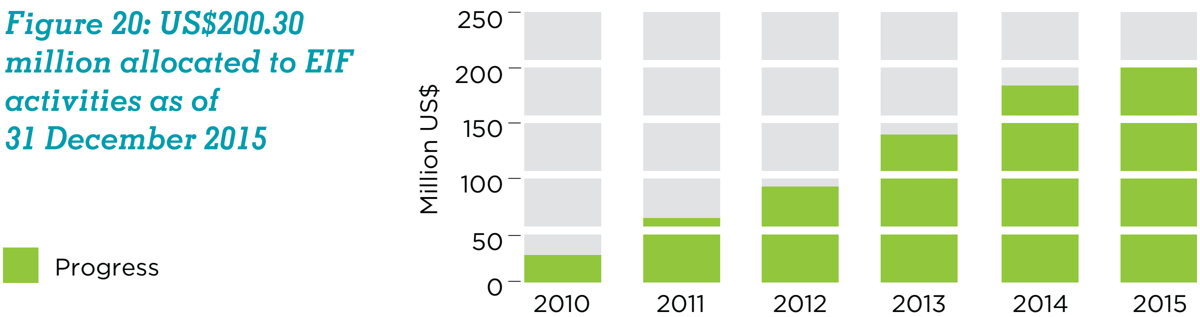
Activity Category	Sub-type	2008-2014	2015	Grand Total
Agency Implementation	Tier 1 – Diagnostic Trade Integration Study (DTIS)	3,260,000	(105,359)	3,154,641
	Tier 1 – DTIS Update (DTISU)	6,571,068	(34,844)	6,536,224
	Tier 1 – 'Support to National Implementation Arrangements (NIAs)'	2,700,000	300,000	3,000,000
	Tier 1 – 'Support to NIAs' – International Trade Adviser	1,604,580	523,810	2,128,390
	Tier 1 – Trade mainstreaming		146,293	146,293
	Tier 2 – Agribusiness	12,177,419	–	12,177,419
	Tier 2 – Feasibility study	389,053	199,433	588,486
	Tier 2 – Standards	3,321,922	–	3,321,922
	Tier 2 – Textile and apparel	2,865,950	–	2,865,950
	Tier 1 – World Bank Trust Fund (Unallocated)	–	9,546	9,546
Agency Implementation Total		**32,889,992**	**1,038,879**	**33,928,871**

Activity Category	Sub-type	2008-2014	2015	Grand Total
Other Imple-menta-tion	Tier 1 – DTISU	160,000	–	160,000
	Tier 2 – Agribusiness	12,188,740	–	12,188,740
	Tier 2 – Tourism	950,000	–	950,000
Other Implementation Total		**13,298,740**	**–**	**13,298,740**
LDC Implementation	Tier 1 – Pre-DTIS	500,000	50,875	550,875
	Tier 1 – DTISU	1,172,484	100,000	1,272,484
	Tier 1 – 'Support to NIAs'	36,089,173	6,300,000	42,389,173
	Tier 1 – Trade mainstreaming	198,500		198,500
	Tier 2 – Agribusiness	31,859,462	(2,999,968)	28,859,494
	Tier 2 – Feasibility study	606,274	–	606,274
	Tier 2 – Standards	5,519,439	–	5,519,439
	Tier 2 – Tourism	7,684,700	–	7,684,700
	Tier 2 – Trade facilitation	13,480,250	–	13,480,250
LDC Implementation Total		**97,110,282**	**3,450,907**	**100,561,189**
Global Activities	Consultants	617,177	–	617,177
	Database	192,300	–	192,300
	Monitoring and Evaluation	256,955	–	256,955
	EIF Board travel	448,201	152,203	600,404
	Capacity-building	991,030	(4,020)	987,010
	Capacity needs assessment	1,000,000	–	1,000,000
	Knowledge-building activities	120,910	(120,910)	–
	Mid-term Review	540,467	–	540,467
	Workshops	297,616	174,922	472,538
	TFM Review	224,056	–	224,056
	EIF Evaluation	328,449	–	328,449
	Publications	29,258	138,410	167,668
	Outreach	–	128,248	128,248
Global Activities Total		**5,046,419**	**468,853**	**5,515,272**
ES 2008-2014		17,868,032		26,321,957
ES 2015			4,085,278	
ES 2016			4,368,647*	
TFM 2008-2014		14,292,564		19,184,515
TFM 2015			2,555,519	
TFM 2016			2,336,432*	
ES and TFM Total		**32,160,596**	**13,345,876**	**45,506,472**
TFM management transaction fee (0.75%)		1,353,795	137,284	1,491,079
GRAND TOTAL		**181,859,824**	**18,441,799**	**200,301,623**

Notes

- The 2016 ES and TFM budgets are exceptionally included in the 2015 Annual Report, as they were approved and allocated in 2015 to mark the end of EIF Phase One and the beginning of EIF Phase Two.
- There is a slight change in the prior reported figures, as actual expenditures have now been submitted and activities were completed.
- The World Bank Trust Fund (Unallocated) entry refers to the funds in the EIF World Bank subsidiary trust fund, which were not fully allocated during 2015.
- For projects approved in late 2015, due to funding constraints, only the first year of funding was allocated at the time of the signing of the legal agreement, and the remainder will be allocated with the replenishment of the EIFTF.

Figure 20: US$200.30 million allocated to EIF activities as of 31 December 2015



(c) Disbursements

Based on the allocations detailed above, the TFM undertook disbursements as agreed upon in the respective legal agreements and payment calendars, as confirmed by the ES following a review of project work plans and logframes, for a total of US$36.54 million in 2015 (an increase of 14% compared with 2014). Total disbursements are US$146 million, representing almost 73% of total allocations.

