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Revisión

El presente documento es el informe final de la segunda evaluación del Marco Integrado para la Asistencia Técnica relacionada con el comercio en apoyo de los países menos adelantados (MI).^{*} Constituye una revisión de las versiones anteriores del informe, distribuidas con las firmas WT/IFSC/6 y WT/IFSC/6/Rev.1, respectivamente, a las que sustituye.

^{*} En inglés y francés solamente.

**Evaluation of the Revamped Integrated Framework
For Trade-Related Technical Assistance
to the Least-Developed Countries**

Project GLO/03/G01

FINAL REPORT

Presented to

The Integrated Framework Steering Committee

Prepared by

Capra-TFOC Consortium
(Capra International Inc. and
Trade Facilitation Office Canada)

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ACRONYMS

Acronym	Description
ADB	Asian Development Bank
ADB	African Development Bank
ASEAN	Association of Southeast Asian Nations
BEST	Business Environment Strengthening for Tanzania
CCG	Country Consultative Group
CMAF	<i>Centre Maïtani d'Analyse de Politique</i>
DFID	Department for International Development (United Kingdom)
DOT	Department of Trade
DTIS	Diagnostic Trade Integration Studies
EU	European Union
FDI	Foreign Direct Investment
GDP	Gross Domestic Product
GoB	Government of Bangladesh
GoM	Government of Mauritania
GoU	Government of Uganda
GSM	Growth Strategy for Malawi
IDB	Inter-American Development Bank
IF	Integrated Framework
IFSC	IF Steering Committee
ITF	IF Trust Fund
IFWG	IF Working Group
IITC	Inter-institutional Trade Committee
ILO	International Labour Organization
IMF	International Monetary Fund
ITC	International Trade Centre
JITAP	Joint Integrated Technical Assistance Programme
LDC	Least Developed Countries
LFA	Logical Framework Analysis
MCI	Ministry of Commerce and Industry
MoC	Ministry of Commerce
MoIT	Ministry of Industry and Trade
MoT	Ministry of Trade
MPMEC	Direction de Commerce Extérieur (Senegal)
MTI	Minister of Trade and Industry
MTS	Multilateral Trading System
MTTI	Ministry of Tourism, Trade and Industry
NCT	National Core Team
NES	National Export Strategy
NGO	Non-Governmental Organization
NORAD	Norwegian Agency for Development Cooperation
NSC	National Steering Committee
NTCS	Nepal Trade Competitiveness Study
PRSP	Poverty Reduction Strategy Paper
PSF	Private Sector Forum

Acronym	Description
RBM	Results-Based Management
RTM	Round Table Meeting
SME	Small and Medium sized Enterprises
SOE	State Owned Enterprises
SWOT	Strengths Weaknesses Opportunities and Threats
TA	Technical Assistance
TFOC	Trade Facilitation Office of Canada
TG	Technical Group
TOR	Terms of Reference
TORS	Terms of Reference
TRTA	Trade-Related Technical Assistance
UEPB	Uganda Export Promotion Board
UN	United Nations
UNCTAD	United Nations Conference for Trade and Development
UNDP	United Nations Development Programme
UPTOP	Uganda Programme for Trade Opportunities and Policy
WB	World Bank
WTO	World Trade Organization

PREFACE

Capra International Inc. and the *Trade Facilitation Office Canada* thank the governing authorities of the *Integrated Framework for Technical Assistance to Least Developed Countries* (IF) for the opportunity to undertake this evaluation.

The Evaluation Team executed this task in an extraordinarily short timeframe from mid-May to the end of August, visiting seventeen least developed countries, the offices of the six core agencies in Geneva, Washington and New York, as well as donor representatives in London and Brussels. The Team was in itself *international*, in that half of the members live or were born in developing countries (Morocco, Indonesia and Colombia). The country visits were conducted in English, French and Arabic. The successful completion of this activity would not have been possible without the extraordinary effort of the Evaluation Team, in particular.

The *Evaluation Team* comprised the following members: Mr. Guy Bird (Team Leader and Trade Specialist, Canada); Mr. Alan C. H. Smith (Donor Specialist, Canada); Mr. Youssef Ouadi (Private Sector Specialist, Canada, with extensive trade experience in Morocco and Spain); Dr. Kenneth Hidayat (Developing Country Trade Specialist, Indonesia); Mr. Jean-Louis de Quimper (Trade Specialist, Canada, and Advisor to a number of African Missions in Ottawa); and Mr. César Guerrero (Economist and Evaluation Specialist, Canada, a native of Colombia).

The *Evaluation Team* was supported by the *Capra-TFOC Consortium Panel of Experts* in planning and overall quality assurance. It comprised the following members: Mr. Gunter Rochow, President, *Capra International Inc.* and Co-chairperson of the Panel of Experts; Mr. Anthony Halliday, representative of the *Trade Facilitation Office of Canada* and Co-chairperson of the Panel of Experts; Dr. Mary Lynch, Evaluation and Private Sector Expert; Mr. René-Paul Allard, Donor Expert; Dr. Gerry Ewert, Expert in Statistical Analysis; Mr. Pierre Morin, Functional Analysis Expert; Mr. Stephen Kiar, Primary Research Expert.

Logistics and research support were provided by Miss Yousra El Boukili, MBA student at *Ottawa University* and Mr. Waldo Rochow, Executive Assistant, *Capra International Inc.* The electronic survey was administered by *Voxco* (Montreal and Halifax, Canada).

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EXECUTIVE SUMMARY

The Integrated Framework is a relatively recent addition to trade-related and poverty reduction mechanisms and a precedent-setting approach to the development of Least Developed Countries (LDC). IF is endeavouring to inspire greater coordination between the “Trade” and “Development” communities to assist LDCs in becoming active and effective participants in the international market place and the global economy, and to utilize the benefits to contribute to economic growth and the reduction of poverty.

Background

This report presents the findings of the *Evaluation of the Revamped Integrated Framework for Trade Related Technical Assistance to the Least Developed Countries*. The timing of the Report was designed to coincide with the Fifth Ministerial Meeting of the World Trade Organization (WTO) in Cancún, Mexico in September 2003.

The purpose of the Evaluation is to assess the effectiveness of the *Integrated Framework*, (1) as a mechanism to mainstream trade into development plans and/or poverty reduction strategies and (2) as a tool for using the *Integrated Framework* to deliver trade-related technical assistance. In general, the evaluation of the *Integrated Framework (IF)* focuses on the usefulness of the overall concept, the extent of implementation of previous recommendations, as well as governance and funding issues.

In specific terms, the fundamental objectives of the redesigned IF are: (1) to use the IF as a mechanism to mainstream trade into development plans and/or poverty reduction strategies; and (2) to use the IF as a mechanism to deliver trade-related technical assistance. To achieve these fundamental objectives, the implementation and follow-up to the Diagnostic Trade Integration Studies (DTIS) is critical, involving human, institutional and infrastructure capacity building, as well as policy recommendations to enable the Least Developed Countries (LDC) to integrate into the world trading system and economy. In particular, the evaluation needs to *assess and clarify the linkages* of the IF to the Poverty Reduction Strategy Paper (PRSP) process, development plans, Country Consultative Group meetings and Round Tables.

The Integrated Framework Theory is Sound

The theory and operational approach envisaged for the Integrated Framework has been carefully crafted, is entirely appropriate and is a sound approach capable of achieving positive results. This success is due to: (1) the *partnership* between the beneficiary countries, the agencies and the donor community; (2) the *ownership* and *leadership* by the beneficiaries, i.e. the LDC countries; (3) the *integrated support* to LDCs offered by The World Bank, the IMF, the WTO, the UNDP, UNCTAD and the ITC; (4) the mentoring from bilateral and multilateral donors, with special reference to the Lead Donor/Facilitator; (5) the IF management structure, ensuring that the various perspectives are accounted for in the development, implementation and approval of policies, procedures and actions; (6) the IF Secretariat, in a support role; and (7) the establishment of the IF Trust Fund(s).

The Integrated Framework is, however, a complex, new and precedent setting undertaking that has no historical equivalent to use as a model, or against which to measure progress. The IF changes the way of “doing business”, necessitating a change in planning and operating by all three IF Partners. Nonetheless, given the relatively short lifespan of the IF, especially since revamping, considerable progress has been made. As with any initiative of this magnitude, complexity and uniqueness there is always room for improvement. The overriding objective of this evaluation is to provide

recommendations that can contribute to the goal of continuous improvement of the IF in achieving its intended results.

Progress

From an evaluation perspective, a quantitative assessment of progress was difficult to achieve as there are relatively few measurable goals and objectives established either at the IF level or at the country level against which to measure progress. Nonetheless, the qualitative assessment reveals that progress has and continues to be made, thanks in large measure to the dedication and desire to make a difference, which the Evaluators have witnessed among the people at all levels and within the three partners.

The evaluation included an assessment of secondary data with a view to establishing a baseline against which progress, over time, could be assessed. This includes basic governance, fiscal capacity and human development indicators as a framework for identifying expected progress. (See Appendix D).¹

The Beneficiary Countries

The evaluation results also indicate that progress has been achieved in individual countries. However, the degree of progress and achievement of concrete measurable results in individual countries is highly variable. While macro level indicators can be useful in identifying countries which are theoretically better positioned to exploit an IF approach in a positive manner, they cannot identify those elements which are required for success. The key ingredients for success include: (1) Government-wide support and policy leadership for the IF and the action plan; (2) strong leadership by the IF Focal point, coupled with a strong support group; (3) the existence of an effective in-country management and consultation structure; (4) the establishment of a conducive, consistent and stable business environment; (5) an agreement by in-country stakeholders on the roles and responsibilities of the players, especially between government and the private sector. While in some countries early development work, including DTIS, is well under way, in others due to the absence of strong leadership and a lack of government-wide support, the process has stalled.

The Agencies

There is evidence that the six Core Agencies are taking more coherent and consistent action within the IF, which is a very positive development, especially when the divergence of their mandates and their varied corporate cultures are considered. As well, senior management within every agency has consistently acknowledged their strong support for IF's goals and objectives. The most recent example can be found in the statements made at the precedent-setting July 2003 joint meeting between the Heads of Agencies and the IF Working Group. Additionally, the Organization for Economic Cooperation and Development (OECD) has joined the team as an observer and is assisting with the development and implementation of a Technical Assistance Data Base.

The Donors

As in most areas, some progress has been achieved. Recent donor response to the IF and the creation of the Window II funding mechanism support the notion that the Donor community accepts the premise that trade can make a contribution to economic progress and to the ultimate goal of poverty reduction. To date, although the Window II funding has been provided with a certain degree of

¹ Appendix D: Preliminary Secondary Analysis – Understanding the Assumptions and Setting the Context.

earmarking, this donor preference does not appear to inhibit the fund's ability to support individual projects.

Donors are more cognizant of the need to work cooperatively, to avoid duplication, and to maximize synergies across projects to make the limited resources, that are available, work more effectively and efficiently. The question of who, or what organization, should be responsible for donor coordination, remains unanswered. In an LDC-owned initiative, with clearly identified priorities and a quantified action plan, including "bankable" projects, with clearly defined and measurable goals and objectives, the LDC partner can, and should, assume this coordinating role.

Mainstreaming Trade

Due to the "mainstreaming" objective, which was added in the revamping exercise, trade is being recognized increasingly, at the donor and agency level, for its potential to contribute positively to economic growth and to poverty reduction. At the level of the beneficiary country (LDC), the goal of integrating trade into national development plans and poverty reduction strategies has yet to be fully embraced, although some progress is evident, given that selected countries have or are planning to incorporate trade-related goals and objectives into their National Development Plans or Poverty Reduction Strategies. A by-product of national acceptance of mainstreaming trade would be increased policy integration among ministries and government-wide support for implementation of the IF.

However, even in countries where mainstreaming has been adopted and accepted, the IF and trade must still compete, for priority attention, against a number of other sectors identified within National Development Plans or Poverty Reduction Strategy Papers (PRSP). The sectors include health, education, water, roads and other basic infrastructure needs. It should be noted, however, that the other sectors are *consumers* of fiscal resources whereas theoretically, trade is a *producer* of fiscal resources and capable of producing social benefits through employment, which leads to poverty reduction.

Additionally, the Development Plans and PRSPs themselves frequently contain a large and varied list of identified needs and include a significant number of issues and actions to be addressed on a priority basis. Without strong and effective leadership and highly effective communication skills by the IF Focal Point and other proponents of IF within the country and its Government, it may be difficult to solve this competitive reality.

A review of National Development Plans, PRSPs or DTIS studies and the resulting documents from several countries indicate that frequently they are complex, holistic documents. They contain lengthy and onerous lists of "things that must be done", and theoretical solutions predominate. Concrete and practical recommendations on how to prioritize issues and address specific problems are often in short supply. Despite these interdependencies, individual problems and issues must be tackled and solved sequentially one at a time. A practical approach, that provides solutions for individual issues, is warranted.

This approach implies the need to prioritize issues, set goals and objectives with measurable outcomes coupled with a strategic document that spells out the "destination" each individual activity is trying to reach, and by when. These strategic targets are required before the identification of the ways and means to get there (Action Plan) can be enumerated. Those countries that have experienced the greatest progress under the IF have identified and prioritized issues and have developed initiatives and specific projects to target priority problems sequentially one at a time. In short the IF would benefit greatly from a *Results-based Management* (RBM) approach.

There remains a tendency, in some quarters, to assume a direct cause and effect link between trade and poverty reduction. The evidence, as outlined in the discussion in Annex D, demonstrates that while increased trade can have an impact on poverty reduction, this is mediated through several important channels, factors, policies and practices. While it is possible to identify countries where IF is more likely to produce greater outcomes, it is the local leadership within each of the partners that remains the single most critical factor. Even if all conditions are ripe for success, without the right sustained leadership little will be accomplished.

The Diagnostic Trade Integration Study Process

The Diagnostic Trade Integration Study (DTIS) process has made progress and continues to evolve as partners are learning from the experience gained in a given situation to make future improvements.

Many earlier DTIS were voluminous documents heavily concentrated on the macro-economic policy overview of the country, with much less focus on micro-economic conditions and the identification of specific trade related issues and opportunities. The DTIS process was seen by many, especially within agencies, as a multi-purpose process with a much broader focus than as the basis for developing a well defined action plan addressing issues specific to the goals and objectives of the IF.

Successive Diagnostic Trade Integration Studies (DTIS) are improving in terms of focus, precision and the identification and prioritization of issues. The DTIS process appears to be moving closer to its originally intended purpose of providing countries with a tool to determine their current status and to identify trade related issues and opportunities. The expansion of the process to include the development of an “Action Plan Matrix” and to lay out a recommended process for stakeholder consultation is a positive development.

Many reports focus heavily on priority sectors as the key to *export* growth with little attention being paid to *exporter* support and development. Experience in many countries suggests that “Good Exporters” tend to succeed regardless of the sector to which they belong, whereas poorly motivated and ill-prepared exporters fail, regardless of the sector of the economy to which they belong. Leadership, ownership and active participation in the DTIS process by the LDC partner has improved marginally but only in selected countries.

The Country Selection Process

The country selection process has received criticism for not being transparent, fair and predictable. A refined and clearly defined *DTIS-Lite* process and the resulting analysis document could serve as a key evaluation tool in the assessment process for determining the eligibility or readiness of the LDC partners and the LDC country to participate in the IF process. An assessment of the likelihood of successful implementation of the IF, based on past performance related to economic and human development and governance factors (Refer to Annex D), represents another valuable tool.

A refined and more clearly defined DTIS analysis, an assessment of leadership capacity, coupled with the assessment noted above, would provide the IF with a transparent and consistent decision making tool with which to assess a country’s preparedness for admission to the IF. Clearly established guidelines and measurement criteria to be used in the above mentioned process would allow the LDC applicants to judge their own readiness to join the IF and would provide clearly defined goals and objectives for countries wanting to participate.

Integrated Framework Management

Currently there are two governing and managerial bodies, namely the IF Steering Committee (IFSC) and the IF Working Group (IFWG), both of which are supported in their activities and deliberations by the IF Secretariat. The IF Trust Fund is administered by the UNDP.

The IFSC comprises representatives from the three partners in the IF, with participation open to any member or representative of the three partners. The IFSC oversees the broad policy and contextual issues for the IF, while the IFWG is responsible for dealing with specific issues including day-to-day operations and approvals, including project approval within the IF Trust Fund. The IFWG, chaired by a WTO official, comprises six representatives, one each from the six core agencies, an observer from OECD, two LDC representatives and two donor representatives.

Both the IFSC and the IFWG can take some credit for the IF progress to date, although there is some suggestion that the IFWG, in particular, is somewhat cumbersome and slow making decisions even on routine matters. The IF Secretariat is providing the necessary logistical support to the IF management and the evidence suggests that meeting the administrative needs of the IF is taxing their limited resources. The speed with which IF Trust Funds are disbursed, even after approval, has also been raised as an issue.

The IF Trust Funds

The Trust Fund serves an essential purpose, and, potentially, can play an important role in definitively mainstreaming trade into PRSPs, translating country Action Plan Matrices into prioritized, indicatively costed project proposals for consideration in LDC/donor fora, and implementing 'quick win' technical assistance based projects. While procedures seem somewhat heavy, it is premature to recommend changes. The level of awareness, especially by LDC focal points and other stakeholders, is very low, suggesting that action should be taken to provide participants with sufficient information.

Progress Summary

In summary, while progress has been achieved in most areas, much of the progress has been made in the planning stage and at the managerial level, or at the centre within agencies and donors. In many LDCs the IF made progress with an initial burst of activity in the analysis and planning stage. However, in many cases the outputs of the process became an end, not a beginning, and the process has stalled. This evaluation has identified key issues that should be addressed on a priority basis.

The Issues

The IF approach necessitates a change by all three Partners in planning, programming and implementation. The most critical and challenging factor is that the successful implementation of the Integrated Framework requires a change in thinking on the part of institutions and individuals at all levels. Adapting to a new approach and new thinking will require a concentrated effort by all.

In light of these facts, the need for an agreed to set of overriding IF principles and guidelines that define the *impacts*, *outcomes* and *outputs* expected from the implementation of the IF would appear to be mandatory. The impact and outcomes, developed as measurable goals, would provide all participants with a clear understanding of the final destination, which IF is expected to reach, and when. It would assist in placing the responsibility for leadership and ownership onto the beneficiaries, thereby becoming a process truly owned and driven by the LDC countries. The impacts and outcomes, developed as measurable goals, would also help identify priority issues to be addressed and outcomes required. They would provide a means to measure progress. In short, this would provide a "Roadmap to Success" within IF.

The Priority Issues

IF has several facets, components and sub-sets, but the key issue impeding progress and the achievement of concrete measurable results is *perception*. It applies to all IF partners at all levels. Recent initiatives undertaken by the IF Working Group, aided by the Secretariat, suggest that there is a degree of cognizance and an initial attempt to address the issue.

A second overriding issue, that is also impeding progress, especially at the LDC level, is *capacity*. Finally, *management* is the third overriding issue deserving priority attention. Each issue is explored and remedial action recommended.

The Perception Issue

Perception is a complex issue with several facets that need attention if the IF is to achieve its goals and objectives. The perception issue raises a number of questions including: What are IF's measurable goals and objectives at the partner level and at the individual LDC level? What is IF's sphere of influence? What issues are within the IF's mandate? What is the IF's scope and coverage? What are the roles and responsibilities of the various organizations within the partnership? What is IF's relationship to other country development assistance? What are the roles, responsibilities and duties of each organizational unit and individuals? Who is responsible for planning and implementation? Where is leadership vested at the programme and country level? Who has ownership of the IF? Who is responsible within the beneficiary country? Who is responsible for monitoring and evaluation? When does IF come into effect in a given country?

Although time and experience has somewhat diminished the effect, there remains a *perception among many that the IF is or should be a funding mechanism that would inject new funds into the system* to undertake a wide range of development projects. The WTO DOHA Ministerial Declaration on supply-side constraints reinforced this perception.

The post DTIS action matrices in several countries incorporate priority areas or identify projects that go well beyond the scope of the normal trade related topics of policy, development, promotion, market access and facilitation.

There is a widely held perception that the IF, despite stated intentions to the contrary, remains an *agency-developed* and *agency-driven* exercise largely for their own benefit. The DTIS process has been cited as an illustration.

The IF Working Group's decision to hold a certain number of its future meetings in LDC countries suggests a degree of issue awareness and is a positive step forward in dealing with the leadership and ownership question.

Although agencies are committed to a cooperative effort and progress has been made in taking more coherent and consistent action, the level of awareness on the part of in-country staff to the existence of the IF remains very low. The incidence of inter-agency meetings or other initiatives at the country level to discuss or review IF also seem negligible. The brochure currently under development through the Secretariat will help overcome this lack of awareness.

However, the problem is more serious than a simple lack of awareness. There is a perception, that the IF is a *secondary* initiative. In many cases local agency representatives see little reason to integrate the IF into their planned in-country activities, even on trade-related assistance.

This same perception exists among donor representatives. There is strong evidence to indicate that organizations and individuals lack a clear understanding of their IF roles and responsibilities. To progress, the IF must be “mainstreamed” into the work plans for units and individuals throughout the IF operating structure. The mainstreaming of IF into work plans needs to include measurable goals and objectives against which performance and progress can be measured. A *Results-Based Management* (RBM) approach, being recommended in this evaluation, should be implemented to address this issue.

The variation in programming cycles between agencies and at the donor level further compounds the problem. The ability to synchronize the IF action plan with the programming cycle of particular agencies presents a challenge. Some donors are working on 5-year planning cycles and others are planning regional or targeted assistance programmes that directly relate to the overall goals and objectives of the IF, but because of timing and/or regional approaches these are difficult to incorporate, or even consider in developing a clearly defined IF action plan for individual beneficiary countries. The lack of a clear understanding of the scope and coverage of the IF, and when it takes effect, is very much in evidence.

Donors, during the roundtable prioritization process, were handpicking “projects of interest to them”. As well, one donor representative opined that they had a trade related project ready for implementation, but even though it might address one of the IF priority issues, it fell outside the purview of the IF because it had been conceived before the roundtable i.e. before IF came into effect!

Programme content and project design for beneficiary countries needs to be re-examined in relation to the ownership and leadership goals established for the IF.

The perceptions surrounding *donor coordination* are varied, ranging from an agency responsibility, to donors to the government of the beneficiary country. It can be argued that with leadership and ownership firmly established, the Government of the beneficiary country should coordinate donors. This argument can be supported by results in the countries achieving the most success under IF. If the country has assumed ownership and leadership of IF, the action plan has been prioritized with meaningful and measurable goals and objectives that lead to clearly defined projects to address priority issues, then the beneficiary LDC governments should, and are, assuming the responsibility for donor coordination.

The Capacity Issue

Most progress has been realized in countries where government-wide policy supports IF, combined with IF Focal point leadership, utilizing strong support mechanisms and infrastructure.

The IF and *trade* must compete for attention against a number of other sectors within development plans or poverty reduction strategies, which makes strong leadership and effective communication skills on the part of IF Focal Points and other proponents of IF essential.

A review of these realities clearly identifies the need for highly motivated and capable IF leaders with complementary support facilities and mechanisms. The progress to date within many of the beneficiary countries strongly supports the view that early action is required to address the capacity and resource needs to manage and implement the Integrated Framework itself, even before implementation of any recommended actions or projects emanating from the process.

Minor recognition of the problem exists as the UNDP launched a modest programme (nominally \$35,000. per country) to address some of the very basic physical needs of the IF Focal Points, such as office equipment.

A comprehensive review, which is beyond the scope of this evaluation, should be undertaken to assess specific capacity needs in each country. A Capacity Development Programme to address both physical and human resource capacity needs within beneficiary countries (LDCs) would be highly beneficial and would contribute greatly to future progress.

The evidence also indicates that in-country agency staff, and in many cases donor representatives, especially those in a Lead Donor/Facilitator role, would benefit from participation in a capacity development programme. The skill development needs for this group, in addition to a more in-depth understanding of the goals and objectives of the IF, include mentoring and coaching skills plus process management skills related to the new way of “doing business” under the IF.

In the case of human resource capacity building, the **Capacity Development Programme** should include a skills assessment and needs identification, plus a Skills Development Component incorporating three specific modules as follows:

- (1) a **core competency** training module,
- (2) a customized complementary initial training module designed to address **specific needs and**
- (3) and an orientation to **Action Learning**.

In addition, at the LDC, core agency and donor levels, it would be very helpful to address the development of personal skills, such as: (a) managing self, (b) communicating, (c) managing people and tasks, and (d) mobilizing innovation and change.² For a detailed review of human resource capacity needs assessment and the Skills Development Component, please refer to Appendix G.

The Management Issue

IF is a complex issue, encompassing the six agencies, one observer organization, a host of donors and some nineteen countries, each with its own unique situation, capacity and potential from an economic, political and resource availability perspective. There is also a degree of international pressure to expand participation to include additional countries at the earliest possible moment.

As a result, the challenges of managing such a mammoth undertaking are enormous, given the current circumstances and the issues identified by this evaluation.

The IF Management Committees

The *IF Steering Committee* should remain as a high-level policy review and policy setting organization. The current Chairman of the Steering Committee has been effective and has made a valuable contribution, as he appears to perform the functions of Chairman in an unbiased manner, acting more as a personal supporter of the IF than as the Ambassador from a developed country. Early identification of potential candidates, to allow for a reasonable overlap period and a smooth transition, would seem appropriate.

The *IF Working Group* has certainly contributed to the progress made to date, but the group is large, especially in relation to its role of managing the day-to-day operations of the IF, including approval of the projects under the IF Trust Funds. Streamlining the operations of the IF Working Group would be appropriate.

² The concepts are described in: Fredrick T. Evers, James C. Rush and Iris Berdrow. *The Bases of Competence: Skills for Lifelong Learning and Productivity*. San Francisco: Jossey-Bass Publishers, 1998, 273 pp.

A working group structure comprising seven persons would contribute to increasing effectiveness and efficiency.³ As well, a consultative process, to ensure that the Group represent the collective views and the position of the “partner” would be essential and beneficial to the effective management and overall improvement of the IF. The establishment of the consultative process within the agencies would contribute further to the progress made to date in developing a coherent and consistent action plan. The establishment of the consultative process by the Donor representatives would improve awareness, buy-in and could increase the level of commitment within the current roster and perhaps attract a larger community of bilateral donors committed to the IF process.

1. Background

This report presents the findings of the *Evaluation of the Revamped Integrated Framework for Trade Related Technical Assistance to the Least Developed Countries*. The timing of the Report was designed to coincide with the Fifth Ministerial Meeting of the *World Trade Organization* (WTO) in Cancún, Mexico in September 2003. The *Capra-TFOC Consortium* (Capra International Inc. and Trade Facilitation Office Canada) was notified on May 8, 2003 that it had been selected to undertake the evaluation. Due to the short timeframe that is available to undertake the task, the originally proposed team of four consultants was subsequently expanded to six, excluding advisory, research and logistics support through the home office.

The Purpose of the Evaluation

The purpose of the Evaluation is to assess the effectiveness of the *Integrated Framework*, (1) as a mechanism to mainstream trade into development plans and/or poverty reduction strategies and (2) as a tool for using the *Integrated Framework* to deliver trade-related technical assistance. In general, the evaluation of the *Integrated Framework (IF)* focuses on the usefulness of the overall concept, the extent of implementation of previous recommendations, as well as governance and funding issues.

The Fundamental Objectives of the Evaluation

In specific terms, the fundamental objectives of the redesigned IF are: (1) to use the IF as a mechanism to mainstream trade into development plans and/or poverty reduction strategies; and (2) to use the IF as a mechanism to deliver trade-related technical assistance. To achieve these fundamental objectives, the implementation and follow-up to the Diagnostic Studies (DTIS) is critical, involving human, institutional and infrastructure capacity building, as well as policy recommendations to enable the Least Developed Countries (LDC) to integrate into the world trading system and economy. In particular, the evaluation needs to *assess and clarify the linkages* of the IF to the Poverty Reduction Strategy Paper (PRSP) process, development plans, Consultative Group meetings and Round Tables.

Our Specific goals for the Evaluation

The goals of this current evaluation can be summarized as follows:

- Review the many facets of the IF Programme, from the perspective of the various stakeholders with a vested interest in the success of the programme, including the beneficiaries of the initiative, the delivery agencies and the donors who support the programme.
- Review the objectives, the operations and the delivery of the programme to identify:

³ For a detailed discussion see section 3.2.8.4 on governance.

- those elements that are making the desired contribution to the goals of the programme;
- shortfalls that require modification and/or improvement;
- changes or additions to the programme that could improve the effectiveness and efficiency of the programme;
- techniques for improved programme management and delivery, such as an ongoing and dynamic monitoring and feedback system capable of providing early and continuous feedback to all parties on the development, implementation and ongoing operation of the programme both at the programme and the country level.

The primary goal of the evaluation is to make recommendations that strive for continuous improvement in the implementation and results achieved by the Integrated Framework.

The Specific Objectives of the Evaluation

The specific objectives of the evaluation are to: (1) Assess (a) the impact of the IF in linking trade, development and poverty reduction, with special reference to the World Bank's *Poverty Reduction Strategy Paper (PRSP)* process, and (b) the effectiveness of the IF as a model for trade capacity building, specifying lessons learned; (2) assess the impact of the IF as a means of generating *donor coordinated* support and sufficient funding to a government-owned trade capacity building programme; (3) review the roles and responsibilities of agencies, donors and LDCs with a view to further clarifying the extent to which they have implemented these roles and responsibilities under the revamped IF; (4) address the urgent challenge of a systematic and predictable implementation and follow-up process in the post-DTIS (i.e. post diagnostic studies); (5) assess the effectiveness of the IF as a mechanism to deliver trade-related technical assistance, and exploring its potential as an instrument for addressing the supply-side constraints of the LDCs; and (6) formulate recommendations on all aspects of the Terms of Reference (TOR).

Limitations

The Evaluation is limited by the fact that the Integrated Framework is relatively new and a precedent setting activity. Also countries have been brought into the process at varying stages and under varying circumstances which is reflective in part of the varying status of countries in the development and implementation of the IF.

From a logistics perspective, the evaluation suffered not only from an extremely compressed initial timeframe of approximately 19 weeks from start to finish, but in particular from country-organizational and infrastructure-based limitations, such as unannounced personnel changes, a frequent lack of access to effective telecommunication systems and the internet, as well as linguistic and cultural factors, that made planning for the execution of the evaluation excruciatingly difficult. Due to the compressed timeframe and pre-existing commitments in certain participating countries, as well as IF related and other priorities of key informants, at times the limited awareness of IF-related contacts, and even the incidence of civil war in the case of Burundi, a fairly neat initial plan to conduct country visits had to be modified repeatedly, and under extreme logistical planning conditions attributable to limited flight availability, flight delays and flight cancellations. In that context, the Team gratefully acknowledges the timely interventions of core agency and donor personnel both to help establish communications where these seemed to be non-existent and to find other logistical solutions.

To a certain extent the evaluation was carried out on a "moving target", as there has been an increased level of activity recently, and this represented added challenge for the evaluation team. Nonetheless, every effort was made to use as up-to-date information as possible in undertaking and reporting on the status of the IF, both at the "aggregate level" and at the country level.

2. Evaluation Issues

In general terms, the fundamental issues to be addressed in the Evaluation are to determine: (1) the extent to which increased trade can be reasonably expected to contribute to poverty reduction in least developed countries; (2) which conditions must exist to ensure that increased trade will benefit the poor and will contribute to poverty reduction; (3) whether the Revamped *Integrated Framework* is achieving its expected results of mainstreaming trade into development initiatives and facilitating the delivery of necessary technical assistance.

In that context, the results of the Evaluation will be used to determine to what extent the IF might be extended to other countries, and which changes, if any, might be required to make the functioning of the IF more effective and efficient.

In specific terms, the issues addressed in this evaluation are:

- **Awareness of the IF:** The level of awareness of the IF among stakeholders;
- **Understanding of IF:** The extent to which the different “stakeholders” understand the objectives of the IF and their respective roles and responsibilities;
- **Expectations from IF:** The expectations of different stakeholders from the IF;
- **Motivation to co-operate:** The level of motivation and preparation of different stakeholders to co-operate;
- **Implementation of IF:** Potential success factors and barriers to implementation of the IF;
- **Governance of IF:** Adequacy of IF management structure;
- **Learning from IF experience:** recommendations to improve the effectiveness of IF.

3. Evaluation Approach and Findings

This section describes (1) the Evaluation Methodology and (2) the Findings, in accordance with the deliverables specified in the Evaluation Terms of Reference (TOR).

3.1 Evaluation Methodology

The evaluation methodology comprises four distinct phases: (1) Planning for the evaluation; (2) Primary and Secondary Research; (3) Data Analysis; and (4) Recommendations.

3.1.1 Planning for the Evaluation

The planning for the evaluation involved both the *Evaluation Team* members and the members of the *Consortium’s Panel of Experts*. The outputs of this exercise were:

- An Evaluation Framework, Logical Framework Analysis with Indicators (Annex A);
- The identification of specific Evaluation Issues and Questions;
- A Travel Plan; as well as
- An overall Work Plan, using *MsProject* software.

3.1.2 Primary and Secondary Research

3.1.2.1 Primary Research

The primary research has been carried out by means of four approaches:

- Interviews with key stakeholders;
- Specialty Group Sessions (e.g. National Steering Committees);
- Focus Groups with homogeneous stakeholders; and
- An invitational Survey.

Based on the premise that the IF is LDC-driven, the initial contact for in-country visits was made through the IF Focal Point. When required, support from in-country Agency representatives or the lead donor/facilitator was enlisted. In selected countries, the local Chamber of Commerce played a facilitating role.

An integrated Discussion Guide, targeting the stakeholders within each of the three partner communities, i.e. the agencies, the donors and the beneficiary has been used to gather data on a consistent basis within each partner group. An integrated questionnaire has been used for the web based survey.

This approach enabled the team to collect information about:

- The level of awareness of the IF and its goals and objectives,
- The degree to which a common understanding of the IF process exists within each of the three partner communities and,
- The degree of progress including:
 - The capacity to develop and manage the IF process?
 - The level of national commitment within the countries (Governments, NGO, the Private sector, and civil society etc.?)
 - The extent to which participating countries have demonstrated their commitment in terms of human resources, clearly defined goals and objectives, and/or legislative changes to develop action plans and implement the IF activities?
- Effectiveness of coordination and cooperation among the partners involved in IF.
 - The extent to which countries have integrated trade into national development plans or poverty reduction strategies?
 - The role of the Lead Donor/Facilitator?
 - The extent to which a coordinating institutional structure exists (e.g. NSC, an IF unit within Government?)
 - The degree to which IF partners (Coordinating Agencies, LDC's, Donors) have identified and streamlined their procedures to facilitate the implementation of IF activities?
- The perception of the different stakeholders concerning the IF as:
 - a mechanism to increase trade;
 - a mechanism to mainstream trade into PRSPs and/or development plans;
 - a model for providing technical assistance and capacity building;
- The perception of stakeholders as to the strengths and weaknesses of the IF process including:
 - a vision or strategy;
 - capacity and infrastructure;
 - coordination between agencies;

- coordination within LDCs;
 - LDCs' needs;
 - funding;
- Recommendations to help improve the effectiveness of the IF and/or to improve the implementation of the IF (from stakeholders point of view).

Interviews. One-to-one interviews were held with key officials from the private sector and civil society, including academics.

Focus Groups. Homogeneous qualitative research focus groups, lasting up to two hours for each session, have been conducted, to the extent possible, with each of the following stakeholder groups: (1) Government officials; (2) a cross-section of Private sector representatives, which could include associations, small and medium sized enterprises (SMEs), that are relevant to the IF programme); and (3) Civil Society, including representatives of employee associations, academics, non-governmental agencies, etc.

Each focus group, where possible included participants, reflecting the diversity within each stakeholder category. The selection criteria for participants in the focus group are summarized in Annex G: *Focus Group Selection Criteria*.

The Survey. A cross section of representation from stakeholders in each of the partner populations were asked to participate.

The Evaluation Team, in collaboration with the Panel of Experts have developed the survey questionnaire, and executed it by means of the web and administered by the Halifax office of *Voxco*, a specialty quantitative research firm.

3.1.2.2 Secondary Research

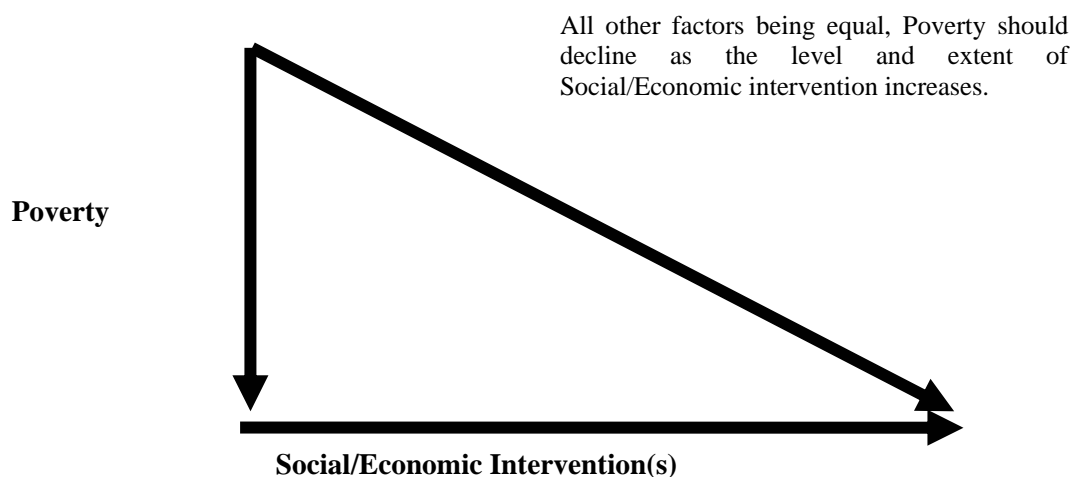
Theoretical Framework

The underlying theoretical framework for evaluating the Integrated Framework is consistent with the assumptions made by the donors in the development community in terms of poverty interventions. Essentially there is a belief, as shown in the graphic below, that poverty will decline as a direct result of the level and extent of the implementation of a funded intervention.⁴ The critical factor in this framework is the caveat of “all factors being equal” which recognizes that many things can and probably will go awry during implementation.

Before addressing what some of these other factors are it is essential to recognize that they only become relevant when this underlying assumption is recognized as being valid. This is important as this basic assumption is not questioned in the current evaluation. It is used as the basis for framing the evaluation and these other factors are the focus of the evaluation activities.

⁴ It may be argued that donors do not make this assumption; however it logically must be made either implicitly or explicitly. If donors do not make this assumption then there is no justification for any funding for any intervention addressing poverty.

Assumed Relationship Between Poverty And Social/Economic Intervention



This overall framework rests on the further assumption that the social/economic interventions are inputs into a process that will ultimately lead to a reduction of poverty as an outcome. However, this process is mediated through a large and varied number of organizations, individuals, legal and economic systems, levels of fiscal capacity and so forth. These factors can be essentially categorized as general (those which impact all programmatic interventions) and specific (those which impact by virtue of the specific type of intervention select – e.g. trade, food subsidies, micro-economic initiatives, etc.).

Secondary Analysis focuses on General Factors

Within the general category of factors there are three essential factors. One is fiscal capacity, the second is the governance system in place, and the third is the base level of poverty. Essentially the fiscal capacity assumption is that countries with higher levels of fiscal capacity will start with lower levels of poverty and further they would also be positioned to best exploit economic based interventions. The governance assumption is based on the relationship between political inclusiveness = greater social development and political exclusiveness = lack of social development for any intervention (as described in *The Political Roots of Poverty*⁵). These two contextual factors interact in that the effectiveness of fiscal capacity is dependent upon the effectiveness of the governance system. Where the governance system is poor there will be a higher level of poverty compared to a jurisdiction of equivalent fiscal capacity but good governance.⁶

In terms of operationalizing these factors within the timeframe of this project, macro level assessment is all that is feasible. The fiscal capacity and poverty indicators will be taken from the Human Development Index particularly the per capita GDP as an indicator of fiscal capacity and the Human Poverty Index as the indicator of poverty.

