

## Sub-Committee on Least-Developed Countries

### INTEGRATED FRAMEWORK FOR TRADE-RELATED ASSISTANCE TO LEAST-DEVELOPED COUNTRIES

#### Report of the 18<sup>th</sup> Inter-Agency Working Group Meeting, Geneva, 16-17 November 1999

The Inter-Agency Working Group (IAWG) met on 16-17 November 1999 at the WTO Secretariat (list of participants – Attachment 1). The meeting was chaired by Mr. Chiedu Osakwe, WTO Coordinator for Least-Developed Countries (LDCs), and its agenda is attached (Attachment 2) to this report.

#### A. ADOPTION OF THE AGENDA

1. The agenda circulated for the meeting was adopted.

#### B. ROUND TABLES

2. The IAWG considered reports by participants from the various Agencies involved in several Round Tables namely for Haiti and Tanzania. The Group considered a status report prepared by the Administrative Unit on the preparatory state of Round Tables and Multi-Year Programmes in the 40 LDCs that had completed needs assessments. The Group reviewed in depth and exchanged views on problems encountered, concerns expressed and considered possible solutions to the problems.

3. The exchange of views made evident several policy issues on which further discussions would be required by the Group. These were as follows:

- (i) criteria for a factual assessment of the results of Round Tables;
- (ii) continuity of government policy and commitment of governments;
- (iii) coordination: within governments and private sector, among agencies and bilateral partners;
- (iv) trade policy: should Integrated Framework (IF) assistance and benefits be accorded to LDCs without coherent trade policies or who have not undergone trade policy review;
- (v) pledges: non-existent pledges;
- (vi) informal pre-Round Table Meetings to boost coordination;
- (vii) reach-out measures: should the IAWG reach-out to those LDCs that have been unable to initiate steps to organize Round Tables.

4. The IAWG considered the issues identified, beginning with establishing a rational set of criteria for a factual assessment of the results of Round Table Meetings. Members of the Group felt

that several factors would be relevant in such an assessment of the results of Round Tables. These would include but not necessarily be limited to:

- (a) **policy coherence:** the role of trade within the development strategy of a country;
- (b) **coordination:** amongst different Ministries in government, and between government and the private sector;
- (c) **outcome:** multi-year country programmes, and pledges;
- (d) **post-Round Table follow-up:** mechanism installed or established;
- (e) **ownership** of the IF process by the LDC;
- (f) **discipline of the Round Table preparatory process:** following the steps and the procedures, since this generates awareness of the role of trade in development and need for policy coherence;
- (g) **donor support for the IF process;**
- (i) **Synergies amongst the core Agencies.**

5. The Group also felt that after each Round Table, at the initiative of the lead agency, the IAWG would evaluate the results of the Round Table, reach conclusions and share these conclusions with the beneficiary governments its development partners and Members of the core participating Agencies.

6. In addition, some practical decisions were taken as a result of the exchange of views on the status report provided by the Administrative Unit. The Group authorized the Administrative Unit to:

- (i) communicate to the governments of Benin and Burkina Faso, that there would be merit for holding trade-related Round Tables within the Framework of the IF, in addition to the JITAP and the UNDP Round Table envisaged;
- (ii) report in a formal letter to the 6 core Agencies in the second week of January 2000 on the status of the Maldives regarding its categorization as an LDC; and,
- (iii) prepare a joint proposal on behalf of the six core Agencies to organize a regional IF Round Table for the South Pacific Island LDCs.

#### C. MAINSTREAMING OF ROUND TABLES AND TECHNICAL ASSISTANCE

7. The Group considered the merits of including trade-related Round Tables in World Bank Consultative Group (CG) meetings and UNDP country Round Tables.

8. Participants recognized the need for an appropriate macroeconomic and policy setting to ensure the effectiveness of trade-related assistance. Another view was that stand-alone trade-related Round Tables would assist in emphasising the significance and role of trade in the overall development strategy of LDCs' governments. It was felt that mainstreaming as a policy of the IAWG could be further considered within the context of the IF review.

D. MONITORING AND EVALUATION

9. The Administrative Unit requested the six agencies to provide it with the annual update (till end December 1999) of the status of implementation of the **integrated responses**.

10. It was agreed that this information would be submitted to the Administrative Unit on or before **end February 2000**.

E. REPORT BY THE DIRECTOR-GENERAL TO THE SEATTLE MINISTERIAL CONFERENCE ON THE FOLLOW-UP TO THE HIGH-LEVEL MEETING

11. The IAWG took note of the Report by the Director-General to the Seattle Ministerial Conference on the follow-up to the High-Level Meeting (HLM) on LDCs. The five Agencies (World Bank, IMF, UNDP, UNCTAD, ITC) had taken note of the Report by the Director-General. The World Bank, IMF, UNDP and ITC had offered comments which had been taken into account.