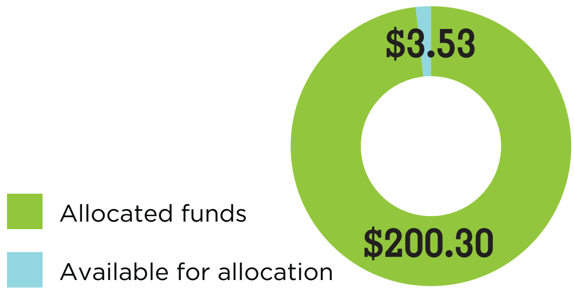
Table 8. Disbursements (in US$ million)

Annual Report Category	2008-2014	2015	Grand Total
LDC implementation	43.69	21.75	65.44
Agency implementation	22.26	5.56	27.82
Other implementing entity	4.16	3.54	7.70
Global activities	5.00	(0.02)	4.98
ES	19.25	3.02	22.27
TFM	14.29	2.42	16.71
TFM management transaction fee (0.75%)	0.81	0.27	1.08
GRAND TOTAL	**109.46**	**36.54**	**146.00**

(d) Available funds

By the end of the EIF Phase One, as of 31 December 2015, the EIFTF had US$3.53 million available for allocation to EIF project activities (Figure 3). This is the difference between funds received, including accrued interest, minus the funds already allocated to EIF activities through signed agreements.

Figure 21: Only US$3.53 million was available for allocation, as of 31 December 2015



Auditing practices

All the Main Implementing Entities for EIF projects, whether government entities or others[1], are required to submit annual audited accounts as stated in the respective agreements signed with the TFM. Internal audit systems have been activated in all the LDCs implementing Tier 1 or Tier 2 projects, and internal or external audit reports are undertaken after one full year of project implementation as contemplated in the respective legal agreements and project budgets. In 2012, the TFM prepared audit guidelines to assist the EIF National Implementation Units (NIUs) in this task. It is also common practice for the NIUs to have the audit terms of reference reviewed by the TFM before launching the exercise.

In May 2015, the EIF Board approved criteria for the escalation of negative audit findings, and the TFM, in collaboration with the ES, will implement them.

As seen in Table 9 below, 41 audit reports were received in 2015, and 7 were in progress (often due to lengthy government processes and/or situations of crises). No major concerns have been noted in the audit reports of 2015. 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 reported in the 2014 Annual Report, there have been some inconsistent audit findings in Central African Republic (CAR) for the 2011/2012 audit received by the TFM in January 2013. The inconsistencies were issues that the TFM had already identified in previous supervision missions and which 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 precautionary measure). In light of the security situation in CAR, the second audit only took place in September 2014 and finalized in November 2014. The TFM reviewed the second audit findings, and following consultations with the ES, informed the EIF Board of its conclusions

1 Agencies are audited internally, as per the EIF partnership agreements and the UN single audit principle.

– namely the mishandling of resources, resulting mainly from misused procurement procedures, lack of evidence of reception of goods and utilization of funds for purposes other than project activities. The audit further highlighted an urgent need to improve the financial management, procurement and internal control systems of the NIU. Accordingly, an official letter was sent in early 2016 to CAR informing them of the findings and imposing certain conditions to remedy such a situation, as well as a refund of misused funds of approximately US$9,000.

In addition, all the TFM financial and funding management activities are subject to periodic audit exercises following the EIF Accountability Framework and the UNOPS Audit Rules.

Table 9: Status of audit reports

Report	Status	Number of Reports		
		2008-2014	2015*	Total
Audit	Received	102	41	143
	In progress	–	7	7
TOTAL	**102**	**48**	**150**	

* 2015 audits are for the 2014 reporting period, and in some cases, a few months of 2013 implementation.

Programme implementation challenges

The EIF works with the most challenging countries in the world. Not only are the LDCs characterized by pervasive poverty and dependence on development assistance, but some are also geographically isolated and vulnerable, including the Small Islands Developing States (Cabo Verde, Comoros, Haiti, Kiribati, Maldives, São Tomé and Príncipe, Samoa, Solomon Islands, Timor-Leste, Tuvalu and Vanuatu), while some others are landlocked (Afghanistan, Bhutan, Burkina Faso, Burundi, Central Africa Republic, Chad, Ethiopia, Lao PDR, Lesotho, Malawi, Mali, Nepal, Niger, Rwanda, South Sudan, Uganda and Zambia).

Besides these physical impediments, national governments faced challenges during EIF Phase One, which slowed down project delivery in some of the EIF Countries. Challenges such as natural disasters (e.g., earthquakes and cyclones); outbreaks of disease (the Ebola epidemic); and political upheavals (coups d'état, wars), some of which destroyed infrastructure, diverted both human and financial resources to other sectors besides trade. These drawbacks, especially series of political upheavals, affected the respective governments' commitment and ownership of the EIF programme, sometimes leading to a long-term disruption of project delivery or delays in project startup. Table 5 presents an outline of events that affected programme delivery ranging from six months to three years. The table includes Afghanistan, Eritrea, Somalia and South Sudan where such problems have prevented the EIF from starting on the ground interventions.

Alongside the political and natural disaster challenges was a wide range of specific experiences across the EIF Countries, which had to be factored into each country programming. These experiences (inadequate human and institutional capacity, speed of delivery, government commitment, donor and private sector engagement, capacity to leverage resources, etc.) meant that the ES and the EIF Trust Fund Manager (TFM) had to identify how the various experiences fitted into the programme, the conditions that influenced project implementation and ways to tailor the programme to fit country needs. Even more important was that in the face of these challenges, the LDCs showed some remarkable resilience, reinforcing the need for the EIF's continuous engagement and support to the LDCs in order to use trade to strengthen and diversify their economies so that they are better prepared when the next disaster strikes or yet another challenge comes about.