⁵ Bruce Bueno de Mesquita and Hilton L. Root in *The National Interest* No. 68, Summer 2002 Issue.

⁶ This has been used by the author as the framework for implementing the monitoring and evaluation approach to the impact of decentralization in Indonesia by the Ministry of Home Affairs as reported in http://www.gtzsfdm.or.id/documents/dec_ind/newsletter/Newsletter41.pdf.

As an indicator of the quality of governance the World Bank has further developed an approach to measuring political inclusiveness/exclusiveness along the dimensions of:

- Voice and Accountability
- Political Stability and Absence of Violence
- Government Effectiveness
- Regulatory Quality
- Rule of Law
- Control of Corruption

These factors will establish the general context and expectation for the success or lack of success of any specific intervention in alleviating poverty.

Expected Results

Within the overall theoretical framework presented each country within the programme will be compared to all other Lesser Developed Countries and to each other in order to establish an expectation level. If time permits, an historical analysis will precede the current examination in order to develop a linear projection of changes in the human poverty index simply as a result of time. This establishes the basis for determining the potential impacts attributable to the IF.

In addition, criteria for selecting countries within the LDC with high probability of exploiting the IF in terms of addressing poverty alleviation will be developed as an aid to assist in future country selections.

3.1.3 Data Analysis

All of the qualitative data collected through the interviews, focus groups and speciality groups have been analyzed to identify key themes, issues, and possible areas for improvement. The survey has been analysed using both bivariate and multivariate techniques. The results from both the quantitative and qualitative research activities have been integrated into the final report. Data gathered in the survey from LDCs have not been reported by country, due to small sample sizes, but have instead been reflected as global LDC perceptions in the survey data analysis.

3.1.4 Recommendations

The recommendations flowing from the evaluation have been embedded in the text where they first arise, identifying the party responsible for their consideration and action. The recommendations have also been listed separately in Section 5 of the Report.

3.1.5 Report Structure

The report is structured in such a way that it can be used as an integrated whole or as free-standing parts on a country-by-country or issue by issue basis. This feature is useful in follow-up with LDCs, core agencies or donors.

Each country report and other evaluated component contain the following units:

1. Evaluation Context. The evaluation context is defined in terms of estimated expected results, assumptions and risks, as set out in the *Logical Framework Analysis* (Annex A).

2. Evaluation Findings. The evaluation findings describe the results of documentary analysis, internet searches, interviews, group sessions, and data obtained through the electronic survey.
3. Significance of the Evaluation Findings. This part describes IF problems or opportunities.
4. Potential Adjustments. This part describes approaches to solving identified problems or exploiting Opportunities.
5. Potential Impacts of Choices. This part visualizes what will likely happen, if identified problems are solved or opportunities are exploited.
6. Recommendations

3.2 Evaluation Findings

The Evaluation Findings are discussed under the following broad headings: (1) the status of the first Integrated Framework First Review; (2) the status of the “old IF” five Round Table Countries⁷; (3) the status of the three pilot Revamped IF Countries⁸; (4) the status of the eleven non-pilot countries⁹; (5) perceptions of the core agencies¹⁰; (6) perceptions of Donors; (7) perceptions of LDC stakeholders; (8) defined roles of agencies, donors, LDCs, as well as governance; (9) linkages to the existing development architecture (PRSP, Country Consultative Groups, Donor Round Tables); and (10) processes and procedures.

3.2.1 Status of the First IF Review

A. Summary Statement

A.1 Although well aware that the last review of the IF was undertaken during the first half of 2000, the evaluation team did not undertake a review of that evaluation until after the current evaluation methodology had been developed and implemented, thereby avoiding the possibility of prejudicing the outcome of this review. We did, however, note the reference in the final report to the previous evaluation being undertaken under a tight timeframe.

A.2 While many of the recommendations were adopted and changes implemented to address the issue, even though in some cases the exact method or action plan identified in the earlier evaluation were not followed, there remain a number of issue that reappear in this current evaluation, little changed.

3.2.1.1. Degree of Implementation of the Recommendations of the First Review

A. Summary Statement

A.1 A comparative analysis of the findings suggests that many of the issues identified and recommendations made in the previous assessment have been either implemented or addressed and progress is noted. For example, the recommendation to prioritize and link IF into the overall

⁷ Bangladesh, Haiti, Uganda, The Gambia and Tanzania.

⁸ Cambodia, Mauritania and Madagascar.

⁹ Guinea, Malawi, Mali, Nepal, Senegal, Burundi, Djibouti, Ethiopia, Lesotho, Yemen and Eritrea, the latter being inactive at present.

¹⁰ World Trade Organization (WTO), The World Bank (WB), International Monetary Fund (IMF), International Trade Centre (ITC), United Nations Conference for Trade and Development (UNCTAD), and the United Nations Development Program (UNDP).

development assistance architecture was clearly adopted with the revamping of IF and the introduction of “mainstreaming” through the DTIS instrument. The evidence suggests that, although not complete and perhaps not totally appreciated or being consistently applied by all IF participants, progress has been made as many countries have or are in the process of mainstreaming trade into their PRSPs. The mainstreaming initiative appears to have also had a positive effect on the level of donor moral and financial support for IF.

The DTIS process itself is an addition to the IF, as a result of the revamping exercise. Previously the Needs Assessment, as it was called, was prepared under the guidance of ITC and with a much narrower *Trade Related Technical Assistance* focus addressing trade development issues only. The addition of the mainstreaming concept in the revamped IF necessitated a broadening of the assessment process as well. Given the added focus on the total development agenda, the DTIS process lead was assumed by the World Bank.

Hence a comparison of the former Needs Assessment and the current DTIS process¹¹ is not germane to the current evaluation, nor to analysing the degree to which the recommendations from the previous evaluation were adopted or implemented. A new set of parameters, and a modified approach, demanded a new process.

A.2 Re-assigning the Secretariat function to the WTO to strengthen trade leadership has occurred, as have other changes in the governance structure. It is interesting to note in the current evaluation that some concern is being expressed that the WTO-based Secretariat’s “development side” capacity may not be sufficient.

Survey Results: IF Revamp

Forty-three per cent of LDC respondents believe that the post-IF Revamp changes in the IF management structure are effective.

Source: Annex E, Question 32

The former Inter-agency Working Group has been replaced by the IF Steering Committee and the IF Working Group. This appears to have improved the administration and management of the IF and provided a forum for both donors and LDC participants to participate. However, the

management structure, especially the current composition of the IFWG, with six agency representatives plus OECD as an observer, 2 LDC representatives and 2 donor representatives, still perpetuates the perception that the IF is an Agency-dominated process.

Fund management and allocation changes have occurred with the TRTF being administered by the UNDP and the recent creation of the Window II facility.

B. Significance of the Evaluation Findings

B.1 The evidence suggests that while improvement have been made, especially on the policy and administration side, many of the issues in relation to perceptions, the drivers, country ownership, scope and coverage, and LDC capacity remain. The recommended effort to restrict IF to TA for trade-related development, to support policy reforms, manpower and human resources development, customs reforms, institutional change and legal environment reforms, not infrastructure, has not occurred and is very much a part of the problem of perceptions and expectations. The ministerial request to consider supply- side constraints, without accompanying guidelines or criteria being established to define supply-side constraints and set the outer limits, has exacerbated the problem.

¹¹ For a detailed discussion of the DTIS process please refer to section 3.2.10.3- Processes and Procedures for preparing the Diagnostic Trade Integration Studies and the Quality of the DTIS.

B.2 The perception that the IF is an Agency managed and owned process remains very well entrenched, as do the differing perceptions of what precisely the IF was designed to do. Finally, the capacity of LDC countries to manage this process, let alone the outcomes, is an issue that is inherent in the stated goal of a customer driven (LDC) process. The introduction of the lead donor/facilitator concept has made and has the potential to make a positive contribution, although considerable thought has to be given about the donor facilitator's role in each country.

Survey Results: IF Revamp Mixed View
Less than half (43%) of the LDC respondents believe that the post-IF Revamp changes in the IF management structure are effective.
Source: Annex E, Question 32

3.2.1.2 The Quality of the DTIS

Evaluation Context

The findings are based on (1) survey country components, (2) a two-day country visit, as well as (3) a review of relevant available documents.

The evaluation was guided by applicable expected *impact*, *outcome* and *output* results, their corresponding performance measures, as well as associated assumptions and risks, as contained in the *Logical Framework Analysis* (Annex A). *Impact* is defined as a long-term result; *outcome* as a medium-term result; and *output* as a short-term result. *Applicability* was determined in terms of its primary relation to IF governance and management, as distinct from donor operations.

The following *performance measures* were used to assess the quality of the DTIS:

1.1.1.1 The degree to which IF country governments have completed their DTIS or needs analyses

1.1.1.2 The degree to which IF country governments have linked their DTIS or needs analyses to national development plans and/or PRSPs

The following *risk* has been identified:

R.10: DTIS and the associated Action Matrices may not fully reflect the considered views of LDC governments and stakeholders and may not provide clear prioritization and guidance for further action.

A. Evaluation Findings

A.1 Summary Statement

A.1.1 The Diagnostic Trade Integration Study (DTIS) process has progressed and continues to evolve as partners are learning from the experience gained in a given situation to make future improvements. Successive DTISs are improving in terms of focus, precision and the identification and prioritization of issues. In addition successive DTIS studies have, in recognition of the need under the revamped IF to mainstream trade into the National Development Plans or Poverty Reduction Strategy

Survey Results: DTIS

LDC respondents were almost unanimous (73% strongly agreed and 19% agreed moderately) that the DTIS can provide a roadmap for countries to address goals and objectives relative to trade and their participation in the world economy. Similarly, 65% strongly agreed and 19% agreed moderately that the DTIS can provide a vehicle to identify Trade-Related Technical Assistance (TRTA)

Source: Annex E, Questions 16 and 17

Papers (PRSP) process placed a degree of emphasis on addressing the links between trade, economic development and poverty. A significant number of countries have or are in the process of completing a DTIS. Even a member of the original Round Table Countries has decided to use a DTIS like process for future planning.

These improvements notwithstanding, there is a perception among many, especially within the LDC community that the agency (in most cases the World Bank) is not only leading the process but has ownership of the process as well. This perception which appears to closely mirror reality while being efficient from a task completion perspective may not be contributing to the development of ownership, leadership and buy-in on the part of the LDCs an element that appears to be fundamental to the ultimate success of the IF process.

A.2 Survey Results

In general, the survey results support the theory and belief by many in the LDC community that the DTIS process can provide current status information, identify issues and problems and act as a roadmap for addressing trade related issues. The survey results also support the existence of the perception issue referenced above. The results point to a very strong conviction on the part of individuals from all three partner communities that country ownership of the IF process is paramount. [See Annex E, Questions 13, 14, 15, 16 and 17].

In particular, 51% of LDC respondents were aware of the existence of DTIS; 69% reported that a DTIS has been completed; 44% strongly agreed and a further 44% agreed moderately that DTIS can meet their country's needs in identifying trade-related issues; 73% strongly agreed and 19% agreed moderately that the DTIS can provide a roadmap to address their country's goals and objectives relative to trade and their participation in the world economy; and 65% strongly agreed and 19% agreed moderately that the DTIS can provide a vehicle to identify Trade-related Technical Assistance (TRTA) needs.

A.3 Interview Results.

A.3.1 During the course of this evaluation, interviews and focus groups discussions were conducted with a significant number of people from all three partner communities and similar strengths and weaknesses of the DTIS process were expressed by all three groups.

A.3.2 Many of the earlier DTISs were voluminous documents heavily concentrated on the macro-economic policy overview of the country with much less focus on micro-economic conditions and the identification of specific trade related issues and opportunities. The DTIS process was seen by many, especially within agencies, as a multi-purpose process with a much broader focus than as the basis for developing a well defined action plan addressing issues specific to the goals and objectives of the IF.

A.3.3 The DTIS process appears to be moving closer to its original intended purpose of providing countries with a tool to determine their current status and to identify trade related issues and opportunities plus identify the linkage between trade and poverty reduction. The role trade can play in reducing poverty however is not universally accepted within the IF partners and certainly within segments of civil society.

The inclusion of an "Action Plan Matrix" is a positive development especially the accompanying prioritization exercise. However, a review of a number of the resulting documents indicates that frequently they are complex and still contain lengthy lists of "things that must be done". It is evident that no one issue stands alone but is linked to a host of other issues and problems. Despite the interdependency, there is a need to recognize that individual problems must be solved sequentially one at a time, underscoring the need to develop an action plan to address a manageable list of priority projects.

If the LDC country, with the mentoring and assistance of the agencies and the lead donor/facilitator develops an action plan with identified projects to address priority needs, the LDC will have a

"funding request package" **that can be presented to donors** for consideration. **A good funding request package will most likely attract donor support.**

A.3.4 Many of the DTIS reports and the alternative process used by several of the Round Table Countries focus heavily on priority sectors as the key to export growth. Little attention is paid to "exporter" support and development. Experience in many countries suggests that "Good Exporters" tend to succeed regardless of the sector to which they belong whereas poorly motivated and ill prepared exporters fail regardless of the sector of the economy to which they belong.

B. Significance of the Evaluation Findings

The DTIS process has made progress and is more focused on the needs of the IF process. However, the DTIS is widely perceived as being an agency owned, managed and driven exercise with only lip service being paid to LDC ownership and leadership. The perception to a large extent appears to reflect reality as the TORS are often set using a standard set of World Bank TORS, a team of international consultants led by the World Bank descend on the country to produce the study which is then reviewed by World Bank and other agency staff at their headquarters, before being presented to the LDC for review. The round table discussion of the report is also usually held at an agency headquarters location.

The evidence suggests that a simplified DTIS or "DTIS Lite" as it is referred to in some quarters could be used to provide a preliminary review of the trade status and issues to be used as one of the evaluation tools to determine the readiness of new potential participants in the IF. (See section 3.2.10 on country selection criteria).

C. Potential Adjustments

Adjust the DTIS process to be more LDC driven and managed with the agency role shifting more to one of mentoring, providing advice and assistance and coaching the LDC IF team in the DTIS process.

Encourage DTIS developers to focus some attention on exporter development as well as export development.

D. Potential Impact of the Choices

Would contribute greatly to making the IF a "customer driven" and owned process, assuring buy-in. The approach, while it would take longer and marginally increase the cost, would afford an excellent opportunity for capacity building not only for the IF Team but also help develop local consultants for the future.

Would recognize that the capacity and capability of the exporter plays a significant role in improving export performance.

E. Recommendations

1. The IFSC issue guidelines for DTIS process operation that would modify the approach to one of mentoring, assisting and coaching the LDC- IF team to develop their DTIS study and action plan matrix. *[Selected recommendation # 1]*

2. The Agency staff, responsible for the DTIS process, encourage DTIS developers to give consideration to exporter development in assessing LDC needs.

3.2.2 Status of the Five Round Table Countries

Evaluation Context

The findings are based on (1) survey country components, (2) a two-day country visit, as well as (3) a review of relevant available documents.

The evaluation was guided by relevant and appropriate expected *impact*, *outcome* and *output* results, their corresponding performance measures, as well as associated assumptions and risks, as contained in the *Logical Framework Analysis* (Annex A). *Impact* is defined as a long-term result; *outcome* as a medium-term result; and *output* as a short-term result. *Relevancy* was assessed in terms of the applicability of the results and their performance measures to LDCs, as distinct from core agencies and donors. *Appropriateness* was assessed in terms of the extent to which the results and corresponding performance measures could reasonable be expected at the present time, given an LDC's experience with IF and its degree of IF development. The two judgments about relevancy and appropriateness underlie the Summary Tables contained in 3.3.2.6.

The following *assumptions* were made:

Impact-related Assumptions

- A.2 LDCs will maintain IF as a priority in their national development strategy
- A.4 LDC governments are committed to good governance and to the creation of an open and stable business environment
- A.5 Low income populations (men and women) are targets of trade related activities

Outcome-related Assumptions

- A.6 LDC policy, leadership and direction support the inclusion of trade in national development plans and/or PRSPs
- A.7 Donors are willing to align their priorities to the LDC stated priorities (LDC point of view)
- A.8 LDCs are able to translate policy prescriptions into actionable projects
- A.9 Political expectations for support from civil society are realistic
- A.10 LDC governments choose to promote broadly based economic activities involving both labour and capital intensive projects to increase export-based revenues
- A.11 Business and trade support services for urban and rural exporters meet the needs of businesses, including exporters
- A.12 Business and trade support services are being delivered by public and private service providers
- A.13 Senior LDC leadership and direction in policy matters are provided to support trade as a priority
- A.14 LDC governments are committed to enhance human resource capacity, as required, to implement trade-related priorities
- A.15 LDC governments are committed to ensuring that the necessary resources (human and financial) are available to implement trade-related priorities
- A.17 LDC governments and IF structures are fully committed to a common results based approach

Output-related Assumptions

- A.21 The senior LDC leadership sustains commitment, support and interest
- A.22 The Focal Point is effective, acting as leader, co-ordinator, clearinghouse for information and views in the implementation of the IF

- A.23 All LDC stakeholder groups are actively involved in the design, implementation, and monitoring of IF activities
- A.24 Local funding is available to support IF activities (including organizational changes) to which the LDC has committed
- A.25 LDC governments will undertake necessary organizational changes to support IF planning and implementation activities
- A.26 Donor country plans for IF countries make provision to support priority IF activities, especially those included in PRSP's

The following **risks** were identified:

Impact-related risks:

- R.1 LDC exports are at risk, unless a more supportive trade environment is created, and improved market access is achieved

Outcome-related risks:

- R.2 Core agency, donor, and LDC IF related objectives conflict, or are not sufficiently harmonized (LDC point of view)

Output-related risks:

- R.7 Communication with stakeholders is insufficient to assure effective buy-in
- R.8 Execution of the projects might be at risk, if there is insufficient continuity and succession planning at the country level
- R.9 Absorptive capacity within LDCs lags the potential implementation pace of IF initiatives
- R.10 DTIS and the associated Action Matrices may not fully reflect the considered views of LDC governments and stakeholders and may not provide clear prioritization and guidance for further action.

Evaluation Constraints

The primary constraint was the extremely short timeline from contract notification to final report delivery, of only about 19 weeks. Due to this factor, certain functions needed to be executed in parallel that might have been executed more effectively in sequence. This time pressure also impacted on the logistics of organizing country visits, which, in certain cases, had to be undertaken at times that were inconvenient to the LDCs. The degree of participation in the time-compressed electronic survey was reduced, in part, due to vacation leaves of many potential participants.

3.2.2.1 Bangladesh: Round Table Country Status Report

A. Evaluation Findings

A.1 Summary Statement

A.1.1 The Government of Bangladesh has an Interim PRSP dated March 2003 and while economic development and a conducive business environment are mentioned, there is little direct reference to trade other than in the manufacturing and agriculture sectoral discussions. Despite this there are indications that the GOB may consider trade development essential for economic growth and poverty reduction as the commitment was included in the Programme of Action 2001-2010 presented to the Third UN Conference on LDCs in May 2001.

A.1.2 The IF is supported by the Ministry of Commerce (MOC), an IF focal point and an IF Steering Committee (NSC equivalent). As Bangladesh is one of the Five Round Table Countries which are not covered under the “revamped” IF, a DTIS has yet to be carried out although Bangladesh did receive the Window I funding approval of \$300K in 2002. These funds have been used for “Marketing Skills Development Scheme for Leather Sector in Bangladesh” Project.

A.1.3 A Round Table Meeting (RTM) held in June 1999 raised the level of IF awareness and resulted in a list of 11 high priority projects. Despite this, a DTIS process including a broad cross section of stakeholders is under consideration as it could clarify priorities and strengthen the link between the IF, trade and the final PRSP.

A.2 Survey Results

Almost 6 out of 10 (58%) respondents to the survey expressed the views of LDC stakeholders. Their collective insights are set out in Annex E. Individual country breakouts were not attempted, since that would have reduced the average sample size per country to below statistical norms.

A.3 Interview and Focus Group Results

A.3.1 Interviews and focus group discussions were undertaken with government officials (Finance and MOC), the private sector (Chamber of Commerce) and Civil Society (academics, a social think tank and a research group). While views varied, most seemed to feel IF could improve trade, and trade could lead to poverty reduction.

A.3.2 The 1999 Round Table Meeting was led by the Ministry of Commerce (MOC) representing the GOB and included representatives from the core agencies, the private sector, civil society organizations and independent experts. Following the workshop MOC, in conjunction with the steering committee and with assistance from independent experts, prepared a draft document for the country’s development partners. The document identified 28 priority projects to address TRTA needs and over time through input from various ministries, the private sector and the Chamber of Commerce, the list expanded to 42 projects.

A.3.3 The MOC took the initiative and pared the list down to 11 high priority projects which include: strengthening capacities of the Ministry of Agriculture, spices and condiment research and monitoring of production, product development and market diversification initiatives for garment industry, establishment of a fashion institute for the sector and establishing a network between the Chamber of commerce and associations.

A.3.4 The IF Marketing Skills Development project, which began in September, 2002 has been funded and implemented jointly by ITC and The Dacca Chamber of Commerce and Industry. The

project is designed to implement a comprehensive survey and research activities for the leather industries to identify Strengths Weaknesses Opportunities and Threats (SWOT). Although the project is ongoing, the evidence suggests that concrete measurable results have yet to materialize and the project remains in the analysis and planning stage.

A.3.5 TRTA types of projects, often related to trade policy, have been supported and implemented by a number of bilateral donors and the Asian Development Bank. The WB assistance for the next two years will focus on export development and competitiveness, state-owned enterprises and banking reforms, as well as in the customs administration, power, road, agriculture, education and health fields. The extent to which all these assistance projects are complementary is an open question.

A.3.6 Public sector participants suggested that supply side constraints and trade negotiating skills were key issues. They also raised the Technical Assistance and Capacity Development (TACD) work being done by WTO, suggesting it should be extended beyond yearly activities. Bangladesh is well engaged in the WTO process as they hosted the Second LDC Trade Ministers' Meeting to exchange ideas and coordinate views to reach a common position for LDCs at the forthcoming Fifth WTO Ministerial Meeting; hence the focus on trade policy and trade negotiations in the need assessment.

A.3.7 The private sector supported IF in principle and indicated that the Chambers of Commerce could also use TRTA (hence one of the 11 priority projects). The private sector also noted the need for in-country leadership and commitment plus the need to overcome many other trade-related issues: human resource development, infrastructure facilities, improved governance, including the weak national institutional and administrative capabilities are considered as major supply-side constraints and as major challenges that threaten the country's ability to promote international trade and diversify exports. Other supply side constraints identified: customs procedures and services, skill and professional upgrading, trade information technology, un-diversified export basket and the quality of goods at competitive prices, under-developed trade facilitation services, un-diversified industrial base, inadequate infrastructure facilities (port and roads, power generation and telecommunication system).

A.3.8 Although not well informed nor involved in the IF process, civil society groups expressed support for the concepts and expressed a willingness to be involved and to partner with the private sector.

B. Significance of the Evaluation Findings

B.1.1 The Ministry of Commerce has established the IF Steering Committee (NSC equivalent) with representatives from Ministries and agencies, the private sector and independent experts to tackle trade issues emerging from the international agenda. The addition of a broader range of stakeholders including civil society could strengthen the NSC and the buy-in of participants to the IF process.

B.1.2 Although round tables were held in 1999 and some priority projects were identified, a DTIS process including a broad cross section of stakeholders could still be beneficial to help add clarity to strategic trade related priorities. It could also delineate the trade policy issues separately from trade development and supply side concerns. The follow up action matrix could identify measurable goals and objectives and priority projects to address specific issues or problems. A clearly defined action plan might also assist in targeting, attracting and better focusing both bilateral and multi-lateral donor support.

B.1.3 Although a number of bilateral donors are active in the country as are two of the IF core agencies and the ADB, the evidence suggests that donor activities are not highly coordinated.

B.1.4 The leather sector project is ongoing, but it seems to have reached a plateau. Perhaps stakeholders have lost sight of the goals and objectives and the desired outcomes from the project.

C. Potential Adjustments

C.1.1 While progress had been made with the IF, it has slowed and seems somewhat hampered by a need for clarification. As well, the IF project in support of the leather sector has appeared to lose momentum after the initial “study stage”.

C.1.2 The government commitment to mainstreaming trade seems assured but the need to prioritize and balance the effort targeted towards trade policy (trade negotiations) and trade development would seem appropriate.

C.1.3 Although trade appears to be recognized as an important driver of economic growth that could benefit overall development, the degree to which trade receives attention within the final PRSP is critical.

C.1.4 In lieu of the number of donors active in the country, the appointment of a lead donor/facilitator could facilitate the development of concrete plans and assisting with donor coordination.

D. Potential Impacts of the Choices

D.1.1 Failure to at least review and reassess the issues above will likely result in the IF process continuing to move slowly and the lengthy list of issues requiring attention will remain unchanged.

E. Recommendations

It is recommended that:

1. Efforts be made to identify and encourage an active mentoring or assistance role by a Lead donor/ facilitator. *[Selected recommendation # 2]*
2. The NRC (Bangladesh steering committee) expand its participation to include additional stakeholder representation.
3. The government in conjunction with the IF Focal point and the assistance of the local core agency representatives consider launching a DTIS process to reconfirm and refine priorities and increase the effort to have trade fully mainstreamed into the final PRSP. *[Selected recommendation # 3]*
4. The IF Focal point take the lead and review the IF leather sector project with a view to reconfirming its goals and objectives and obtaining agreement from key stakeholders as to the key milestones or measurable targets and develop a specific action plan to move the project forward.

3.2.2.2 Haiti: Round Table Country Status Report

A. Evaluation Findings

A.1 Summary Statement

The IF is supported by the Minister of Trade and Industry (MTI), but the awareness level within the country and the government is generally low. The IF Focal Point consists of one very dedicated individual who is well aware of the IF, but lacks both the financial and human resources to manage the process. Haiti, as one of the original five participants, does not have a DTIS. However they have instituted a process in lieu of a DTIS, which includes a Round Table held in May 2003. There is no PRSP in Haiti and trade does not appear to have been formally mainstreamed into any national plan.

A.2 Survey Results

Almost 6 out of 10 (58%) respondents to the survey expressed the views of LDC stakeholders. Their collective insights are set out in Annex E. Individual country breakouts were not attempted, since that would have reduced the average sample size per country to below statistical norms.

A.3 Interviews and Focus Group Results

A.3.1 MTI has produced a draft document, which outlines the new orientation and strategy for International Trade. It recommends the following priorities to enhance trade: identify new niche markets; select products and services and develop information on targeted markets; assess and correct the obstacles to increased production; coordinate the action of all parties involved in the IF goals. This document flows from a round table held in May 2003, which included participants from the private sector.

A.3.2 The IF focal point consists of one highly dedicated and motivated individual but working without the apparent financial and human resources to administer the process. Several respondents suggested that a fully resourced IF Focal Point was essential to facilitate progress.

A.3.3.3 Discussions held with agency, donor and regional development bank representatives plus donor sponsored project managers confirmed that there is a general lack of awareness among the entire group as to the existence of the IF, let alone its goals and objectives. Even representatives with a clear poverty reduction mandate were totally unaware.

A.3.3.4 To illustrate, the representative of the Inter-American Development Bank was unaware of the IF, but intrigued by the process and most supportive of its goals. The IDB has developed a database for project level identification, concentrating on the Agriculture and Health Sectors. Although the development has been completed, IDB has been unsuccessful, to date, in getting the government (same ministry as the IF Focal Point) to take ownership of the database. As well, two project managers, funded by different donors and engaged in virtually identical trade-related development projects for two different agriculture products were not only unaware of the IF, but they were unaware of each other.

The \$300,000 available from IF for DTIS, according to the IF Focal Point is available to finance a pilot phase of the IF. It will be used to structure the IF, according to a paper entitled "*Les Réalisations du Cadre Intégré*". A DTIS and action plan are anticipated in the document As is the formation of a public information campaign on the IF and a programme of training assistance at all levels.

B. Significance of the Evaluation Findings

There is a serious lack of awareness, focal point capacity, government-wide support and leadership, which handicaps all IF-related efforts. Additionally, it is not clear that the integration of trade into development plans has been accepted as a valid concept within the Haitian government.

C. Potential Adjustments

The necessary in-country elements, to adequately support the successful conclusion of the IF process into an actionable programme of activities do not appear to be in place despite the dedication of those directly involved. The government of Haiti should be encouraged to review the IF and its possible contribution to improving trade and reducing poverty.

D. Potential Impacts of the Choices

Failure to act on bringing together the necessary elements will likely result in no measurable improvement to the current situation.

Senior government support, and leadership to fully engage in the IF process should result in the identification of an action plan to address trade-related issues that could lead to an economic revival and a reduction in poverty.

E. Recommendations

It is recommended that:

1. Efforts be made by the core agencies to engage the Haitian government in a dialogue with a view to obtaining the senior government support for IF and its goals and objectives.
2. The IF Focal point be fully resourced, including human and financial resources to adequately manage the IF process. *[Selected recommendation # 4]*
3. An awareness campaign be developed and launched with a view to engaging more stakeholders more fully in the process.

3.2.2.3 Uganda: Round Table Country Status Report

A. Evaluation Findings

A.1. Summary Statement

Uganda has a PRSP completed in March 2002, which includes some elements of trade. The situation is currently under review with the assistance of the Uganda Export Promotion Board (UEPB). It is possible that trade will receive growing attention and will be increasingly mainstreamed into revised PRSPs.

As one of the original five Round Table Countries a DTIS has never been conducted and The GOU has steadfastly refused to do so on the grounds that sufficient studies exist and what is required in their case is an action plan to address priority issue including capacity issues on the policy side pertaining to trade negotiations. The IF Trust Funds for the DTIS (\$300,000) were used for other purposes aimed at trade development and poverty reduction.

A.2 Survey Results

Almost 6 out of 10 (58%) respondents to the survey expressed the views of LDC stakeholders. Their collective insights are set out in Annex E. Individual country breakouts were not attempted, since that would have reduced the average sample size per country to below statistical norms.

A.3. Interview and Focus Group Results

A.3.1 Interviews and focus group discussions were held with a wide cross section of stakeholders including government officials and representatives from the NSC, UEPB, industry associations, agriculture producers, civil society and agencies. The level of participation and the active coordination support from the IF focal point demonstrates the interest in the trade-related issue in Uganda.

A.3.2. The IF Focal Point and The National Steering Committee (NSC) is led by Ministry of Tourism, Trade and Industry (MTTI) with the NSC comprising government officials representatives from the Uganda Export Promotion Board (UEPB) working in collaboration with the Committee for the National Export Strategy (NES).¹² The GoU also established an Inter-institutional Trade Committee (IITC) which is to function as a consultative forum on trade policy and as the trade agreement negotiating group.

The GOU took a strong position, against preparing a DTIS arguing that the Country had enough studies and sufficient diagnoses. Senior officials stated their belief that IF core agencies were strongly opposed to the move but that it was finally accepted and approval was given to use of the IF budget (\$300,000) for four alternative activities: (1) Export sectoral strategies; (2) Inter-institutional trade committees comprising sectoral ministries; (3) a network of trainers; and (4) a Compilation report to capture the relevant data and update recent economic studies.

Export strategies for horticulture products (fruits and vegetables) and the spices sector have been completed and launched in November 2002 while MTTI is preparing a work plan for the preparation of TRTA export strategies for the other two product sectors, namely silk and legumes (including herbs and beans). In both cases a “coaching” and “do it yourself” approach has been used. The focus of private sector activities will be on the preparation of the sector strategies and executing activities

¹² The NES has its basis in the Regional Executive Forum on Export Strategies organized by ITC for the Africa Trade Week held in Nairobi in November 2001 under a Joint Integrated Technical Assistance Program (JITAP) for Selected African Countries.

designed to provide tangible benefits to silk and legume producers and thus help reduce poverty in rural areas.

The IF has also assisted the ITC to address critical issues relating to the Multilateral Trading System (MTS). UNCTAD carried out work in the area of institutional capacity building for trade negotiations and policy formulation, primarily through strengthening of the ITC capacity building and the NES project is to assist in the preparation of workshops and training seminars to create a network of trainers on the Multilateral Trading System established under the JITAP programme.

A strategy template developed by ITC is being used as an overall guide for strategy formulation. Ten products are being considered in the service sector. These initiatives are under IF-TRTA with ITC as the implementing agency and efforts continue to replicate the pilot project assistance provided under the project in the silk and vegetable sectors. The silk and vegetable producers in other parts of the country have been exerting pressure on government to provide them with similar training and market contacts. In the case of vegetables, the need seems more urgent as drought conditions in the sub-region have affected production.

The service sector's growing importance and potential to export is now recognized and is being promoted as one the key sectors for future growth. As well, comprehensive terms of reference have been prepared for compilation of a diagnostic trade study for the service sector. A suitable national consultant has been recommended to undertake the study, which was planned for this year (2003), however additional donor funding has yet to be confirmed.

A.3.3 Although Uganda is taking a different and somewhat unique approach to IF, there are several key ingredients for success in place including the IF Focal Point's commitment and a NSC that incorporates a cross section of stakeholder interests. Definite actions towards a definitive action plan have been taken, especially in relation to specific priority sectors and the evidence suggests a conducive business environment is in place.

Despite progress and the expressions of commitment and government support for IF, the coordination and follow up plans on specific activities is unclear and there appears to be duplication in the management of trade-related issues between the Ministry of Agriculture and the MTTI. Some respondents also made reference to bottlenecks and increased transaction costs in exporting caused by rent seeking measures related to trade facilitation. The Uganda Programme for Trade Opportunities and Policy (UPTOP) commented that it seems IF activities are stalled and that to get the process moving forward again the roles and responsibilities of each related institution need to be clearly defined.

IF was unknown to many of the participants at the meetings or focus groups, including senior officers from MTTI and other ministries. Many beneficiaries however are aware of the intermediary organization (UEPB) and the results obtained, which is more important than "popularizing" IF itself. However, agency and donor representatives also displayed little awareness of the IF; with some suggesting that IF is a small, "secondary" type of project.

Regarding the level of capacity of the Focal Point, the evidence suggests that MTTI has had very little institutional and capacity building related to the IF. Donor representatives also made reference to the need for added capacity throughout the public sector both at the central and district government level. Added cooperation between ministries and officials would also be beneficial.

B. Significance of the Evaluation Findings

As an original participant under IF, Uganda was not obliged to complete a DTIS and opted for a different approach. Whether this will have a positive or negative effect on Uganda's progress remains

an open question as it appears that mainstreaming trade into poverty reduction strategies has not yet been fully embraced. However progress has been made. For example, the level of understanding of MTS issues has increased following training activities, and several sectoral studies are underway which could improve trade performance.

C. Potential Adjustments

A more coordinated and unified approach to IF and to trade issues generally could contribute to the potential for success. Inter-institutional cooperation and policy integration between ministries on sectoral issues and strategies could also produce positive results.

The policy and methodological aspects of mainstreaming might be adjusted to the current macroeconomic conditions of the country. This would allow the IF to take advantage of the lessons learned in the region.

D. Potential Impact of the Choices

A clear perception by all stakeholders of the goals and objectives at the national level, including donors and agencies, could contribute to improved coordination of IF activities and to mainstreaming trade in the national development priorities.

E. Recommendations

It is recommended that:

1. A capacity assessment be undertaken locally with a view to identifying needs to strengthen MIIT leadership and unify the NEC and core IF team.
2. Mentoring and assistance be provided to the IF team to increase awareness of the IF, especially within ministries, as a means of encouraging the full mainstreaming of trade into PRSPs. *[Selected recommendation # 5]*
3. A lead donor/facilitator be recruited or an agency representative be nominated to provide advice and assistance to the IF Focal point to undertake an assessment of the range of ongoing TRTA activities with a view to ensuring that the activities are progressing towards measurable and appropriate goals and objectives. *[Selected recommendation #6]*
4. Encourage the IF Focal Point to consider the needs of regional and rural enterprises in developing future IF-TRTA activities.

3.2.2.4 The Gambia: Round Table Country Status Report

A. Evaluation Findings

A.1 Summary Statement

The IF process, launched in April, 2002, does not have priority attention of the Government. A comprehensive study was undertaken and the five “pillars” of the national economy (horticulture, fishery, groundnuts, tourism and niche manufacturing) were selected at a national workshop held in August, 2002, when five teams were constituted to formulate strategies for activities to be carried out under the IF project. The results were integrated into the *Export Development Programme for The Gambia*, which is being finalized in consultation with all the stakeholders, including the European Union (EU) and UNDP, and which will be launched at a national symposium to be held in August 2003.

A.2 Survey Results

Almost 6 out of 10 (58%) respondents to the survey expressed the views of LDC stakeholders. Their collective insights are set out in Annex E. Individual country breakouts were not attempted, since that would have reduced the average sample size per country to below statistical norms.

A.3 Interviews and Focus Group Results

A.3.1 Three focus groups were held with representatives of the tourism, fisheries, and horticulture sectors. Participants believe that the IF can be the solution to the problems facing these sectors and having effective leadership may facilitate the process. The Government, through the Ministry of Trade (MoT), does not seem to be committed to the IF objectives. The MoT needs to show greater support for the IF activities, ensuring wide participation and assuming ownership. On the other hand, the Ministry of Tourism is well organized and does the proper follow-up of its projects, in various trade exhibitions abroad and at a world conference. The Gambia Ministry of Tourism and Culture has great confidence in IF and believes that it can be beneficial for The Gambia. The officials talked to want to accelerate the implementation of the IF. The industries of tourism and handicraft production have strict norms and standards in place, providing employment to some 15,000 people.

Fishing is important, as some 200,000 people are involved in the sector. Stringent quality standards are established by the Government and are recognized by the European Community, where a large proportion of their production is sold. The associations involved attach a great deal of importance to the IF as a source of technical, institutional and financial assistance.

The horticultural group clearly wants greater government leadership. This group, highly affected by poverty, has a work force of some 25,000 members, mostly women.

A.3.2 Mainstreaming IF is not a priority for the Government¹³, which has limited capacity to manage the whole process, nor to follow up on IF activities. The lead donor is the UNDP, which, with limited resources, seems very efficient, and has been working in The Gambia for many years. From the perspective of this donor, the IF could be very beneficial for the economy of the country, if it is led and conducted properly.

A.3.3 Among most of the stakeholders that were met (donors and business people) there is awareness of the IF, and expressions of enthusiastic support. The Ministry of Tourism has great

¹³ The PRSP for Gambia is in the Joint Staff Assessment Phase as of June 2002.

confidence in the IF and would like to see the process accelerated. The private sectors are well motivated and organized, although coordination among agencies and other groups is required.

A.3.4 The focal point at the Ministry of Trade appears to have limited to understanding of the IF process in the country, a fact that is magnified by the lack of interest of the Ministry in this project.

A.3.5 There is no consensus on the main priority areas of the IF, but there are expressions of interest on having technical, financial, and institutional assistance for strengthening basic government structure and leadership.

B. Significance of the Evaluation Findings

The evaluation detected a lack of interest in the government with respect to trade, causing the IF to lose its dynamism. There is a critical need for external coaching for the process to succeed.

C. Potential Adjustments

Leadership as well as technical training in IF might be strengthened. -Related projects might be offered, which would further strengthen the IF. For such projects, support might be sought from successful countries, especially English speaking neighbouring organizations, which might also enable The Gambia to profit from their approach to growth in trade. A clear government commitment and the appointment of an independent and recognized professional (but you have said earlier the focal point is very competent) to manage the implementation of the IF can be conditions for continuation of the involvement of The Gambia in the programme.

D. Potential Impacts of the Choices

Clear leadership can produce positive effects on the business and donor communities. A dynamic focal point of the IF will accelerate the implementation of activities and regain the confidence of core agencies in the participation of the country.

E. Recommendations

It is recommended that:

1. A clear commitment and leadership of the Ministry of Trade be manifested.
2. An independent professional for leading the IF be appointed.
3. The focal point and the donor facilitator could work together to seek donor assistance as well as assistance from neighbouring countries, which have successful export programmes.