F. REVIEW OF THE IF: ELEMENTS, MODALITIES, TIMING

12. The Group extensively exchanged views on the review of the IF as mandated by paragraph 6 of the High Level Meeting document (WT/LDC/HL/1/Rev.1). The exchange of views focused on the elements on which the review would be based: modalities – steps – in the review process; and, timing of the review.

13. The IAWG agreed that the review should, *inter alia*, focus on the seven elements as follows:

- (i) identifying perceptions of the objectives of the IF: views of involved parties;
- (ii) evaluation of the IF with regard in particular to:
- (iii) process of the IF;
- (iv) output;
- (v) implementation of integrated responses;
- (vi) pledges, indications of assistance, new money;
- (vii) impact of the IF: relevance and role of trade in overall development strategy of LDCs.
- (viii) review of trade-related assistance: institution-building, building human and enterprise capacity and infrastructure;
- (ix) policy considerations: mainstreaming, enlargement of the IF, the trade and macro-economic policy environment;
- (x) the administration of the IF; and,
- (xi) recommendations for the future.

14. On steps for the review process, it was agreed as follows:

- (i) **First**, the World Bank would select a competent individual of high authority to provide an initial draft evaluation of the IF. The evaluator would provide an initial

draft on the basis of the elements identified by the IAWG (paragraph 13 (i-vi) of this Report). The evaluation would be conducted and a draft prepared in consultation with the IAWG, LDCs' governments, as appropriate, and the donor community. [This is subject to a final decision to be made by the Bank];

- (ii) **Second**, the initial draft would be considered and revised, as appropriate, by the IAWG, at its next meeting in New York, 21-22 March 2000;
- (iii) **Third**, the IAWG would receive instructions from their Agencies on the draft Report;
- (iv) **Fourth**, the Heads or designates of the 6 core Agencies would meet, shortly thereafter at a convenient time (preferably in April 2000) to consider the draft Report; and,
- (v) **Finally**, the Report would be forwarded to the General Council of the WTO as well as to the Governing Bodies of the other 5 core Agencies.

15. Participants felt it was desirable to conclude the review by the end of April 2000, at the latest.

#### G. ADMINISTRATION OF THE INTEGRATED FRAMEWORK BY THE ADMINISTRATIVE UNIT

16. Under this item, the ITC re-affirmed its willingness, as might be necessary, to continue providing support for the implementation of the IF, in particular providing support for the Administrative Unit, as it had since June 1998. However, it drew attention to problems and concerns. First, physical space was now a problem at the ITC. Second, it required urgent assistance from the other five participating Agencies on finance for administrative support–burden sharing. No assistance had been forthcoming from the other Agencies, in this regard.

17. Participants agreed that these were problems of urgent priority. The Group agreed to include the in the elements of review the item: daily administration of the IF by the Administrative Unit at ITC.

#### H. REQUESTS FOR ENLARGEMENT OF THE CORE GROUP

18. The IAWG considered the benefits and problems that could arise from enlargement of the core participating Agencies. Some felt that enlargement could offer the benefits of additional resources, improvements in some areas of the IF such as agriculture and supply-side constraints. However, others considered that enlargement, at this time, could be premature and pose problems for coordination for the IF in this stage of infancy, criteria would have to be established for enlargement, and there would have to be consensus on the legal authority to decide on enlargement. The Group welcomed the participation of Agencies involved in trade-related activities at the country level in the implementation of the IF. All views were constructively offered in the light of what would enhance the implementation and achievement of the objectives of the IF.

19. The Group agreed that the question of enlargement should be further considered within the context of the IF review.

#### I. OTHER BUSINESS

20. It was agreed that the next meeting would take place in New York at the UNDP Office, 21-22 March 2000.

## ATTACHMENT 1

<b>Participants at the 18<sup>th</sup> Meeting of the Inter-Agency Working Group of the IF 16-17 November 1999</b>		
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## ATTACHMENT 2

### Agenda for the 18<sup>th</sup> Meeting of the Inter Agency Working Group

The 18<sup>th</sup> Meeting of the Inter-Agency Working Group will be held at the World Trade Organization, 16-17 November 1999, in Room 3121, at 10 a.m.

The following items are proposed for the agenda:

- (a) Adoption of the agenda;
  - (b) Round Tables:
    - status and process;
    - assistance and preparations;
  - (c) Mainstreaming of Round Tables and Technical Assistance: exchange of views;
  - (d) Monitoring and Evaluation:
    - agency level;
    - inter-agency level: integrated responses;
    - country level;
    - post round table evaluation;
  - (e) Report by the Director-General, WTO, to the Seattle Ministerial Conference on the Follow-up to the HLM;
  - (f) Paragraph 6, Review of the Integrated Framework for trade-related technical assistance, including for human and institutional capacity-building, to support Least-Developed Countries in Their Trade and Trade-Related Activities;
    - elements of the review;
    - modalities of the review;
    - timing of the review;
  - (g) Administration of the IF:
    - operation of the IAWG;
    - Administrative Unit;
    - IF website;
  - (h) Requests for the enlargement of the core group;
  - (i) Other business.
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