Table 5: External challenges that affected programme delivery

Year	Country	Disaster
2010	Haiti	Earthquake
	Guinea-Bissau (2010-2012)	Political upheaval
2011	Yemen (2011-2015)	Political upheaval
2012	Mali	Political upheaval
	CAR (2012-2015)	Political upheaval
2013	Madagascar (2013-2014)	Political upheaval
	Guinea (2013-2015)	Ebola
	Solomon Islands	Earthquake/tsunami
2014	Liberia (2014-2015)	Ebola
	Sierra Leone (2014-2015)	Ebola
2015	Burkina Faso	Political upheaval
	Burundi	Political upheaval
	Nepal	Earthquake
	Maldives	Political upheaval
	Vanuatu	Cyclone
	Afghanistan Somalia Eritrea South Sudan	Countries where project startup is slow or EIF active engagement cannot commence due to political uncertainty.

EIF Phase Two: A path towards higher impact

Setting up for Phase Two of the Enhanced Integrated Framework (EIF): The process and mandate of the EIF Board Working Group (WG)

Following the Comprehensive Evaluation of the EIF in 2014 and the EIF Board's endorsement followed by EIF Steering Committee's (EIFSC) approval of its recommendations to extend the EIF to a second phase (2016-2022), a WG, composed of representatives of the EIF partnership, was set up at the EIF Board meeting of 30 October 2014 to prepare the extension of the EIF programme to a second phase, including the procurement of an EIF Trust Fund Manager (TFM) for EIF Phase Two and the preparation of a pledging conference for the new phase.

The **WG concluded its task by submitting** to the EIF Board of 20 May 2015 a draft Programme Framework Document (PFD), the key "founding document", for EIF Phase Two. The PFD sets out how the EIF shall operate more efficiently and effectively, including an estimate of the overall cost of the programme; mandates and functions of the EIF governance bodies; a Change Management Plan; and a and a logframe and risk matrix for EIF Phase Two. The PFD also explains how EIF Phase Two will adapt to major trends in trade, such as regional trade integration, trade facilitation, value chain issues and the roles of private sector actors as key players in trade.

Following a competitive selection process, the WG also concluded its mandate for procuring the services of UNOPS as the TFM for EIF Phase Two and successfully conducted the Pledging Conference for EIF Phase Two, which took place on the margins of the Tenth WTO Ministerial Conference in Nairobi, Kenya, in December 2015. The Pledging Conference was a prelude to the preparation for the operation of EIF Phase Two beginning 1 January 2016.

Why a programme exclusively for the LDCs is still needed

Evidence shows that trade can be a powerful enabler for fostering growth and poverty reduction. As a group of countries that face the most difficult development challenges, the LDCs experience many and varied obstacles in their ability to trade. Therefore, targeted support in priority areas identified and owned by the LDCs themselves is required to help them to realize their full trade potential. The EIF contributes to achieving this goal through a results-oriented equal partnership between the LDCs, the EIF Donors and the International Agencies. This approach sets the EIF apart from other Aid for Trade (AfT) initiatives.

Through building trade capacity, the partnership works together to support the LDCs' own drive to:

- Identify and address the priority constraints to trade through a rigorous evidence-based needs analysis;
- Ensure that trade directly supports the national development agenda;
- Raise the profile of trade by setting up institutional and coordination mechanisms for trade-related technical assistance (TRTA) through consultative processes involving national public stakeholders, the private sector, civil society, the donor community and other development partners; and
- Institute policy reforms and mobilize additional financial and technical resources to address priority trade needs through an efficient and effective implementation of projects, which will have the most impact.

What the EIF will achieve in the 51 EIF Countries

The EIF will support the EIF Countries to achieve:

1. Improved evidence-based policy inputs supporting pro-poor trade;

2. Strengthened institutional coordination of trade and development;

3. Enhanced human capacity for trade and development;

4. Improved support to project beneficiaries (farmers, micro, small, and medium enterprises and other state and non-state stakeholders), particularly women and youth, to participate in EIF capacity-building initiatives;

5. Increased productive capacities and access to international markets; and

6. Improved leveraging (directly and indirectly) of additional funding.

Once the EIF delivers the above six outputs, it will be directly supporting:

The 51 EIF Countries to

- own a trade agenda conducive to sustainable pro-poor growth; and
- increase their presence in international markets.

By achieving the above two outcomes, the EIF will directly and indirectly contribute to:

The 51 EIF Countries' (48 of which are LDCs) integration into the global trading system in a way that contributes to poverty reduction and sustainable development in each of the countries.

How the EIF will work to achieve the targets

The EIF has a duty to show that the programme is achieving value for money in everything it does. **Results, transparency and accountability** will be the EIF's watchwords, and the partnership is determined to obtain value for money on its activities.

In each country, the EIF will undertake an early engagement with all stakeholders on the **Diagnostic Trade Integration Study (DTIS)/ DTIS Update (DTISU)** and maintain this engagement up to the validation stage of the DTIS Action Matrix (DTIS AM), thereby ensuring that the process is consultative, transparent and responsive to the needs of the national and international trade agenda and to the overall development agenda of the country.

The EIF will also aim to be **efficient and effective** across all of its work in relation to both the delivery of results and the EIF's operating costs. The EIF will closely monitor the economic, financial and political situations in the countries to underpin the EIF's support. The programme will carry out regular updates, monitoring and periodic evaluations of its activities to address issues and concerns as they arise, including an assessment of risks to EIF funding and programme implementation.

The EIF will **openly communicate and be fully transparent** in line with International Aid Transparency Initiative standards by publishing detailed information about its programmes/ projects and by promoting access to information in EIF Countries more broadly. This includes enhancing the visibility of the EIF. The EIF will do this through using the local media more effectively; supporting the countries to translate key information into the main local languages and dialects; and ensuring that information also reaches all the EIF Donors and EIF Agencies, the EIF Board and the EIFSC through the EIF website, coupled with a robust management information system.