3.2.2.5 Tanzania: Round Table Country Status Report

A. Evaluation Findings

A.1 Summary Statement

Tanzania's IF based multi-donor US\$24 million plus programme is being implemented, with the largest Business Environment Strengthening for Tanzania (BEST) project (US\$19million) scheduled to begin operation in the near future. Tanzania has a PRSP 2000-03, which will be extended annually on a rolling basis. Trade is not currently included in the PRSP, to which the budgetary process is closely tied, but it is expected it will be with the forthcoming review. A National Steering Committee coordinates Tanzania's IF process programme supported by a full time focal point. Tanzania plans a modified DTIS to set the stage for a second generation of IF projects.

A.2 Survey Results

Almost 6 out of 10 (58%) respondents to the survey expressed the views of LDC stakeholders. Their collective insights are set out in Annex E. Individual country breakouts were not attempted, since that would have reduced the average sample size per country to below statistical norms.

A.3 Interview and Focus Group Results

Tanzania is an 'old' IF country and consequently did not begin its IF with a DTIS process. Nevertheless, Tanzania is on the point of achieving the IF outcomes visualized in the re-vamped IF process: trade mainstreamed into the PRSP and a trade related technical assistance programme reflecting trade priorities. Today there is widespread support throughout the country for the Tanzanian leadership's recognition of the central role the private sector plays in the development process and the overarching focus of government policy is to maintain a conducive business environment for private sector led growth and development.

While the IF process, which began in 1999, has been somewhat lengthy, it has resulted in a substantial and integrated reform package which is supported throughout the government and the process itself has no doubt been an important contributor to the cultural change underway in the Tanzanian public sector. Several factors have been central to the current success of the IF in Tanzania: senior policy leadership and direction; a steering committee which has included a wide representation from within government plus representatives of the private sector (civil society will soon choose its own representatives); and a committed focal point throughout the process who has brought strong leadership and overall coordination to the process.

IF planning has taken place in a visibly improved macroeconomic environment and business climate. While there is support among donors and the senior business levels for the IF (and for continued momentum in the pace of reform), there is concern that the process has been too long. It is only recently that civil society, which seems to be generally supportive of the changes in Tanzania, but concerned that reforms have a positive impact on low income urban and rural men and women, has been formally included among IF stakeholders.

A.3.2 While trade is not included in the current PRSP as a priority sector or cross cutting issue, it does include references to trade and the last PRSP review has a short section on Tanzania and globalization. It is expected that trade will be included in the PRSP later this year which will positively impact the budgetary resources trade related and IF priorities will receive.

The IF process began in 1999 with an initial needs assessment and consultative process, including government, the business community and donors, based on an earlier World Bank Tanzanian export

strategy. About 40 projects were initially identified and presented at a Tanzanian Roundtable held in Geneva. This led to further consultation, culminating in a consolidated Tanzanian government IF programme document and its subsequent adoption by the Tanzanian Consultative Group in 2000. While infrastructure projects (supply side constraints) were included in the assessment, the National Steering Committee excluded them from consideration under the IF, as infrastructure priorities were covered under other programmes. Another priority, an Export Processing Zone, was earmarked for private sector development.

Today there are over US\$ 24 million in projects fully approved and underway, including the \$19 million BEST programme as well as trade policy, market access and trade and poverty projects. The goal of the BEST programme is to reduce poverty through enhancing the growth and development of business in Tanzania, particularly micro and small business. It aims to achieve its goal by achieving better regulations across government, improving commercial dispute resolution, strengthening the Tanzania Investment Centre, changing the culture of government, and empowering private sector advocacy, especially SME's and the informal sector.

Donors have been very active at every stage of the process and the BEST programme is supported equally by four bilateral donors, one of whom co-ordinates with the Ministry of Industry and Trade on behalf of the three other partners. There is no donor facilitator, but the National Steering Committee plans to monitor the four IF projects through a single sub-committee for the four projects. Donors meet regularly to exchange information on trade related matters, as other donors are also implementing trade related projects outside the IF framework. The evaluation did not determine the extent of these activities. There is little direct contact with the IF Steering Committee, Working Group, or Secretariat.

Tanzania is planning a modified DTIS based on the numerous studies which have been undertaken over the years to launch a second generation of IF projects.

The National Steering Committee currently has 26 members, principally representing Tanzanian government (including the offices of the Vice President and Prime Minister) ministries and agencies, and including four private sector umbrella organizations. Civil society representatives, chosen from among themselves, will soon join the Steering Committee.

A.3.3 Generally the level of awareness of the IF and the links between trade and growth, employment and poverty, is relatively high among government officials, private sector umbrella organizations, and senior private sector representatives. It was not possible to determine the level of knowledge beyond Dar es Salaam, although there are plans to extend consultation into other urban centers and smaller rural centers. Civil society representatives met knew little about the IF but were more familiar with issues related to globalization and trade and the impact on the poor.

A.3.4 The IF focal point's responsibilities are centred on providing leadership and coordinating the IF with the help of a small staff. The focal point has received assistance for the necessary office tools to carry out his responsibilities. The IF has been extremely well documented and it is easy to follow a detailed trail of its development in Tanzania. Project planning has ensured that all interested public and private sector stakeholders have been fully consulted to bring about the best possible project plan. The implementation of the BEST project has been assigned to the Vice President's office and full implementation will only begin later this year. Therefore, it is too early to determine whether the implementation structure, which will cover a number of ministries, agencies and organizations is sound.

B. Significance of the Evaluation Findings

The Tanzanian IF programme has the potential to make a substantial difference in the Tanzanian business environment in favour of increasing exports and local business development. The basic structures necessary to embed IF in Government planning and budgetary allocation processes are scheduled to be completed later this year. IF priorities are expected to be included in the PRSP process. With plans to undertake a modified DTIS process, Tanzania is poised to launch a second generation of IF related initiatives involving a wider spectrum of domestic stakeholders. With the exception of a donor facilitator, all IF structures are in place and are functioning well. There was some interest expressed in seeing donors work more closely together than has been the case up to now.

The key to Tanzania's success to date has been senior policy leadership and direction, a well-represented National Steering Committee, and a focal point, which provides the necessary leadership and coordination among interested parties, including donors.

C. Potential Adjustments

Some observers in the private sector and among donors expressed concern about the length of time it has taken to reach the current stage. While it would certainly have been desirable to shorten the planning time frame, the result appears to have been worth the time taken, especially in light of the enormous cultural changes going on within the Tanzanian private sector. Perhaps in the next phase the lessons learned can be applied to shorten the time frames and to widen the consultative process. There would be value in the Ministry of Trade and Industry implementing a more intensive information programme to increase awareness of the IF and the links between trade, poverty and the Government's trade priorities.

D. Potential Impacts of the Choices

The IF has been a success to date, although the successful launch of the BEST programme represents a big step from planning to implementation. Lessons learned from the first generation of projects, including wider consultation with local stakeholders and increased awareness should result in a more efficiently planned second IF generation with broader public understanding and support.

E. Recommendations

It is recommended that:

1. Tanzania continue to increase the efficiency and effectiveness of the IF by drawing upon its experience gained and the lessons learned to date.
2. The Tanzanian experience be actively monitored by the IF Working Group and, subject to the agreement of Tanzania, used as a model upon which lessons learned and IF good practices can be built and disseminated to the IF partners, especially LDC beneficiaries.
3. Tanzania follow through on the stated intention to mainstream trade into the next PRSP and the resulting budgetary process.

3.2.3 Status of the Three Revamped IF Countries

Evaluation Context and Constraints

The same evaluation context and constraints apply, as reported in 3.2.2.

3.2.3.1 Cambodia: Pilot Country Status Report

A. Evaluation Findings

A.1 Summary Statement

A.1.1 Cambodia has a PRSP, dated December 2002, which is the culmination of a lengthy highly consultative process, and which contains a large number of sectors and issues to be addressed. However, the PRSP is complemented by a socio-economic development plan; hence trade has been fully integrated into the PRSP. The Government of Cambodia has endorsed and embraced the concept of the Integrated Framework. It has established the necessary infrastructure, in the form of capable leadership, a dedicated support unit plus a National Steering Committee to undertake IF. There is also a clear recognition of the fact that a prerequisite to trade and economic development is a stable, predictable and conducive business climate so firms of all types, both domestic and foreign can establish, operate and grow to their maximum potential.

A.1.2 The IF “group” has assumed ownership of IF and used the DTIS (issued in January 2002) process effectively by tailoring the standard DTIS TORS to meet their needs, using the advice and assistance of agencies, donors and local expertise, consulting with a number of stakeholders to generate an action plan with identifiable discreet projects that address individual priority issues and trade related problems. The resulting “funding request package” has been presented to donors and they have responded favourably. Cambodia is the first IF participant to receive approval for funding from the new Window II Trust Funds.

A.1.3 This is not to suggest that all the trade related problems have been solved and that poverty will be eliminated in the near term, but the evidence suggests that the IF process is on track and making progress toward defined (perhaps not fully measurable) goals and objectives.

A.2 Survey Results

Almost 6 out of 10 (58%) respondents to the survey expressed the views of LDC stakeholders. Their collective insights are set out in Annex E. Individual country breakouts were not attempted, since that would have reduced the average sample size per country to below statistical norms.

A.3 Interview and Focus Group Results

A.3.1.1 Interviews and focus group discussions were held with the IF Focal Point, members of the IF Team, other government officials, a core agency representative, the private sector (restricted to the Chamber of Commerce) and civil society groups. A few of the results are highlighted below. It should be noted that the IF process has been assisted by a number of agency sponsored initiatives and activities.

A.3.1.2 The World Bank is active in the country and the IF file playing a key advisory role in the adoption of a Law on Business Enterprises by the Council of Ministers in April 2003. WB has provided technical support to development of a draft policy matrix in the PRSP. IF has provided financial assistance through the Trust Fund Window I National Implementation project for capacity development support to the IF core team.

A.3.1.3 The IF process has drawn support from the Trade Sector Network, a group of more than 50 representing government and the private sector. There is also a “Private Sector Forum” (PSF) established by the Private Sector to build a partner relationship with government. The Forum’s primary function is to facilitate the activities of seven private sector working groups. Although well aware of the IF, the Chamber of Commerce has not been invited to participate in the stakeholder body.

A.3.1.3 Civil Society opined that IF is related to trade promotion activities and its role should be to enhance enterprises’ production ability or productivity for the benefit of the poor, not just profit. The small scale industries, agricultural, handicrafts and limited service sectors can create jobs for the poor, especially in rural areas. Nonetheless the process needs to be country owned and driven to make it a sustainable project.

A.3.1.4 A Consultative Meeting on the integration and trade competitiveness study was held in June 2002 and identified and documented a technical assistance (TA) priority action plan to address the following policy areas, namely macroeconomic policy, trade policy, trade facilitation/ customs and trade facilitation/ transport plus sector studies.

A.3.1.5 The IF Focal Point is supported by the IF National Core Team (NCT) comprising 8 professionals specializing in WTO, ASEAN, Intellectual property, commercial law development, domestic trade, trade promotion, website development, administration and on the job training.

A.3.1.6 Cambodia is aggressively pursuing WTO membership and has gone through the process with the assistance of the core agencies, such as UNCTAD.

B. Significance of the Evaluation Findings

Cambodia has made definite progress under strong IF leadership and senior government support. While stakeholder consultation has been a feature of these developments, there are suggestions that increased consultations with the private sector and civil society, especially those dealing with the rural population would be beneficial and include a broader cross section of interests. As well, while the IF process has established clear priorities and identified specific projects to address them, the introduction of a results based management system to provide a continuous loop of monitoring, evaluation and modification, would ensure that planned actions continue to meet the ultimate IF goals and objectives.

The Cambodian experience strongly suggests that the IF is a viable approach as **a step by step process** to provide LDCs with a mechanism 1) that by using mentoring, cooperation and assistance 2) can assess and analyze the current trade situation and 3) identify problems and issues and develop a plan **with identified projects to address priority needs that 4) results in a “funding request package” for presentation to all donors** for consideration. **The solid funding request package has attracted donor support and has leveraged funds from donors; what IF was designed to do. Additionally, this progress has been accomplished in a relatively short period of time.**

C. Potential Adjustments

Reinforce and strengthen the consultation process and introduce a formal system of continuous monitoring to ensure optimum results.

D. Potential Impacts of the Choices

Improve awareness and commitment of a wider spectrum of in country stakeholders and provide a management tool to gauge progress and concrete results.

E. Recommendations

It is recommended that:

1. The consultative process be reviewed with a view to broadening the spectrum of stakeholder participation.
2. A results based management process be considered to provide that continuous loop of monitoring, assessment and adjustment to meet the identified goals. *[Selected recommendation # 7]*
3. The IFSC, with the permission of the Government of Cambodia, use the experience of Cambodia in implementing the IF as a training tool to train and inspire other LDCs and IF Focal Points. The development of an official IF Focal Point Network to exchange ideas and transfer best practices between participating countries would be invaluable.

3.2.3.2 Mauritania: Pilot Country Status Report

A. Evaluation Findings

A.1 Summary Statement

Mauritania has made progress. The latest PRSP (November 2002) clearly identifies trade and economic development as one priority sector. The list of priority “sectors” (health, education, legal reform etc.) and the associated problems, issues and necessary actions identified is long. The Economy/Trade sector has, by necessity, to compete for government attention and resources against the other sectors and issues. There is no evidence to show that trade, hence IF, will be granted priority status, which would translate into senior government wide support and financial support through the budgetary process.

A DTIS was completed using international and national experts. A follow up roundtable was held and an action plan matrix was developed which initially identified 32 problem areas, including infrastructure, human resource development, business environment, natural resource management and trade issues. A priority setting exercise identified 9 specific projects that fall into 3 broad categories: Institutional capacity, trade facilitation and market access plus sector development (tourism and fish products).

A National Steering Committee (*Comité Technique de Suivi*) has been established along with four sub-committees for: 1. International trade capacity, 2. standards and quality control, 3. tourism and 4. fisheries. The membership list of these groups suggests a concentration of government officials with some participation by selected EU Member State donors and the lead donor/ facilitator from the EU.

The IF had gained a certain degree of momentum as a result of all the planning activities. However, that momentum is fast dissipating and frustration is setting in among key participants, as the process appears to have stalled around November 2002. No specific activities related to implementation have begun and no concrete results have been achieved in relation to trade.

A.2 Survey Results

Almost 6 out of 10 (58%) respondents to the survey expressed the views of LDC stakeholders. Their collective insights are set out in Annex E. Individual country breakouts were not attempted, since that would have reduced the average sample size per country to below statistical norms.

A.3 Interview and Focus Group Results

A.3.1 The evaluation was somewhat hampered by the fact that no programme was established for the evaluation until after the evaluator had arrived in the country. Despite being in the country two days longer than scheduled, the evaluator was only able to arrange relatively short meetings with the IF Focal Point, CMAP, the Chairman of the NSC, the lead donor facilitator and eventually a small group of donor representatives. Despite personal commitment to the IF, the individuals involved were fully occupied dealing with other issues and files. This alone clearly identifies the need for increased capacity and resources to manage the IF itself as the IF Focal Point is endeavouring to manage the IF and other files with no supporting human resources and what appeared to be scarce financial resources as well. This capacity problem is at the heart of the delay in moving the IF from the planning stage to the implementation stage.

A.3.2 The *Centre Mauritanien d'Analyse de Politique* (CMAP), is a recently created policy analysis organization. The two individuals, who sought out the evaluator, were heavily involved in the DTIS, the follow up roundtable and the development and subsequent prioritization of the action plan matrix.

All four documents appear to be well researched and include input from the various stakeholders and select donors. The action plan matrix initially identified 32 problem areas, including infrastructure, human resource development, business environment, natural resource management and trade issues. CMAP undertook a priority setting exercise and identified nine specific projects for action. The projects fall into 3 categories: market access and trade facilitation, institutional capacity and sector development (tourism and fish products). Each project has well defined activities and detailed cost estimates although donors interviewed suggested that a number (as yet unidentified) of the 32 problem areas were already being addressed by bilateral donors and that the 9 priority projects were in fact projects for which funding had not been identified elsewhere.

A.3.3 Although donors, including the lead donor/ facilitator were involved in the process, little evidence exists that donors/ agencies are prepared to look at the whole package of 9 IF priority projects. Donor “interest” has been expressed in specific projects e.g. the EU has expressed interest in a customs modernization project and Italy has funded a small project. Some donors have put forward their own proposals that might contribute to the 9 priority areas and some projects have been offered which address other areas within the original 32 issues. This situation is at the heart of who is responsible for establishing priorities and coordinating donors. While the action plan matrix and priority setting was done by the country, donors by “cherry picking” are overriding the IF process.

A.3.4 The evaluator noted on a hotel billboard an announced seminar to explore the strategy for the promotion of micro-enterprises. The event assisted by the EU Mission, was sponsored by the UNDP, The Ministry of Economics and Development and an association. The Chairman of the NSC classified the event as an IF initiative while the conference organizer said it bore no relationship as micro and small enterprises are too small for IF.

B. Significance of the Evaluation Findings

Leadership and the capacity to manage and implement IF are lacking as the burden is being carried by one individual (the focal point himself raised the capacity issue indicating that he badly needed support and resources. Some observers suggested such a unit should be at a higher level in the government to insure policy integration across ministries (clearly articulated strategic goals and objectives using a RBM approach to IF management paramount). The leadership issue was confirmed, as was a lack of senior government support, even though it clearly appears in the PRSP. Recent events in the country coupled with the prospect of an election next year may not assist the process.

Clarification and support for the Lead Donor/Facilitator role at the local level including efforts to align/identify donor support for the identified action plan (priority projects) would assist. The donors are for the most part the EU or EU Member States and it appears that not all of the EU Member States’ representatives are aware of, involved in or agree with the IF and its concept. Japan is also a donor but there seems to be no contact between the two.

An agreed to set of guidelines (to be negotiated between all three partners) that outlines the types of project eligible (scope and coverage) for support from which source and under what conditions, i.e. project criteria, eligibility criteria, funding limits from each source so that all partners share a common understanding of the funding potential and limitations on a clearly identified action plan.

C. Potential Adjustments

Mauritania has made significant progress in adopting the IF process and considerable momentum and enthusiasm was generated during what has essentially been a planning phase. Moving forward from planning to implementation will be a significant challenge and will require a resolution of the uncertainty of senior government support, the lack of capacity to deal with IF itself and the apparent less than fully engaged lead donor/facilitator and agency representatives.

Mauritania would of course benefit from recommended changes to the overall development and management of the IF.

D. Potential Impacts of the Choices

Without a resolution to these issues, especially the senior government support and the capacity issue, it is unlikely that the IF can progress beyond what has been a relatively successful planning stage.

E. Recommendations

It is recommended that:

1. An assessment of the IF Focal Point be undertaken to determine the required level of human and financial resource required and to identify the skill sets needed to adequately manage the IF programme. The necessary resources be provided to manage the IF

2. Communication skills be developed, including for the IF Focal point and the NSC, to enable proponents to promote the IF and obtain the necessary senior government and budgetary support.

[Selected recommendation # 8]

3.2.3.3 Madagascar: Pilot Country Status Report

A. Evaluation Findings

A.1 Summary Statement

The Madagascar PRSP process began in September 2000 and was suspended for eight months in 2002 because of the crisis that faced the country. The full PRSP was completed recently. The DTIS has been completed and the Action Plan Matrix has been validated at a workshop held on July 17, 2003 (at Antananarivo). The workshop was attended by representatives of local donors and agencies, as well as government officials, private sector, civil society and development partners. A Task Force, that comprised senior officials, has been appointed to oversee the IF process and review/endorse the Action Matrix plan. It is expected that the World Bank will organize a donors' round table in September to identify projects from the validated matrix plan to be financed.

A.2 Survey Results

Almost 6 out of 10 (58%) respondents to the survey expressed the views of LDC stakeholders. Their collective insights are set out in Annex E. Individual country breakouts were not attempted, since that would have reduced the average sample size per country to below statistical norms.

A.3 Interview and Focus Group Results

A.3.1 To enhance cooperation between ministries and to show the big commitment towards the IF process, a "Task Force structure" was settled. Each ministry is represented in the Task force that comprises senior officials. Several meetings were held and communications were exchanged, between members of the task force to discuss the orientation, work programme and how to oversee the IF process. All Task force members seem fully engaged and poverty reduction focused.

A.3.2 The Government shows a big commitment to undertake sound policies in the pursuit of sustained growth and poverty reduction. Thus, the PRSP focused on how to improve social indicators and strengthen the income generating activities of the more vulnerable groups. Nevertheless, it does not sufficiently cover trade (especially international trade) and its impact on poverty. It is expected that the DTIS, which has just been completed, will be fully integrated into the PRSP and tabled at donor coordination meetings.

The DTIS draft identifies about 50 areas that need technical assistance. It was presented for validation last July, but all the local stakeholders complained that they received the draft only 48 to 24 hours before the validation workshop and did not have enough time to go through the document. Indeed, the consultation process needs some improvements but it is gaining momentum, with the recent decision to integrate representatives from the private sector into the task force. A wide consultation among different local stakeholders, including representatives of civil society, will benefit the IF process more.

A.3.3 The level of awareness of IF seemed not too high; local stakeholders are quite mixed up and many have trouble to distinguish between the objectives of different workshops held in the country. Indeed, there is not enough visibility of the IF process in the country, and no sensitization workshop had been held before the process started. Civil society seems to be absent and have not been engaged throughout the process. Even participants in the DTIS validation workshop, including some members of the task force, and local agencies representatives, claim that they have not been fully involved in the IF/DTIS process.

A.3.4 The IF focal point is a senior official in the Ministry of Trade. He is very active and fully committed to a successful outcome of the IF process. He is very aware of the IF and familiar with its objectives. Also, the task force promises that all challenges will be correctly addressed in the new context of a broadly-based consultative process.

Significant advances have also been made by the government to improve transparency and governance at all levels of public administration, which would significantly enhance the environment for private sector activity. Nevertheless, more remains to be done; the financial system needs to be strengthened and the regulatory framework streamlined.

A.3.5 The government declares that the private sector should be the engine of growth in Madagascar and seems committed to take strong measures to address corruption and improve the environment for private investment and growth.

A.3.6 All interlocutors expressed strong support for the latest measures taken by the president to strengthen the local business community and to help the private sector to develop and improve its competitiveness before the accession to the WTO.

B. Significance of the Evaluation Findings

The success of the IF requires a full involvement and participation of the business community and civil society. The identification of projects that meet the real needs of all local stakeholders and their prioritization is the only way to make the IF process profitable.

C. Potential Adjustments

The lead role in DTIS assigned to the WB is a cause for concern even though the UNDP and the other agencies endorse it. LDCs should be given the flexibility to choose the agency and the form of assistance that they feel to be most appropriate. Ideally, they should have the opportunity to conduct the DTIS themselves, or at least more local experts should be integrated in the team and the team leader should be a local expert).

Recommended trade reforms (e.g. International trade-related conditions such as exemption from customs duties, fiscal reform, import taxes and the VAT....) should be underpinned by an analysis of the impact of these reforms on poverty reduction.

Deeper consultation with the private sector and civil society is important, not only at the validation workshop, but also during the DTIS process.

D. Potential Impacts of the Choices

A LDC-led DTIS responds to widespread demands that the diagnosis and the recovery process be locally owned. A wider local involvement and participation reinforces the feeling of a domestically-owned development agenda in a process generated by consultation within government and between government and the private sector and civil society, not handed down from outside. All local stakeholders will then endorse the process.

E. Recommendations

It is recommended that:

1. The meaning of “nationally owned” process be clearly defined: e.g. who is responsible for DTIS, the choice of experts (only 3 local experts have participated in the DTIS: less than 10 % of participation in the study).
2. More guidelines about the participation process be set: e.g. who should be represented in the steering committee, and in which proportion (civil society, private sector, etc.).
3. The visibility of the IF process be improved among local stakeholders (sensitization workshops, explanation of objectives; etc.).

3.2.4 Status of the Non-Pilot Countries

Evaluation Context and Constraints

The same evaluation context and constraints apply, as reported in 3.2.2. In addition, special conditions in Burundi and Eritrea need to be noted. A country visit in **Burundi** was not possible due to the armed insurgence in that country at the time of the planned visit. A country visit in **Eritrea** had not been planned, since that country was not active in IF at the time of the evaluation.

In the case of **Burundi**, telephone and email contacts were used to obtain data about the IF status in that country. In the case of **Eritrea**, a World Bank official provided information about the reason for the current inactive status.

3.2.4.1 Guinea: Non-Pilot Country Status Report

A. Evaluation Findings

A.1 Summary Statement

Under a new democratic framework, the country is definitively progressing toward resolving the basic living conditions constraints of its population. Senior officials have the capacity to assess and to look for solutions to the country's problems, although decision-making is delayed due to the President's health.

The IF has a big challenge ahead, but could still contribute to the advancement of Guinea's development, which requires finding a solution to the market access issues in foreign markets, developing their human resources (qualified people, basic training) and addressing infrastructure issues (roads, transportation and power plants).

A.2 Survey Results

Almost 6 out of 10 (58%) respondents to the survey expressed the views of LDC stakeholders. Their collective insights are set out in Annex E. Individual country breakouts were not attempted, since that would have reduced the average sample size per country to below statistical norms.

A.3 Interviews and Focus Group Results

A.3.1 The Government supports the IF process, but, in practice, its commitment is lagging. The Ministry of Industry and Trade (MoIT) expressed interest in the IF concept and offered to push for a quick delivery. In a focus group of 150 people including Government officials, members of the business community, civil society, union leaders and consumers, the importance of such a trade-related initiative for the country was generally accepted. It is evident that the stakeholders are eager to participate in a process like IF. Until 1985, business in Guinea was State controlled. When the role of the State was reduced, hundreds of companies were privatized in a very short time and the country was without a conducive business environment. There are signs of increased Government policy leadership in the area of trade and in dealing with the business environment.

A.3.2 The DTIS had recently been completed. The priority is to reinforce the most promising sectors: tourism, agriculture, fisheries and mining. Education, training, foreign investments and infrastructure are also high on the agenda of all the Ministries involved. A National Steering Committee composed of representatives of all the partner groups of the IF at the national level has been formed and is active.

A.3.3 The level of awareness of IF is high, among all groups concerned. Representatives of these groups meet regularly to coordinate their activities and they indicated that the “informal economy” is an issue in the country and it does impact on the government’s revenue. The informal economy represents some 60 % of the economy and the reduced revenue translates into funds that are not available to support national priorities, including production and trade. The general public should also be informed of what the government is planning to achieve.

A.3.4 The capacity of the IF Focal Point is reduced because of other priorities and commitments. This makes it difficult to manage and implement IF and it indicates a need for increased human and financial resources and coaching.

A.3.5 With a more conducive business climate, Guinea could be a more attractive place for foreign and local investment, including in export-oriented industries.

B. Significance of the Evaluation Findings

Although the IF Focal point is a very senior government official, the commitment demonstrated for the project and the effectiveness of the IF-related process to date has been limited, due to the lack of focus on the project and attention to other national priorities.

There is a clear need to increase production capability and the competitiveness of existing firms to improve the export capability.

C. Potential Adjustments

To address coordination with all the participants involved in the IF, the IF focal point requires additional human resources to whom responsibilities can be delegated to handle daily activities in a timely manner.

There are basic supply side constraints that require attention including production that are affecting, local consumption and the ability to export.

D. Potential Impacts of the Choices

Should the Minister delegate the day-to-day coordination to a professional with a trade background, it could reactivate and build the momentum for IF activities, giving all the participants in the IF a clearer sense of leadership.

A strengthened IF focal point team coupled with increased government support and a higher IF profile could help rejuvenate the process, which appears to be supported by stakeholders but that seems stalled at the moment.

E. Recommendations

It is recommended that:

1. The Minister (IF focal point) assign a full-time coordinator with adequate resources to take charge of all IF activities, especially the preparation and dissemination of documents, linking with donors and conveying the information to increase awareness of IF and its objectives to civil society in particular.

2. The DTIS process be continued to complete the analysis and identify the most serious issues plus identify an action plan matrix to enumerate priority projects to address the issues. Supply side constraints and infrastructure needs will likely be a major component.
3. The government of Guinea be encouraged to take the steps necessary to create a conducive business environment to attractive investment.

3.2.4.2 Malawi: Non-Pilot Country Status Report

A. Evaluation Findings

A.1 Summary Statement

Although trade plays an important role in this poor, landlocked country, its relevance is comparatively less urgent within the national development priorities. Malawi has now several plans, programmes and initiatives toward economic development and poverty reduction strategy, including the Diagnostic Study (DTIS). The impression of the evaluator of the effects and current status of IF in Malawi is that this is a secondary type of project that fits or complements other schemes, like the Growth Strategy for Malawi (GSM). As a national development plan, the latter counts with higher level of participants locally and clearer commitment from international organizations and other donors, both bilateral and multilateral including, of course, the IF Core Agencies' resident representations and their counterparts in headquarters.

The National Steering Committee has been idle for more than a year and the IF process has been stalled. Only because of this evaluation and the upcoming ministerial meeting in Cancun has it been reactivated. The Norwegian Agency (NORAD) is facilitating the process and promoting the coordination of donors' roles, becoming a trade area contact point for international cooperation and donor activities within the IF project.

A.2 Survey Results

Almost 6 out of 10 (58%) respondents to the survey expressed the views of LDC stakeholders. Their collective insights are set out in Annex E. Individual country breakouts were not attempted, since that would have reduced the average sample size per country to below statistical norms.

A.3 Interviews and Focus Group Results

A.3.1 The role of the Ministry of Commerce and Industry (MCI) is limited and lacks proactive initiatives, losing the lead role in trade-related matters to the Ministry of Planning and Development and to the Ministry of Finance. Although the Principal Secretary and senior officers express support to the IF, there is little awareness and it is largely unknown to most of the government and civil society. Leadership of the MCI and the Focal Point is weak, due to the transfer of the previous facilitator from the Ministry of Commerce and Industry (MCI) to the Ministry of Planning.

A.3.2 Some elements of the IF, like the DTIS, which was completed on March 14, 2003, have contributed to other studies or plans, bringing up opportunities for a more realistic implementation fulfilling indirectly the goal of mainstreaming trade into national plans. A national validation workshop is planned for September 2003. The PRSP was delivered in April 2002, and includes few references to trade, although there was exchange of information during the study preparation. The document "*A Growth Strategy for Malawi: strengthening cooperation between public and private sectors*" (GSM) was finished on April 2003 and includes a chapter on the trade strategy. There is no consensus on the real influence of trade on development and its contribution to poverty reduction. Many doubts arose on the value for the country of its integration in the global economy, due to the fact that (1) access to developed countries' markets is increasingly becoming more restricted¹⁴, and (2) that overlapping regional and bilateral trade agreements are in effect with important trading partners.

¹⁴ Malawi enjoyed before of preferential agreements, but under the new schemes, bigger partners as South Africa or the European Union are imposing quotas on Malawian exports, which limit the access to those markets.

The DTIS's action plan contains 46 actions for improving competitiveness of the Malawi economy and its integration into the global economy, classified with high or medium priority, and by sector including macroeconomic and policy adjustments. It is remarkable that this action plan was assumed by the GSM and distributed among responsible agencies and the private sector or NGOs. By this means it attracted the attention of the participant organizations. While there is a conducive business environment, a coherent approach to regional and global agreements is lacking, which causes confusion among government and the private sector. This situation is also an opportunity for IF trade-related training in matters like negotiation of harmonized trade agreements; and improving the knowledge of the theory and practice of the functioning of the international markets and the global economy. Stakeholders want to participate more actively, once they are aware of IF's existence.

A.3.3 There were several references from all sectors to the limited level of awareness of IF. A workshop to review the DTIS and the Action Matrix has been scheduled for September 4, 2003 which may contribute to the fuller involvement of participants in the IF process. As a result of this evaluation, civil society has been contacted and its active participation is expected from now on. Donor participation is being reactivated but their involvement is very limited, due to the low level of priority given to the IF, compared to other assignments both locally and from headquarters.

A.3.4 After the transfer of the previous IF focal point, which caused the process to stall, the Ministry appointed the Deputy Chief Economist to support the NSC activities. He is reactivating the process. Nonetheless, the effectiveness of the management and implementation of the IF is limited to the diminished position of the Ministry within the Government structure.

A.3.5 There is clarity with regards to the topic of mainstreaming trade into the national plan, and also in the needs of trade related technical assistance. Special interest is devoted to the strengthening of the negotiation capacity of the country in trade arrangements regionally and multilaterally.

A.3.6 During the mission in Lilongwe, the evaluator promoted a short meeting with the JITAP Programme Coordinator from Geneva who arrived in the country to inaugurate a training process, mentioning that the role of IF is mainstreaming and that of Joint Integrated Technical Assistance Programme (JITAP) is trade related technical assistance.

B. Significance of the Evaluation Findings

Although senior officials of the GoM expressed the importance of and commitment toward the IF, the fact is that IF is considered a project of secondary level within trade planning and policy making. This is a fact of great significance within the scope of the Framework, because it limits its potential and diminishes the effectiveness of its contributions.

On the other hand, the IF has made some impact at adding dynamics to the process and has provided valuable inputs – as well as incorporated the results of others – intertwining studies and action plans within the national context.

The donors also play a dual, somehow overlapping role, assigning priority attention to bigger, more visible projects, and participating in the IF marginally. This is a finding of significance because it reflects not only the normal setting of priorities at the country level, common among local representations, but also shows up the existence of unclear lines of coordination and alignment with their headquarters mandates or smaller initiatives like IF. This fact raises the point of the diverging vision that the LDC may have of the IF architecture and its effectiveness, since there were several complains about fund transfers or the approval of activities.

Since one of the IF objectives is to serve as a mechanism to deliver trade-related assistance, the implementation of that objective needs to be assessed against the role played by JITAP. Since JITAP is jointly operated by three of the six IF core agencies (ITC, UNCTAD and WTO); and since the IF Trust Fund and JITAP have a similar budget¹⁵, it stands to reason that the operation of JITAP and IF should be harmonized in countries where both offer their services.

C. Potential Adjustments

There are three areas where potential adjustments might take place:

Option 1. Strengthening of IF by concentrating the overall coordination of trade related issues in the country, including sectoral ministries (Agriculture, Planning and Finance), which must delegate or complement the role of the Ministry of Commerce and Industry.

Option 2. Transferring the entire IF mainstreaming process into the Growth Strategy of Malawi (GSM) and ensuring that the IF budget is allocated to support the activities and following up on the inclusion and monitoring of trade related aspects of the strategy.

Option 3. With respect to technical assistance, the resources of JITAP and the IF Trust fund should perhaps be closely coordinated in order to optimize international support for Malawi's trade-related priorities.

D. Potential Impacts of the Choices

If option 1 is chosen, then the IF can be regarded as an input provider and as the "framework" in which trade elements are conducted, and it can be incorporated into action plans for its implementation.

If option 2 is chosen, then the IF role might be to monitor and evaluate the participation of sectoral ministries in the resolution of trade issues, promoting the leadership of the Ministry of Commerce and Industry.

If option 3 is chosen, then the effective and efficient use of scarce resources can be optimized.

E. Recommendations

It is recommended that:

1. Based on Malawi's trade-related priorities, the country open a competition inviting the cooperation agencies to "bid" on their areas of expertise and interest, while the country selects the sectors or projects which will be attended by those agencies.

2. IF assist in respect to the task distribution of activities within the Action Plan, by providing technical assistance to the groups responsible for its execution, to ensure coordination between the IF and the plan¹⁶. [*Selected recommendation #9*]

3. To ensure the continuity of the project, a lead person for the IF process in the country be identified for day-to-day leadership. [*Selected recommendation #10*]

¹⁵ The North South Institute, *Canadian Development Report 2003, From Doha to Cancun: Development and the WTO*, Ottawa, 2003 p.47. The IF Trust Fund budget was reported to be \$9.9 million in March, 2002, versus the JIPAP budget of \$10 million.

¹⁶ As the case of the Trade Group at the private sector working with the GSM.

4. The IF focal point distribute tasks among agencies within different government offices, discuss the report, discuss the action matrix, and the agenda to see the role of IF and create sensitization.
5. An Institutional Strengthening project for the Ministry of Commerce and Industry be conducted in order to improve its position in the Central Government Machinery in regards to the management of the sector issues.
6. All the coordination of trade related issues rely on a higher level committee or National Action Plan of the GSM, but ensuring MCI and IF to play a clear contributing role.
7. The Trade Policy National Working Group of the GSM and the Integrated Framework National Steering Committee be brought together to develop detailed implementation plan and process for the Trade Strategy.
8. IF to be more communicative, efficient and transparent on funds management at the country level, providing clear definitions on budget allocation and identifying sources of funding. ***[Selected recommendation #11]***
9. The operation of JITAP and IF be harmonized in countries where both offer their services and their resources to be used in a coordinated way. ***[Selected recommendation #12]***

3.2.4.3 Mali: Non-Pilot Country Status Report

A. Evaluation Findings

A.1 Summary Statement

The PRSP for the country was published on May 29, 2002 and the decree creating the Interdepartmental Pilot Group to assist the IF, is for approval by the Government. The DTIS is in the final stages of preparation and it should be completed in August 2003. Therefore, since the poverty reduction study was prepared more than a year before, no mainstreaming of trade in the PRSP can be attributed to IF results at this time.

The main obstacles identified for Mali's development are a lack of basic skills, and product norms and standards, inadequate investment, poor infrastructure and insufficient internal financing.

The IF potential IF stakeholder are showing increased interest in the process, however there are those who still have doubts on the capacity of trade to alleviate poverty

A.2 Survey Results

Almost 6 out of 10 (58%) respondents to the survey expressed the views of LDC stakeholders. Their collective insights are set out in Annex E. Individual country breakouts were not attempted, since that would have reduced the average sample size per country to below statistical norms.

A.3 Interviews and Focus Group Results

A.3.1 The Secretary General of the Department of Trade (DOT) is the IF focal point and involved in the Diagnostic phase. The final DTIS report will soon be completed and a budget has been prepared for the implementation of its activities.

Although the IF is still not endorsed officially, there are signs of greater support for the process from the Government, . Once the approval is done, it is expected that the IF Focal Point will provide strong leadership. The priority initiative is to coordinate all the parties concerned, government, donors, civil society, and business groups. Stakeholders are committed to the process, and will follow the Government leadership if and when it will happen in concrete terms.

The Government officials stated that there is a good business environment, for investors with political stability and a good labour force. Government leadership is slowly building and should be formalized when the decree creating the Interdepartmental Pilot Group is signed.

A.3.2. The National Steering Committee, which has been established on a sound basis will be reinforced by the Interdepartmental Pilot Group. An Investment seminar is planned for January or February 2004 organized by the Department (DOT). In this context, perhaps a review of the current business environment and the level of confidence in the economy is required as the evidence suggests that domestic investment in the country does not match with the apparent wealth among certain segments of the population.

One of the main obstacles to economic development is the lack of financing for the most important industries of the country, an issue that perhaps could be addressed within the context of the DTIS action plan.

The Government Coordinating Agency against Poverty, established in 1997, has published a number of studies outlining the issues related to poverty. However what appears to be lacking is a well

developed action plan within the PRSP to address specific issues and problems as the evidence suggests that little progress has been achieved. The African Development Bank (ADB) has implemented some specific initiatives to address the issue, especially targeting women, a population group that constitute 70% of the labour force in the agriculture, textiles and handicrafts sectors. Basic skills development among this group would seem to be a priority to be addressed. In addition, potential promotion of tourism and labour intensive products abroad, utilizing the diplomatic and commercial missions abroad could enhance trade opportunities.

There are some 166 NGOs in Mali and approximately 56 of them are national organizations. There is still a climate of mistrust among IF civil society stakeholders on the benefits from trade.

A.3.3. Following approval of the decree, the Action Plan Matrix will be prepared within the DTIS process. It will identify a set of activities and a follow-up strategy. It appears that national stakeholders and the donors are involved in the process. The lead donor/facilitator has not been selected, but it appears likely that the French Development Agency will assume the role as they are currently advising the Government on trade priorities.

A.3.4. Most of the stakeholders above mentioned are aware, supportive and meeting regularly to assess ways and means of cooperating within the IF process.

A.3.5. The capacity of the IF Focal Point and other organizations directly involved would appear to need bolstering with outside assistance, including specialists in planning, training and marketing. .

A.3.6. The evidence suggests that knowledge and skill levels of both the public and private sector participants is a priority issue as is the business environment needed to attract investment, both domestic and foreign.

B. Significance of the Evaluation Findings

The evidence suggests that there are a number of social and economic issues that need to be addressed if the country is to make meaningful progress on trade, economic development and poverty reduction. It appears that the IF process has gained some support and recognition as a means of tackling economic and trade issues. However, the need to ensure the IF process continues to evolve correctly, with adequate mentoring and assistance from agencies and donors appears to be a necessity. The need for the IF process to be adequately mainstreamed into the PRSP process would also appear to be paramount if progress on economic and poverty issues is to be realized.

C. Potential Adjustments

A review of planned steps in the IF process with emphasis on the involvement of all stakeholders plus an assessment of the capacity of the focal point and other stakeholders to manage and participate in the process appears to be a logical first step.

D. Potential Impacts of the Choices

A refined action plan, with the active mentoring and assistance of agencies and donors, coordinated by the lead donor/ facilitator would increase the chances of the IF process resulting in a clearly defined and prioritized action matrix. It could also increase the level of confidence of potential participants.

E. Recommendations

It is recommended that:

1. The planned implementation and operation of the IF process be reviewed to improve its chances of producing a valid action plan.
2. An assessment of capacity and skill needs of those directly involved in the IF process be undertaken with a view to providing training, mentoring and assistance.
3. The need for a marketing campaign for the country, the tourist industry and Malian products be considered as part of the DTIS Action Plan Matrix. The marketing programme could include distribution of materials through Mali missions abroad.

3.2.4.4 Nepal: Non-Pilot Country Status Report

A. Evaluation Findings

A.1 Summary Statement

A.1.1 Although Nepal does not have a formal PRSP, it would appear that the country's 10th 5 year plan can serve as a substitute in that it deals with poverty reduction and establishes the target of reducing poverty from 38 per cent to 30 per cent. Indications are that trade is seen as a prominent component of the plan.

A.1.2 An IF Focal point has been established, as has a National Steering Committee. The Nepal Trade Competitiveness Study (NTCS), as a substitute for a full DTIS, was completed recently, and a follow-up workshop held June 27, 2003 presented the results and identified major issues. The evidence suggests the NTSC process may lead to a prioritized action plan matrix.

A.2 Survey Results

Almost 6 out of 10 (58%) respondents to the survey expressed the views of LDC stakeholders. Their collective insights are set out in Annex E. Individual country breakouts were not attempted, since that would have reduced the average sample size per country to below statistical norms.

A.3 Interview and Focus Group Results

A.3.1.1 The 10th Five-year plan contains 4 pillars, or action items, (1) to promote faster pro-poor economic growth, (2) establish equitable access to social and economic infrastructure, (3) assist marginalized groups with targeted programmes and (4) improve governance.

A.3.1.2 A series of interviews and focus group session was held with a wide cross section of stakeholders in Nepal. Many of the interviews were done in the margins of the June 27th NTCS Conference which attracted a broad audience from the public and private sector and included participation by Agency representatives and the domestic and international consultants who undertook the study. The study team was lead by the World Bank with support from a consultant from the Center for International Economics. Local consultants participated too.

A.3.1.3 The NTCS has recommended an action matrix to deal with priority areas including the establishment of an APEX trade policy evaluation unit. Nepal, like other IF countries, is placing emphasis on its desire to accede to the WTO, and hence trade policy issue and negotiating capacity are high on the agenda of many ministries. The IF Focal point and his support team are carrying the dual function of managing IF and WTO issues. The NTCS also identified trade facilitation issues (customs legislation and service related bottlenecks and transaction costs), labour market mechanisms and reform of institutions and regulation related to business environment and investment.

A.3.1.4 During the various discussions the need for a formal public-private partnership scheme (PPP) was raised several times as one key to increased competitiveness. A formal PPP could also deal with specific issues such as trade and other industry issues including the status and role of state owned enterprises (SOEs), an issue that will have to be dealt with in the context of WTO accession.

B. Significance of the Evaluation Findings

B.1.1 Nepal through the NTCS and the follow-up workshop has made a good start in identifying issues and needs. The workshop in particular seemed to have involved a cross section of stakeholders. The challenge ahead is to take the results of this activity and develop a specific prioritized series of actionable projects to address the broad areas defined.

B.1.2 The evidence suggests that the IF Focal point and the supporting organization is capable of managing the IF process; however, it is worthy of note that the group is carrying the dual role of IF and WTO focal point. The complexity of WTO negotiations, coupled with the added work related to accession may jeopardize the concentrated effort to manage IF as well.

C. Potential Adjustments

C.1.1 The process seems to be on track, but is very much in the early identification and planning stage. The need to involve all stakeholders in the process at an early stage is very relevant in this case and ongoing follow-up, mentoring and assistance from agencies will be critical if Nepal is to complete the DTIS process, attract donor support and implement specific projects.

D. Potential Impacts of the Choices

D.1.1 Due to the current status of the IF process the choices are to proceed or stop. If the DTIS process is effectively carried through to its conclusion resulting in a prioritized action plan, the IF partners, in particular the country itself will have a clear picture of the current situation, key issues and possible solutions to the priority problems. The resulting action plan would provide the country with a sound information base with which to attract donor support for the action plan.

E. Recommendations

It is recommended that:

1. As WTO negotiations and accession activities increase, monitor the capacity of the IF focal point to manage the IF and the WTO processes simultaneously.
2. Review the current status of stakeholder involvement with a view to ensuring that all perspectives are included in the planning.
3. Local core agency representatives maximize their mentoring and assistance to the IF proponents.

3.2.4.5 Senegal: Non-Pilot Country Status Report

A. Evaluation Findings

A.1 Summary Statement

Senegal has a PRSP in place since April 2002 and trade is expected to be included in the 2003 PRSP progress report and this may assist in elevating the IF's status within government priorities, as the evidence suggests that IF and trade was somewhat low on the priority list of the new government.

There is an IF Focal Point and a National Steering Committee (NSC) lead by the Ministry of Trade and SME's (MPMEC) ¹⁷ which features representation from a broad spectrum of stakeholders. A DTIS was finalized in December 2002 with the assistance of international and national experts. It is a comprehensive document linking trade to poverty reduction. The DTIS was developed with equally broad representation from stakeholders including the private sector and civil society¹⁸ groups including labour unions representatives. The European Union acts as the Lead Donor and facilitator.

The DTIS action plan matrix was endorsed by the government in mid-April 2003 with a follow up round table in June, 2003.

A.2 Survey Results

Almost 6 out of 10 (58%) respondents to the survey expressed the views of LDC stakeholders. Their collective insights are set out in Annex E. Individual country breakouts were not attempted, since that would have reduced the average sample size per country to below statistical norms.

A.3 Interview and Focus Group Results

A.3.1 Meetings and focus group discussions were held with the Fishermen's association, tourism and handicraft association, chamber of commerce, employer's council and other individuals.

During the meetings, several participants expressed the view that the IF could do a lot for the country if it receives the necessary support from senior levels of government. Another concern is that the projects in the Action Plan Matrix of the DTIS have no resources assigned to them and therefore the cost of a funding request package for donors to implement the action plan remains unknown.

A.3.2 The European Community is the lead donor and is acting as the facilitator. Other agencies are playing a much less active role as some respondents suggested that the World Bank has not been active on the file.

A.3.3 While there is a high degree of awareness among those directly involved in the IF process, there appears to be little awareness beyond this group. The level of awareness among the relative government departments also seems very low.

A.3.4 The capacity of the Focal Point in terms of financial and human resources to manage and implement the IF process was also raised as an issue by respondents.

¹⁷ Ministère de Petite et Moyenne Entreprises et du Commerce.

¹⁸ NSC participation includes the Employers Council, the Workers Council, the National Union of the Chambers of Commerce, the Association of Producers and Exporters of Senegal, the Dakar Trade Chambers, the Association of Fishermen and Trawlers Owners and other civil society groups.

A.3.5 While there is no consensus on the IF priorities there is partial agreement on the need for trade related technical assistance and the need for increased productivity within the economy.

B. Significance of the Evaluation Findings

There is evidence that progress has been made on implementing the IF process as many of the required elements are in place including a Focal Point and a NSC. Also the initial steps have been taken through the development of a DTIS and the complementary Action Plan Matrix. Initial efforts have also been made to prioritize the action plan matrix and identify specific actionable initiatives. Some issues likely requiring attention include productivity, product standards and norms plus quality control.

There is evidence to suggest that the IF Focal point could benefit from increased capacity to manage the IF process. As well, the evidence suggests that increased efforts by way of assistance and mentoring to increase buy-in and transfer ownership of the process to the country would be advisable.

C. Potential Adjustments

While the process is poised to move to the next phase, it will require a concentrated and coordinated effort by all IF partners. Perhaps the Lead Donor/facilitator could take an active role in facilitating and assisting the IF Focal point, bilateral donors and the agencies to take that focused action and launch an awareness campaign to inform a wider audience on the goals and objectives of the IF.

The government be encouraged to mainstream trade into the PRSP and signal its support for the IF process.

D. Potential Impacts of the Choices

A coordinated cooperative effort by the IF partners coupled with strong government support would allow Senegal to move the process forward to the next phase and capitalize on the progress to date.

E. Recommendations

It is recommended that:

1. A coordinated and cooperative effort be made to support the IF Focal Point and other proponents of the IF to attract senior government support for the IF and move the process forward.
2. An IF promotion and awareness campaign be launched to increase awareness not only among the private sector and civil society but within the Public sector as well.
3. Consideration be given to reviewing and upgrading the human and financial resource needs of the IF Focal point to manage the IF. A small professional secretariat to support the focal point could be an option.

3.2.4.6 Burundi: Non-Pilot Country Status Report

A. Evaluation Findings

A.1 Summary Statement

Burundi's DTIS will be presented later this year to a national workshop to validate the Action Plan Matrix prior to its formal presentation in Geneva and to the Government. Burundi has a 2002 Interim PRSP, which includes trade as a key element and, which, according to the March 2003 *DTIS Aide-Memoire* is widely supported by all the key stakeholders. The organizational structures of an IF process are in place: a National Steering Committee, representing the public and private sectors and including civil society representation; a dedicated IF focal point; and a donor facilitator. The eventual success of the IF process will depend in large measure on the establishment of stable governance conditions and the willingness of a limited number of donors to support IF priorities.

A.2 Survey Results

Almost 6 out of 10 (58%) respondents to the survey expressed the views of LDC stakeholders. Their collective insights are set out in Annex E. Individual country breakouts were not attempted, since that would have reduced the average sample size per country to below statistical norms.

A.3 Interview Results

This report is based on limited documentation and a limited number of telephone interviews, as it was not possible to travel to Burundi as scheduled.

A.3.1 The over-riding factor determining the success of the IF process in Burundi is political stability. The economic reform challenges are considerable and will require sustained policy leadership and direction if they are to succeed. Trade is widely viewed as the major instrument for Burundi to overcome its chronic deficit position and to reduce poverty. In the meantime, the private sector is reluctant to make significant investments in the current environment. The Government has taken steps to demonstrate its commitment to poverty reduction through economic growth and trade: for example, the PRSP process is directed from the Vice President's office, giving it senior level credibility. The IF process is in place and active: the National Steering Committee includes all stakeholders and meets regularly; the IF focal point is engaged in all aspects of the IF process and is thinking about the necessary post-DTIS steps. The donor facilitator is expected to be transferred from Burundi this year.

A.3.2 Burundi completed an interim PRSP in 2002. The priority actions of the PRSP focus on macroeconomic reform and the promotion of economic growth to reduce poverty. The interim PRSP emphasizes international trade as a key element in its economic growth strategy. The *DTIS Aide-Memoire* notes the Government's commitment to place international trade at the heart of its poverty reduction strategy was clearly and widely recognized in all the DTIS team discussions in Burundi. The Ministry of Commerce is a member of the PRSP working group.

It should be noted that in parallel with the development of the PRSP, Burundi had already a process underway supported by the UNDP aimed at increasing exports when the DTIS process was initially launched in 2002. The presentation of the DTIS has been delayed and it is currently planned that its presentation will be made in two stages in October 2003: first, a series of workshops at the sectoral level, followed by a national workshop. The two-stage process is designed to internalize the findings and recommendations to the greatest extent possible. The DTIS will identify the principal macroeconomic challenges which must be met to support private sector-based growth and will also identify specific technical assistance needs in a number of areas: coffee; export promotion supporting

institutions; the development of exports of cut flowers, fruit and vegetables, and possibly food processing; customs and legislative and regulatory reforms; and strengthening the capacities of the Ministry of Commerce.

As noted above, a National Steering Committee was formed from the outset. It is composed of about twenty members and, in addition to public sector representatives (the Vice President's office and the Ministry of Finance are represented), includes private sector and civil society representatives. The National Steering Committee is chaired by the Director General, of the Ministry of Commerce.

There is widespread interest and support on the part of the private sector (and among civil society) in the IF process, although there are also expectations that the studies will soon be completed and the process will move to more concrete outputs.

The number of significant bilateral donors in Burundi is limited and the Government has no indication at this stage whether there will be a willingness to support IF recommendations.

B. Significance of the Evaluation Findings

The evaluation findings are at best tentative, given the limited base of information upon which any finding is based, and the fact the DTIS has not yet been presented and discussed in the country.

The Government has made a clear commitment to link the pursuit of accelerated poverty reduction to macroeconomic reform and economic growth. Trade is a key component of this strategy. The elements of the IF process are in place and are functioning well, but their potential for effectiveness is limited by instability in the country, which also has a negative effect on the development of the economy and the private sector. The DTIS process and subsequent follow up may face further delays, but with the basic IF infrastructure in place, the process can move forward as conditions permit.

There are also indications that the IF has generated wide interest, but that expectations are high in the private sector for producing concrete, positive results. It is essential to carry out the recommended macroeconomic reforms to create a sustainable environment conducive to business development. However, the DTIS may also recommend particular sectorally based activities which could have a positive impact in the short term, along the lines of the current UNDP/ILO essential oils project, and it is hoped that projects of this nature could be implemented.

As noted above, the number of significant bilateral donor to Burundi is limited; therefore the role of the donor facilitator will become increasingly important to assist the Burundi government in mobilizing donor interest and perhaps looking to form new development partnerships to support an IF plan of action.

C. Potential Adjustments

It will be important to sustain interest in the IF over the coming months in order to maintain stakeholder commitment to support the IF, especially from potential beneficiaries in urban and rural areas. Bilateral donors and core agencies should take opportunities offered to carry out smaller scale projects, which can make a difference, while at the same time mobilizing resources to support the wider reform measures. The donor facilitator can play a key role in this two-prong approach, but it will require a considerable commitment of resources.

D. Potential Impacts of the Choices

There have already been considerable financial and human resources committed to the IF process in Burundi. A strategy along the lines suggested above will help protect the investment already made, maintain interest in the IF, and potentially produce practical results if political uncertainty persists and the Government is not in a position to pursue its poverty reduction programme with sustained commitment.

E. Recommendations

It is recommended that:

1. The DTIS and the Action Plan Matrix and/or the follow up Action Plan (if one is needed or prepared) to implement the recommendations of the DTIS include options for the staged implementation of the recommendations, depending on the short and medium term implementation environment in Burundi.
2. The donor community and the core agencies, with the help of the donor facilitator pursue innovative partnerships, which will facilitate the implementation of an eventual IF plan of action.

3.2.4.7 Djibouti: Non-Pilot Country Status Report

A. Evaluation Findings

A.1 Summary Statement

Djibouti seems committed to mainstream trade into poverty reduction strategies and plans of development. A national PRSP commission that has prime responsibility for the PRSP was set up in 2001, but the PRSP full paper is still in progress.

On the other hand, the DTIS was conducted recently by a team of 5 local and 12 international experts, together with participation from the core agencies. A NSC has been established to oversee the IF process and to review/endorse the recommendation of the study expected by September 2003.

The government is working hard to create a conducive business environment, but more remains to be done.

A.2 Survey Results

Almost 6 out of 10 (58%) respondents to the survey expressed the views of LDC stakeholders. Their collective insights are set out in Annex E. Individual country breakouts were not attempted, since that would have reduced the average sample size per country to below statistical norms.

A.3 Interview and Focus Group Results

A.3.1 There is wide support of the process in the country. The commitment reaches the highest level of the government. Indeed, the » *présidence de la république* » issued in 2002 a « *loi portant réforme des statuts de la chambre de Commerce de Djibouti* » that strengthened the structure of the private sector and made the Chamber of Commerce « *l'organe de représentation de tous les opérateurs économiques et entreprises de la république de Djibouti* ». On the other hand, the Ministry of Commerce issued, the same year, an “ARRETE” that creates the steering committee of the IF. However, the Business community complains, among other issues, that there is a lack of financial support (very high interest rate), and the widespread presence of the informal sector in the local economy.

A.3.2 The DTIS expert mission has just finished the field work, and the final report is expected at the beginning of September. The government is very aware of the importance of the study integration into the PRSP and is committed to profit from the IF process in order to mainstream trade into poverty reduction strategies.

The DTIS team leader had briefed the Trade Minister before he left Djibouti. The mission found that less than 5 % of the population profits from the actual trade system.

The big issue is to determine how to integrate the rest of the population, to involve the private sector in trade activities to a fuller extent and to get the commitment of civil society.

A.3.3 The level of awareness of the IF process (goals, objectives and potential outcomes) is not appropriate within the local stakeholder group. There has been no workshop to explain in depth the objectives of the IF and its goals. Even the government officials are not very familiar with the process. Moreover, many agencies and Donor representatives seem confused when it comes to the understanding their respective roles, responsibilities and tasks.

Civil society and the private sector have not actively participated in the decision making process. In fact, 10 of the 12 members of the steering committee are government officials.

A.3.4 One of the weaknesses of the process is that the focal point is not a government Official but a UNDP employee. This situation does not match with the local ownership goal of the process.

On the other hand, the country is having difficulty to identify a Donor Facilitator. So far, all donors' representatives have declined an invitation to assume this role.

A.3.5 All local interlocutors stressed the supply side constraint, especially roads, bridges and equipment. They hope the IF can fund these types of project.

Also, the business community and the government agree that the private sector cannot be fully active if sustainable solutions are not found to issues like business financing and the informal sector problem.

A.3.6 The country is still looking for a Donor Facilitator. The *Agence Française de Développement* declined the request because of a lack of s and no interest among other Donors has been expressed yet.

B. Significance of the Evaluation Findings

There is a need for a broadly-based participation process. Civil society and the business community have not been actively engaged throughout the IF process, including appropriate representation on the NSC. This situation has resulted in a lack of motivation to participate in the process, mainly because of a weak understanding of the potential outcomes for each group.

There is a perception that IF is a UNDP exercise, and that there is not enough consultation with other agencies at the local level.

The country is missing the opportunity to learn from other LDCs' IF experience. No participation in other countries' workshops has been reported so far. Moreover, very little knowledge about the IF in other countries is noted.

C. Potential Adjustments

Wider and more sustained participation of the private sector and civil society is important. The NSC should integrate more business community and civil society representatives; otherwise the country will miss the opportunity to have a transparent debate on the real issues, which concern all local stakeholders.

D. Potential Impacts of the Choices

Fully involved and motivated local stakeholders will help build momentum for the IF by providing new ideas, stressing real issues, and helping the IF to identify and address main constraints. The process will be owned by all stakeholders and not only by the government.

E. Recommendations

It is recommended that:

1. A fully resourced Focal Point be considered as a first priority.

2. Roles, tasks and responsibilities of each stakeholder should be clearer. Each agency should inform its local representative of its precise role and what should be his or her contribution in the process. *[Selected recommendation # 13]*
3. An IF secretariat, to coordinate stakeholders' actions and to dispatch necessary information to all local level agencies, should take place.
4. A Visibility/Sensitization programme should be developed to ensure broadly-based participation in the process and the endorsement of its finding.
5. The IF should set up mechanisms, which encourage cross-participation in other countries' workshops and improve the shared learning from the process.

3.2.4.8 Ethiopia: Non-Pilot Country Status Report

A. Evaluation Findings

A.1 Summary Statement

Ethiopia is counting on the IF process to add synergies to the national effort to integrate trade and economic development into country's poverty alleviation strategy. But one of the major constraints to trade development in the country is a lack of infrastructure that has to be developed. It includes transportation bottlenecks, lack of basic post-harvest marketing infrastructure (do you mean ports or packaging or handling?), lack of water control infrastructure that leads to high transaction costs. Land tenure is also an issue limiting business and trade development. Entrepreneurs have difficulty attracting business financing because they lack title to the land where they are located. On the other hand the ownership of the process should be reinforced.

A.2 Survey Results

Almost 6 out of 10 (58%) respondents to the survey expressed the views of LDC stakeholders. Their collective insights are set out in Annex E. Individual country breakouts were not attempted, since that would have reduced the average sample size per country to below statistical norms.

A.3 Interview and Focus Group Results

A.3.1 Meetings were conducted with the IF Focal Point, the Chamber of Commerce, a manufacturers' association and representatives from the World Bank, UNDP and the European Union (the Lead donor/facilitator). The IF Focal point indicated that Ethiopia is still at the very early stages of implementing the IF.

A.3.2 The steering committee is chaired by the minister of trade & industry. Also, a Technical Group (TG) has been constituted to interact with the DTIS team on a regular basis. The government shows strong commitment towards the IF but seems conservative on other business issues like land. Indeed, the private sector raised the land status issue as a major constraint to its development.

While the business community is seeking a strong partnership between the public and private sectors, there is little evidence of civil society involvement in the IF process.

A.3.3 The PRSP for Ethiopia places some emphasis on trade policy, but the primary emphasis is focused on agriculture as the sector is the source of livelihood for the majority of the poor population.

The DTIS, which is in the draft stage, has made broad-based policy recommendations and has prepared a road map for future trade reforms. It also recommends technical assistance activities in 11 identified fields (agriculture and trade, the legal and regulatory Structure, market access and opportunities, trade reforms and the incentive structure...). However, specific action plan and recommendations are lacking. It is not clear whether the DTIS can or will be integrated into the PRSP during its next review.

A.3.4 The level of awareness of IF among local stakeholders is quite weak. Also, the evidence suggests a lack of coordination and cooperation among agencies and donors, at the local level. Many stakeholders raised a concern about the lack of involvement and consultation in implementing IF and the DTIS process led by the World Bank.

Private sector and civil society groups stressed the fact that their level of participation has had little impact on the IF decision making process and expressed the desire the government, agencies and donors give them the opportunity to be more engaged throughout the process.

A.3.5 The IF focal point is the Head, Foreign trade Department in the Ministry of Trade and Industry. He is very active and the leadership capacity of the IF Focal Point is good but there is a lack of institutional support, both in terms of financial and human resources (e.g. no local IF secretariat).

A.3.6 There is a big support to the government to pursue measures to encourage rapid export growth through production of high value agricultural products. Moreover, the government is providing increased support to export oriented manufacturing sectors particularly intensified processing of high quality skins/leather and textile garment.

A.3.7 Business representatives are urging the government to make the changes required to strengthen private sector growth and improve human and institutional capacity in preparation for accession to the World Trade Organization.

B. Significance of the Evaluation Findings

All stakeholders agree that great strides have been made in tackling poverty in Ethiopia, but that many challenges remain.

The success of the IF will depend on the level of commitment to accelerate the pace of structural reform, improve the investment climate and make appropriate strategic trade decisions as a basis for job and income creation.

The World Bank's role in the IF has drawn considerable criticism. The perception is that the bank has disproportionate influence and that it has failed to consult with stakeholders or coordinate with other in-country agencies or sectors.

C. Potential Adjustments

The IF requires full country ownership and local stakeholders' involvement in all phases of the process. Moreover the participation in the IF process by private sector and civil society organizations, should increase. The priority should be to ensure that the DTIS and all future action plans are nationally owned and endorsed.

D. Potential Impacts of the Choices

The success of the IF requires a full involvement and participation of the business community and civil society. The identification and prioritization of projects that meet the identified needs of all local stakeholders is critical to the success of the IF process. Full involvement by local stakeholders in the DTIS process will internalize emerging trade priorities and participate in their implementation.

E. Recommendations

It is recommended that:

1. Agencies and Donors should increase coordination at the national level
2. The DTIS reflects national development goals and be led by the country according to the IF principles (private sector, academic, intergovernmental and non-governmental organizations).
3. The Government consider the business community's recommendations and strengthens human and institutional capacity to enable the country to proceed with WTO accession.

3.2.4.9 Lesotho: Non-Pilot Country Status Report

A. Evaluation Findings

A.1 Summary Statement

Most of the elements underpinning an IF process are present in Lesotho. A full PRSP, following upon an interim PRSP, is expected to be completed this September/October. The DTIS has been completed and the Action Plan Matrix has been validated at a workshop attended by many stakeholders. It is expected the Action Plan Matrix will be presented to the Government for its views/endorsement. The Government has appointed a national focal point and a National Steering Committee to oversee the IF process. A donor facilitator has been appointed and is actively engaged.

A.2 Survey Results

Almost 6 out of 10 (58%) respondents to the survey expressed the views of LDC stakeholders. Their collective insights are set out in Annex E. Individual country breakouts were not attempted, since that would have reduced the average sample size per country to below statistical norms.

A.3 Interview and Focus Group Results

A.3.1 There is close cooperation between the Ministry of Finance and Planning and the Ministry of Trade, Industry, Co-operatives and Marketing (hereafter referred to as the Ministry of Trade) which is essential to the successful integration of the DTIS into the forthcoming PRSP. The Minister of Trade is fully engaged and committed to a successful outcome of the IF process with a strong emphasis on poverty reduction. This is why responsibility for Co-operatives has recently been transferred to the Ministry of Trade from the Ministry of Agriculture.

A.3.2 It is expected that the DTIS, which has just been completed, will be fully integrated into the PRSP, however, it is not clear the extent to which the PRSP will be linked to the budgetary allocations process. The DTIS is focused on creating employment principally through solidifying gains achieved in the exporting industrial sector and the further encouragement of foreign direct investment (FDI) it does not explore, to a great extent, potential opportunities for increasing employment and incomes through the development of indigenous, locally based, especially rural, products/services and employment.

The draft Action Matrix identifies 39 barriers or opportunities within seven general policy areas. The Action Matrix is focused on improving public sector performance, but does not make much provision for the development of an indigenous business community capable of analyzing/acting/advocating on its behalf (although the Ministry of Trade indicated this was one of the outcomes expected from the IF) nor for the sustained development of required skills within the private and public sectors. The Action Matrix will certainly require greater attention to prioritization and consolidation of the identified challenges/opportunities into a manageable and costed work programme. This exercise should be carried out with the full participation of the business community and civil society.

The National Steering Committee is composed mainly of public sector representatives with representation from the private sector and academia. Provision is made for a representative of civil society, but does not participate in the work of the committee.

A.3.3 The level of awareness of IF seemed appropriate within the public sector. While DTIS consultants interviewed representatives of the local business community, including the Government's principal business development and investment agencies, and they participated in a workshop earlier this year to review the draft DTIS and the Action Matrix, they have not been fully involved either in

the IF process or in having appropriate representation on the NSC. Civil society has not been actively engaged throughout the process.

A.3.4 The IF focal point, a very senior official in the Ministry of Trade, tasks officials within the ministry to support particular focal point activities. The Action Matrix targets measures aimed at enabling the further development of a liberal economic environment domestically, encouraging integrated markets in a regional and international setting, and ensuring macroeconomic stability. It is focused on solidifying gains achieved in the exporting urban, industrial sector, principally the garment manufacturing sub-sector. The majority of low income people live in rural areas; however, the Action Matrix does not explore employment gains that might be made by exports of rural agriculturally based products, including important traditional exports. While the business environment is sufficiently open to attract a significant garment exporting industry, important trade policy decisions must be made soon to retain this industry and regulatory and infrastructural barriers must be overcome for it to grow.

A.3.5 All interlocutors expressed support for the Government's poverty reduction strategy through employment generating economic growth. All business representatives noted the lack of knowledge of the Government's plans, although it would appear that the textile industry, which operates on short time horizons and which was key to recent export successes, continuously lobbies the Government on issues important to its ongoing viability and potential further expansion.

A.3.6 DFID is the donor facilitator in Lesotho and the DFID official based in Pretoria closely follows IF developments. The number of donors in Lesotho is quite limited (key donors supporting the IF elsewhere do not seem to be active in Lesotho) so future support from the six agencies for the implementation of IF priorities will be important. The UNDP closely follows IF developments and represents the World Bank, which does not have an office in Maseru, on IF matters in Maseru.

B. Significance of the Evaluation Findings

The basic building blocks for an IF based programme are in place, but will require sustained senior policy leadership and direction to bring them to a successful implementation stage.

The DTIS focuses on consolidating the gains achieved through international preferences in the textile sector, which is extremely important in terms of protecting and expanding important employment gains and building a capacity to make appropriate strategic trade decisions, but it might also have paid greater attention to small scale urban and rural producers with export potential.

Country ownership requires full private sector and civil society participation from the outset in order to internalize emerging trade priorities and their implementation. The process may be lengthy, but it is essential that the time is taken to enable all beneficiaries adjust to important cultural changes.

C. Potential Adjustments

The focal point must have the time and resources to carry out the analytical and coordination functions required to build IF momentum. The most important priority is to reconfigure the Action Plan Matrix with the full participation of the private sector and civil society into a shorter, manageable list of prioritized, costed proposals which may be more easily absorbed by donors; otherwise 'cherry picking' by donors will likely occur leaving the most important requirements unfunded.

Wider and more sustained involvement by the private sector and civil society is important.

Work should be undertaken based initially on existing studies to include indigenous, locally-based, especially rural, products/services and employment in further iterations of the IF.

D. Potential Impacts of the Choices

A fully resourced, dedicated focal point will help build momentum for the IF by providing sustained policy support and analysis. It would also provide an important and on-going link for the Ministry of Trade with other interested ministries and agencies, the private sector and civil society, core agencies and donors, especially the lead donor/facilitator. With the backing of senior policy leadership and direction, the IF process would be seen to be an important Government priority (among other important priorities) and could also compete more effectively for scarce financial resources.

Making provision for indigenous, especially rural, products and services could have an important impact on employment creation for poor men and women who live mainly in rural areas through the export of local products.

E. Recommendations

It is recommended that:

1. A fully resourced Focal Point to include both human and financial resources be considered as a first priority.
2. Following the Action Matrix Workshop in March, an overall plan, discussed with private sector and civil society stakeholders and which is fully supported by senior government leadership, is developed. This plan should consolidate and prioritize the elements of the Action Plan Matrix into a manageable and indicatively costed work programme.
3. Early IF work be widened in the Action Matrix or the follow up prioritization exercise by including more poor people, especially in rural areas.

3.2.4.10 Yemen: Non-Pilot Country Status Report

A. Evaluation Findings

A.1 Summary Statement

Yemen will complete the DTIS stage of its integrated IF programme later this year with the planned presentation of the report and action plan to the IF Steering Committee and to the Government of Yemen. The current PRSP covers the period 2003-05 and it is not clear whether elements of the DTIS action plan can be integrated into the PRSP during its annual review, also later this year. The Government has appointed a national focal point and a National Steering Committee, composed of very senior officials, plus limited private sector representation, who oversee the IF process. A donor facilitator has been appointed and is actively engaged.

A.2 Survey Results

Almost 6 out of 10 (58%) respondents to the survey expressed the views of LDC stakeholders. Their collective insights are set out in Annex E. Individual country breakouts were not attempted, since that would have reduced the average sample size per country to below statistical norms.

A.3 Interview and Focus Group Results

A.3.1 Based on experience to date, the IF process in Yemen can be a success if the DTIS team and the Government can translate the rather long list of items (many of them studies) in the draft work plan into a more manageable, consolidated list of projects with preliminary costing. Today the elements for success include a strong National Steering Committee led by the Minister of Trade and Industry and composed mainly of senior officials with limited representation from the private sector and a dynamic and experienced senior focal point, who is also responsible for coordination with the WTO on accession issues.

However, all private sector and civil society representatives, as well as donor representatives commented on the apparent unwillingness on the part of the government to consult widely outside government, especially with civil society.

A.3.2 The PRSP was completed before the IF process was very advanced. There is no evidence of mainstreaming trade in the current PRSP, and trade is only mentioned in relation to macroeconomic stability/growth and to WTO accession, and only incidentally within the various sectoral priorities.

The DTIS is currently in draft form. The terms of reference indicate the principal output for the DTIS should be the development of a pro-poor trade integration strategy. Outcomes of the DTIS should be a programme of TA to strengthen the overall competitiveness of the economy and selected sub-sectors as well as a process which involves stakeholders in designing the proposed TA programme and which builds capacity within Government and the private sector. A draft work plan was developed based on the workshop held in June which identified 40 'objects' for 74 small and large 'actions'. Stakeholders and donors participated in the workshop.

As noted above, The Minister of Trade and Industry chairs a strong National Steering Committee composed of 14 deputy ministers and representatives of key government agencies and limited, but senior, representation from the private sector. There is currently no representation from civil society.

A lead donor/facilitator has been appointed and has been particularly active in the lead-up to the recently held workshop and expects also to play an active role in the preparations for the follow-on

donors' conference. Donor coordination in Yemen is limited, as a certain number of important donors do not have permanent representation in Yemen.

A.3.3 All government officials and donor representatives as well as senior representatives of the private sector are aware of the IF and supportive of its objectives. However, the expected outcomes are huge among local stakeholders; they especially put stress on the ability of the IF to address the Supply Side Constraints, help the country to gain greater access to developed country markets and provide information on potential markets.

The recent workshop seems to have been effective in raising awareness of the IF across all stakeholders.

A.3.4 The focal point, who has a dedicated staff to assist with WTO accession responsibilities, as well as the IF, is a very active person and has been effective in managing the IF process to date. Importantly, the Ministry of Planning and International Cooperation, which is responsible for the PRSP as well as relations with the IMF and the World Bank and bilateral donors, is fully cognizant and supportive of IF objectives. Government-wide capacity to manage the IF, including its capacity to coordinate donor assistance, has not yet been fully tested.

B. Significance of the Evaluation Findings

The main IF challenge facing Yemen will be to mainstream the DTIS priorities within the PRSP before the current PRSP comes to an end in 2005.

In addition, an important task will be the consolidation the lengthy list of actions emerging from the workshop into a prioritized package of project outlines with preliminary costing to facilitate discussion with donors on the implementation of Yemen's priorities. This will provide an important opportunity to determine whether capacity limitations exist within the government to the implementation of the IF process and to identify remedial actions, which might be taken to strengthen IF capacity in key areas.

This important phase, between the completion of the DTIS and the implementation of the Action Matrix, can also provide an opportunity to further the dialogue with private sector and civil society stakeholders.

C. Potential Adjustments

In order to meet the objectives of the IF, the results of the DTIS should be integrated into the PRSP as soon as possible. Based on experience in other countries DTIS priorities should be integrated into the PRSP during the forthcoming PRSP review later this year. If it is not possible to fully integrate the DTIS into the PRSP this year, the most important priorities should be integrated this year and second tier priorities could be added as planning for the next PRSP gains momentum next year.

At the same time, the IF focal point can lead the work required to consolidate the list of activities emerging from the DTIS Action Matrix into prioritized packages of roughly costed project outlines, in advance of calling a meeting of donors. Alternatively, the DTIS team could review the Action Matrix, and in consultation with the private sector and civil society, assist the focal point in preparing the packages of priority projects. The donor facilitator can play a role in assisting in this process, which may also require some Window II assistance to secure expert help in project identification work.

D. Potential Impacts of the Choices

Beginning the early integration of the DTIS into the PRSP will provide a strong signal of the importance the Government attaches to promoting exports and may help lead to some early pay-offs for the very considerable efforts which have been invested in the IF to date.

The most efficient and effective alternative to developing a more consolidated approach to the Action Plan Matrix may be to reformulate it into a more donor friendly package of roughly costed project outlines.

E. Recommendations

It is recommended that:

1. Steps be taken this year to integrate the DTIS into the PRSP.
2. The DTIS Action Matrix activities be consolidated into a roughly costed package of project proposals in order to facilitate their consideration by donors.
3. The private sector and civil society be consulted before finalizing these project packages in order to reinforce the Government's intention to consult them at each step.

3.2.4.11 Eritrea

A. Evaluation Findings

The IF process is currently inactive in Eritrea. Following a preliminary DTIS mission in November 2002, the IF Working Group and Eritrea decided to take a pause in the IF process before proceeding further with additional activities. Consequently, it was not possible to carry out an evaluation of the IF process in Eritrea.

B. Recommendation

1. It is recommended that before the IF process re-starts in Eritrea the country selection criteria presented in this evaluation be used for the assessment and to provide Eritrea with a self-assessment tool.

3.2.5 Perceptions of the Core Agencies

Evaluation Context

The findings are based on: (1) survey core agency components; (2) visits to each of the core agencies; (3) LDC-related inputs by staff members or consultants of core agencies; as well as (4) views of donor headquarters and field staff.

The evaluation was guided by expected *impact*, *outcome* and *output* results, their corresponding performance measures, as well as associated assumptions and risks, as contained in the *Logical Framework Analysis* (Annex A). *Impact* is defined as a long-term result; *outcome* as a medium-term result; and *output* as a short-term result.

Survey Results: Familiarity with IF

All core agency respondents indicated familiarity with IF (60% strongly and 40% moderately), and 6 out of 10 believed that the goals and objectives of the IF are clear and easy to understand (13% agreeing strongly and 47% moderately). There was an almost total familiarity with the IF status (60% agreeing strongly and 33% agreeing moderately).

Source: Annex E, Questions 7, 8 and 9

The principal *performance measure*, which was applied to all core agencies, was:

3.3.2 The degree to which the core agencies and donors are responsive to LDCs' trade-related needs and priorities

With respect to achieving membership in the WTO, in relation to LDCs, the following specific *impact* performance measure was applied:

3.0.2 There is evidence that LDCs are becoming, or are eligible to become, WTO members

With respect to Donors, the following specific *output performance measure* was applied:

3.2.3.3 The degree to which lead donor/facilitators have been identified and have assisted the LDC (IF Focal point) in the management of the IF process

The following *assumptions* were made:

Survey Results: Benefits to LDCs

Only 7% of core agency representatives think that IF will yield significant benefits to targeted LDCs now, while 53% expect benefits in 1-5 years, 27% in 6-10 years and 13% never.

Source: Annex E, Question 26.

A.3 Core agencies and donors continue to fund IF adequately.

A.18 The core agencies and donors will further integrate IF activities into the work plans of their respective agencies.

3.2.5.1 Perceptions of the World Trade Organization (WTO)

An objective of the IF is to assist countries, through trade-related technical assistance (TRTA), and by addressing identified priority needs, to strengthen participation of LDCs in the global economy by improving trade. One clear indication of the progress being made can be found in the status of countries in terms of becoming members of the WTO.

While the majority of IF countries have yet to reach that milestone, there are specific countries which are nearing the stage of beginning the accession process. **Cambodia** is well advanced on the road to

Survey Results: Low LDC Effort

Core agencies perceive *insufficient* LDC effort: 27% believe that LDCs commit enough resources; 40% believe LDCs mainstream their IF priorities into budget planning and allocation processes; 34% believe that there is enough national commitment to the IF among the private sector, the academic community, workers and NGOs. On the other hand, three out of four (73%) core agency respondents believed that LDCs participate actively in IF planning and implementation.

Source: Annex E, Question 36.

accession, and it is anticipated that they will attain full member status at the September 2003 WTO *Fifth Ministerial Meeting* in Cancun, Mexico. While Cambodia's progress toward WTO membership cannot be attributable solely to the implementation of IF in the country, the evidence suggests that progress has been made in Cambodia, as the country has utilized many of the same principles that have been identified as the keys to the successful implementation of the IF.