Above all, the EIF will aim to achieve **value for money** in programme delivery and management. The EIF will enhance financial management internally and across partners, ensuring optimum utilization of its financial resources. It will encourage EIF Country governments to continue to improve the transparency and accountability of their project budgets and expenditures, keeping an eye on cash flow, using activity-based work plans and budgets and the communication of this to their stakeholders. Efforts are already under way at the programme level to reduce management costs, where possible.

Who the EIF will work with

The EIF will use a number of channels to deliver financial and technical support to the EIF Countries, including direct financial support to the governments; funding and technical support through multilateral organizations, such as ITC, UNCTAD, UNDP, UNIDO, UNWTO and The World Bank; and support through non-profit organizations, who will deliver projects on behalf of the EIF by working with a range of experts in a national, regional and global partnership. Arrangements are also under way to broaden operational partnerships with other regional and sector-specific organizations, such as the Common Market for Eastern and Southern Africa, the Food and Agricultural Organization, the Pacific Islands Forum Secretariat and the Islamic Trade Finance Corporation.

The EIF will further work with the governments of the LDCs to strike a balance between improving their ability to create an enabling policy and institutional environment to trade and to better deliver on their trade agenda while at the same time supporting and enhancing the capacity of the private sector and civil society to engage on the national trade agenda and holding their governments accountable.

The EIF will continue working with all of the EIF partners to ensure that they deliver programmes and projects as effectively and efficiently as possible, particularly by promoting **long-term sustainability** through national leadership and ownership of the EIF programme and resource mobilization.

How the EIF will ensure sustainability of results

The sustainability of the EIF programme is very much embedded in the functionality of the structure and processes of the EIF National Implementation Arrangements (NIAs), which are aligned with in-country structures and mechanisms to continue and consolidate the EIF results areas of developing and enhancing capacity, trade mainstreaming, AfT coordination and resource-leveraging beyond EIF Phase Two. The EIF will ensure that the functionality of the NIAs is sustained institutionally and financially with a well-developed human capacity that can implement and coordinate the national and international trade agenda. The EIF will anchor sustainability within the three objectives of the EIF and pivot it on the EIF's principles of ownership, partnership and the use of trade as a tool for development.

The EIF plans to focus on integrating the EIF National Implementation Units' functions into the ministry responsible for trade. It will continue to review the NIAs' mandate and structure to ensure that the NIAs 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, Poverty Reduction Strategy Papers and trade-related sector strategies.

Furthermore, the EIF will continue to support the EIF Countries in exploring various ways of using EIF resources to mobilize additional financial resources for implementing projects prioritized in their DTIS AMs from various sources, including their own budgets, those of donors, international agencies, philanthropies, financial institutions and the private sector.

This way, the EIF will ensure that sustainability remains at the core of the EIF programme and is measured by the long-term capacity of the LDCs to lead their trade agendas, to integrate into the global economy by making trade an engine for development and poverty reduction and to target and maximize both local and external resources for trade.

What the EIF will continue doing: capacity-building, communications, outreach and advocacy

The EIF's capacity-building efforts will continue to be center stage

Capacity-building efforts are showing results, and the countries are increasingly taking ownership of their trade and development agenda and of the EIF process, including the coordination of TRTA and resource mobilization for AfT. As an example, while 15 out of 37 Tier 2 projects are by 2015 based on national implementation, Cabo Verde, Cambodia, Nepal, and Samoa managed the process, production and validation of their DTISU entirely at national level.

All EIF projects (DTISs and DTISUs, Tier 1 'Support to NIAs' and Tier 2 projects) include capacity-building aspects based on a needs assessment of the NIAs and the private sector, including a facility for an international trade adviser. This is to ensure that knowledge is transferred and capacity built with a view to enabling the EIF Countries to eventually run these projects using the national implementation modality. The EIF has delivered customized capacity-building modules in the areas of (1) project formulation and management; (2) monitoring and evaluation; (3) integration of the gender dimension in the design and implementation of projects; (4) preparation of an EIF Mid-term Programme; (5) effective communications in support of programme delivery; and (6) engaging non-state stakeholders.

The EIF will continue to engage its stakeholders through communications and outreach

Communications is a crucial component of the success of the EIF programme, both globally and at the national level, in order to ensure long-term commitment and ownership from global and national stakeholders as a path to the sustainability of the EIF results at the country level. Communications components are being systematically integrated into Tier 1 and Tier 2 project proposals, including the production of a communications strategy to guide the process. Work is also ongoing to ensure that participative and inclusive DTIS and DTISU processes are used to raise awareness of the importance of trade as a lever of development using the EIF process as an effective way of delivering AfT in the LDCs.

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.

At the global level, the role of the EIF has been recognised as a key mechanism for TRTA to the LDCs. This is referenced in international agreements and ministerial documents as shown in Box 20.

Box 20: EIF Phase One Global Visibility

References in Global Development Agendas

Global Development Agreement	EIF-related text
Sustainable Development Goals (SDGs)	The SDGs include a direct reference to the EIF in target 8.a: *"Increase Aid for Trade support for developing countries, in particular least developed countries, including through the Enhanced Integrated Framework."*
Addis Ababa Action Agenda	The EIF is mentioned in point 90 of the Outcome document: *"Aid for Trade can play a major role. We will focus Aid for Trade on developing countries, in particular least developed countries, including through the Enhanced Integrated Framework for Trade-Related Technical Assistance to Least-developed Countries."*
Istanbul Programme of Action	The EIF is mentioned in section C.3: *"Implement effective trade-related technical assistance and capacity-building to least developed countries on a priority basis, including by enhancing the share of assistance to least developed countries for Aid for Trade and support for the Enhanced Integrated Framework, as appropriate, and strengthening their capacity to access available resources, in support of the needs and demands of least developed countries expressed through their national development strategies."*

Box 20 (Cont'd)