3.2.5.2 Perceptions of The World Bank

The IF is important in putting economic growth back on the development agenda. The Bank supports the view that trade leads to economic growth and employment, which leads, in turn, to poverty reduction. The IF has also provided an opportunity to push the growth agenda in international fora and in LDCs. In the Bank, trade is now one of seven implementation priorities and the Bank's analytic capacity has increased substantially in the past two years, especially on the country desks. The Bank applies the IF model in other countries.

In the Bank's analysis, LDC trade problems today relate mainly to market access and to significant, behind border (domestic) bottlenecks, such as: organizational issues, customs administration, regulatory barriers, investment climate, trade financing/rural credit, marketing and transport costs. In addition, the Bank believes that for the most part, small, unfocussed projects will not deal with largely systemic issues and larger, comprehensive approaches are required to create a conducive, trade supporting business environment.

Mainstreaming is central to the IF; and the link to the PRSP is essential to achieving greater development planning coherence. Through the IF, trade is built into countries' development plans/priorities in a serious way.

The IF brings all interested parties – LDCs, the core agencies, and donors -- together internationally and in the LDCs. Importantly, it brings trade and development agencies to work together within LDCs. The Bank is prepared to participate in the implementation of IF-inspired programmes and projects. Donor coordination must be done at the country level. The IF process brings all LDC parties together as well, creating buy-in to the process and expected results. However, it is also aimed at creating buy-in from senior LDC leadership; the process requires senior IF champions within LDCs if it is to be successful.

The learning process is important and it must be focused on getting results; for example, the DTIS has evolved, and there is more attention to specific country needs. Perhaps there is room to begin the

implementation process earlier. The focus of IF governance must shift as the IF moves to the implementation stage.

3.2.5.3 Perceptions of the International Monetary Fund (IMF)

The Fund is fully supportive of the IF process which aims at reducing poverty by increasing trade and economic growth. An important strength of the IF process is the opportunities afforded by having LDCs, the six agencies and donors working together.

Integrating trade into the PRSP provides an opportunity for trade to become a development priority and to become an important element in LDCs' development agenda. The IMF would be concerned if trade priorities and the PRSP were double tracked. The IMF is also concerned about the different programming cycles between the DTIS and the PRSP; when the two processes are on different cycles at the completion of the DTIS, it should be possible to integrate the DTIS into the PRSP during the annual review process.

The Fund is fully supportive of the DTIS process, and the World Bank is the appropriate agency to lead it. The current DTIS process may be heavy and it may be possible to concentrate the additional workload, which the DTIS provides, on a smaller list of governance and sectoral priorities. The DTIS should be shortened and consideration should be given to distilling the substance into a few points with initial priorities.

The greatest challenge is gaining local commitment and buy-in. It is important that the policy underpinnings of the IF are understood and internalized by LDC officials. High level support is required for the IF process to be successful. The IMF can play a role in explaining IF objectives to government leaders and senior officials.

The Fund indicated that the leadership for implementation assistance among donors and agencies in the post-DTIS period should be focused at the country level and led by either the World Bank or UNDP, depending upon which institution has been allocated responsibility for coordinating donors in the country. The IMF is concerned whether the human capital is available in LDCs to implement the IF.

According to some IMF observers, the IF governance structure is complicated and it is not action oriented. The IF is suffering under process intensity and a move to a more results-oriented approach is required.

3.2.5.4 Perceptions of the International Trade Centre (ITC)

The principal *performance measure*, which was applied to all core agencies, was:

3.3.2 The degree to which the core agencies and donors are responsive to LDCs' trade-related needs and priorities.

A. Evaluation Results

The impetus for the Integrated Framework can be found in the WTO Singapore Ministerial meeting in 1996 wherein Ministers agreed that trade related assistance was needed to support the efforts of LDC countries to integrate into the international trading system if they were going to reap any benefits from liberalized trade.

Hence ITC provided the Secretariat and as a purveyor of technical assistance, was seen as the focal point and leader for the implementation of the IF and ITC was responsible for managing the Needs Assessment process in the original "Round Table Countries".

Unfortunately at the time, trade was not being fully recognized within the international community for its potential to contribute to employment creation and hence poverty reduction. Therefore the action plans developed from the needs analysis did not attract donor attention or donor support.

In an effort to advance the IF process, the notion of mainstreaming trade into national development assistance plans was conceived as one means of attracting attention and reintroducing trade to the agenda. The result was the revamped IF process as it is today. While revamping has met the goal of reestablishing trade on the development agenda, the result also is to expand the original goals of the IF and add a large degree of complexity to the process. The result has been that leadership of much of the IF process has now shifted to the World Bank. The Secretariat, ostensibly because of added capacity to deal with trade issues, was transferred to the WTO.

While ITC remains active and supportive, their leadership role has ended and what was originally, in the minds of many individuals, a relatively simple process designed to identify needs and provide technical assistance related to trade development has become a relatively complex process with a much broader sphere of influence. There are many within ITC who feel the process has mushroomed and taken on a much bigger role than originally intended increasing the challenges of achieving measurable goals and objectives.

3.2.5.5 Perceptions of the United Nations Conference for Trade and Development (UNCTAD)

The principal *performance measure*, which was applied to all core agencies, was:

3.3.2 The degree to which the core agencies and donors are responsive to LDCs' trade-related needs and priorities.

A. Evaluation Results

The primary focus of the United Nations Conference on Trade and Development (UNCTAD) is dealing with the interface between trade and development, with a focus on the integration of developing countries into the world economy.

The impetus for the Integrated Framework can be found in the WTO Singapore Ministerial meeting in 1996, where Ministers agreed that trade related assistance was needed to support the efforts of LDC countries to integrate into the international trading system if they were going to reap any benefits from liberalized trade.

UNCTAD has been an active member of the management structure for the IF since its inception in 1996 and provides assistance at the policy level using its research and policy analysis capacity. It also contributes through its participation in the policy development and planning process in conjunction with the WTO as part of the management structure of ITC.

UNCTAD remains active and supportive, but the perception exists that a relatively simple process designed to identify needs and provide technical assistance related to trade development has become a complex process with much broader objectives and a much greater mandate than originally intended, increasing the challenges of achieving the intended goals and objectives.

3.2.5.6 Perceptions of The United Nations Development Programme (UNDP)

The Doha Declaration and the Doha Development Agenda underpin the Integrated Framework. The Doha Declaration called for the greater involvement of LDCs in the global economy. The Doha Agenda identified the IF among other facilities. An important LDC concern is marginalization in the

global economy; even when market access is not an issue or problem and markets are open to them they are still not in a position to sell their products and services.

The UNDP is primarily a national capacity building and knowledge management development organization. Trade is one component of its activities.

The IF is an ambitious new and different activity requiring the six agencies to work together for the first time and they are beginning to see the advantages of closer cooperation. Heads of Agencies now meet and develop a consensus position before important Ministerial meetings. The UNDP embarked on the IF with high expectations. It is a work in progress; when weaknesses have been identified there has been a commitment on the part of participants to contemplate change.

Expectations from the LDCs are equally high. IF potentially plays a big role in helping LDCs build trade capacity because most trade related technical assistance currently flows to developing countries. As they move from the IF diagnostic stage to implementation, LDCs claim they have done their part and now are looking for results. There is a need to create momentum in the IF process to rekindle momentum among LDCs. A donor facilitator can be very helpful in developing ideas or proposals into project outlines.

In this respect, the recent establishment of Window II, which is a bridging facility, aimed at capacity building, will help to address some of the more urgent human and institutional capacity requirements.

The needs analysis conducted in the 'old' IF countries placed greater emphasis on studies; the revamped IF gives greater attention to process and the relationship between trade and development. Within the DTIS process, linking the DTIS to bankable projects is a problem. The diagnostic studies and the accompanying Action Plan Matrices are only generating bankable projects in a very limited number of countries. Initially the DTIS was study based; it is increasingly becoming a strategy document. The IF Working Group continually reviews the DTIS. IFWG participation, and the IF focal point on occasion, has brought significant changes to what was initially a World Bank methodology. The more recent draft DTIS are more focused and greater attention is being paid to the links between trade and poverty reduction.

In a capacity building context, the process is as important as the outcome of the study.

As different countries are at different stages, the model should be adjusted. At the country level the UNDP is observing greater dialogue taking place, although it is patchy.

3.2.6 Perceptions of Bilateral Donors

Evaluation Context

The findings are based on (1) survey donor components, (2) in person, telephone or email contacts with donor representatives.

The evaluation was guided by expected *impact*, *outcome* and *output* results, their corresponding performance measures, as well as associated assumptions and risks, as contained in the *Logical Framework Analysis* (Annex A). *Impact* is defined as a long-term result; *outcome* as a medium-term result; and *output* as a short-term result.

The principal **performance measure**, which was applied to donors, in relation to LDCs, was:

- 1.2.2 The degree to which LDC governments are able to co-ordinate donor support effectively
- 3.3.1 The degree to which core agency and donor support to LDCs participating in IF is aligned with the principles of results based management

The following *assumptions* were made:

- A.3 Core agencies and donors continue to fund IF adequately
- A.7 Donors are willing to align their priorities to the LDC stated priorities

3.2.7 Perceptions of LDC Stakeholders

Evaluation Context

The same evaluation context and constraints apply, as reported in 3.2.2.

A. Evaluation Findings

A.1.1 While it varies from individual to individual, often reflecting the current status of the IF within the particular country, those that are familiar with the IF have a positive attitude towards the

Survey Results: Focus on IF process

Two thirds consider that the lead donor/facilitator is playing an effective role and that their government actively supporting the IF. 41% feel the national institutional structure is in place and well staffed in the country.

Source: Annex E, Question 34

process and have high expectations in relation to expected results. They also believe that the process can effectively address the trade related technical assistance needs and contribute to economic improvement and poverty reduction.

Likewise, there is a belief among those familiar with the DTIS process that DTIS can provide a roadmap for countries to address goals and objectives related to trade and their participation in the

Survey Results: Familiarity with IF

About 2 out of 3 LDC respondents indicated familiarity with IF (41% strongly and 28% moderately). 3 out of 5 believed that the goals and objectives of the IF are clear and easy to understand (33% agreeing strongly and 27% moderately). About the same number reported familiarity with the IF status (47% agreeing strongly and 12% agreeing moderately) and considered IF policies clear and easy to understand.

Source: Annex E, Questions 7, 8, 9 and 10

world economy, and that the DTIS can provide a vehicle to identify Trade-Related Technical Assistance (TRTA). The survey indicates that most LDC respondents believe the goals and objectives are clear and, as the survey also demonstrates, the expectations are high in terms of outcomes in the relatively near term.

However, many LDC respondents expressed the concern that concrete results have yet to be realized. Many expressed the concern that the process had slowed and that the momentum

gained during the planning process has begun to wane.

Survey Results: DTIS

Half (51%) of LDC respondents indicated awareness of DTIS; almost 9 out of 10 believe the DTIS can meet their country's need in identifying trade-related issues (44% agreeing strongly and the same number moderately); they were almost unanimous (73% strongly agreed and 19% agreed moderately) in the belief that the DTIS can provide a roadmap for countries to address goals and objectives relative to trade and their participation in the world economy. Similarly, 65% strongly agreed and 19% agreed moderately that the DTIS can provide a vehicle to identify Trade-Related Technical Assistance (TRTA)

Source: Annex E, Questions 13,14,15,16 and 17

A.1.2 Others opined that there were not sufficient *funds* attached to the IF to address all the issues identified and that special consideration had to be given to supply-side constraints and in many cases the supply-side constraints identified were basic infrastructure needs such as telecommunications, roads and port facilities. Many respondents also identified product development, production capacity and production related technology, as well as labour force skill development as priority needs.

A.1.3 The issue of *country ownership* and *leadership* was a constant theme with the perception that the IF, despite statements to the

contrary, remains an agency-led and driven exercise. Some expressed the concern that the DTIS process, for example, was an agency activity led by agencies and for the most part conducted by teams of international consultants.

Survey Results: Capacity Building

When asked about IF contributions or its potential to help building country capacity, 84% of LDC's respondents agreed.

Source: Annex E, Question 18

A.1.4 In a number of cases, however, perceptions of the IF focussed on domestic issues and related largely to the degree of commitment and support by senior levels of government to both the goals and objectives of IF generally and

the level of support the trade sector could attract, within the PRSP mainstreaming process or in the subsequent budgetary process. Unfortunately, at times the perception prevails that while IF appeared to be a good idea in principle, little will come of it.

Survey Results: Mainstreaming Trade into Poverty Reduction Strategies and Development Plans

There is high confidence (77%) among LDCs that trade will be included in national development plans or Poverty Reduction Strategies. In addition, respondents believe IF will definitely (57%) and moderately (35%) contribute to poverty eradication, while 62% had high expectations for IF impact on poverty reduction in the country.

Source: Annex E, Questions 19, 20 and 22

A.1.5 In summary, expectations are high, as is the belief that IF can address priority issues and solve a wide range of trade related problems. The perception of the goals and objectives plus the scope and coverage of the IF are equally optimistic, but the concern that IF does not have the funds to achieve the perceived goals and objectives also prevails.

Survey Results: On IF effectiveness

The revamped IF has effectively integrated poverty alleviation concerns of LDC according 45% of its participant members of this evaluation. Nonetheless, there is a strong lack of awareness among 4 out of 10 of the respondents. Same situation occurs with their level of knowledge of the impact of IF in increasing trade opportunities in their countries for half of the sample. Half of the respondents in the LDCs consider that the IF is not a complex program and that it is easy to implement.

Source: Annex E, Question 27

Survey Results: IF Beneficial

Three out of four Private Sector participants (76%) believed that IF will help them increase international trade opportunities. Over 70% agreed strongly or moderately that IF has or will improve their business.

Source: Annex E, Questions 24 and 25

A.1.8 As the interviews and focus group participants, due to time constraints, were identified by the principle participants in the IF process in each country, the level of participation by both the private

Survey Results: Obstacles to IF success

LDC Respondents think that bureaucracy (80%) and insufficient cooperation between government, the private sector and civil society are barriers to success. 7 out of 10 cite the lack of a strategy and priorities and a lack of understanding of the country's needs is hindering progress.

Source: Annex E, Question 35

A.1.6 In addition, IF focal points and, where they exist, National Steering Committees, generally believe in and are dedicated to the IF process, but they too often point to the process as being somewhat complex and out of their hands. Many also expressed the frustration of not having the necessary resources, capacity or even infrastructure to perform the task to the required level. Like most respondents, they share perceptions related to scope and coverage.

A.1.7 The private sector's perceptions are directly linked to the amount of involvement they have had in the process, but in general they have very high expectations both for the economy of the country and for their own business pursuits. The perception often exists within the private sector that the IF process within their respective countries is a highly bureaucratic process being conducted within ministries with inadequate private sector awareness or consultation.

sector and civil society groups correlated closely to the level of involvement or consultation undertaken in the IF process within the respective country. The most often heard concern was that the IF country leaders did not fully appreciate the need to consult widely with all possible stakeholders. Perceptions of the IF itself varied widely between civil society groups and between countries. The perception of the IF varied from that of a well designed process capable of reducing poverty to a well designed process that

will make no contribution whatsoever to poverty reduction. The perception that trade in fact has a negative effect on poverty reduction also surfaced on occasion.

The perceptions of IF vary widely between groups and between countries, but not surprisingly the perception of IF as a process fully capable of addressing problems and issues, which will contribute to improved trade, economic growth and poverty reduction and was most often identified in those countries that have made the most progress to date.

3.2.7.1 LDC Government and National Steering Committee

Survey Results: Obstacles to IF success

Respondents from LDC think that bureaucracy (80%) and insufficient cooperation between government, the private sector and civil society are barriers to the success of IF. Roughly 7 out of 10 persons consider that the lack of a strategy and priorities, limited technological knowledge and little understanding of the countries' needs also affect the achievement of the goals of the framework.

Source: Annex E, Question 35

3.2.7.2 LDC Private Sectors

Survey Results: IF Beneficial

Three out of four Private Sector participants (76%) believed that IF had helped them increase international trade opportunities. Over 70% agreed strongly or moderately that IF has or will improve their business.

Source: Annex E, Questions 24 and 25

3.2.7.3 LDC Civil Society

3.2.8 Defined Roles of Agencies, Donors, LDCs, Governance

Survey Results: Little Change in Roles

In 2000 the IF was revamped, but 63% of LDC respondents reported that the roles and responsibilities of their organization *had not* changed in any way. About half (53%) of core agency respondents and one third (36%) of donor representatives reported that their roles and responsibilities *had* changed.

Source: Annex E, Question 11

3.2.8.1 Defined Roles of Core Agencies

Evaluation Context

The evaluation context is as described in 3.2.5, above.

Survey Results: Lack of Coordination

Lack of coordination between agencies was cited by 59% of LDC respondents as a potential obstacle to the success of the IF.

Source: Annex E, Question 35j

3.2.8.1A International Monetary Fund World Trade Organization (IMF)

3.2.8.1B International Trade Center (ITC)

The International Trade Centre (ITC) is a technical cooperation delivery agency or trainer and educator that delivers technical assistance programmes on behalf of UNCTAD and the World Trade Organization (WTO) particularly related to developing countries and LDCs.

The programmes are focused on the enterprise-oriented aspects of trade development to assist the business sector maximize trade performance by developing exports and improving trade facilitation, including import regimes. ITC focuses its technical assistance in the six key areas of product and market development, trade support services and trade and market information, capacity building, international, supply management and needs assessment. ITC also contributes to technical assistance with the JITAP programme for LDCs and other African countries.

ITC is an active participant in the IF process serving on both the IFSC and IFWG. ITC also delivers a trade related technical assistance programme to address identified needs in relation to IF activities. ITC, of course, continues to deliver technical Assistance in other LDC countries as well.

Additionally, ITC remains actively involved in specific IF needs assessment projects that were initiated under the original IF process, particularly in the five Round Table Countries. The Leather Industry project in Bangladesh is one example.

3.2.8.1C United Nations Conference for Trade and Development (UNCTAD)

The primary focus of United Nations Conference on Trade and Development (UNCTAD) is dealing with the interface between trade and development with a focus on the integration of developing countries into the world economy dealing with issues related to finance, technology, investment and sustainable development by acting as a forum for discussion and deliberations. UNCTAD concentrates its efforts on research, data collection and policy analysis to assist and foster dialogue.

UNCTAD is an active member of the management structure for the IF and provides assistance at the policy level using its research and policy analysis capacity.

It also contributes through its participation in the policy development and planning process in conjunction with the WTO as part of the management structure of ITC.

The UNCTAD's strength as a forum for dialogue did not appear to be much in evidence or in use within the IF process. Perhaps this is a strength that could be called upon in reaching some of the decisions requires within the If especially in relation to goals and objectives.

UNCTAD as do all the agencies steadfastly indicate their support for the IF, as manifested again in the official record of the July 2003 Heads of Agencies Meeting in Washington.

3.2.8.1D United Nations Development Programme (UNDP)

The UNDP participates actively in the IF governance through its membership on the IF Steering Committee and the IF Working Group.

The UNDP is responsible for managing the IF Technical Assistance Trust Fund on behalf of IF participants. It is responsible for receiving pledges and contributions from donors and for committing and disbursing funds in accordance with UNDP financial policy and procedures. It prepares regular budget reports, informing IF partners of the status of the Trust Fund. The UNDP takes the lead in the IFWG when the Working Group discusses the Trust Fund.

The UNDP is responsible for disbursing funds from Window I. UNDP field offices are responsible for assisting local project approval committees, prepare Window II projects, and UNDP headquarters has an oversight responsibility for Window II projects to ensure the projects approved by the local project approval committees are consistent with UNDP rules and procedures. The UNDP is responsible for the management of the \$500,000 National Implementation project through its field offices and for the IF evaluation, which is executed by UNOPs.

The UNDP was responsible for conducting Round Tables to discuss the needs analysis in some of the 'old' IF countries and it is assuming responsibilities in the diagnostic phase of the revamped IF process in LDCs in countries where the World Bank does not have resident representation.

The UNDP carries out education and outreach activities within its own extensive networking systems set up on a sectoral and regional basis, as well as in regional meetings of LDC representatives. It also participates in an international group considering the relationship between trade and poverty reduction.

3.2.8.1E Defined Roles of The World Bank

The World Bank has IF-related roles at the policy, management, operations levels, as well as internally directed functions.

At the policy level, the Bank analyzes questions related to the links between trade, growth and poverty. The Bank contributes to policy discussion on this issue with a variety of interlocutors: LDC's, other agencies and donors as well as the wider community interested in development issues. It can disseminate information and promote the IF externally.

As an active member of both the IF Steering Committee and the IF Working Group, the Bank actively participates, in concert with other members of the IF management organs, in IF management: contributing to the IF policy agenda, ensuring the process moves forward in an appropriate manner, directly participating in the selection of new IF countries, etc.

The Bank is a key player in the current operation of the IF today as they take the lead in the DTIS process. It is a contributor to the IF Trust Fund. It acts as donor facilitator, and indicated to the evaluation team that it is prepared to be a donor to IF-inspired projects. The Bank can be an IF 'facilitator' within LDC's. In addition, as its normal interlocutor is the Ministry of Finance, it can assist in mainstreaming trade into national development plans or PRSP's. The Bank can provide technical assistance on occasion when it has a comparative advantage.

As trade has only relatively recently been included as one of the Bank's implementation priorities, the Bank is giving considerable attention to mainstreaming trade within its own operations, and in two years has increased its staff complement dedicated to trade from one to fifteen to help build stronger links between Bank policy and country programme units to encourage take up, when appropriate, of IF initiatives in LDC countries.

3.2.8.1F World Trade Organization (WTO)

The WTO is the international organization charged with the task of facilitating the international trade regime and has the lead in fostering international consensus in relation to the multi-lateral trade negotiations. The original General Agreement on Tariffs and Trade (GATT) was primarily focused on the international trade in goods and services and was designed to develop a rules based trading system to establish a fair and equitable trading regime. A review of the current trade related negotiating agenda, the subject of the forthcoming WTO Cancun, Mexico Ministerial meeting will clearly demonstrate the breadth of the Trade Agenda today.

The international marketplace is a highly complex place in which to operate and assisting LDCs to further integrate into the global economy is becoming increasingly complex and a growing challenge. The capacity within developing and the LDC countries to manage the file and effectively participate in the negotiations has been recognized for sometime as one of the roadblocks for these countries. WTO has a specific Technical Assistance and Capacity Development programme, as part of the negotiating process, to assist countries increase capacity in this specific area.

WTO is actively engaged in the management structure of the IF and as is common among all partners, proclaims its support for the IF and its goals and objectives.

WTO does not have field staff at the country level; hence their involvement in the client countries is very modest. It is also fair to say that with the current WTO negotiation process in full swing, the WTO's resources are fully taxed and focused on the negotiations. However, the WTO does house and staff the IF secretariat.

3.2.8.2 Defined Roles of Donors

Evaluation Context

The evaluation context is as described in 3.2.6.

A. Evaluation Findings

Headquarter Responsibilities. In headquarters, responsibilities among donors are relatively similar and include providing country views on the policy and management of the IF to representatives in

Survey Results: Donors – Mixed Views
Two out of three LDC respondents (68%) agreed that the Lead Donor/Facilitator is playing an effective support role within the IF process. Nevertheless, 51% expressed concern that a lack of donor coordination might be an obstacle to IF success. Less than 1 of 3 (31%) respondents agreed that donors pledge funds in a timely manner.

Source: Annex E, Question 34b, 35k and 34g

Geneva, providing a link between central IF policy and operations and their missions in LDCs, consolidating information from their own field offices to assist in the development of IF policies, using IF to inform their policies on trade and development and their participation in the preparation of their countries' Doha negotiations, promoting IF and providing information to headquarters country programme managers on IF developments. Note was also made of headquarters responsibilities to train staff in

headquarters and in the field on the relationship between trade and poverty and on the IF process.

Field Roles. The roles and responsibilities of donor field staff vary from one donor to the next and from one country to another. The responsibilities of donor field responsibilities are conditioned by the donor's level of bilateral commitment to participating in the IF, the extent of country programming and operations decentralization, and whether the field mission has also assumed the role of donor facilitator.

Donor Facilitators. Donor facilitators can participate directly in all aspects of the IF process in the LDC. At the pre-DTIS stage, the donor facilitator might become familiar with the IF and the country situation, and ideally, with the TRTA activities in the country in a form of ‘donor mapping’, if it has not already been done. The donor facilitator can also be a conduit of information about the IF to other donors who may not be fully aware of the process. At the DTIS stage, the donor facilitator can potentially help out in a number of ways. It may informally assist the receiving country on the IF, provide comment, if necessary, on the relationship between trade and poverty and the relationship of the DTIS to the PRSP, advise on the importance of country ownership, especially the importance of including all stakeholders in a meaningful way, advise the DTIS team on the country situation, arrange for briefings for the donor community or provide briefings to the donor community. During the DTIS validation phase donor facilitators can be especially helpful in communicating donors’ views to the government, informally sounding out the level of donor support, and assisting with various workshops and the donors’ conference. In a post-DTIS phase the donor facilitator can be of greatest help in assisting the Government develop a prioritized plan of action, which is more suitable for donor consideration than the Action Plan Matrix.

B. Significance of Evaluation Findings

There is considerable variability among donors on their perceived IF roles and responsibilities, especially the responsibilities of their field missions.

There is a great range in the extent to which donors actively participate in the IF among field missions where the level of IF activity can vary from intense to cursory, depending on the level of IF interest on the part of a donor in a particular country. Donor facilitation responsibilities, especially, can require the commitment of considerable resources if the donor plays a proactive role.

C. Potential Adjustments

Donors will certainly have different perceptions of their IF-related roles and responsibilities, particularly with respect to their field missions. Given the importance of an effective IF process, it is important that a clear understanding between headquarters and the field exists on the level of effort which will be applied to the IF in field missions. This is particularly true of field missions where the mission is also the donor facilitator and where, consequently, additional resources may be required.

D. Potential Impacts of the Choices

Donors and field missions will have a better understanding of their respective IF responsibilities and will consequently be in a position to calibrate their support for IF among their missions, especially where they assume responsibility for donor facilitation.

E. Recommendations

It is recommended that:

1. Donor headquarters and field missions have a clear understanding of the level of effort which will be applied by each field mission to its participation in IF activities. *[Selected recommendation # 14]*

3.2.8.3 Defined Roles of LDCs

Evaluation Context

The evaluation context is as described in 3.2.2; 3.2.3; and 3.2.4.

Survey Results: LDCs commitment to IF

In general, both donors (59%) and agencies (49%) agreed that there is not enough national commitment to IF among private sector, academics and civil society, while one third think that there is such commitment.

Source: Annex E, Question 36c

Survey Results: Little Change in Roles

In 2000 the IF was revamped, but 63% of LDC respondents reported that the roles and responsibilities of their organization *had not* changed in any way, and 33% did not know whether they had.

Source: Annex E, Question 11

Survey Results: LDC Government

Two out of three LDC respondents agreed that their government supports and actively participates in the planning and implementation of the IF, but only two out of five (41%) agreed that the coordinating institutional structure (e.g. NSC and Focal Point) is in place and well staffed, and only 3 out of 10 believed that their government commits the necessary resources to carry out the IF.

Source: Annex E, Questions 34c, 34f, 36a

Survey Results: LDC Geneva Missions

One in three (38%) LDC respondents believed that their mission in Geneva is on top of trade issues and the IF and in tune with their countries' needs and priorities.

Source: Annex E, Question 36d

3.2.8.4 Governance

Evaluation Context

The evaluation context is as described in 3.2.5.

A. Summary Statement

There are two IF governing and managerial bodies in existence, namely the IF Steering Committee (IFSC) and the IF Working Group (IFWG), both of whom are supported in their activities and deliberations by the IF Secretariat. As part of the revamping exercise, the Secretariat was transferred from the ITC to the WTO. The IF Trust Fund, including the recently approved Window II funding is administered by the UNDP.

The Integrated Framework comprises six agencies, one observer, numerous donors and nineteen beneficiary countries (one of which is currently inactive), and there is considerable pressure to expand the number of participating countries. The IF is new and precedent setting, and the WTO DOHA Ministerial Declaration on supply-side constraints added another dimension. As a result, the challenges of managing and providing the Secretariat support to such a large scale undertaking, with such a diverse client base and complex delivery structure, are enormous.

B. The Management Team

Integrated Framework Steering Committee (IFSC)

The IFSC comprises representatives from the three partners in the IF with participation open to any member or representative of the three partners. The IFSC oversees the broad policy and contextual issues for the IF. For example, the IF Steering Committee approved the Window II funding facility in May 2003, based on the recommendations and the terms of reference developed by the IF Working Group. Window II is designed as a quick disbursing, bridging mechanism for modest projects related to mainstreaming. The Window II terms of reference also permit funding of project development and institutional strengthening plus the procurement of equipment as part of institutional strengthening.

Integrated Framework Working Group (IFWG)

The IFWG, under the policy guidance and direction of the IFSC, is responsible for dealing with specific issues including day-to-day operations and approvals, including Window I project approval (in close collaboration with UNDP), within the IF Trust Fund. The IFWG, which is chaired by a WTO official, comprises the Chair plus 11 members, one representative from each of the six core agencies, an observer from the OECD, two LDC representatives and two donor representatives. The UNDP representative assumes the chair of the IFWG when IF Trust Fund decisions are on the agenda.

The IF Secretariat

The IF Secretariat is housed in, and staffed by, WTO human resources. It provides both support and advisory services to the IF Steering Committee (IFSC) and to the IF Working Group (IFWG). The support function includes all the normal secretariat functions related to the activities and deliberations the IFSC and the IFWG. Additionally, the Secretariat is responsible for record keeping and report preparation. An added and critical function also being shouldered by the Secretariat is a communications function aimed at keeping the IF community apprised of developments and activities.

Survey Results: LDC Governance

Barely over half of LDC respondents are satisfied with the current administration of the IF at the country level, 14% being strongly and 41% moderately satisfied.

Source: Annex E, Question 31

Survey Results: Donor Coordinator

Only 27% of Donors, 16% of LDC and not one single core agency representative thought that the *Focal Point* should be responsible for Donor Coordination. The highest response rate was assigned to the *LDC government* (core agencies 47%, Donors 45%, but only 29% of LDC respondents). The preference for the Lead Donor/Facilitator in that role was 40% (agencies), 25% (LDCs) and 14% (Donors).

Source: Annex E, Question 29

C. Significance of the Evaluation Findings

C.1 The IFSC and the IFWG can both take a measure of credit for the IF progress to date, although there is a perception, grounded in a strong degree of reality, that the IFWG in particular, is somewhat cumbersome and slow making decisions, even on routine matters. The Secretariat is providing the logistical support to the IF management of the process, and the evidence suggests that meeting the administrative needs is taxing their limited resources. There is also a perception that the Secretariat, in its advisory role, may be lacking in capacity with regard to the development component of the trade / development interface required in the IF, especially as activity on the ground begins to pick up speed. The speed, with which IF Trust Funds are disbursed, even after approval, has been raised as an issue, especially among LDC beneficiaries.

The IF family of six agencies, one observer organization, a host of donors and some nineteen

Survey Results: Governance

LDCs are moderately satisfied with the current administration of the IF at the country level and mildly agree that the revamped IF has increased the effectiveness of the process. Thirty five per cent of respondents indicated they did not know which may indicate a low level of awareness within LDCs.

Source: Annex E, Question 31 and 32

countries, each with its own unique situation, capacity and potential from an economic, political and resource availability perspective also represents a challenge, as does the need to incorporate the differing perspectives within such a diverse group.

C.2 The IF is a complex undertaking, and the issues it is being asked to address are equally broad based and complex adding an additional challenge. Trade itself is not a simple subject; it

is a multifaceted sector with a range of issues including trade policy and trade development, trade promotion, trade facilitation and international negotiations, including market access. Is this not trade policy? Yes to a certain extent, but there is a point to be made about burden, and there is the physical dimension of negotiating that is over and above the policy development.

The WTO DOHA Ministerial Declaration, which stated “We urge the core agencies, in coordination with development partners, to explore the enhancement of the IF with a view to addressing the supply-side constraints of LDCs”, added yet another dimension to an already heavy agenda.

C.3 The IF approach is a change in the way of “Doing Business” which necessitates a change in planning, programming and implementation. The successful implementation of the Integrated Framework requires a change in thinking on the part of institutions and individuals at all levels.

C.4 The survey (Annex E -Q 37) asked respondents “In your view, what are the two most important things needed to improve the implementation of the IF?” and while country ownership was the most often heard theme, a clearer definition of the roles, tasks and responsibilities, a call for the timely release of funds, and increased access to trade related information were also themes in many responses.

C.5 The IF Working Group has contributed to progress made but the group is large in relation to the task. Streamlining the IF Working Group is most likely the best option.

C.6 An IFWG structure comprising seven persons would increase effectiveness and efficiency. The IFWG would comprise the Chairperson and two representatives each from the three partners, namely the LDCs, the Donors and the Agencies.

Those two representatives from each partner would be charged with the role of representing the interests of the members of that group. To accomplish this, the two representatives would need to accept increased responsibility and represent the collective views and positions of the “partner”. A supporting consultative mechanism within each partner, to coordinate and develop the respective positions would provide a solution. Any differences between members within a given group would be dealt with through the consultative mechanism instead of in the IFWG.

In addition to improving the efficiency of the Working Group, IFWG representation would be more balanced and reinforce the notion that the IF is customer focused and LDC driven. It would help dispel the perception that the IF is “an agency-driven exercise primarily for their benefit.”

The consultative mechanism within the agencies would contribute to developing a coherent and consistent action plan. The consultative process by the Donor representatives would improve

awareness, could increase the level of commitment within the current roster, and perhaps attract a larger community of bilateral donors.

Within the LDC partner, the consultative process could make a positive contribution as it would increase awareness and promote a common understanding of the goals and objectives and the scope and coverage. It would assist IF Focal Points to gain knowledge, share experiences and promote “best practices”.¹⁹ Such a network could prove invaluable in assisting capacity building and moving the IF to a higher level of success.

C.7 A strong and independent Secretariat to the IF is a necessity, and meeting the current logistical and administrative support needs is taxing its limited resources. Developing tools to address the issues impeding progress of the IF will place an added burden on the Secretariat. The need for quality information widely disseminated throughout the IF community supports the establishment of a dedicated Information Unit, within the Secretariat, to handle information and develop communication tools. The establishment of the LDC Focal Point Network could be an inaugural assignment for the unit.

Complementing the secretariat staff with individuals seconded from within the three IF Partners could improve cross-fertilization between partners and address the perception that the development community’s perspective is under-represented. A dedicated Information Unit and an LDC Focal Point Network would benefit from the addition of qualified staff from the LDC community familiar with local issues. Seconding staff from different partners would also facilitate capacity development and “Action Learning” for future IF leaders.

D. Recommendations

It is recommended that:

1. The IF Steering Committee remains as a high-level policy review and policy setting organization. *[Selected recommendation # 15]*
2. Consideration be given to streamlining the operations of the IF Working Group by reducing the membership and developing a consultation network within each IF partner.
3. Consideration be given to strengthening the Secretariat’s capacity through secondments from within the three IF Partners. *[Selected recommendation # 16]*
4. Consideration be given to the establishment of a dedicated Information Unit within the Secretariat.
5. Consideration be given to the establishment of the IF LDC Focal Point Network. *[Selected recommendation # 17]*

¹⁹ An excellent example of such a network can be found in the International Model Forest Network that links Model Forests established in countries as far a field as Russia, Canada, Mexico, Chile and Japan. Canada serves as the secretariat to this network.

3.2.8.5 Integrated Framework Technical Assistance Trust Fund

A. Evaluation Findings

A.1 Summary Statement

It is not possible to make a definitive evaluation of the IF Trust Fund; it was created in February 2001 and only became fully operational with the approval of Window II terms of reference in May 2003. However, as a vehicle to launch the IF process in each re-vamped IF country and to support it to the point that donors have the opportunity to take up IF projects presented to Country Consultative Groups (CCGs) or Round Tables (RTs), the Trust Fund serves an essential purpose, and, potentially, can play an important role in definitively mainstreaming trade into PRSPs, translating country Action Plan Matrices into prioritized, indicatively costed project proposals for consideration in LDC/donor fora, and implementing 'quick win' technical assistance based projects.

While procedures, especially for the approval and implementation of Trust Fund Window II funds could be somewhat heavy in relation to the size of individual projects, it would be premature to recommend changes without the benefit of practical experience, especially as the purposes for which funds can be committed are relatively flexible and local decision making has been maximized within UNDP rules. The administration of donor contributions may also be too labour intensive, but to date have not hindered the effective operation of the Trust Fund. Donors have pledged and committed contributions to the Trust Fund in sufficient amounts and in a timely manner so that funds have always been available as required.

A.2 Background

The IF Technical Assistance Trust Fund was created in February 2001, and is under the management of the UNDP, which applies UNDP policies and appraisal, approval, management and monitoring procedures. Financial management and control is also in accordance with UNDP regulations and rules. The UNDP Administrator or representative chairs the IAWG when it is meeting as the Trust Fund.

The Trust Fund is composed of two project financing windows: Window I and Window II. Window I is an un-earmarked fund, which supports principally the preparation of the DTIS, including the Action Plan Matrix. In addition, \$300,000 was allocated from Window I to each of the five 'old' IF countries to support the objective of mainstreaming trade into national planning frameworks and addressing priority TRTA as defined in the RTs. Window I projects are approved by the IF Working Group. In 2002, the IF Steering Committee approved a \$500,000 Window I project to assist LDC National Implementation efforts by strengthening the institutional and managerial capacity of LDCs IF processes through capacity building activities such as building national IF structures, training, conferences and seminars, and study tours and knowledge sharing.

The IF Steering Committee approved Window II in May 2003. Window II may be accessed by LDCs who have undertaken a DTIS for priority projects during the phase between the completion of the DTIS and accessing funds through CCGs, RTs and programme support. Window II funds are to be directed to modest, priority, quick-win projects in the post DTIS phase. Window II is also referred to as a quick disbursing, bridging mechanism to overcome delays being experienced in the delivery of IF projects. Projects should have the ultimate aim of helping LDC's complete the mainstreaming process, but they may be of diverse nature, according to LDC priorities, and may include project development as well as institutional strengthening. Projects may also include supply side projects with private sector involvement and the procurement of equipment as part of institutional strengthening. Physical infrastructure projects are excluded from Window II financing. Window II projects are approved (with UNDP headquarters oversight) by a locally chaired local project approval

committee which must contain, at least, representatives from the Ministries of Finance and/or Planning, the Ministry of Commerce, the UN Resident Representative (or delegate), the facilitating donor, and the World Bank Resident Representative or delegate. Currently, 'old' IF countries are not eligible for Window II funds.

A.3 Current Situation

It is expected the five projects in the five round table countries, which used the funds for other related activities instead of a DTIS and which covered a diverse range of subject areas, including important elements of mainstreaming, structural reform of public sector trade policy and development organizations, and practical measures aimed at developing exports in high potential sectors, will be fully committed by August 2003.

In July, when data was gathered, it was hoped that nine DTIS's financed from Window I would be completed by the Fifth Ministerial meeting in Cancun in September, leaving three for completion in the post-Cancun period, and one country in which work is suspended. In addition twelve more countries have expressed interest in joining the IF process, of which five have been positively technically reviewed by the World Bank. As of 3 July 2003, \$2.5 million remains uncommitted in Window I from funds provided by donors to the Trust Fund, plus \$535,000 of pledged funds remain to be actually disbursed by donors to Window I.

To date, two countries, Cambodia and Mauritania, have received \$500,000 and \$195,000 respectively for Window II projects aimed at, inter alia, building capacity to strengthen the links between trade and poverty, to increase trade policy competencies, and to further develop the export potential of certain sectors. It should be noted these projects were approved and underway before the Window II terms of reference were approved. In addition, UNDP headquarters has written to its Resident Representatives in Yemen, Senegal, Nepal, and Mauritania informing them of the operation of Window II. As of July 3, 2003, \$1.5 million remains uncommitted in Window II from funds provided by donors to the Trust Fund, plus \$7.5 million of pledged funds remain to be actually disbursed by donors to Window II.

In summary, taking account of actual funds available plus pledged funds, there are probably sufficient funds available for at least the next two years if draw-downs from the Trust Fund continue at about the same annual rate as in the first three years of the Trust Fund's operation. However, if a substantial number of new countries join the IF process, and, especially, if a relatively large demand for Window II funds emerges, the Trust Fund could come under pressure at an earlier date. A clearer picture should emerge over the next year.

B. Significance of the Evaluation Findings

The IF Trust Fund demonstrates in a practical manner the willingness of the core agencies and the donor community to support the IF process. Window II, especially, will assist LDC's launch the priority reforms to their trade sector, which can lead to a real increase in exports.

It is too early to make a definitive evaluation of the efficiency or effectiveness of the IF Trust Fund, especially the newly operating Window II. Window II terms of reference do provide a great deal of flexibility at the local level to carry out strategic, catalytic interventions at relatively modest cost to further advance the IF and potentially attract significant donor interest or to support small projects which can have an immediate return in increased exports.

While it might appear to be unnecessarily complicating to have two 'windows', especially if funds are short for one purpose, while surplus funds are available for another purpose, and the line between where Window I ends and Window II begins is not clear, it is appropriate to have the two windows for the time being at least. Window I is significant as it provides the necessary, visible financing to

support a decision by the Steering Committee to support an IF process in a country. Window II is significant as it marks the point at which local decision-making on the use of funds takes effect.

The UNDP has made efforts to streamline procedures, but the process underpinning small projects is still complex and potentially quite time consuming. Experience will help determine whether additional changes should be made to increase the efficiency of Window II planning and implementation.

Finally, some LDC IF participants are not aware that Window II is open for business, and those who are, may require considerable assistance from UNDP offices in designing and implementing projects.

C. Potential Adjustments

It would be premature to recommend adjustments to the functioning of Windows I and II of the Trust Fund. However, the IF Secretariat or the UNDP should publicize more widely the Trust Fund, especially the terms of reference for Window II, directly with LDC IF focal points. Consideration might be given to the preparation of a kit fully explaining the purposes and operation of the Trust Fund and containing examples of the required planning and operations documents.

D. Potential Impacts of the Proposed Adjustment

The wider provision of information on the IF would increase confidence between the Trust Fund managers and LDC clients. It might also increase efficiency in the preparation of projects and in their implementation.

E. Recommendation

It is recommended that:

1. The IF Secretariat and the UNDP more widely publicize the purpose and operation of the Trust Fund directly to LDC IF participants.
2. A kit be prepared to facilitate the effective utilization of the Trust Funds by IF LDC participants and UNDP field offices.

3.2.9 Linkages of the IF to Existing Development Architecture (PRSP, Country Consultative Groups, Donor Round Tables)

3.2.9.1 Linkages to PRSP

A. Evaluation Findings

A survey of the revamped LDC countries indicates that all these countries are prepared to link their DTIS findings to the PRSP. As of July there are two re-vamped countries which are reported to have mainstreamed the DTIS into the PRSP and a number of others, including one 'old' IF country which are approaching the integration stage.

There appear, however, to be two possible problems to the smooth realization of this basic link in the IF process in all countries. The first problem relates to the timing of the PRSP cycle in relation to the timing of the completion of the DTIS, including the Action Matrix. For example, in some countries the PRSP has been completed, and it appears that new programme priorities such as the IF cannot be added until its term is completed and a new PRSP framework is prepared, which may be one or two years away. The second problem was reported to be in the difficulty of integrating the recommended DTIS activities into the PRSP activity and results statements. This may be a particular problem where the budgetary allocation process is closely linked to the PRSP.

B. Significance of the Evaluation Findings

If these two problems cannot be resolved in a timely manner, the implementation of the IF in a number of countries could be further delayed. Resolving the second issue, integrating the activities and results into the PRSP, is an issue which requires close cooperation among officials in the ministry responsible for the IF, the central budgetary authorities and line ministries involved in the

implementation of recommended IF activities. This may be a problem, if officials are not fully aware of the IF and its facilities to assist in its realization.

C. Potential Adjustments

There appears to be some variance in the timing of PRSPs and the ‘rules of the game’ for modifying them. For example, in several cases it appears that the DTIS results will be integrated into PRSPs during the annual review. In other cases it seemed that this procedure would not be possible, that reviews were just that, and the main priorities in the PRSPs could not be modified until a new one was being formulated, even though the countries concerned wished to integrate their completed DTISs into the PRSP. Allowing the introduction of important new policy initiatives into a PRSP during the annual review exercise seems to be a practical solution to the problem of synchronizing the IF and PRSPs.

The second problem, the problem in DTIS formats, in particular the Action Plan Matrix, is potentially more deep-rooted and will require special attention to overcome what might be a complicated process issue in some countries. In the short term, the Window II facility of the Trust Fund can assist in the resolution of this issue, but a longer-term resolution may lie in some modification of the DTIS Action Matrix table.

D. Potential Impacts of the Choices

These suggestions would increase the effective implementation of the IF process in a number of countries, thereby reducing the possibility of a loss of momentum in the implementation of IF activities.

E. Recommendations

Provide for the integration (mainstreaming) of the IF into the PRSP during the annual review period and ensure that this provision is widely understood throughout the PRSP system.

In the short term, focal points, agency representatives and donor facilitators should encourage the use of Window II to assist in overcoming important process issues, which inhibit mainstreaming IF into PRSPs.

A modified DTIS format should assist LDCs to integrate more easily the specific recommended activities into the PRSP format.

3.2.9.2 Linkages to Donor Round Tables

Evaluation Context

The following output *performance measure* has been identified:

3.2.4.4 The degree to which IF priorities are considered and accepted at the UNDP’s *Roundtable* meetings.

3.2.10 Processes and Procedures

Evaluation Context (General)

The following general *performance measures* apply:

3.3.2.2 The extent to which IF policies, priorities and guidelines are in place and clear

3.2.4.1 The degree to which IF partners (co-ordinating agencies, LDCs, Donors) have streamlined their respective procedures

3.2.4.2 The degree to which IF partners (co-ordinating agencies, LDCs, Donors) have mainstreamed the IF into their work plans

The following *risk* was noted:

R.2 Core agency, donor, and LDC IF related objectives conflict, or are not sufficiently harmonized

3.2.10.1 Process of Country Selection in the Re-vamped IF

Evaluation Context

In evaluating the process of country selection, the following performance measure was applied:

3.3.3.1 The extent to which the IF country selection criteria are fair, transparent, and appropriate.

A. Evaluation Findings

The criteria used in the past were appropriate at the time and had well-structured methodological bases in fact. However, the evidence gathered supports the perception held by many stakeholders

Survey Results

About 7 out of 10 LDC respondents reported that they were *not* aware of the IF country selection criteria.

Source: Annex E, Question 30

that the process was less than fully transparent. Some discontent had been expressed with the final decisions taken. It appears that while the criteria were used in the decision making process, final decisions were often based only partly on the results of assessing the criteria and

partly on other unspecified considerations.

B. Significance of the Evaluation Findings

The evaluation findings suggest a need for objective and transparent country selection processes for at least four reasons:

1. The use of objective and transparent selection criteria, based, among others, on such considerations as are set out in Annex D, should enhance the IF success rate.
2. The use of objective and transparent selection criteria should also enhance the confidence of future LDC participants in the fairness of the IF selection process.
3. The use of objective and transparent selection criteria by the managing IF agencies, should also serve as a role model for LDCs who are urged to adopt good governance approaches, as a condition for selection and participation in IF.
4. Objective and transparent selection criteria that have been well publicized would allow potential LDC candidates to do a self-assessment prior to approaching IF formally for admission.

C. Potential Adjustments

In support of a fair, transparent, and appropriate selection process, the IFSC may wish to establish a policy requiring only objective selection criteria, and it might develop a filtering process that would utilize at least the following two specific *filters*:

1. A macro filter to undertake a broad assessment of candidate LDCs as to their potential success, using the variables described in Annex D.

2. A meso filter, using a **simplified and refined** pre-selection DTIS study (call it a *DTIS-Lite*) to provide the candidate country with a basic assessment of their current trade-related status and an early indication of key trade-related issues.
3. A micro filter applied to potentially successful LDCs to determine both their readiness for reform and their leadership capacity.

D. Potential Impacts of the Choices

The use and reporting of these three filters would reassure LDCs, who aspire to participation in IF, that they are not arbitrarily excluded.

The use of the filters might also encourage unsuccessful LDCs, to try to overcome the factors that excluded them initially from immediate benefit of the IF.

In overall terms, the application of these filters should also enhance the aid effectiveness of the IF mechanism, on the premise that donors and core agencies will incorporate such criteria in their plans at the country level.

On the other hand, the choice not to use filters such as suggested, might leave the IF partners open to mistrust, and it could undermine the agencies' credibility as impartial agents in development.

E. Recommendations

It is recommended that the IFSC:

1. Adopt a policy of objective and transparent country selection.
2. Request the IFWG to develop and widely publicize an objective and transparent country selection process, using the suggested macro, meso and micro filters, or an equally suitable alternative process.
3. Define and routinely use a concise communication mechanism to inform candidates of the results of the selection process.

3.2.10.2 Procedures for Applying the IF to Selected Countries

Evaluation Context

In evaluating the process of country selection, the following performance measure was applied:

3.3.3.1 The extent to which the IF country selection criteria are fair, transparent, and appropriate.

3.2.10.3 Procedures and Processes for Preparing the Diagnostic Trade Integration Studies, and the Quality of the DTIS

Evaluation Context

The findings are based on (1) survey country components, (2) a two-day country visit, as well as (3) a review of relevant available documents.

The evaluation was guided by applicable expected *impact*, *outcome* and *output* results, their corresponding performance measures, as well as associated assumptions and risks, as contained in the *Logical Framework Analysis* (Annex A). *Impact* is defined as a long-term result; *outcome* as a medium-term result; and *output* as a short-term result. *Applicability* was determined in terms of its primary relation to IF governance and management, as distinct from donor operations.

The following **performance measures** were used to assess the quality of the DTIS:

1.1.1.1 The degree to which IF country governments have completed their DTIS or needs analyses

1.1.1.3 The degree to which IF country governments have linked their DTIS or needs analyses to national development plans and/or PRSPs

The following **risk** has been identified:

R.10: DTIS and the associated Action Matrices may not fully reflect the considered views of LDC governments and stakeholders and may not provide clear prioritization and guidance for further action.

A. Evaluation Findings

A.1 Summary Statement

A.1.1 The Diagnostic Trade Integration Study (DTIS) process has progressed and continues to evolve as partners are learning from the experience gained to make future improvements. Successive DTISs are improving in terms of focus, precision and the identification and prioritization of issues. In addition successive DTIS studies have, in recognition of the need under the revamped IF to mainstream trade into the National Development Plans or Poverty Reduction Strategy Papers (PRSP) process placed a degree of emphasis on addressing the links between trade, economic development and poverty. A significant number of countries have, or are in the process of completing, a DTIS. Even a member of the original Round Table Countries has decided to use a DTIS like process for future planning.

The major issues surrounding the DTIS's are the difficulty of translating the Action Plan Matrix into inputs for the PRSP or into a **funding request package** format that is suitable for consideration by donors.

There is a perception among many, especially within the LDC community, that the agency (in most cases the World Bank) is not only leading the process but has ownership of the process as well. This perception, which appears to mirror reality closely, while being efficient from a task completion perspective, may not be contributing to the development of ownership, leadership and buy-in on the part of the LDCs, an element that appears to be fundamental to the ultimate success of the IF process.

A.2 Survey Results

The survey results support the theory and belief by many in the LDC community that the DTIS process can provide current status information, identify issues and problems and act as a roadmap for addressing trade related issues. The survey results also support the existence of the perception issue referenced above. Finally, the results point to a very strong conviction on the part of individuals from all three partner communities that country ownership of the IF process is paramount.

A.3 Interview Results

A.3.1 During the course of this evaluation, interviews and focus group discussions were conducted with a significant number of people from all three partner communities, and similar strengths and weaknesses of the DTIS process were expressed by all three groups.

A.3.2 Many of the earlier DTISs were voluminous documents, heavily concentrated on the macro-economic policy overview of the country, with much less focus on micro-economic conditions and the identification of specific trade related issues and opportunities. The DTIS process was seen by many, especially within agencies, as a multi-purpose process with a much broader focus than as the basis for developing a well defined action plan addressing issues specific to the goals and objectives of the IF.

A.3.3 The DTIS process appears to be moving closer to its originally intended purpose of providing countries with a tool to determine their current status and to identify trade related issues and opportunities plus identify the linkage between trade and poverty reduction. The role trade can play in reducing poverty, however, is not universally accepted within the IF partners and certainly within segments of civil society.

The inclusion of an "Action Plan Matrix" is a positive development. However, a review of a number of the resulting documents indicates that frequently they are complex and still contain lengthy lists of "things that must be done". It is evident that no one issue stands alone, but is linked to a host of other issues and problems. Despite the interdependency, there is a need to recognize that individual problems must be solved sequentially, one at a time, underscoring the need to develop an action plan to address a manageable list of priority projects.

If the LDC country, with the mentoring and assistance of the agencies and the lead donor/facilitator, develops an action plan with identified projects to address priority needs, the LDC will have a "funding request package" that can be presented to donors for consideration. A good funding request package will most likely attract donor support. In addition, the current Action Plan Matrix format is not easily transferable into the requirements for PRSP's, which is an important consideration, if the purpose of the DTIS is to mainstream trade into a country's national development plan and/or PRSP.

A.3.4 Many of the DTIS reports and the alternative process used by several of the Round Table Countries, focus heavily on priority sectors as the key to export growth. Little attention is paid to "exporter" support and development. Experience in many countries suggests that "Good Exporters" tend to succeed regardless of the sector to which they belong, whereas poorly motivated and ill prepared exporters fail, regardless of the sector of the economy to which they belong.

B. Significance of the Evaluation Findings

The DTIS process has made progress and is more focused on the needs of the IF process. However, the DTIS is widely perceived as being an agency owned, managed and driven exercise, with insufficient attention being paid to LDC ownership and leadership. The perception may be reinforced, if insufficient time or effort is spent in pre-DTIS sensitization, and this phase is followed by a team of World Bank-led international consultants who produce a study with insufficient consultation with stakeholders, which is then reviewed by World Bank and other agency staff at their headquarters, before being presented to the LDC for review and validation at local workshops. The round table discussion of the report is also usually held at a core agency headquarters location.

The evidence suggests that a simplified DTIS or "DTIS Lite" as it is referred to in some quarters could be used to provide a preliminary review of the trade status and issues to be used as one of the

evaluation tools to determine the readiness of new potential participants in the IF. (See section 3.2.10.1 on country selection criteria.)

In addition, the current DTIS format, and the consequent need to re-work the recommended action, once, for inclusion in PRSP's, and again, a second time, for preliminary consideration by donors further extends the time needed to bring the process to the implementation stage.

C. Potential Adjustments

Adjust the DTIS process to be more LDC driven and managed, with the agency role shifting more to one of mentoring, providing advice and assistance and coaching the LDC IF team in the DTIS process.

Encourage DTIS developers to focus some attention on *exporter* development, as well as *export* development.

Modify the format, especially the Action Plan Matrix format, to facilitate its use for integration into the PRSP and into the preparation of funding request packages for donors.

D. Potential Impact of the Choices

The adoption of these concepts would:

- contribute greatly to making the IF a “customer- driven” and owned process, assuring buy-in. The approach, while it would take longer and marginally increase the cost, would also afford an excellent opportunity for capacity building, not only for the IF Team, but also help develop local consultants for the future;
- recognize that the capacity and capability of the exporter plays a significant role in improving export performance;
- increase the efficiency without losing the effectiveness of the IF process in LDC's.

E. Recommendations

It is recommended that:

- The IFSC issue guidelines for DTIS process operation that would modify the approach to one of mentoring, assisting and coaching the LDC- IF team to develop their DTIS study and action plan matrix.
- The Agency staff, responsible for the DTIS process, encourage DTIS developers to give consideration to both *export* and *exporter* development in assessing LDC needs.
- The Agency staff, responsible for the DTIS, encourage DTIS developers to give consideration to modifying the DTIS format, especially the Action Plan Matrix, to improve its integration into the PRSP and to facilitate consideration by donors.

3.2.10.4 Selection of Consultants

Evaluation Context

The Following *output performance measures* were identified:

- 3.1.1.4 The degree to which the selection of both international and domestic consultants contributed to the DTIS and related activities.
- 3.1.1.5 The degree to which the quality and approach of technical advisors are sensitized to support the trade-related development efforts effectively.

The following *risk* was noted:

- R.6 Quality and approach of technical advisers are not appropriate and sensitized to effectively support the trade-related development efforts.

A. Evaluation Findings

Given the longstanding practice of undertaking projects, using outside consultants, and the well established screening and evaluating processes in place, the evaluators assumed that the World Bank and the other core agencies would engage competent consultants, and therefore the focus of this evaluation was on the *use* and *approach* taken by agencies and consultants.

With respect to the *use* of consultants, the evaluation uncovered a concern that may relate to the overall effectiveness of the IF. The World Bank and, on occasion, other Agencies in their stead, have assumed well-intentioned *leadership*, as for example, in the management and implementation of the DTIS process. In assuming this leadership role, however, the operational approach, especially in relation to (1) setting the terms of reference, (2) choosing consultants and (3) finalizing reports, may be detrimental to instilling a sense of leadership and ownership of the IF and its outcomes in the LDC. Thus, the perception remains that the approach used is to a large extent "doing it for them" instead of "doing it with them".

B. Significance of the Evaluation Findings

While it is recognized that using a *consultative mentoring* approach maybe more time consuming, it is also clear that adopting such an approach would present a *capacity building opportunity* to the IF proponents within the LDC (the IF Focal Point and others) and make a contribution to reducing the overall perception that the IF remains an agency-driven exercise largely for their benefit.

C. Potential Adjustments

D. Potential Impacts of the Choices

E. Recommendations

3.2.10.5 Processes and Procedures of the Core Agencies (WB, UNDP, IMF, WTO, UNCTAD, ITC)

Evaluation Context

The evaluation context is as described in 3.2.5.

With respect to the UNDP, the following expected outcome result and corresponding performance measure were noted:

3.2.2 IF Technical Assistance Trust Fund (Window II) (TATF) criteria are fair, transparent, and appropriate

3.2.2.1 The degree to which TATF guidelines, outlining the scope, criteria and coverage, are accepted by all IF parties

In addition, the following *assumption* was made:

A.19 The IF programme allows enough flexibility to accelerate the implementation of individual country Action Plans.

The following *risks* were noted:

R.4 IF implementation might suffer if there is insufficient provisioning of corporate memory structures

R.5 The implementation pace of IF initiatives is more rapid than the absorptive capacity within LDCs

3.2.10.6 Processes and Procedures within LDCs

Evaluation Context

The evaluation context described in 3.2.1.2 applies to LDC involvement in procedures and processes.

3.2.10.7 Processes and Procedures of Donors

Evaluation Context

The evaluation context described in 3.2.6 applies to the participation of Donors in procedures and processes. In addition the following two *assumptions* were noted:

A.7 Donors are willing to align their priorities to the LDC stated priorities

A.16 Donors will continue to fund and replenish the IF Trust Fund [IFTF] to meet its mandate and provide other funding for IF implementation

3.3 Integration of IF Evaluation Findings

The Integration of IF Evaluation Findings is, as the title implies, an integration of major issues discussed in section 3.2 “Evaluation Findings”. This section addresses: (1) the effectiveness of IF as a model for trade capacity building; (2) the extent of need to re-focus programmes and work plans of core agencies and donors; (3) the extent of need for the adjustment of the functional and organizational structure; (4) coordinating and synchronizing of funding cycles; and (5) the degree of niche identification for IF, and its acceptance by other players.

3.3.1 The Effectiveness of IF as a Model for Trade-Capacity Building²⁰

Evaluation Context

The following expected *outcome result* was identified:

²⁰ This section should be read in conjunction with 3.4.1, which partially covers similar material.

3.3.5 The degree to which resources of the IF Trust Fund are coordinated with the JITAP programme of activities.

The following expected *output result* and corresponding *performance measures* were identified:

3.1.1 Trade-related functions and corresponding skills are executed effectively and efficiently.

3.1.1.1 The degree to which trade-related functions and corresponding skills have been analysed and profiled.

3.1.1.2 The degree to which a catalogue for competency- based human resource development has been developed.

3.1.1.3 The degree to which IF and LDC officials are assessed and trained on trade-related functions and corresponding skills.

3.2.1.1 The degree to which the role of IF within overall trade-related technical assistance and capacity building has been defined and is understood.

The following *assumption* was made:

A.16 Donors will continue to fund and replenish the IF Trust Fund [IFTF] to meet its mandate and provide funding for IF implementation.

A. Evaluation Findings

A.1 Summary Statement

A.1.1 The theory and operational approach envisaged for the Integrated Framework has been carefully crafted, is entirely appropriate and a sound approach capable of achieving positive results, if it is recognized that the Integrated Framework can best be described as a step-by-step process that will identify an effective priority focused action plan (**a funding request package**) to maximize trade performance, foster economic growth and contribute to poverty reduction.

A.1.2 The notion that the six agencies will cooperate and coordinate their efforts to deliver integrated support to the client (LDC) is also a sound policy approach to implement an LDC-owned action plan.

A.1.3 An integrated approach is sound and a critical component for donors to mentor and assist the LDC to identify appropriate funding sources for an agreed to set of projects to support the action plan.

In this context, trade-related technical assistance [TRTA] is a critical element that must provide support to the LDCs for identifying, planning and a country-specific IF action plan and for building capacity to cover activities in support of managing the IF process and implementation. Although perceptions to the contrary still prevail, TRTA funding was not intended to be available for infrastructure development or to eliminate supply-side constraints. Hence the need for a well developed and targeted technical assistance approach is of critical importance, not only to address trade related problems within LDCs, but to also develop the capacity of the in-country participants to manage the process itself.

A.1.4 The evaluation revealed that in several countries there is a clearly identified need for capacity building and orientation activities at all levels, including: the Focal Point, the National Steering Committee and other stakeholders including government ministries, the private sector and civil society

The evaluation also revealed that agency, donor representatives and external consultants, such as in the case of DTIS development, tend to *deliver* the goods, rather than mentor and assist the IF Focal point and *coach* local consultants to do the work. It would seem that the decision to use external

consultants to *do* the work rather than *coaching* local consultants, may be attributable to two factors: (1) the decision is driven by a perceived need to get the work done quickly, rather than using it as a technical assistance opportunity to develop local capacity for both current and future needs; (2) it may be that consultants are more comfortable or are being encouraged to *do* rather than *coach*. While the perception that qualified local consultants are not available may have some basis in fact, it is also possible that the selection criteria being used do not adequately consider practical experience and local or traditional knowledge as being as important as academic or professional qualifications.

B. Significance of the Evaluation Findings

A prime contributor to the ultimate success in the implementation of IF and its goals and objectives will be local capacity, local buy-in and the sense of pride that flows from achievement. Trade-related technical assistance (TRTA) provides the opportunity to instil this quality into the IF Process.

C. Potential Adjustments

C.1 In **policy** terms, the IFSC may wish to issue a policy and supporting *guidelines* that would recommend the use of local people and refocus the approach by agencies, donors and consultants from one of doing to one of coaching to capitalize on the opportunity to do capacity building more broadly within the client community (LDC).

A ***Guideline on IF-related Capacity Development*** in LDCs that includes the following:

- (1) Provide *formal orientation* to in-country staff, potential IF managers (including Focal Points, Chairpersons of National Steering Committees and other key stakeholders;
- (2) Provide guidelines to encourage agencies and donor representatives responsible for leading the DTIS or project identification and development processes to continuously monitor these activities to identify local capacity development opportunities, and
- (3) Encourage the inclusion of capacity development requirements in all terms of reference.

A ***Guideline on IF-Consultant selection*** could include preferential treatment provisions for local candidates and revised qualification criteria to give increased weight to experience plus local and traditional knowledge.

D. Potential Impacts of the Choices

If the measures proposed in “C” are adopted by the IFSC and the IFWG, a coherent TRTA approach²¹ is possible. LDC buy-in and confidence will increase. LDC capacity will be built for both the present and the future. The selection process for consultants will be transparent, fair and oriented to development. The level of quality of in-country management of IF will increase. The IF-related capacity development processes will be both effective and highly efficient.

²¹ An in-depth discussion on the topic of capacity building through competency based analysis and modular training can be found in Appendix G – *Coherent Trade – Related Technical Assistance Approach: Technical Background*.

E. Recommendations

It is recommended that:

1. The IFSC issue a *Guideline on IF-related Capacity Development* to focus attention on the need for capacity development and to maximize in-country skills confidence and pride.
2. The IFSC issue a *Guideline on IF Consulting*, with a view to attracting and developing more fully qualified local people capable of undertaking assignments or contracts for IF-related research and implementation studies.
3. The IFWG develop and maintain an IF-related consultant database comprising both local and international consultants.

3.3.2 The Need to Re-Focus Programmes and Work Plans of Core Agencies, Donors

Evaluation Context

The following two *assumptions* were noted:

A.19 The IF programme allows enough flexibility to accelerate the implementation of individual country Action Plans.

A.20 IF managers ensure that LDC governments have a clear understanding of the commitments required in participating in the IF process.

3.3.3 IF Governance

Evaluation Context

The evaluation context is as described in 3.2.5.

A. Summary Statement

There are two IF governing and managerial bodies in existence, namely the IF Steering Committee (IFSC) and the IF Working Group (IFWG), both of whom are supported in their activities and deliberations by the IF Secretariat. As part of the revamping exercise, the Secretariat was transferred from the ITC to the WTO. The IF Trust Fund, including the recently approved Window II funding is administered by the UNDP.

The Integrated Framework comprises six agencies, one observer, numerous donors and nineteen beneficiary countries (one of which is currently inactive), and there is considerable pressure to expand the number of participating countries. The IF is new and precedent setting, and the WTO DOHA Ministerial Declaration on supply-side constraints added another dimension. As a result, the challenges of managing and providing the Secretariat support to such a large scale undertaking, with such a diverse client base and complex delivery structure, are enormous.

This section addresses the need for adjustment of the functional and organizational structure.

B. The Management Team

Integrated Framework Steering Committee (IFSC)

The IFSC comprises representatives from the three partners in the IF with participation open to any member or representative of the three partners. The IFSC oversees the broad policy and contextual

issues for the IF. For example, the IF Steering Committee approved the Window II funding facility in May 2003, based on the recommendations and the terms of reference developed by the IF Working Group. Window II is designed as a quick disbursing, bridging mechanism for modest projects related to mainstreaming. The Window II terms of reference also permit funding of project development and institutional strengthening plus the procurement of equipment as part of institutional strengthening.

Integrated Framework Working Group (IFWG)

The IFWG, under the policy guidance and direction of the IFSC, is responsible for dealing with specific issues including day-to-day operations and approvals, including Window I project approval (in close collaboration with UNDP), within the IF Trust Fund. The IFWG, which is chaired by a WTO official, comprises the Chair plus 11 members, one representative from each of the six core agencies, an observer from the OECD, two LDC representatives and two donor representatives. The UNDP representative assumes the chair of the IFWG when IF Trust Fund decisions are on the agenda.

The IF Secretariat

The IF Secretariat is housed in, and staffed by, WTO human resources. It provides both support and advisory services to the IF Steering Committee (IFSC) and to the IF Working Group (IFWG). The support function includes all the normal secretariat functions related to the activities and deliberations of the IFSC and the IFWG. Additionally, the Secretariat is responsible for record keeping and report preparation. An added and critical function also being shouldered by the Secretariat is a communications function aimed at keeping the IF community apprised of developments and activities.

C. Significance of the Evaluation Findings

C.1 The IFSC and the IFWG can both take a measure of credit for the IF progress to date, although there is a perception, grounded in a strong degree of reality, that the IFWG in particular, is somewhat cumbersome and slow making decisions, even on routine matters. The Secretariat is providing the logistical support to the IF management of the process, and the evidence suggests that meeting the administrative needs is taxing their limited resources. There is also a perception that the Secretariat, in its advisory role, may be lacking in capacity with regard to the development component of the trade / development interface required in the IF, especially as activity on the ground begins to pick up speed. The speed, with which IF Trust Funds are disbursed, even after approval, has been raised as an issue, especially among LDC beneficiaries.

The IF family of six agencies, one observer organization, a host of donors and some nineteen countries, each with its own unique situation, capacity and potential from an economic, political and resource availability perspective also represents a challenge, as does the need to incorporate the differing perspectives within such a diverse group.

C.2 The IF is a complex undertaking, and the issues it is being asked to address are equally broad based and complex adding an additional challenge. Trade itself is not a simple subject; it is a multifaceted sector with a range of issues including trade policy and trade development, trade promotion, trade facilitation and international negotiations, including market access. Is this not trade policy? Yes to a certain extent, but there is a point to be made about burden, and there is the physical dimension of negotiating that is over and above the policy development.

The WTO Doha Ministerial Declaration, which stated “We urge the core agencies, in coordination with development partners, to explore the enhancement of the IF with a view to addressing the supply-side constraints of LDCs”, added yet another dimension to an already heavy agenda.

C.3 The IF approach is a change in the way of “Doing Business” which necessitates a change in planning, programming and implementation. The successful implementation of the Integrated Framework requires a change in thinking on the part of institutions and individuals at all levels.

C.4 The survey (Annex E -Q 37) asked respondents “In your view, what are the two most important things needed to improve the implementation of the IF?” and while country ownership was the most often heard theme, a clearer definition of the roles, tasks and responsibilities, a call for the timely release of funds, and increased access to trade related information were also themes in many responses.

C.5 The IF Working Group has contributed to progress made but the group is large in relation to the task. Nevertheless, streamlining the IF Working Group would seem to be appropriate.

C.6. An IFWG structure comprising seven persons would increase effectiveness and efficiency. The IFWG would comprise the Chairperson and two representatives each from the three partners, namely the LDCs, the Donors and the Agencies.

Those two representatives from each partner would be charged with the role of representing the interests of the members of that group. To accomplish this, the two representatives would need to accept increased responsibility and represent the collective views and positions of the “partner”. A supporting consultative mechanism within each partner, to coordinate and develop the respective positions would provide a solution. Any differences between members within a given group would be dealt with through the consultative mechanism instead of in the IFWG.

In addition to improving the efficiency of the Working Group, IFWG representation would be more balanced and reinforce the notion that the IF is customer focused and LDC driven. It would help dispel the perception that the IF is “an agency-driven exercise primarily for their benefit.”

The consultative mechanism within the agencies would contribute to developing a coherent and consistent action plan. The consultative process by the Donor representatives would improve awareness, could increase the level of commitment within the current roster, and perhaps attract a larger community of bilateral donors.

Within the LDC partner, the consultative process could make a positive contribution as it would increase awareness and promote a common understanding of the goals and objectives and the scope and coverage. It would assist IF Focal Points to gain knowledge, share experiences and promote “best practices” . Such a network could prove invaluable in assisting capacity building and moving the IF to a higher level of success.

C.7 A strong and independent Secretariat to the IF is a necessity, and meeting the current logistical and administrative support needs is taxing its limited resources. Developing tools to address the issues impeding progress of the IF will place an added burden on the Secretariat. The need for quality information widely disseminated throughout the IF community supports the establishment of a dedicated Information Unit, within the Secretariat, to handle information and develop communication tools. The establishment of the LDC Focal Point Network could be an inaugural assignment for the unit.

Complementing the secretariat staff with individuals seconded from within the three IF Partners could improve cross-fertilization between partners and address the perception that the development community’s perspective is under-represented. A dedicated Information Unit and an LDC Focal Point Network would benefit from the addition of qualified staff from the LDC community familiar with local issues. Seconding staff from different partners would also facilitate capacity development and “Action Learning” for future IF leaders.

D. Recommendations

It is recommended that:

1. The IF Steering Committee remains as a high-level policy review and policy setting organization.
2. Consideration be given to streamlining the operations of the IF Working Group by reducing the membership and developing a consultation network within each IF partner.
3. Consideration be given to strengthening the Secretariat's capacity through secondments from within the three IF Partners.
4. Consideration be given to the establishment of a dedicated Information Unit within the Secretariat.
5. Consideration be given to the establishment of the IF LDC Focal Point Network.

3.3.4 Coordinating and Synchronizing of Funding Cycles

A. Evaluation Findings

There is a great deal of variation among donors with respect to programming and funding cycles. The general rule is that donors are in a position to commit funds in support of programmes and projects normally for periods of up to five or more years to provide an opportunity for long-term planning and an element of predictability for LDC partners. However, the means by which the commitments of funds are made vary a great deal.

Some countries separate their country programming framework from the budgetary allocation process and commit funds on a rolling basis. This means they establish a country programming framework for a period of time, but extend the financial planning framework by one year on an annual basis. This type of system potentially allows some activity in an area outside the country programme framework, although at a low level between programming cycles, depending on the flexibility permitted within the country programme for new programming priorities.

Some donors establish a longer term country programming framework and associated funds for a specific block of time, say three or five years. In these cases, if IF-inspired projects are brought to donors for consideration, important donors may not be in a position to commit themselves to participation in a project, if the proposal is made too early in the funding cycle.

Most donors recognize the constraints imposed in their programming and funding systems to participating in new priorities, but claim there is little that can be done on a case-by-case basis, unless the whole system is modified to be more accommodating to emerging priorities.

B. Significance of the Evaluation Findings

Donors' programming and funding cycles may have a negative impact on their ability to respond to emerging priorities, such as the IF, in a timely manner, thus reducing the possibility that high priority IF projects will receive appropriate funding. This is a particular problem in LDCs where there is a limited number of donors.

C. Potential Adjustments

Given the difficulty of changing the country programming and funding systems of a variety of donors in the short term, the most effective way of managing a complex array of mechanisms is through longer-term planning, involving close LDC and donor coordination. The donor facilitator, if one has been appointed, can play an extremely useful role in this regard. An important instrument to better ensure the full consideration of a new priority, such as IF-related activities, is to provide for a full discussion of the new priority at Country Consultative Groups or Round Tables, as early as possible, in the process, in order to give time to donors to adjust their planning and budgeting frameworks, if that can be done.

D. Potential Impacts of the Choices

Close and early consultation and coordination, with the help of a donor facilitator, if appointed, will help overcome some of the problems raised in the implementation of IF-inspired programmes and projects by a variety of programming and funding cycles. Round Tables and CCGs are the formal mechanisms, which can give impetus to emerging priorities in donors' programming decisions.

E. Recommendations

1. Early donor consultation and coordination should take place, assisted by a donor facilitator, if necessary, to maximize the opportunities for attracting donor support to IF initiatives and to harmonize donor support for programmes and projects within the context of the PRSP.
2. Early presentation of emerging IF priorities at Country Consultative Groups or Round Tables will permit donors to judge the importance of the IF initiative within overall development priorities of LDCs, and to begin planning for its implementation.

3.3.5 The Degree of *Niche* Identification for IF, and its acceptance by other players

Evaluation Context

The Integrated Framework is a recent and precedent setting approach to LDC development whereby the Trade and Development agency will cooperate to assist LDCs become participants in the international market place and utilize the benefits to contribute the reduction of poverty.

A. Evaluation Findings

The fundamental question in this regard is what niche can IF fill within the overall development agenda, and in particular, within the wide field of trade related technical assistance, and should a concentrated effort and resources be expended to implement the process or should IF be considered as a non priority activity playing only a minor role in country development. The revamping undertaken in 2002 and the expansion of the process to mainstream trade into overall country development plans only sharpens the focus on this question.

The evaluation suggests that the most significant and re-occurring issue identified by respondents within all the partners in the IF process, was the perception issue. What became clear was the lack of understanding and a lack of a common understanding of the goals and objectives of the IF and what final outcome or "product" was to be expected from the process. Many LDC participants perceived the IF as a new funding scheme or mechanism that could solve any problem related however broadly to the improvement of trade. While time has lessened the perception it still remains and likely accounts for the perception that the IF has accomplished very little to date.

This is evidenced by an often heard concern that there are insufficient financial resources attached to the IF trust fund to address the trade related issues and problems within the LDC countries. Some observers have suggested that the IF, because of the relatively small budgets associated directly with the process would be incapable of addressing the needs. This perception has led many to conclude that IF should be considered as a secondary non-priority part of the development process, and even within on-going trade policy and trade development assistance programmes, despite the progress to date and the consistent message emanating from the partners especially the core agencies, as to their level of commitment and support for the IF.

B. Significance of the Evaluation Findings

The perception that the IF is incapable of addressing the needs of the LDCs is hampering progress as many stakeholders feel that devoting the level of resources and effort required for managing and implementing the IF, especially within the LDC community, is not commensurate with the likely results in terms of funds required or concrete results achieved.

A review of the theory and architecture that forms the basis for the IF process suggests that what the developers of the revamped IF intended it to be was a step by step process that would assist LDC's mainstream trade into national development plans or PRSP's and provide LDCs with a mechanism to analyze their current trade situation, identify the problems and issues that need to be addressed and develop a detailed plan to address them. Armed with this plan, the LDC country would then be in a position to approach donors with a clearly identified set of projects to address identified priorities and invite donors to fund those projects. The IF funding was to be used *to fund this process only*.

Therefore, the IF may well be adequately funded to do the job. If the LDC country, with the mentoring, cooperation and assistance of the agencies (working together) and the donors (assisted by the lead donor/facilitator), develops an action plan with identified projects to address priority needs, and integrates it into its development architecture, the LDC will have a *funding request package* that can be presented to all donors for consideration. A well presented and documented *funding request package* will most likely attract donor support. Finally, if a *funding request package* of US\$50 million for example, is funded then the modest amount of up front IF funding has leveraged a very large amount of funds from donors and *that is what IF was designed to do*. That modest amount of IF money, if the process is executed as it appears the architects intended, will increase the capacity of LDC participants, improve the in-country consultation process and identify in-country priority need and, lead to increased trade, a higher performing economy leading to poverty reduction. The country could benefit greatly from that modest IF investment.

C. Potential Adjustments

If steps are taken to develop an agreed set of goals and objective which clearly delineate the intended outputs from the IF process and the resulting information is widely circulated within all partners, then IF can overcome the perception that it may be a non-priority initiative which is under-funded and not supported except in official statements.

D. Potential Impacts of the Choices

Left unattended, the issue could result in the perception that IF being relegated to the category of an unsupported initiative incapable of achieving its goals. The considerable investments in LDC human resources would be lost and LDC's would feel let down.

E. Recommendation

As indicated elsewhere in this evaluation, the IFSC address the issue of perceptions and the identification of the goals and objectives of the IF.

3.3.6 The Need to Address Supply-Side Constraints

Evaluation Context

The following *outcome performance measures* were identified:

3.2.2. The degree to which the IFSC and IFWG have issued guidelines to respond to the WTO's request for IF enhancements, in order to address supply side constraints.

3.2.3. The degree to which IF qualified projects, which are designed to remove supply-side constraints, and which are contained in LDC action plans, were assessed for cost/benefits in reaching identified goals.

Background to this performance measure: At the DOHA WTO Ministerial meeting, Ministers urged the core agencies in coordination with development partners, to explore the enhancement of the IF to address supply-side constraints: "We urge the core agencies, in coordination with development partners, to explore the enhancement of the IF with a view to addressing the supply-side constraints of LDCs".

This measure is expected to reflect the results of two administrative steps: (1) the requests are assessed and only appropriate requests within IF guidelines are short-listed; (2) the performance measure then determines to what extent the funding core agencies and donors executed their plan.

A. Evaluation Findings

While the evidence suggests that the IF partners have not formally addressed the issue in depth, the issue of supply side constraints is ever present in IF discussions, particularly in the DTIS process. It is also included in the Window II terms of reference. The lack of a clear understanding of the scope and coverage of the IF and when it takes effect is very much in evidence. Many of the identified priority needs, as well as potential projects, relate to supply side constraints. In addition to identifying needs related to new products, increased production capacity and more highly skilled employees, supply side constraints include bridges, roads, and ports including airports, plus power plants, equipment and technology, i.e. durable goods and infrastructure.