Mentions in Ministerial Declarations

Event	Date	Mention in Ministerial Declarations
Ninth WTO Ministerial Conference in Bali	December 2013	LDC Ministers in their Ministerial Declaration emphasized the continued relevance of the EIF.
Ninth WTO Ministerial Conference in Bali	December 2013	The EIF was referenced in three key Ministerial Decisions: The Trade Facilitation Agreement (WT/MIN(13)/36 or WT/L/911); the Services Waiver Decision (WT/MIN(13)/43 or WT/L/918); and the Cotton Decision (WT/MIN(13)/41 or WT/L/916).
Thirteenth session of the United Nations Conference on Trade and Development (UNCTAD XIII)	April 2014	The importance of the EIF is referenced three times in the Outcome document.
Ministerial Meeting of Asia Pacific LDCs on Graduation and Post-2015 Development Agenda	December 2014	The adopted Kathmandu Declaration for Sustainable Graduation of Asia-Pacific LDCs cites the importance of the EIF for achieving LDC graduation.
Sixth UNIDO Ministerial Conference	November 2015	EIF-related text included in the Ministerial Declaration.
Tenth WTO Ministerial Conference in Nairobi	December 2015	EIF-related text included in the Ministerial Declaration.

The EIF will continue to offer value addition and achieve results and programme sustainability by strengthening the roles of the partners.

A unique and defining feature of the EIF is its recognition that all partners – the LDCs, EIF Donors and the International Agencies – have a specific role and responsibility in contributing to the goal of the LDCs' participation in international trade and the sustainability of the programme. The partnership approach is underpinned by the belief that the programme needs to be a joint effort if it is to realize its full potential in supporting the LDCs to build their trade capacity and better integrate into the global trading system. With the EIF's results framework for EIF Phase Two fully aligned with the SDGs, the EIF can play a valuable role for development partners by serving as a coordination and knowledge-sharing platform on LDC trade capacity-building.

Country-level partnerships

The governments of the LDCs are increasingly engaging with local businesses to promote their national trade agendas. The EIF is proving useful at this interface by continuing to support regular dialogue mechanisms and encouraging the establishment of public-private partnerships to work collaboratively in setting and implementing the national trade agenda, providing guidance for formulating and implementing development assistance programmes and helping to identify priorities for reforming local business environments.

The EIF Donor community

The objectives of the EIF can only be achieved if the international community delivers on its financial commitments and political support to fully integrate the LDCs into the global trading system. This should include efforts to strengthen donor-government partnerships in order to maximize development gains of the LDC's participation in international trade. The EIF, on the other hand, will continue building and strengthening the productive capacities of the LDCs to trade and give it prominence in their development agendas.

EIF Partner Agencies

The Partnership Agreements between the EIF and the EIF Partner Agencies provide the much-needed technical support in the delivery of the programme. The EIF will continue strengthening the partnership with the EIF Partner Agencies for a swift delivery of the programme at the various levels of the project cycle, including feasibility studies, project proposal development, project implementation, DTISs and DTISUs, trade policy review support on AfT, WTO accession, trade and gender mainstreaming and the preparation and delivery of training modules, all in a bid to maximize development gains of the LDCs' participation in international trade.


EXPOSANT
PME / PMI

Annexes

Annex 1: Tier 1 projects

Country Name	Title	MIE	Approval Date	2008-14 Approved Budget (US$)	2015 Approved Budget (US$)	Total Approved Budget (US$)
Afghanistan	Pre-DTIS (Completed)	Government	22-Sep-10	50,000		50,000
	DTIS (Completed)	World Bank	08-Oct-08	400,000		400,000
Afghanistan Total						**450,000**
Bangladesh	Pre-DTIS (Completed)	Government	22-Sep-10	50,000		50,000
	DTIS	World Bank	25-Mar-11	460,000	-	460,000
	Support to NIAs	Government	28-Aug-15		300,000	300,000
Bangladesh Total					**300,000**	**810,000**
Benin	DTISU (Completed)	World Bank	11-Aug-11	200,000	-	200,000
	Support to NIAs (Tier 1 Phase 1 and Phase 2)	Government	11-Aug-11	899,991	300,000	1,199,991
Benin Total					**300,000**	**1,399,991**
Bhutan	Pre-DTIS (Completed)	Government	15-Jan-10	50,000		50,000
	DTIS (Completed)	UNDP	24-Mar-11	400,000		400,000
	Support to NIAs	Government	14-Jun-13	900,000	-	900,000
Bhutan Total					**-**	**1,350,000**
Burkina Faso	DTISU (Completed)	World Bank	06-Feb-13	200,000	(8,881)	191,119
	Mainstreaming	UNCTAD	15-Dec-15		73,293	73,293
	Support to NIAs (Tier 1 Phase 1 and Phase 2)	Government	22-Nov-10	1,500,000		1,500,000
Burkina Faso Total					**64,412**	**1,764,412**
Burundi	DTISU (Completed)	World Bank	12-Feb-10	200,000	(1,942)	198,058
	Support to NIAs (Tier 1 Phase 1 and Phase 2)	Government	12-Feb-10	900,000	600,000	1,500,000
Burundi Total					**598,058**	**1,698,058**

Country Name	Title	MIE	Approval Date	2008-14 Approved Budget (US$)	2015 Approved Budget (US$)	Total Approved Budget (US$)
Cabo Verde	DTISU (Completed)	Government	19-Sep-12	200,000		200,000
	Support to NIAs	Government	23-Nov-11	900,000	-	900,000
Cabo Verde Total					**-**	**1,100,000**
Cambodia	DTISU (Completed)	UNDP	29-Sep-09	199,983	(5,628)	194,355
	Support to NIAs (Tier 1 Phase 1 and Phase 2)	Government	29-Sep-09	1,293,900	-	1,293,900
Cambodia Total					**(5,628)**	**1,488,255**
Central African Republic	DTISU (Completed)	UNDP	12-May-10	276,000	(246,545)	29,455
	Support to NIAs	Government	12-May-10	900,000		900,000
Central African Republic Total					**(246,545)**	**929,455**
Chad	DTISU (Completed)	UNDP	09-Jun-11	367,000		367,000
	Support to NIAs (Tier 1 Phase 1 and Phase 2)	Government	09-Jun-11	900,000	600,000	1,500,000
	Support to NIAs through ITA	UNOPS	09-Jun-11	454,410	300,000	754,410
Chad Total					**900,000**	**2,621,410**
Comoros	DTISU (Completed)	UNDP	25-Jan-11	256,791	-	256,791
	Support to NIAs (Tier 1 Phase 2)	Government	02-Jun-14	600,000	-	600,000
	Support to NIAs (Tier 1 Phase 1) (Completed)	UNDP	25-Jan-11	900,000	-	900,000
Comoros Total					**-**	**1,756,791**