B. Significance of the Evaluation Findings

The evaluation findings point to at least three issues that need to be addressed:

1. The perception that the IF is or should be a funding mechanism to undertake a wide range of development projects. The request from WTO Ministers to address supply-side constraints *reinforced* this perception. However, there is no clear or agreed to set of parameters to define supply side constraints and to establish the outer limits within an IF framework.

2. Supply-side constraints, especially infrastructure projects, entail major expenditures and these projects must be weighed against other priorities within a country's action plan in terms of efficiency and effectiveness in addressing priority IF issues, even though infrastructure projects tend to be more visible.

3. The elimination of necessary supply-side constraints should involve *public and private partnerships*; however, in-country stakeholders need to be clear on their respective roles and responsibilities, especially between government and the private sector. The need for improved products for example is clearly the responsibility of producers.

C. Potential Adjustments

The post DTIS action matrices in many countries incorporate priority areas or identify projects that go well beyond the scope of the normal trade related topics of policy, development, promotion, market access and facilitation. The documents often include priorities pertaining to industry and product development, technology transfer, and production skills enhancement plus infrastructure projects. Therefore IF management (IFSC and IFWG) should develop **guidelines** to establish a common understanding as to the scope and coverage of the IF, including an agreed to set of parameters to define supply side constraints and to establish the limits which differentiate projects specific to addressing trade related issues from infrastructure needs that may be better addressed within the broader scope of National Development Plans or PRSPs .

LDC partners, in finalizing their action plan matrices and developing **specific project proposals**, should include a cost/benefit assessment in relation to reaching a measurable set of goals and objectives.

All stakeholders within countries should be involved in the IF process and have clearly established roles and responsibilities. In the case of supply side constraints, defining **roles** and lead responsibility to solve specific problems, especially between governments and the private sector, is crucial and should be an integral part of the IF (Focal Point) management.

D. Potential Impacts of the Choices

The solutions to the issue of supply side constraints are a key element of the solution for the overall management and operation of the IF, particularly in relation to the perception issue and the sub issue of scope and coverage, all of which are problems that can be effectively solved by issuing clear **guidelines**. The need to involve stakeholders and to prioritize and to develop **action plans** with measurable goals which meet IF objectives within countries, are also key to determining where best to allocate scarce resources or to attract donor support.

E. Recommendation

It is recommended that:

1. The IFSC and IFWG in addressing the overall management and implementation recommendations for the IF, pay specific attention to the need for **guidelines** to establish a common understanding of the scope and coverage and an agreed to set of parameters to define supply side constraints and establish the limits of IF-defined activities.

2. The countries in implementing the recommendations related to in-country development and management of the IF pay particular attention to the cost/benefits of **supply side constraint projects** and weigh them against the established goals.

3.4 Integrated Framework Enhancement Tools

3.4.1 A Coherent TRTA Approach ²²

Evaluation Context

The following *assumption* was made:

- A.16 Donors will continue to fund and replenish the IF Trust Fund [IFTF] to meet its mandate and provide other funding for IF implementation

A. Evaluation Findings

In the context of the Integrated Framework, trade-related technical assistance [TRTA] provides for broad support to the LDCs for planning and implementation of projects within a country-specific IF action plan and for building capacity to cover activities in support of IF implementation. TRTA funding was never intended to be nor is it generally available for infrastructure development or to eliminate supply-side constraints.

The evaluation revealed that in several countries there is a need for capacity building and orientation activities at all levels, including: the Focal Point, the National Steering Committee and other stakeholders including government ministries, the private sector and civil society.

The evaluation also revealed that external consultants, as in the case of DTIS development, tended to *deliver* the goods, rather than mentor and assist the IF Focal point and *coach* local consultants in doing the work. It would seem that a decision to use external consultants to *do* the work, rather than *coaching* local consultants, may be attributable to one of two reasons: (1) the decision is driven by a perceived need to get the work done quickly, rather than using it as an opportunity to develop local capacity for both current and future needs; (2) it may be that consultants are more comfortable or are being encouraged to *do* the work rather than *coaching* others. While the perception that qualified local consultants are not available may be true, it is possible that the selection criteria being used should be adjusted to consider practical experience and local or traditional knowledge as being as important as academic or professional qualifications.

B. Significance of the Evaluation Findings

A primary contributor to successful development and therefore the implementation of IF depends on local capacity, local buy-in, and the sense of pride and power that flow from achievement and trade-related technical assistance (TRTA) provides an opportunity to instil these qualities into IF.

C. Potential Adjustments

- C.1 In **policy** terms, the IFSC may wish to issue *guidelines* that would strongly support the use of local people and to refocus the approach to capitalize on the opportunity to do capacity building within the client community (LDC).

A *Guideline on IF-Consultant selection* could include a preferential treatment to local candidates and an adjustment to the qualifications criteria to give increased weight to experience plus local and traditional knowledge.

²² This note should be read in conjunction with 3.3.1, which partially covers similar material.

A ***Guideline on IF-related Capacity Development*** in LDCs might include the following provisions: (1) to provide *formal orientation* in LDCs to potential IF managers (including Focal Points, Chairpersons of National Steering Committees and other stakeholders.

A ***Guideline on Mentoring and assistance*** could include guidelines to encourage agencies and donor representatives responsible for leading the DTIS or project identification and development processes to continuously monitor these activities to identify local capacity development opportunities and encourage inclusion of capacity development opportunities into any terms of reference developed.

D. Potential Impacts of the Choices

If the measures proposed in “C” are adopted by the IFSC and the IFWG, a coherent TRTA approach is made possible. LDC buy-in and local confidence in the IF will increase. LDC capacity will be built. The selection process for consultants will be transparent, fair and oriented to development. The level of quality of in-country management of IF will increase. The IF-related capacity development processes will be both effective and highly efficient, due to focused generic approaches and their substantial transferability. (An in-depth discussion on the topic of capacity building through competency based analysis and modular training can be found in Appendix G – Coherent Trade – Related Technical Assistance Approach: Technical background.)

E. Recommendations

It is recommended that:

1. The IFSC issue a *Guideline on IF Consultants*, with a view to attracting more fully or partially qualified local consultants for IF-related research studies.
2. The IFSC issue a *Guideline on IF-related Capacity Development*, with a view to the increasing the capacity of local consultants and IF managers thereby enhancing implementation of IF processes in LDCs.
3. The IFSC issue a *Guideline on A Guideline on Mentoring and assistance* with a view to capitalizing upon the opportunity to develop in-country skills and competency for the long run benefit of the IF and the client (LDC)
4. The IFWG develop and maintain an IF-related consultant database comprising both local and international consultants.

3.4.2 The Need for a Results-Based Management Approach

Evaluation Context

The following ***performance measure*** is proposed for future monitoring and evaluation:

3.3.1 The degree to which core agency and donor support to LDCs participating in IF is aligned with the principles of results based management.

The following ***assumption*** is made:

A.17 All IF participants are fully committed to a common set of goals and objectives requiring a results-based approach.

A. Evaluation Findings

While the country and agency reports indicate that, in aggregate, the IF is enjoying reasonable progress, there are also ample indications that the progress is highly variable from country to country. That finding is not unexpected, since the IF process was designed to be “country-owned”.

The variability in progress appears to be attributable to various factors, such as:

- Degree of political stability;
- Degree of leadership commitment;
- Degree of focus on goals and priority setting;
- Assignment of responsibility for IF to officials who are already overburdened with other responsibilities, which may be of a higher priority than IF;
- Degree to which responsible officials may be aware of “what” needs to be done, but are perhaps not aware of “how” best to execute necessary tasks;
- Degree to which responsible officials are supported by a secretariat and adequate financial resources;
- Degree to which staff changes, which are to be expected in any organization, may create a vacuum, if corporate memory departs with the previously responsible official;
- Degree to which the level of support to LDCs by core agencies and donors varies, depending on their representatives’ unique characteristics and their understanding of their respective roles and responsibilities in IF.

It would appear, that, in some cases, the implementation of IF is perceived as a series of free-standing activities that, have been assigned and are being controlled by outsiders, without conveying their significance in the context of the total picture of trade-related development, as a means for ultimately reducing poverty.

Survey Results

LDC respondents strongly agreed (57%) and agreed moderately (35%) that IF can contribute to poverty reduction.

Source: Annex E, Question 20

The findings also indicate that most participants want the IF not only to succeed, as a mechanism to mainstream trade into development, and ultimately to reduce poverty, but they are personally committed to the process and its goals, while others display lesser motivation and,

in some instances a sense of disillusionment, if their early expectations are not achieved. It is believed that most of the officials now engaged in IF-related activities, would welcome the opportunity to make a more effective contribution to the IF process, if they had the required mandate and staff resources, as well as access to necessary tools and opportunities for skills enhancement.

B. Significance of the Evaluation Findings

Without detracting from the desire to ensure that the IF process, in a given country, be *country-owned*, the findings point, nevertheless, to a need to enhance:

- the quality of implementation;
- the tracking of progress;
- the comparability of achievement;
- the opportunity to learn from the good practices of others;
- the capacity of proponents to advance the IF cause, perhaps, to the extent necessary, by means of on-site coaching; as well as,
- motivational opportunities.

This would seem to call for an array of systematic enhancements, as well as soft capacity development approaches in support of IF implementation.

C. Potential Adjustments

As for people *motivation*, it is widely recognized that *goal setting*, and the subsequent “celebration” of goal-related achievement, is one of the most powerful motivators, as long as the goals are both difficult and achievable.²³ With that in mind, a systematic approach that is eminently suited to achieve IF-related results, and motivate people charged with its implementation, is *Results-Based Management* (RBM).

While traditional management tends to be activity oriented, RBM focuses on expected results. Basically, the *theory* of an integrated RBM system can be described as follows:

- Fundamental is a three-tiered structure of expected results, often referred to as a *Logical Framework* (See Annex A: *Evaluation Framework, Logic Model and Indicators*) comprising, (1), at the highest level of aggregation, long-term *impacts*, (2) medium-term *outcomes*, and (3) short-term *outputs*;
 - the *impacts* are defined in accordance with the overall programme or project *goal*,
 - the *outcomes*, in accordance with the specific programme or project *purpose(s)*, and
 - the *outputs*, in accordance with specific *activities*;
- For each expected *impact*, *outcome* and *output* result, specific qualitative and/or quantitative *performance measures* are defined, as well as underlying assumptions and risks that put the achievement of the expected results in a more restrictive context;
- With respect to assumptions and risks, it should be noted that an *assumption* is a positive statement about an issue, while a *risk* is a negative statement about the same issue;
- Expected *output* results, are achieved using *inputs*, which can be *resources* or *activities*.

In *practice*, RBM practitioners construct a matrix, which provides a simplified overview of the entire system, as follows:

- Expected *Impact* Result;
- Expected *Outcome* Result;
- For each expected *Outcome* Result, the necessary broad *activities* to achieve the *outcome* result;
- For each *activity*, the planned necessary tasks;
- For each planned necessary task,
 - The expected operational *output* result,
 - For each operational *output*, (1) the *strategy* or *method* to be used, (2) the baseline data that may be available, (3) the quantitative and qualitative performance measures to be required, (4) the human resources required, (5) the duration of expected tasks, as well as (6) the cost of execution (i.e. the budget).

The RBM approach is being used effectively in both developed and developing countries.

In the IF context, an RBM approach would work best, if each country-specific application were to apply this model to include:

- LDC Government IF representatives, including the Focal Point
- National Steering Committee (NSC)

²³ Michael Nash, *Making People Productive: What really Works in Raising Managerial and Employee Performance* (Jossey-Bass Inc: San Francisco, 1985)

- Government representatives
- Private Sector representatives
- Civil Society representatives
- Core Agency representatives in LDC
- Donor representatives in LDC, including the Facilitator

Ideally, the *output* performance measures would include (1) *core measures* and (2) *LDC-unique measures*. The *core measures*, which would be comparable across LDC countries participating in IF, might include measures such as:

- DTIS completed;
- Representative NSC established;
- Trade-related technical assistance carried out, expressed in constant monetary units.

LDC-unique measures would reflect programme initiatives that are unique to a given country.

D. Potential Impacts of the Choices

If an LDC, along with country-based representatives of the core agencies and donors were to adopt an RBM approach, it is likely that the IF programme would achieve a greater measure of success more quickly than would be the case if an RBM approach would not be used. This is due to the expectation that agreed locally generated results would increase buy-in and country ownership.

It is also likely that officials and other stakeholders involved in the RBM process would become more highly *motivated*, and hence more effective, because they would be directly involved in setting difficult and achievable goals, tracking their achievement and celebrating each resulting success.

E. Recommendations

It is recommended that:

1. As part of introducing IF in new LDCs, the IFSC consider the adoption of an RBM approach within the IF and orient the new LDC to the advantages of Results-based Management (RBM);
2. With respect to LDCs, which are now participating in IF, IFSC consider the adoption of an RBM approach within the IF and orient the Focal Point, and/or National Steering Committee, the in-country staff of agencies and lead/donor facilitators and other appropriate bodies, to the advantages of Results-based Management (RBM);
3. With respect to both, current and future LDCs participating in IF, sufficient technical assistance be made available to local stakeholders, particularly in relation to the capacity to manage the IF itself, to develop proficiency in applying a Results-based Management (RBM) approach.

3.4.3 A Stable and Predictable Mechanism for the Follow-up of the Recommendations of the DTIS and for Follow-up in General

Evaluation Context

The evaluation context of 3.4.3 applies.

A. Evaluation Findings

By design, the five Round Table IF countries, were not required to complete DTIS, since that diagnostic process only started with the Revamped IF. Nevertheless, some of the Round Table countries executed similar approaches, while at least two of them (Tanzania and Bangladesh) considered developing a DTIS voluntarily after having entered the programme.

The evaluation findings indicate that not all of the Revamped IF countries (three), nor the non-pilot countries (eleven), have, so far, completed a DTIS. Those that have completed one, either a final or draft version, display considerable variability in approach, some being more macro-economic than others. This is a factor that might have an impact on the type and extent of follow-up measure that can be designed.

Part of the DTIS process is the development of an *Action Plan Matrix*. These documents tend to recommend “activities” to be undertaken in the LDC; however, one of the problems is that these are not ordered in terms of priority and that they cover actions ranging from short and simple to long and complex. In addition, the Action Plan Matrices have been found to be difficult to use as input documents to the Poverty Reduction Strategy Paper (PRSP) process and as bases for approaching potential donors for funding.

Another aspect concerns the very nature of “recommendations”. A recommendation is normally *not prescriptive*, but *advisory* in nature. That implies that the client, in this case the LDC, has the option of acting upon it. The question then is whether the government has decided to action the recommendations, and, if so, whether it is proceeding with the action.

What has been said regarding the follow-up to DTIS recommendations, applies equally to other types of follow-up of IF related plans.

While the DTIS and similar approaches relate to the IF *planning phase*, follow-up relates to the *implementation phase*. In other words, the question is whether the work of the planners is *connected* to the work of the implementers. When speaking of “follow-up” of DTIS recommendations or any other follow-up, the underlying assumption is that there will be “results”. The problem is that results usually don’t just happen, and if they happen, they may come about through trial and error methods, or some other circuitous route, often at sub-optimal cost. This variability of response is readily apparent in reviewing the implementation experience in the LDCs that are currently participating in IF.

B. Significance of the Evaluation Findings

It is evident that:

- the notion of “follow-up” to DTIS recommendations clearly implies the need to achieve “results”;
- the follow-up that may be planned, that is stable and comparable, must also address the differences that may be inherent in similar types of approach;
- the follow-up system that may be designed, should also accommodate other types of IF follow-up,

- due to the potential variability of LDC responses to DTIS recommendations, performance measures that are designed must satisfy the needs of core agencies and donors as well as those of any given LDC;

These observations suggest that a follow-up system needs to be designed that is sensitive to unique LDC requirements, as well as to core agency and donor needs.

C. Potential Adjustments

What is clearly not desirable is a set of indicators that is imposed on LDCs by core agencies and donors. The ideal approach would fully involve LDC stakeholders in the design of the LDC-specific IF process, including the design of follow-up measures that may be required. Such an approach can best be accommodated in the context of *Results-based Management* (RBM) (see 3.4.3).

In practice, this approach would work, as follows:

- New LDCs that are interested in participating in the IF, express their candidacy;
- The core agencies assess that interest against approved objective selection criteria (see 3.2.10);
- The core agencies may invite other LDCs showing a high ranking in the selection profile to consider whether IF might be useful to them;
- Potential future LDCs participating in IF, are invited to collaborate with the core agencies in defining the terms of their participation and the extent of their possible direct involvement in the local IF development process;
- LDCs participate actively with the core agencies in defining the Terms of Reference of their DTIS, taking the lead as much as possible;
- As part of this definitional process expected results are clearly documented, and follow-up approaches and monitoring indicators are mutually agreed to, ideally in the context of a full Results-based Management (RBM) system;
- LDC leadership responsible for IF, also assumes responsibility for follow-up monitoring and reporting of results, which means that the process of monitoring follow-up is not one of external supervision, but of participatory management, involving core agencies, donors and LDC stakeholders;
- The LDC, in collaboration with core agencies and donors, would design specific follow-up performance measures in accordance with the LDC's *IF Logical Framework* (see example: Annex A *Evaluation Framework, Logic Model and Indicators* as well as 3.3.1).

D. Potential Impacts of the Choices

The choice of a thoroughly participative planning environment, involving LDCs, core agencies and donors, would likely lead to greater *buy-in* on the part of the LDC, than would be possible under an approach of greater external direction.

If LDC stakeholders are participating managers of their IF process, with responsibility for monitoring progress, it is likely that IF results are reported in a more *timely*, more *meaningful* and more stable manner than would be possible under an intermittent external monitoring approach.

Under an LDC led participatory monitoring approach, the monitoring data would likely be viewed, not as an annoying external requirement that interferes with day-to-day operations, but as an essential tool for day-to-day management and decision-making. Under such a scenario, LDC managers would be able to identify problems early and respond to them quickly, either on their own or with external assistance.

E. Recommendations

It is recommended that:

1. A thoroughly participatory planning process be adopted, with full LDC participation, including the definition of the TOR for DTIS, expected results (using a Logical Framework), as well as corresponding follow-up performance criteria.
2. LDC IF managers be responsible for monitoring expected results, in accordance with agreed-upon performance criteria, as well as for reporting of these to LDC stakeholders, core agencies and donors.

3.4.4 Performance Criteria, Benchmarks, Indicators and Data Sources for On-going Evaluation

Evaluation Context

The evaluation context of 3.4.3 applies

A. Evaluation Findings

The evaluation did not reveal the existence of common performance criteria, benchmarks or related indicators.

B. Significance of the Evaluation Findings

The fact that the IF Evaluation Terms of Reference refer to the development of performance criteria/benchmarks, indicators and data sources for ongoing evaluation and nothing of this sort was evident during the evaluation in itself establishes the need to develop such criteria for future use.

C. Potential Adjustments

It would seem that the requirement for performance criteria specified in the IF Evaluation TOR implies both ongoing *monitoring* and *evaluation*. *Monitoring*, as distinct from evaluation, is usually a *continuous* management control process that provides a continuous loop to ensure that programme or project activities remain on track or adjustments are made to account for changing circumstances, while *evaluation* is a periodic assessment of a programme's or project's effectiveness and efficiency. Potential adjustments will be suggested to address both *monitoring* and *evaluation*.

C.1 Monitoring

While a set of performance criteria could be specified for the entire IF system, this would not appear to be desirable, because monitoring might be perceived as an external approach to control LDC implementation of the IF. It is conceivable that such an approach would attract considerable opposition.

Alternatively, if monitoring is perceived to be an ongoing management tool for the benefit of and led by LDC IF managers, then it would best be undertaken as part of a Results-based Management (RBM) approach, which could provide for (1) *core measures* and (2) *LDC-unique measures* (see 3.4.2). The *core measures* would presumably correspond to the system-wide performance criteria and indicators that are called for in the IF Evaluation.

If the RBM approach is chosen, the expected results, in terms of *impacts*, *outcomes* and *outputs*, will have to be specified from the perspective of LDC, core agency and donor stakeholders. The *Logical Framework Analysis* (LFA) in Annex A may serve as an example. The third column in that table contains the performance measures applicable to the expected results contained in the table.

Benchmarks can be derived from the *core measures* in a variety of ways, often on the basis of *averages* of historical data. In the case of IF, the average cost for a core activity. Benchmarks can also be set to reflect minimum standards for *content* or *product quality*. Whatever benchmarks are ultimately adopted, they should not be externally imposed, but developed with the full participation of all stakeholders.

C.2 Evaluation

Future periodic evaluations may require two data sources: (1) RBM data, both core and LDC-specific, which is discussed under *monitoring*; and (2) secondary research data of a macro nature, as discussed in Annex D, *Preliminary Secondary Analysis - Understanding the Assumptions and Setting the Context*. **On the one hand, the macro data might identify the extent to which overall programme goals are achieved, say “greater LDC participation in international trade”, or “greater economic growth”, which would tend to suggest lesser poverty. On the other hand, the RBM data would help to explain some of the underlying factors that contributed to the macro-level change.**

D. Potential Impacts of the Choices

If the RBM approach is adopted, led in each country by the LDC's managers, it is expected that monitoring will become a more effective management tool than externally led monitoring approaches. It is also expected that evaluation approaches using both RBM data and secondary research data would result in a comprehensive assessment of IF effectiveness.

E. Recommendations

It is recommended that:

1. IF *performance criteria* be defined in the context of a *Logical Framework Analysis* (LFA), reflecting LDC, core agency and donor requirements.
2. The *data source for monitoring* be a Results-based Management (RBM) system.
3. *Benchmarks* be defined in terms of historical LDC experience with the IF, grounded in a Results-based Management (RBM) system.

The data source for periodic evaluations be twofold, (1) the data derived from a Results-based Management (RBM) system and (2) secondary research data.

4. Recommendations

This table contains a selection of recommendations taken from the sections of the document, according to the relevance. The specific or particular recommendations referred to the IF organization remain in the body of the document.

Table 4.1

Selected Recommendations

GENERAL RECOMMENDATION	IF AREA	REFERENCE
1. The IFSC issue guidelines for DTIS process operation that would modify the approach to one of mentoring, assisting and coaching the LDC- IF team to develop their DTIS study and action plan matrix. <i>[Selected recommendation # 1]</i>	IFSC	IFSC 3.2.1.2 The Quality of the DTIS
2. Efforts be made to identify and encourage an active mentoring or assistance role by a Lead donor/ facilitator. <i>[Selected recommendation # 2]</i>	Country lead donor	3.2.2.1 Bangladesh
3. The government in conjunction with the IF Focal point and the assistance of the local core agency representatives consider launching a DTIS process to reconfirm and refine priorities and increase the effort to have trade fully mainstreamed into the final PRSP. <i>[Selected recommendation # 3]</i>	LDC Country	3.2.2.1 Bangladesh
4. The IF Focal point be fully resourced, including human and financial resources to adequately manage the IF process. <i>[Selected recommendation # 4]</i>	IF Local Point	3.2.2.2 Haiti
5. Mentoring and assistance be provided to the IF team to increase awareness of the IF, especially within ministries, as a means of encouraging the full mainstreaming of trade into PRSPs. <i>[Selected recommendation # 5]</i>	Donors, Agencies and NSC	3.2.2.3 Uganda
6. A lead donor/facilitator be recruited or an agency representative be nominated to provide advice and assistance to the IF Focal point to undertake an assessment of the range of ongoing TRTA activities with a view to ensuring that the activities are progressing towards measurable and appropriate goals and objectives. <i>[Selected recommendation #6]</i>	LDC NSC, Donors and Agencies	
7. A results based management process be considered to provide that continuous loop of monitoring, assessment and adjustment to meet the identified goals. <i>[Selected recommendation # 7]</i>	NSC LDC	3.2.3.1 Cambodia
8. Communication skills be developed, including for the IF Focal point and the NSC, to enable proponents to promote the IF and obtain the necessary senior government and budgetary support. <i>[Selected recommendation # 8]</i>	IFSC	1.2.3.2 Mauritania
9. IF assist in respect to the task distribution of activities within the Action Plan, by providing technical assistance to the groups	NSC	3.2.4.2 Malawi

GENERAL RECOMMENDATION	IF AREA	REFERENCE
responsible for its execution, to ensure coordination between the IF and the plan ²⁴ . <i>[Selected recommendation # 9]</i>		
10. To ensure the continuity of the project, a lead person for the IF process in the country be identified for day-to-day leadership. <i>[Selected recommendation #10]</i>	LDC NSC	3.2.4.2 Malawi
11. IF to be more communicative, efficient and transparent on funds management at the country level, providing clear definitions on budget allocation and identifying sources of funding. <i>[Selected recommendation #11]</i>	IFTF/IFSC	3.2.4.2 Malawi
12. The operation of JITAP and IF be harmonized in countries where both offer their services and their resources to be used in a coordinated way. <i>[Selected recommendation #12]</i>	JITAP IF	3.2.4.2 Malawi
13. Roles, tasks and responsibilities of each stakeholder should be clearer. Each agency should inform its local representative of its precise role and what should be his or her contribution in the process. <i>[Selected recommendation # 13]</i>	Agencies	3.2.4.7 Djibouti
14. Donor headquarters and field missions have a clear understanding of the level of effort which will be applied by each field mission to its participation in IF activities. <i>[Selected recommendation # 14]</i>	Core Agencies	3.2.8.2 Role of Donors
15. The IF Steering Committee remains as a high-level policy review and policy setting organization. <i>[Selected recommendation # 15]</i>	IFSC	3.2.8.4 Governance
16. Consideration be given to strengthening the Secretariat's capacity through secondments from within the three IF Partners. <i>[Selected recommendation # 16]</i>	IFSC	3.2.8.4 Governance
17. Consideration be given to the establishment of the IF LDC Focal Point Network. <i>[Selected recommendation # 17]</i>	IFSC/ LDC NSC	3.2.8.4 Governance

²⁴ As the case of the Trade Group at the private sector working with the GSM.

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Annex A			
Logical Framework Analysis			
Narrative Summary	Expected Results	Performance Measurement	Assumptions/Risks
Goal: Strengthening participation of LDCs in the global economy	Impact Results (Long-term): 1.0 Trade is an important driver of LDC economic growth, employment, and poverty reduction 2.0 Low income populations raise their income levels 3.0 LDCs increasingly participate in international trade	Performance Indicators: 1.0.1 There is evidence that economic growth, attributable to trade, has contributed to poverty reduction 1.0.2 LDC exports increase 1.0.3 The trade sector is an integral part of the LDC country development plans 2.0.1 There is evidence that low income populations have raised their income levels through trade-related activities 3.0.1 There is evidence that LDCs are increasingly integrated into the international and regional trading systems 3.0.2 There is evidence that LDCs are becoming, or are eligible to become, WTO members 3.0.3 LDC share of world exports increases	Assumptions (Impact): A.1 Trade Ministers continue to endorse IF as an appropriate mechanism to foster LDC trade A.2 LDCs will maintain IF as a priority in their national development strategy A.3 Core agencies and donors continue to fund IF adequately A.4 LDC governments are committed to good governance and to the creation of an open and stable business environment A.5 Low income populations (men and women) are targets of trade-related activities Risk (Impact): R.1 LDC exports are at risk, unless a more supportive trade environment is created, and improved market access is achieved

Annex A			
Logical Framework Analysis			
Narrative Summary	Expected Results	Performance Measurement	Assumptions/Risks
	<p>3.1 LDC governments have the capacity to implement trade-related priorities</p> <p>3.2 IF trade-related technical assistance trust funds support the effective launch of LDC's IF programmes</p> <p>3.3 Effective IF governance exists</p>	<p>3.1.1 The degree to which LDC governments have the capacity to implement trade-related priorities</p> <p>3.2.1 The degree to which IF trust funds are strategically targeted to support the successful launch of prioritized action plans</p> <p>3.2.2 The degree to which the IFSC and IFWG have issued guidelines to respond to the WTO's request for IF enhancements, in order to address supply side constraints.</p> <p>3.2.3 The degree to which IF qualified projects, which are designed to remove supply-side constraints, and which are contained in LDC action plans, were executed.</p> <p>3.3.1 The degree to which core agency and donor support to LDCs participating in IF is aligned with the principles of results based management</p> <p>3.3.2 The degree to which the core agencies and donors are responsive to LDCs' trade-related</p>	<p>A.13 Senior LDC leadership and direction in policy matters are provided to support trade as a priority</p> <p>A.14 LDC governments are committed to enhance human resource capacity, as required, to implement trade-related priorities</p> <p>A.15 LDC governments are committed to ensuring that the necessary resources (human and financial) are available to implement trade-related priorities</p> <p>A.16 Donors will continue to fund and replenish the IF Trust Fund [IFTF] to meet its mandate and provide other funding for IF implementation</p> <p>A.17 All IF participants are fully committed to a common set of goals and objectives requiring a results-based approach.</p> <p>Risk (Outcome): R.2 Core agency, donor, and LDC IF related objectives conflict, or are not sufficiently harmonized</p>

Annex A			
Logical Framework Analysis			
Narrative Summary	Expected Results	Performance Measurement	Assumptions/Risks
		<p>needs and priorities</p> <p>3.3.3 The degree to which LDCs participate effectively in IF planning and implementation</p> <p>3.3.4 The degree to which effective networking methods to transfer knowledge, lessons learned, and good practices among and within partners, are in place</p> <p>3.3.5 The degree to which resources of the IF Trust Fund are coordinated with the JITAP programme of activities funding</p>	
Inputs (Resources and activities) <ul style="list-style-type: none"> • DTIS • TRTA • TRCB • Competency based training • Etc. 	Output Results – IF (Short-term) <p>3.1.1 Trade-related functions and corresponding skills are executed effectively and efficiently</p>	<p>3.1.1.1 The degree to which trade-related functions and corresponding skills have been analysed and profiled</p> <p>3.1.1.2 The degree to which a catalogue for competency- based human resource development has been developed</p> <p>3.1.1.3 The degree to which IF and LDC officials are assessed and trained on trade-related functions and corresponding skills</p> <p>3.1.1.4 The degree to which the selection of both international and</p>	<p>Assumptions (Output - IF):</p> <p>A.18 The core agencies and donors further integrate IF and its activities into their respective work plans</p> <p>A.19 The IF programme allows enough flexibility to accelerate the implementation of individual country Action Plans</p> <p>A.20 IF managers ensure that LDC governments have a clear understanding of the commitments required in participating in the IF process</p> <p>Risks (Output-IF):</p>

Annex A			
Logical Framework Analysis			
Narrative Summary	Expected Results	Performance Measurement	Assumptions/Risks
		domestic consultants contributed to the DTIS and related activities.	R.3 Execution of the projects might be at risk is there is insufficient continuity and succession planning at the IF level
		3.1.1.5 The degree to which the quality and approach of technical advisors are sensitized to support the trade-related development efforts effectively	R.4 IF implementation might suffer if there is insufficient provisioning of corporate memory structures
	3.2.1 The role of IF within overall trade-related technical assistance and capacity building is understood	3.2.1.1 The degree to which the role of IF within overall trade-related technical assistance and capacity building has been defined and is understood	R.5 The implementation pace of IF initiatives is more rapid than the absorptive capacity within LDCs
	3.2.2 IF Technical Assistance Trust Fund (Window II) (TATF) criteria are fair, transparent, and appropriate	3.2.2.1 The degree to which TATF guidelines, outlining the scope, criteria and coverage, are accepted by all IF parties	
	3.2.3 Donors fund the IF Trust Fund smoothly and without distortion	3.2.3.1 The degree to which donors fund the IF Trust Fund in a timely manner	
		3.2.3.2 The degree to which donors fund the IF Trust Fund without earmarking	
		3.2.3.3 The degree to which lead donor/ facilitators have been identified and have assisted the LDC (IF Focal point) in the management of the IF Process	
	3.2.4 The implementation of IF	3.2.4.1 The degree to which IF	

Annex A			
Logical Framework Analysis			
Narrative Summary	Expected Results	Performance Measurement	Assumptions/Risks
	activities is timely	<p>partners (co-ordinating agencies, LDCs, Donors) have streamlined their respective procedures</p> <p>3.2.4.2 The degree to which IF partners (co-ordinating agencies, LDCs, Donors) have mainstreamed the IF into their work plans</p> <p>3.2.4.3 The degree to which IF priorities are considered and accepted at the World Bank's <i>Country Consultative Group</i> (CCG) meetings.</p> <p>3.2.4.4 The degree to which IF priorities are considered and accepted at the UNDP's <i>Roundtable</i> meetings</p>	
	3.3.1 Stakeholders have a common understanding of the IF	3.3.1.1 The degree to which IF participants have a common vision, understanding of the scope, coverage, measurable goals and expected results	
	3.3.2 An effective and efficient system of planning, coordinating, implementing, and evaluating is in place across the programme	<p>3.3.2.1 The extent to which IF roles and responsibilities are clearly defined, understood, and effective</p> <p>3.3.2.2 The extent to which IF policies, priorities and guidelines are in place and clear</p>	

Annex A			
Logical Framework Analysis			
Narrative Summary	Expected Results	Performance Measurement	Assumptions/Risks
	<p>3.3.3 IF countries are selected objectively</p>	<p>3.3.2.3 The extent to which an effective decision making and managerial structure is in place</p> <p>3.3.2.4 The extent to which methods/instruments for monitoring and evaluation and tools for the dissemination of information, good practices and lessons learned are in place</p> <p>3.3.2.5 The extent to which there are effective methods for reporting and continuous feedback on country planning and implementation to be used as a management tool for the LDC and as a reporting mechanism to all partners are in place</p> <p>3.3.3.1 The extent to which the IF country selection criteria and processes are fair, transparent, and appropriate</p>	
	<p>Output Results – Country Level (Short-term):</p> <p>1.1.1 DTISs or needs analyses are completed</p>	<p>1.1.1.1 The degree to which IF country governments have completed their DTIS or needs analyses</p> <p>1.1.1.2 The degree to which IF country governments have linked</p>	<p>Assumptions (Output – LDC):</p> <p>A.21 The senior LDC leadership sustains commitment, support and interest</p> <p>A.22 The Focal Point is effective, acting as leader, co-ordinator, clearinghouse for information and views in the implementation of the</p>

Annex A			
Logical Framework Analysis			
Narrative Summary	Expected Results	Performance Measurement	Assumptions/Risks
	<p>1.1.2 The country's trade priorities have been defined through broad consultations</p> <p>1.2.1 LDC governments implement IF</p>	<p>their DTIS or needs analyses to national development plans and/or PRSPs</p> <p>1.1.2.1 The degree to which the relevant government Ministries and agencies have participated in the setting of the country's trade priorities</p> <p>1.1.2.2 The degree to which the private sector has participated in the setting of the country's trade priorities</p> <p>1.1.2.3 The degree to which the academic community has participated in the setting of the country's trade priorities</p> <p>1.1.2.4 The degree to which workers have participated in the setting of the country's trade priorities</p> <p>1.1.2.5 The degree to which other stakeholders have participated in the setting of the country's trade priorities</p> <p>1.2.1.1 The degree to which LDC governments have developed, prioritized, and costed an Action Plan</p>	<p>IF</p> <p>A.23 All LDC stakeholder groups are actively involved in the design, implementation, and monitoring of IF activities</p> <p>A.24 Local funding is available to support IF activities (including organizational changes) to which the LDC has committed.</p> <p>A.25 LDC governments will undertake necessary organizational changes to support IF planning and implementation activities.</p> <p>A.26 Donor country plans for IF countries make provision to support priority IF activities, especially those included in PRSP's</p> <p>Risk (Output – LDC):</p> <p>R.7 Communication with stakeholders is insufficient to assure effective buy-in</p> <p>R.8 Execution of the projects might be at risk, if there is insufficient continuity and succession planning at the country level</p>

Annex A			
Logical Framework Analysis			
Narrative Summary	Expected Results	Performance Measurement	Assumptions/Risks
		<p>1.2.1.2 The degree to which each LDC government implements its Action Plan</p> <p>1.2.1.3 The degree to which IF country trade priorities are mainstreamed within each LDC's programme and budgetary planning and allocation process</p> <p>1.2.1.4 The degree to which each LDC government commits the necessary organizational resources to carry out the agreed IF priorities within its country</p> <p>1.2.1.5 The degree to which donors' funds responds to LDC IF priorities</p> <p>1.2.1.6 The degree to which lead donors/facilitators are playing an effective support role in the development and implementation of LDC IF plans</p>	<p>R.9 Absorptive capacity within LDCs lags the potential implementation pace of IF initiatives</p> <p>R.10: DTIS and the associated Action Matrices may not fully reflect the considered views of LDC governments and stakeholders and may not provide clear prioritization and guidance for further action.</p>
	2.1.1 Identified low income populations are included in trade priorities	2.1.1.1 The degree to which low income populations (men and women) benefit from IF trade initiatives	
	2.2.1 Mechanisms for including the low income populations in business and trade initiatives have been enhanced	2.2.1.1 The degree to which mechanisms are in place to ensure low income populations can access business and trade	

Annex A			
Logical Framework Analysis			
Narrative Summary	Expected Results	Performance Measurement	Assumptions/Risks
	<p>3.1.2 Co-ordinating institutional structure (e.g., NSC, focal point, etc.) is in place with the necessary capacity in terms of human and financial resources to manage and implement the IF</p> <p>3.3.4 Monitoring and evaluation systems exist that review progress and feed back into planning and budgetary processes</p>	<p>initiatives</p> <p>3.1.2.1 The degree to which country specific human resource functions and corresponding skills have been validated</p> <p>3.1.2.2 The degree to which country specific competency based training is available to stakeholders</p> <p>3.3.4.1 The degree to which monitoring and performance measures are results based</p>	

Annex B

Agency and Bilateral Donors - Visits and Contacts

Agencies

The following agencies were visited:

- Commission of the European Union
- International Monetary Fund
- International Trade Centre
- Joint Integrated Technical Assistance Programme
- The World Bank
- United Nations Conference for Trade and Development
- United Nations Development Programme
- World Trade Organization

Donors

In addition to Donor representatives, who are members of the IF Working Group, the Donor Representatives of the following countries were visited

- Canada
- Denmark
- Netherlands
- United Kingdom
- Norway

Annex C **Country Visits**

The following countries were visited:

- Bangladesh
- Cambodia
- Djibouti
- Ethiopia
- Gambia, The
- Guinea
- Haiti
- Lesotho
- Madagascar
- Malawi
- Mali
- Mauritania
- Nepal
- Senegal
- Tanzania
- Uganda
- Yemen

Note: Two of the 19 LDCs could not be visited: *Burundi*, due to political unrest at the time of the scheduled visit, and *Eritrea*, since that country was inactive as far as IF programming is concerned.

Annex D

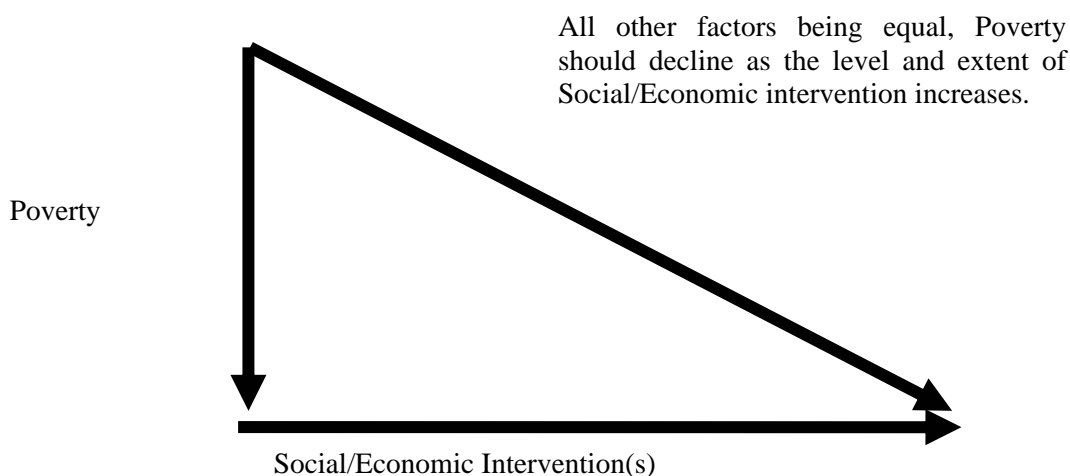
Secondary Analysis:

Understanding the Assumptions and Setting the Context

The underlying theoretical framework for evaluating the Integrated Framework is consistent with the assumptions made by the donors in the development community in terms of poverty interventions. Essentially there is a belief, as shown in the graphic below, that poverty will decline as a direct result of the level and extent of the implementation of a funded intervention.²⁵ The critical factor in this framework is the caveat of “all other factors being equal” which recognizes that many things can and probably will go awry during implementation.