Country Name	Title	MIE	Approval Date	2008-14 Approved Budget (US$)	2015 Approved Budget (US$)	Total Approved Budget (US$)
Congo, Democratic Republic of the	Pre-DTIS (Completed)	Government	15-Jan-10	50,000		50,000
	DTIS (Completed)	World Bank	08-Oct-08	400,000		400,000
	Support to NIAs (Tier 1 Phase 1 and Phase 2)	Government	31-May-11	900,000	300,000	1,200,000
	Support to NIAs through ITA (Completed)	UNDP	31-May-11	252,520		252,520
	Support to NIAs through ITA –Tier 1 Phase 2	UNDP	09-Dec-15		125,260	125,260
Congo, Democratic Republic of the Total					**425,260**	**2,027,780**
Djibouti	DTISU	UNCTAD	01-Jun-11	200,000	-	200,000
	Support to NIAs (Tier 1 Phase 1 and Phase 2)	Government	01-Jun-11	784,590	300,000	1,084,590
	Support to NIAs through ITA	UNOPS	01-Jun-11	400,000	134,400	534,400
Djibouti Total					**434,400**	**1,818,990**
Ethiopia	DTISU	UNCTAD	09-Sep-14	400,000	-	400,000
	Support to NIAs	Government	26-Mar-14	900,000		900,000
	Support to NIAs through ITA (Completed)	WTO	16-Sep-14	50,850		50,850
Ethiopia Total					**-**	**1,350,850**
Gambia, The	DTISU (Completed)	UNCTAD	15-Dec-09	197,950		197,950
	Mainstreaming	UNCTAD	04-Nov-15		73,000	73,000
	Support to NIAs (Tier 1 Phase 1 and Phase 2)	Government	15-Dec-09	1,500,000	-	1,500,000
Gambia, The Total					**73,000**	**1,770,950**

Country Name	Title	MIE	Approval Date	2008-14 Approved Budget (US$)	2015 Approved Budget (US$)	Total Approved Budget (US$)
Guinea	DTISU	World Bank	23-Nov-11	280,350	-	280,350
	Support to NIAs (Tier 1 Phase 1 and Phase 2)	Government	23-Nov-11	900,000	300,000	1,200,000
Guinea Total					**300,000**	**1,480,350**
Guinea-Bissau	DTISU	UNDP	22-Nov-10	200,000	-	200,000
	Support to NIAs (Tier 1 Phase 1 and Phase 2)	Government	22-Nov-10	900,000	600,000	1,500,000
	Support to NIAs through ITA	UNDP	10-Sep-14	226,800		226,800
Guinea-Bissau Total					**600,000**	**1,926,800**
Haiti	Pre-DTIS (Completed)	Government	15-Oct-10	50,000		50,000
	DTIS (Completed)	World Bank	11-Aug-11	400,000	(105,359)	294,641
	Support to NIAs	Government	17-Dec-12	900,000		900,000
Haiti Total					**(105,359)**	**1,244,641**
Kiribati	DTISU	UNDP	18-Jun-15		-	-
	Support to NIAs	UNDP	18-Jun-15		300,000	300,000
Kiribati Total					**300,000**	**300,000**
Lao PDR	DTISU (Completed)	Government	29-Oct-10	390,484		390,484
	Mainstreaming	Government	28-Oct-14	198,500		198,500
	Support to NIAs (Tier 1 Phase 1 and Phase 2)	Government	26-Jan-10	1,446,514	-	1,446,514
Lao PDR Total					**-**	**2,035,498**
Lesotho	DTISU (Completed)	USAID	26-Jan-10	160,000		160,000
	Support to NIAs (Tier 1 Phase 1 and Phase 2)	Government	26-Jan-10	1,474,000		1,474,000
Lesotho Total						**1,634,000**

Country Name	Title	MIE	Approval Date	2008-14 Approved Budget (US$)	2015 Approved Budget (US$)	Total Approved Budget (US$)
Liberia	DTISU	World Bank	22-Oct-09	200,000	-	200,000
	Support to NIAs (Tier 1 Phase 1 and Phase 2)	Government	22-Oct-09	1,499,900		1,499,900
Liberia Total					**-**	**1,699,900**
Madagascar	Pre-DTIS (Completed)	Government	17-Jun-14	50,000	-	50,000
	DTISU	World Bank	23-Jul-13	240,000	-	240,000
Madagascar Total					**-**	**290,000**
Malawi	DTISU (Completed)	World Bank	23-Sep-09	199,500	(631)	198,869
	Support to NIAs	Government	23-Sep-09	899,250	-	899,250
Malawi Total					**(631)**	**1,098,119**
Maldives	Support to NIAs (Tier 1 Phase 1 and Phase 2)	Government	22-Dec-10	900,000	300,000	1,200,000
Maldives Total					**300,000**	**1,200,000**
Mali	DTISU	UNCTAD	14-Jul-10	200,000	-	200,000
	Support to NIAs (Tier 1 Phase 1 and Phase 2)	Government	14-Jul-10	899,378	600,000	1,499,378
Mali Total					**600,000**	**1,699,378**
Mauritania	DTISU	World Bank	08-Sep-14	400,000	-	400,000
Mauritania Total					**-**	**400,000**
Mozambique	DTISU (Completed)	UNCTAD	26-Oct-12	200,000		200,000
	Support to NIAs	Government	12-Mar-12	900,000	-	900,000
	Support to NIAs through ITA (Completed)	UNDP	12-Mar-12	220,000	(35,850)	184,150
Mozambique Total					**(35,850)**	**1,284,150**
Myanmar	Pre-DTIS (Completed)	Government	11-Dec-13	50,000		50,000
	DTIS	World Bank	18-Jun-14	400,000	-	400,000
	Support to NIAs	Government	09-Jun-15		300,000	300,000
Myanmar Total					**300,000**	**750,000**

Country Name	Title	MIE	Approval Date	2008-14 Approved Budget (US$)	2015 Approved Budget (US$)	Total Approved Budget (US$)
Nepal	DTISU	Government	19-Jun-14	182,000	-	182,000
	Support to NIAs (Tier 1 Phase 1 and Phase 2)	Government	15-Mar-10	718,000	600,000	1,318,000
Nepal Total					**600,000**	**1,500,000**
Niger	DTISU	UNCTAD	26-Jan-11	200,000	-	200,000
	Support to NIAs (Tier 1 Phase 1 and Phase 2)	Government	26-Jan-11	900,000	600,000	1,500,000
Niger Total					**600,000**	**1,700,000**
Rwanda	Support to NIAs (Tier 1 Phase 1 and Phase 2)	Government	23-Sep-09	1,634,400		1,634,400
Rwanda Total						**1,634,400**
Samoa	DTISU	Government	08-Oct-12	200,000		200,000
	Support to NIAs	Government	08-Oct-12	900,000	-	900,000
Samoa Total					**-**	**1,100,000**
São Tomé and Príncipe	DTISU (Completed)	World Bank	26-Apr-12	200,000	(26,479)	173,521
São Tomé and Príncipe Total					**(26,479)**	**173,521**
Senegal	DTISU (Completed)	UNCTAD	24-Nov-11	200,000		200,000
	Support to NIAs	Government	24-Nov-11	900,000	-	900,000
Senegal Total					**-**	**1,100,000**
Sierra Leone	DTISU (Completed)	World Bank	01-Jul-09	200,000	(339)	199,661
	Support to NIAs (Tier 1 Phase 1 and Phase 2)	Government	01-Jul-09	1,408,859	-	1,408,859
Sierra Leone Total					**(339)**	**1,608,520**
Solomon Islands	DTISU	TBD	26-Aug-15		-	-
	Support to NIAs (Tier 1 Phase 1 and Phase 2)	Government	21-Dec-10	900,000	300,000	1,200,000
Solomon Islands Total					**300,000**	**1,200,000**

Country Name	Title	MIE	Approval Date	2008-14 Approved Budget (US$)	2015 Approved Budget (US$)	Total Approved Budget (US$)
Somalia	Pre-DTIS	Government	15-Jul-15		50,875	50,875
Somalia Total					**50,875**	**50,875**
South Sudan	Pre-DTIS (Completed)	Government	10-Dec-13	50,000		50,000
	DTIS (Completed)	UNDP	24-Jan-13	400,000	-	400,000
South Sudan Total					**-**	**450,000**
Sudan	DTISU (Completed)	World Bank	23-Apr-13	200,000	(2,451)	197,549
Sudan Total					**(2,451)**	**197,549**
Tanzania	DTISU	World Bank	30-Oct-15		350,000	350,000
	Support to NIAs	UNDP	13-May-13	900,000		900,000
Tanzania Total					**350,000**	**1,250,000**
Timor-Leste	Pre-DTIS (Completed)	Government	15-Jan-10	50,000		50,000
Timor-Leste Total						**50,000**
Togo	Pre-DTIS (Completed)	Government	15-Jan-10	50,000		50,000
	DTIS (Completed)	World Bank	08-Oct-08	400,000		400,000
	DTISU	Government	06-Oct-15		100,000	100,000
	Support to NIAs (Tier 1 Phase 1 and Phase 2)	Government	23-Nov-11	900,006	300,000	1,200,006
Togo Total					**400,000**	**1,750,006**

Country Name	Title	MIE	Approval Date	2008-14 Approved Budget (US$)	2015 Approved Budget (US$)	Total Approved Budget (US$)
Tuvalu	DTISU	UNDP	14-Dec-12	200,000	-	200,000
	Support to NIAs	UNDP	14-Dec-12	900,000	-	900,000
Tuvalu Total					**-**	**1,100,000**
Uganda	DTISU (Completed)	World Bank	28-Sep-09	200,000	(7,612)	192,388
	Support to NIAs (Tier 1 Phase 1 and Phase 2)	Government	28-Sep-09	1,499,985	-	1,499,985
Uganda Total					**(7,612)**	**1,692,373**
Vanuatu	DTISU	TBD	24-Sep-13	200,000		200,000
	Support to NIAs	Government	24-Sep-13	900,000	-	900,000
Vanuatu Total					**-**	**1,100,000**
Yemen	DTISU (Completed)	UNDP	01-Jul-09	319,494	(82,484)	237,010
	Support to NIAs	Government	01-Jul-09	931,000	-	931,000
Yemen Total					**(82,484)**	**1,168,010**
Zambia	DTISU (Completed)	World Bank	12-Jul-12	399,000	(1,852)	397,148
	Support to NIAs	Government	08-Feb-10	899,400		899,400
Zambia Total				**1,298,400**	**(1,852)**	**1,296,548**
GRAND TOTAL				**52,220,80**	**7,280,775**	**59,501,580**

Annex 2: Tier 2 projects

Country Name	Title	MIE	Approval Date	2008-14 Approved Budget (US$)	2015 Approved Budget (US$)	Total Approved Budget (US$)
Benin	RCPC	Government	24-Jul-14	2,999,089		2,999,089
Benin Total						**2,999,089**
Burkina Faso	Mango and cashew	Government	15-Apr-14	2,999,089		2,999,089
	Sesame	Government	17-Sep-12	2,666,884		2,666,884
	Shea butter – Feasibility study (Completed)	ITC	22-Nov-13	199,741		199,741
Burkina Faso Total						**5,865,714**
Burundi	Export support mechanisms (Completed)	Government	20-Dec-12	606,274		606,274
	SPS	UNIDO	04-Jul-12	2,610,372		2,610,372
Burundi Total						**3,216,646**
Cambodia	CEDEP I – Evaluation	Government	06-Aug-12	290,520		290,520
	CEDEP I – Rice	World Bank	06-Aug-12	1,112,847		1,112,847
	CEDEP I – Silk	ITC	06-Aug-12	1,004,347		1,004,347
	CEDEP II – ACAC	Shift 360	13-Jan-14	950,000		950,000
	CEDEP II – Cassava	UNDP	13-Jan-14	997,026		997,026
	CEDEP II – Evaluation	Government	13-Jan-14	347,610		347,610
	CEDEP II – Marine fishery	UNIDO	13-Jan-14	988,953		988,953
Cambodia Total						**5,691,303**
Central African Republic	Agricultural supply capacity (Completed)	Government	18-Sep-12	2,999,968	(2,999,968)	
Central African Republic Total					**(2,999,968)**	

Country Name	Title	MIE	Approval Date	2008-14 Approved Budget (US$)	2015 Approved Budget (US$)	Total Approved Budget (US$)
Chad	Gum arabic – PRCCGA	Government	11-Oct-13	2,539,734		2,539,734
	Feasibility study (Completed)	UNIDO	19-Feb-14	189,312		189,312
	Gum arabic – ITA support	UNOPS	11-Oct-13	460,260		460,260
Chad Total				3,189,306		**3,189,306**
Comoros	Export competitiveness	UNDP	11-Oct-13	3,527,131		3,527,131
Comoros Total						**3,527,131**
Congo, Democratic Republic of the	Palm oil	Government	10-Jan-14	2,661,080		2,661,080
Congo, Democratic Republic of the Total						**2,661,080**
Gambia, The	SCEDP	ITC	15-Dec-14	2,355,517		2,355,517
	Trade facilitation (Airport)	Government	04-Apr-13	2,494,200		2,494,200
Gambia, The Total				**18-Jan-12**		**4,849,717**
Guinea	Mango (PRODEFIMA)	Government	21-Nov-13	2,998,148		2,998,148
Guinea Total				**2,998,148**		**2,998,148**
Lao PDR	Quality and statistics	Government	27-Nov-13	2,520,350		2,520,350
Lao PDR Total						**2,520,350**
Lesotho	Agricultural productivity	ITC	21-Dec-12	2,735,685		2,735,685
Lesotho Total						**2,735,685**
Liberia	Tourism and furniture feasibility studies	ITC	13-Aug-15		199,433	199,433
Liberia Total					**199,433**	**199,433**

Country Name	Title	MIE	Approval Date	2008-14 Approved Budget (US$)	2015 Approved Budget (US$)	Total Approved Budget (US$)
Malawi	Smallholder linkage to agro-processing (NASFAM)	National Smallholder Farmer's Association of Malawi (NASFAM)	16-Sep-14	1,648,750		1,648,750
	Support to agro-processing (MITC)	Government	16-Sep-14	1,550,818		1,550,818
Malawi Total						**3,199,568**
Maldives	Strengthening trade facilitation institutional capacity	Government	30-May-13	1,557,838		1,557,838
Maldives Total						**1,557,838**
Mali	Gum arabic	Government	17-Feb-12	4,369,153		4,369,153
Mali Total						**4,369,153**
Nepal	Ginger competitiveness	Food and Agriculture Organization	06-May-12	711,550		711,550
	Medicinal and aromatic plants	GIZ	18-Nov-13	3,900,000		3,900,000
	Pashmina	ITC	22-May-13	1,861,603		1,861,603
Nepal Total						**6,473,153**
Niger	Leather (Hides and Skins)	Government	19-Aug-13	2,445,100		2,445,100
Niger Total						**2,445,100**
Rwanda	Crossborder capacity development	Government	08-Dec-14	3,485,870		3,485,870
Rwanda Total				**3,485,870**		**3,485,870**
Samoa	TSSP	Government	30-Apr-14	2,944,223		2,944,223
Samoa Total						**2,944,223**

Country Name	Title	MIE	Approval Date	2008-14 Approved Budget (US$)	2015 Approved Budget (US$)	Total Approved Budget (US$)
Senegal	Mango competitiveness	Government	20-Aug-14	2,991,358		2,991,358
Senegal Total						**2,991,358**
Sierra Leone	Sustainable tourism	Government	27-Jan-12	2,990,000		2,990,000
Sierra Leone Total						**2,990,000**
Solomon Islands	Tourism	Government	22-Jan-14	1,544,700		1,544,700
Solomon Islands Total						**1,544,700**
Togo	Soy	Government	20-Oct-14	3,000,000		3,000,000
Togo Total						**3,000,000**
Uganda	District commercial services	Government	30-Aug-11	2,998,119		2,998,119
Uganda Total						**2,998,119**
Vanuatu	Tourism infrastructure	Government	18-Dec-14	3,150,000		3,150,000
Vanuatu Total						**3,150,000**
Yemen	Center for bee disease	ICIPE	31-Oct-14	2,362,560		2,362,560
	Honey productivity and quality	ICIPE	21-Dec-12	1,807,500		1,807,500
Yemen Total						**4,170,060**
Zambia	Honey (Completed)	SNV Netherlands Development Organization	28-Jan-13	2,469,930		2,469,930
Zambia Total				**2,469,930**		**2,469,930**
Grand Total				**91,043,209**	**(2,800,535)**	**88,242,674**

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