Before addressing what some of these other factors are it is essential to recognize that they only become relevant when this underlying assumption is recognized as being valid. This is important, as this basic assumption is not questioned in the current evaluation. It is used as the basis for framing the evaluation and these other factors are the focus of the evaluation activities. In effect, this logical relationship is presumed to be true so that when reality does not conform to expectations explanation is required not the rejection of the underlying assumption.

Assumed Relationship Between Poverty and Social/Economic Intervention



This overall framework rests on the further assumption that the social/economic interventions are inputs into a process that will ultimately lead to a reduction of poverty as an outcome. However, this process is mediated through a large and varied number of organizations, individuals, legal and economic systems, levels of fiscal capacity and so forth. These factors can be essentially categorized as general (those which impact all programmatic interventions) and specific (those which impact by virtue of the specific type of intervention select – e.g. trade, food subsidies, micro-economic initiatives, etc.).

²⁵ It may be argued that donors do not make this assumption however it logically must be made either implicitly or explicitly. If donors do not make this assumption then there is no justification for any funding for any intervention addressing poverty.

General Factors

Within the general category of factors there are three essential factors. One is fiscal capacity, the second is the governance system in place, and the third is the base level of poverty. Essentially the fiscal capacity assumption is that countries with higher levels of fiscal capacity will start with lower levels of poverty and further they would also be positioned to best exploit economic based interventions. The governance assumption is based on the relationship between political inclusiveness = greater social development and political exclusiveness = lack of social development for any intervention (as described in *The Political Roots of Poverty*²⁶). These two contextual factors interact in that the effectiveness of fiscal capacity is dependent upon the effectiveness of the governance system. Where the governance system is poor there will be a higher level of poverty compared to a jurisdiction of equivalent fiscal capacity but good governance.²⁷

In terms of operationalizing these factors within the timeframe of this project, macro level assessments is all that is feasible. The fiscal capacity and poverty indicators will be taken from the Human Development Index particularly the per capita GDP as an indicator of fiscal capacity and the Human Poverty Index as the indicator of poverty.

As an indicator of the quality of governance the World Bank has further developed an approach to measuring political inclusiveness/exclusiveness along the dimensions of:

- Voice and Accountability
- Political Stability and Absence of Violence
- Government Effectiveness
- Regulatory Quality
- Rule of Law
- Control of Corruption

These factors will establish the general context and expectation for the success or lack of success of any specific intervention in alleviating poverty.

Definition of Terms and Variables Used

All data was standardized using the mean and standard deviation for the LDC's. Not all countries had data for all essential variables but 44 of the 49 LDC's had adequate data in all areas and all 19 of the IF countries had testable data. In only the per capita GDP variable was it necessary to delete an extreme outlier for calculation purposes with the use of an arbitrary maximum value for analytical purposes with the LDC data set. For the analysis of the 19 IF countries no adjustment was required. The standardization approach permits the most direct inter-country comparison within this or any group of countries by determining how different each country is from all other LDC on selected factors.

Limits of time and resources meant that only the most recent available data has been used and only summary indicators developed for preliminary analytical purposes rather than the development of a complete interactive working model.²⁸ The full fledged decision model would permit the consideration of governance, poverty and fiscal component variables discretely or in combination and

²⁶ Bruce Bueno de Mesquita and Hilton L. Root in *The National Interest* No. 68, Summer 2002 Issue.

²⁷ This has been used by the author as the framework for implementing the monitoring and evaluation approach to the impact of decentralization in Indonesia by the Ministry of Home Affairs as reported in http://www.gtzsfdm.or.id/documents/dec_ind/newsletter/Newsletter41.pdf.

²⁸ During the final stages of preparation the 2003 UNDP report was released but too late in the process to redo all of the charts but the most recent data was used in developing expected trends.

in level of importance depending on the criteria to be used. For the present analysis the following adaptations have been made.

Governance Indicator

The simple average of the standardized scores across the six factors (Voice and Accountability, Political Stability, Government Effectiveness, Regulatory Quality, Rule of Law, and Control of Corruption) reported for 2002.²⁹ Forty-five of the 49 countries had data for all six factors, three countries had data for 5 factors and one country had data for only one factor.

Poverty Indicator

The preference is to use the Human Poverty Index (HPI) subcomponent of the overall United Nations Human Development Index (HDI) however only 33 of the LDC had an HPI even for the most recent period compared to 44 of them having a HDI. The high correlation between the HPI and the HDI for the 33 countries with both measures (>.88) made using the HDI sufficient for preliminary analytical purposes.

Fiscal Capacity

In the absence of more detailed fiscal data the per capita GDP reported in the 2002 Human Development Index report was used as a proxy. It is preferable to have government expenditure data as GDP is, at best, of mixed value as an indicator of fiscal capacity.³⁰ But at one level it does indicate potential that could be exploited to address outstanding social development issues. The fact that there are countries listed within the LDC group which have fairly high per capita GDP reinforces the need for the moderating influence of the Governance Indicator.

Analytic Approach

Two basic lines of analysis were undertaken. One was to examine the IF LDC's in terms of whether they represented a cross-section of LDC's and whether the underlying assumption could be demonstrated with the LDC's. Following addressing those two lines of analysis, consideration was given to developing high probability selection criteria and finally establishing baseline forecasts for the 19 IF countries in order to establish forward looking benchmarks against which to assess progress.

Results of Analyses

The standardized data set was the basis for examining the IF countries within the context of the LDC group along the dimensions of fiscal capacity, poverty and governance as outlined in the preceding discussion. In effect the two basic lines of analysis were done simultaneously as the logic underlying

²⁹ Governance material based on results reported by World Bank through [Research Project by Daniel Kaufmann, Aart Kraay and Massimo Mastruzzi](#), as described in "Governance Matters III: Governance Indicators for 1996-2002". Further work needs to be done within these variables as initial indications are that Governance Effectiveness and Rule of Law are most predictive, in association with per capita GDP, of the Human Development Index ($R^2 = .715$) and may well provide selection criteria priorities.

³⁰ The mere fact that the Exxon Valdez disaster added to the GDP of the state of Alaska should demonstrate that GDP is not an indicator of progress nor necessarily of economic viability. Similarly in the current data set, the fact that Equatorial Guinea has a per capita GDP that exceeds many in the high HDI countries makes it clear that qualifying variables need to be used. In the absence of any other data, GDP does serve as an indicator of potential within LDC's assuming the heroic assumption that the corruption index is low. In the present abbreviated simulation the GDP distribution has not been qualified by the corruption index as would be logically expected but is considered within the context of the aggregate Governance Indicator.

testing the framework also underlay the assessment of representativeness of the IF countries of all LDC's.

The essential logical assumptions which underlay this initial analysis was:

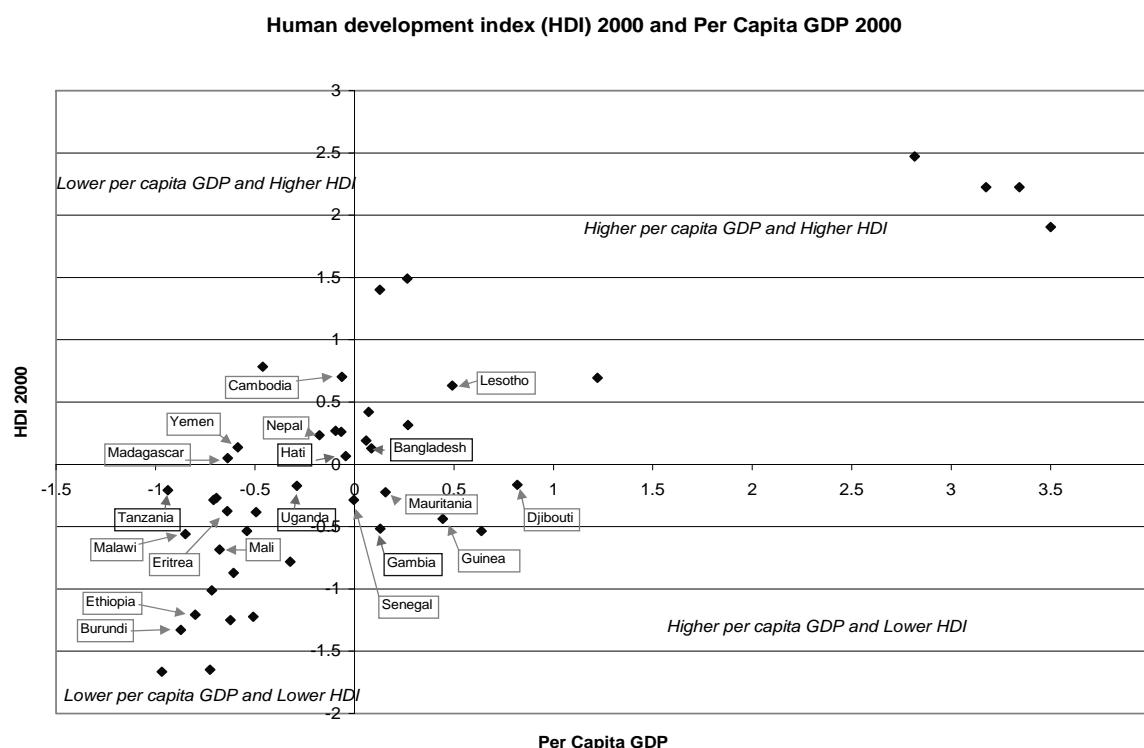
Expectation 1 - fiscal capacity and HDI should be positively correlated, specifically:

- countries with above average per capita GDP will be expected to have above average HDI
- countries with below average per capita GDP will be expected to have below average HDI

The analysis leads to four quadrants being identified:

- Quadrant 1. Lower than average per capita GDP and Higher than average HDI
- Quadrant 2. Higher than average per capita GDP and Higher than average HDI
- Quadrant 3. Higher than average per capita GDP and Lower than average HDI
- Quadrant 4. Lower than average per capita GDP and Lower than average HDI

Quadrants 2 and 4 fit Expectation 1 while Quadrants 1 and 3 are anomalies. The graph below shows the results for the 44 LDC's for which there is comparable data with the 19 IF countries highlighted.



The majority of LDC's fit with Expectation 1 (31 of 44 countries) with 12 countries in Quadrant 2 (top right) and 19 in Quadrant 4 (bottom left). The positive anomaly in Quadrant 1 (top left), in which HDI is higher than expected given the fiscal capacity as measured, had 8 countries while the negative anomaly in Quadrant 3 (bottom right) had 5 countries. In effect, countries in Q-1 are more successful than expected while those in Q-3 are less successful than expected.

It is also of interest to note that the selection criteria employed to date, for including countries in the IF, resulted in representation in all quadrants. This provides a longer term basis for examining the

impact of the IF given different starting points in each of the human development, per capita GDP and governance domains. This may provide insights into the mediation pathways for IF impacts on poverty particularly as it is mediated through economic growth and improvements in governance.

While the distribution of the IF countries is important the overall conceptual framework leads to the next assumption:

Expectation 2 – countries, which do not match Expectation 1 will vary on governance variable, specifically:

- a. countries in Quadrant 1 (Lower than average per capita GDP and Higher than average HDI) will tend to have higher than average Governance scores
- b. countries in Quadrant 3 (Higher than average per capita GDP and Lower than average HDI) will tend to have lower than average Governance scores

Of the 8 countries in Quadrant 1 four met the expectation while 3 of the 5 countries in Quadrant 3 were at or below average Governance scores. Since the comparisons are made within the LDC countries themselves some granularity with the data may be lost but in effect 38 of the 44 countries followed the expected pattern, which is consistent with the underlying framework assumption. This is supported by the multi-linear regression analysis, which indicates that 72% of the variation in HDI scores can be accounted for by per capita GDP and the aggregate Governance indicator.

Potential Selection Criteria

This leads to the identification of potential high probability selection factors in terms of maximizing the impact of the IF on poverty. Ideally, perfect data on fiscal capacity, governance and poverty would be available in consistent and current form precisely when decisions needed to be made. This is not the case. What is available is a consistently produced set of UNDP indicators for HDI and per capita GDP and the World Bank has been regularly updating their governance indicators.

Each of these indicator systems has detractors who, in the main, can provide nothing remotely better to replace them. In the absence of perfect data consistent data is the next best and through increasing use of the UNDP and World Bank data in these areas their importance and quality will, hopefully, over time improve. Nevertheless, they remain for the present the most robust source of potential selection indicators. However, while this data can provide an objective basis for assessing countries for consideration for inclusion in the IF programme, it can only be one aspect with the assessment of the managerial capacity and leadership of the IF process are the other key considerations.

In terms of selection criteria the focus is identifying where economic interventions will have the most impact. In areas where there is a lack of governance support to sustain economic initiatives these are not considered appropriate for the IF and should rather be referred to other agencies and programmes for remediation prior to inclusion in the IF. It is critical to recognize what the IF and do and is best suited in terms of focusing activities and avoiding situations where the IF is not ready for implementation.

Given that the vast majority of LDC's follow the conceptual framework it will come as no surprise that the framework provides the basis for the selection criteria. However, which selection criteria are used depends upon the purpose of the programme. For example:

- If a high rate of return for an investment of effort is required then countries with above average HDI and below average per capita GDP and above average governance would be selected.

- If assisting the most needy countries in their developmental process, accepting some inevitable bumps in the process, then countries with below average HDI and below average per capita GDP and at or above average governance would be selected.

In both instances countries with below average governance indicators would be referred to other programmes as a precondition to entering the IF. However, there are two considerations that should be borne in mind. One is that the governance sub-indices need further examination as only one of them (Government Effectiveness) actually directly and strongly seems to significantly related to HDI . The second is that the approach used here is a deviation approach such that the mid-point and who is above and below is constantly moving with each new data set. That is an analytical strength if the analyst knows how to use it.

Expected Results

This is, by definition, the weakest of the analytical steps. In the absence of good forecasts of the causal governance and economic variables what remains is the default of time as the independent variable driving changes in HDI.

Additional challenges are due to not all historical periods being available for all years and the volatility of some of the national indicators. However, for baseline indicators against which to estimate the possible impact of the IF interventions the trend line analysis is a reasonable basis.

To overcome problems associated with different time series for each country the first step was to prepare annual estimates for each country for which data existed between 1975 and 2000. The second step was to use the time series for each country to forecast year by year estimates through to 2015. Those countries with data from 1975 through 2000 were taken as the basis for determining an overall trend for use with countries with very short time series to use as a base. Essentially the annual rate of change forecasted for the IF countries with the full HDI series from 2001 through 2015 became the basis for estimating future levels of HDI.

In addition, examination of several of the country data series revealed cyclical patterns as well as a sudden increase or decrease from 2001 to 2002 simply due to the statistical formula. These situations were normalized by using the rate of change formula used for those countries with short time series.

These revised expectations tend to be conservative but can serve as a baseline against which to assess future performance. An additional enhancement would be the development, on the basis of the current governance and fiscal capacity measures, of an estimate of what level of HDI should be expected would provide a further framework with which to moderate the reliance on a modified linear trend.

The projections are presented in Table D1.

Conclusions

The significance of the findings are:

1. The meta framework serves as a useful analytical tool in order to assess progress, selection and expectations for IF countries.
2. The current range of IF countries cover the full spectrum of countries within the framework and provide a longer term basis upon which to develop success oriented selection criteria.

Future opportunities:

1. Existing data can be used to improve the targeting of the IF to countries on the basis of programme purpose with further development of required governance, poverty and fiscal capacity data for each of the LDC.
2. The World Bank governance indicators will require further examination to determine whether all elements are of equal importance or should be weighted - considering that the only indicator with a significant relationship to the interaction of per capita GDP and HDI was Government Effectiveness.
3. Some means of assessing donor preparedness needs to be integrated into the weighting framework as the LDC could have all positive indicators but, if the local donor representatives are unmotivated or less than enthusiastic towards the IF, failure is most likely unless there is charismatic leadership from the LDC itself.
4. Given the data framework it is possible to develop realistic series of targets which could be used as the basis to assess the managerial capacity and leadership of the IF process – the only difficulty with this is that it could only be obvious that there is a failure when in fact there is a failure if there is not constant monitoring to provide advance warning where remedial action is warranted.

Alternatives:

Essentially there are two basic alternatives:

1. Continue with the current process of selection and implementation with continuing ambiguity and mixed results.
2. Orient donors to the new way of doing business and make evaluations of donor managers' performance contingent on performance of the LDC within the IF.

The second option would be enhanced with the implementation of the suggestions made previously as the lack of monitoring data from outside of the IF programme itself is problematic. Independent verification is essential for documenting valid results.

Recommendations:

Consistent with the results of this analysis, it is recommended that:

1. The development of a simple, consistent and replicable data framework for the dimensions of poverty, fiscal capacity and governance be developed, which is an essential component of a country selection and monitoring framework.
2. Some means of assessing local donor managerial capacity and leadership needs be integrated into the selection process, as failure to achieve results may not be due to the LDC.
3. The use of the data framework for monitoring progress on the basis of establishing annual expectation benchmarks is essential and consistent with the general Results Based Management approach being recommended.

NOTE: What can be done technically is to develop an interactive dynamic decision model to enable programme criteria to be assessed under different levels of emphasis. Whether this is the method adopted or not is up to the client and while not of the same order as the previous recommendations is a very strong suggestion.

Table D 1

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Bangladesh	0.478	0.502	0.51	0.52	0.52	0.53	0.53	0.53	0.54	0.54	0.55	0.55	0.56	0.56	0.57	0.57
Gambia	0.405	0.463	0.47	0.48	0.48	0.48	0.49	0.49	0.5	0.5	0.51	0.51	0.52	0.52	0.52	0.53
Haiti	0.471	0.467	0.47	0.48	0.48	0.49	0.49	0.5	0.5	0.51	0.51	0.52	0.52	0.52	0.53	0.53
Tanzania, U. Rep. of	0.440	0.400	0.41	0.41	0.41	0.42	0.42	0.43	0.43	0.43	0.44	0.44	0.45	0.45	0.45	0.46
Uganda	0.444	0.489	0.5	0.5	0.51	0.51	0.52	0.52	0.53	0.53	0.54	0.54	0.54	0.55	0.55	0.56
Cambodia	0.543	0.556	0.57	0.57	0.58	0.58	0.59	0.59	0.6	0.6	0.61	0.61	0.62	0.62	0.63	0.64
Madagascar	0.469	0.468	0.48	0.48	0.49	0.49	0.49	0.5	0.5	0.51	0.51	0.52	0.52	0.53	0.53	0.53
Mauritania	0.438	0.454	0.46	0.47	0.47	0.47	0.48	0.48	0.49	0.49	0.5	0.5	0.51	0.51	0.51	0.52
Burundi	0.313	0.337	0.34	0.35	0.35	0.35	0.36	0.36	0.36	0.37	0.37	0.37	0.38	0.38	0.38	0.39
Djibouti	0.445	0.462	0.47	0.47	0.48	0.48	0.49	0.49	0.5	0.5	0.51	0.51	0.51	0.52	0.52	0.53
Eritrea	0.421	0.446	0.45	0.46	0.46	0.47	0.47	0.48	0.48	0.48	0.49	0.49	0.5	0.5	0.51	0.51
Etiopía	0.327	0.359	0.37	0.37	0.37	0.38	0.38	0.38	0.39	0.39	0.39	0.4	0.4	0.4	0.41	0.41
Guinea	0.414	0.425	0.43	0.44	0.44	0.44	0.45	0.45	0.46	0.46	0.47	0.47	0.47	0.48	0.48	0.49
Lesotho	0.535	0.510	0.52	0.52	0.53	0.53	0.54	0.54	0.55	0.55	0.56	0.56	0.57	0.57	0.58	0.58
Malawi	0.400	0.387	0.39	0.4	0.4	0.4	0.41	0.41	0.42	0.42	0.42	0.43	0.43	0.43	0.44	0.44
Mali	0.386	0.337	0.34	0.35	0.35	0.35	0.36	0.36	0.36	0.37	0.37	0.37	0.38	0.38	0.38	0.39
Nepal	0.490	0.499	0.51	0.51	0.52	0.52	0.53	0.53	0.54	0.54	0.55	0.55	0.56	0.56	0.57	0.57
Senegal	0.431	0.430	0.44	0.44	0.45	0.45	0.45	0.46	0.46	0.47	0.47	0.47	0.48	0.48	0.49	0.49
Yemen	0.479	0.470	0.48	0.48	0.49	0.49	0.5	0.5	0.51	0.51	0.51	0.52	0.52	0.53	0.53	0.54

Annex E

Survey Results

Background

This section of the report details the key findings of a survey carried out in the 18 countries visited by the evaluators. The key objective of this survey was to provide quantitative information concerning the IF from all stakeholders, namely core agencies/donors representatives and all local stakeholders (private sector, civil society, government officials etc). Previously, primary research was conducted and qualitative information collected in the field through focus groups and in depth interviews.

Methodology of the surveys

Survey medium

The IF evaluation's Survey was conducted only via the World Wide Web. Participants were invited to respond to a questionnaire posted on the Voxco Web site.

Type of sampling

The list of respondents focused on people already involved in the IF that have access to internet and have an active email address. As a result, the list of potential respondents is not as extensive as we planned. Due to the time pressures in completing the evaluation, we had to rely heavily on the IF focal points in the countries, supplemented at times by local agency or donor representatives to identify the relevant stakeholders including those not already familiar with the process.

Many of the respondents were also part of the in- country meetings and focus group discussions held and had been solicited as respondents at that time. Respondents were invited to go to the website and complete the survey as follows:

1. Email invitation letter to participate in the survey
2. Up to 3 reminders encouraging them to respond

A few respondents were last minute additions to the list and only received the invitation letter.

Period of validity of answers - Duration of the survey

The survey questionnaire was hosted on the Voxco web site and remained available on the Web from August 1, 2003 until August 20, 2003 midnight eastern time Canada.

Type of questionnaire

The questionnaire was in French and English and was designed for completion within fifteen to twenty minutes. Following the classification questions to determine their location and function, the majority questions were designed to obtain a response based on the level of agreement or disagreement with a series of statements. Other questions asked respondents to rate specific criteria in terms of importance. The survey comprises a number of common core questions addressed to all respondents with additional specific questions targeting the three IF partner groups, LDCs donors and agencies.

Points to Consider

- Respondents were assured of confidentiality and a unique PIN number was assigned to respondents to control access to the survey and prevent multiple responses from the same individual.
- Late surveys that arrived after the cut-off date were excluded from this study.
- The number of respondents from each individual country, coupled with the variation in the response rate between countries resulted in too small a sample to assess each of the 18 countries visited.

Response rate

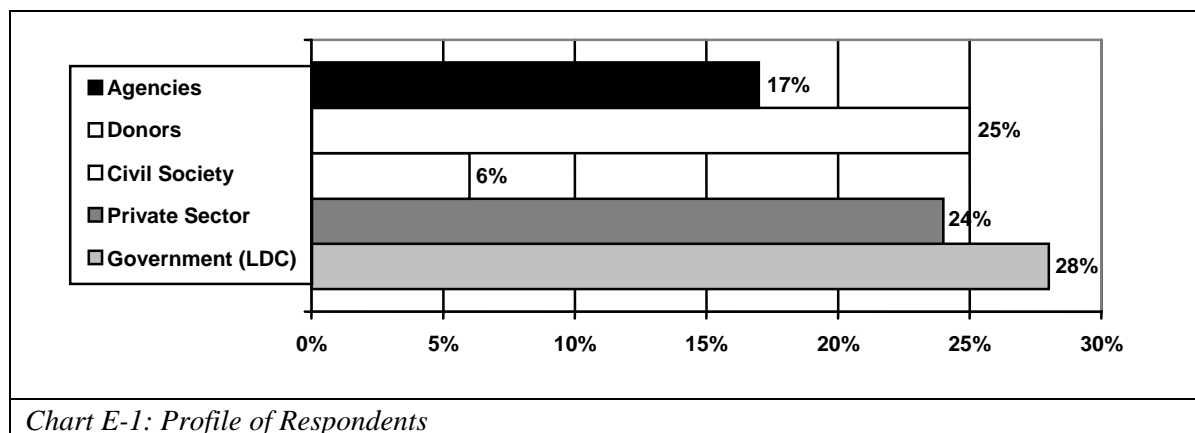
Eighty-eight questionnaires were completed by the 272 potential contacted respondents. However, many of the people invited to participate in the survey did not do so either because they were not reachable or have declined the invitation to participate:

1. undelivered emails : 45 potential respondents
2. declined the invitation because they “have already given feedback during the country visit”:2
3. the IF is irrelevant to them: 1
4. access problem to the website: 5
5. out of the office: automatic machine response(on vacation): 6

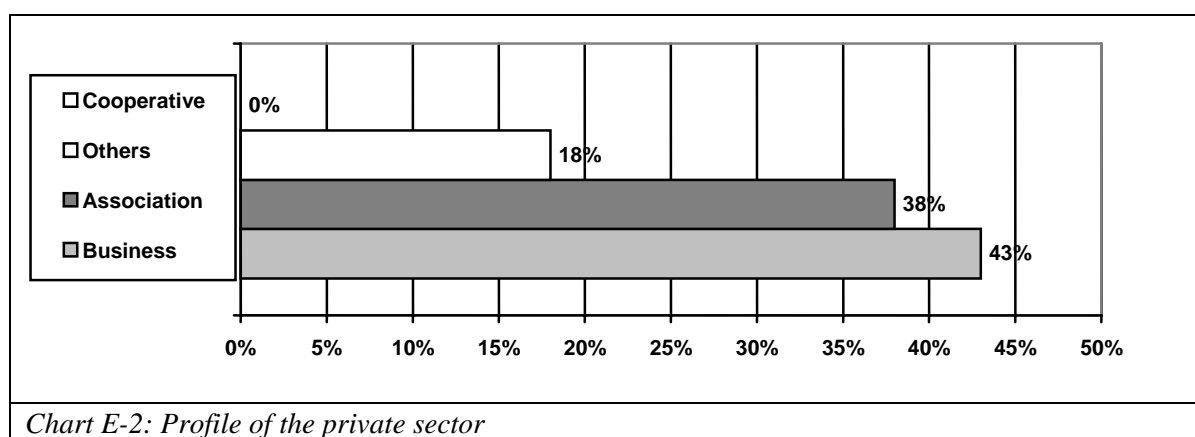
Those in categories 2 to 4 are based on return emails from these people. The real numbers might be higher as many may have declined participation without sending an e-mail to explain the reason. Thus, the final sample was 216 respondents resulting in a response rate of 40.7% considered very satisfactory for this kind of survey.

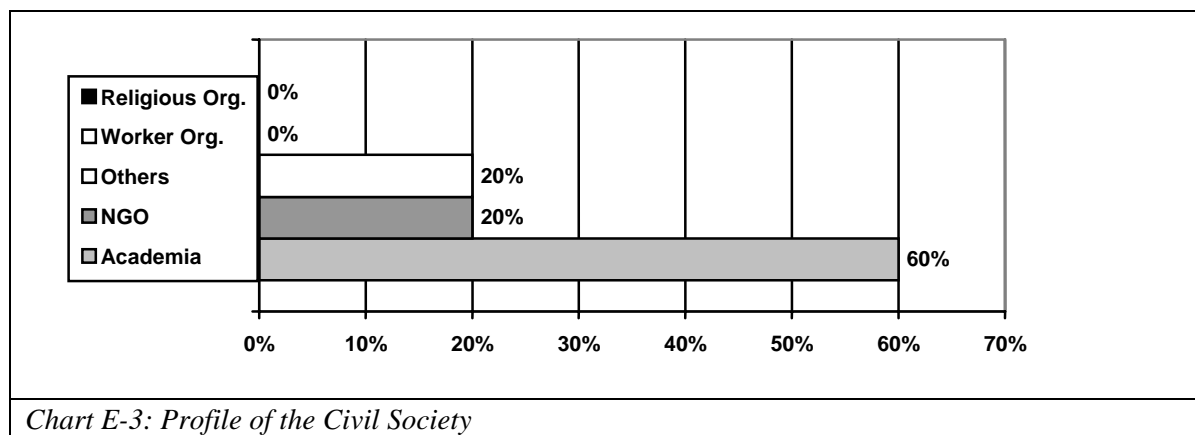
Results

Section 1: Profile of participants and level of their involvement in the Integrated Framework.

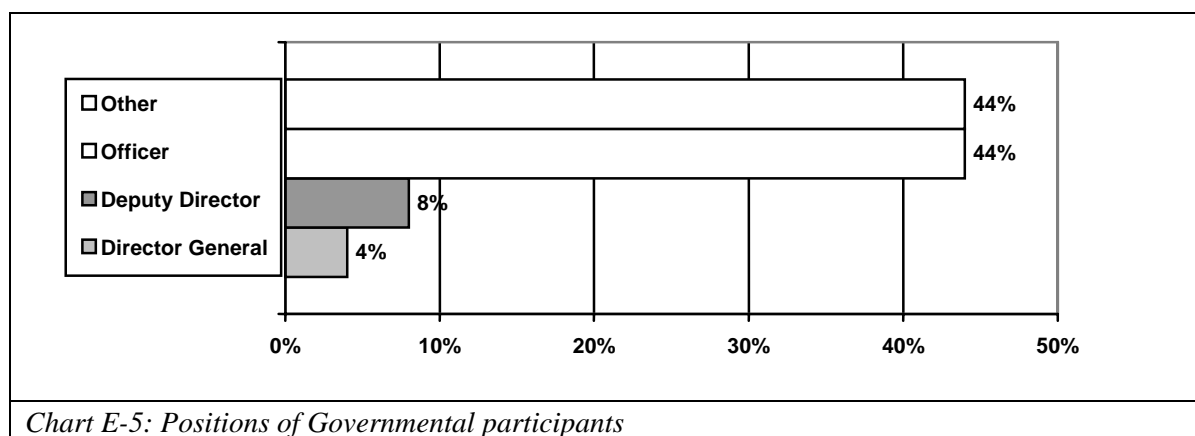
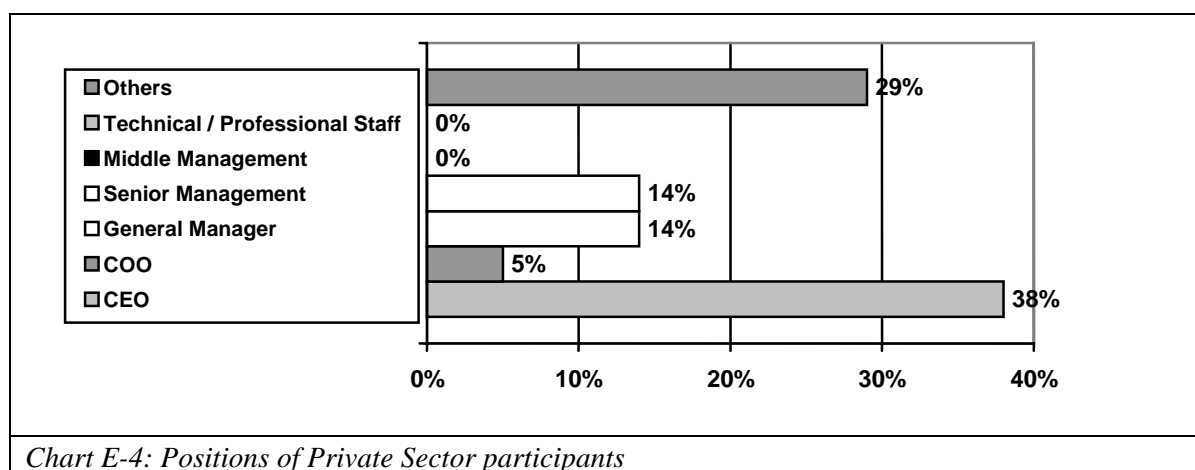


Government officials and the private sector are fairly well represented as are agencies and donors. However, the civil society participation was quite low and is indicative of the level of their involvement in the IF process to date, a factor that was observed during the evaluation. It is fair to say however that the awareness level is increasing among civil society groups in many countries as is the recognition by IF proponents of the need to engage them in the IF process.



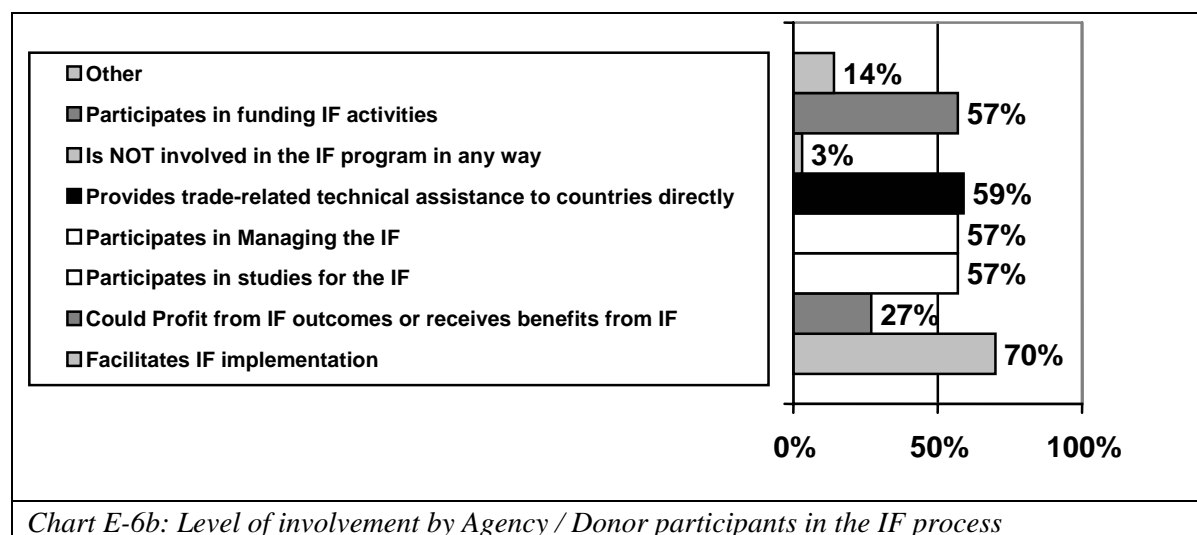
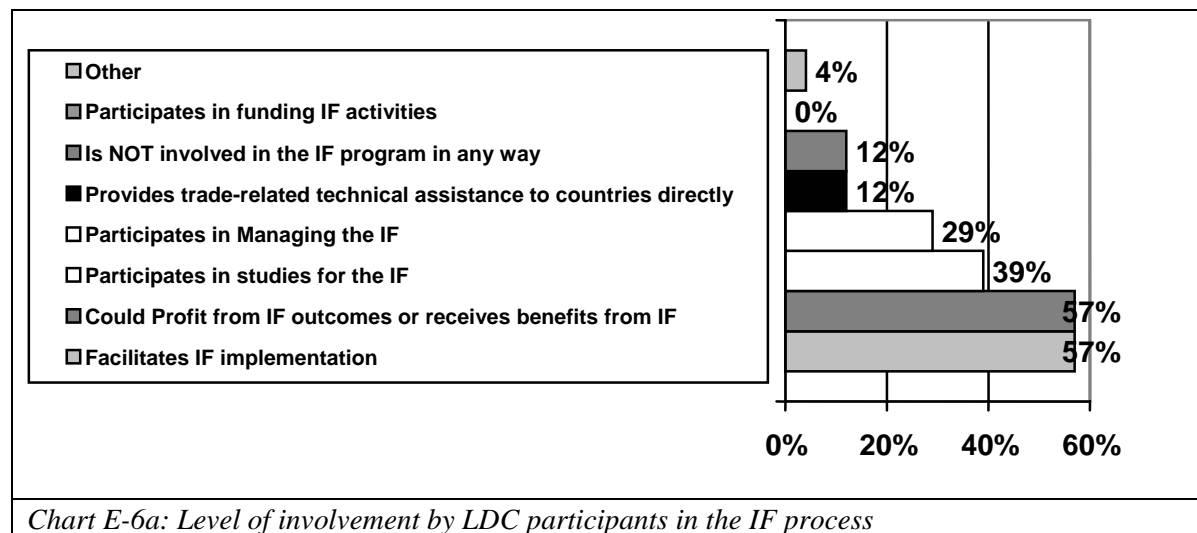


Business community respondents come mainly from high ranking officers in private business and business associations. Civil society participants in the survey are typically from academia followed by different non-government organization (NGO) representatives.



Most government participants are senior officials (deputy ministers, advisors to ministers).

Charts E-6a and E-6b stem from answers to the question: “What is the best description of your organization’s role in the Integrated Framework?”



Discussion of Results

The majority of the LDC respondents describe their organization as facilitating implementation (57 %) or being a potential beneficiary (57%) of IF indicating the high frequency of respondent who are directly involved or well aware of the IF. Within the agency / donor community, 59% of respondents classified themselves as trade-related technical assistance providers and 57 % classified themselves as study participants or managers of the process. Obviously some respondents see themselves as playing a dual role.

Fifty-seven per cent of the local stakeholders believe their organizations could profit from IF outcomes or receives benefits from the process, while less than thirty-nine per cent of local stakeholder organizations participate in studies related to IF and twenty-nine per cent participate in managing the IF process.

Section 2: level of familiarity with the process












Level of familiarity with the IF and its goals and objectives

LDCs

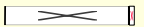






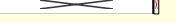





Agencies

Donors

7) I am very familiar with the goals and objectives of the IF


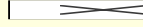










Strongly Agree		41%		60%		59%
Moderately Agree		28%		40%		31%
Moderately Disagree		11%		0%		5%
Strongly Disagree		9%		0%		5%
Don't Know		11%		0%		0%

8) The goals and objectives of the IF are clear and easy to understand






Strongly Agree		33%		13%		27%
Moderately Agree		27%		47%		50%
Moderately Disagree		22%		40%		13%
Strongly Disagree		4%				5%
Don't Know		14%				5%

9) I am very familiar with the current status of the IF in my country

I am very familiar with the current status of the IF

Strongly Agree		47%		60%		36%
Moderately Agree		12%		33%		45%
Moderately Disagree		18%		0%		9%
Strongly Disagree		10%		7%		10 %
Don't Know		14%		0%		0%

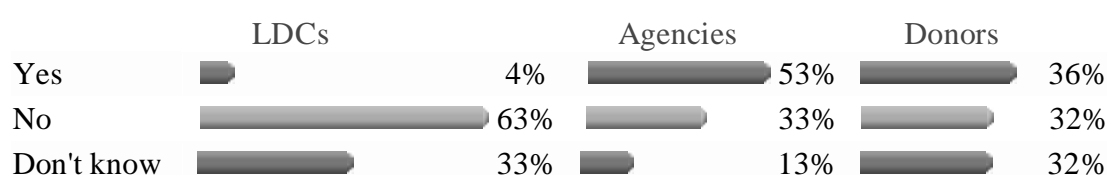
10) I think that the IF policies are clear and easy to understand

Strongly Agree		27%
Moderately Agree		39%
Moderately Disagree		12%
Strongly Disagree		4%
Don't Know		18%

Discussion of Results

Agencies (60%) donors representatives (59%) and local stakeholders (41%) strongly agree that they are very familiar with the goals and objectives of the process which again is indicative of the level of respondents who are directly involved. Although the vast majority of respondents (LDC -69%; Agency- 100% and Donors-90%) indicate they are at least moderately aware of the IF, a significant number of respondents (LDC- 26%; agencies- 40% and donors 18%) disagree with the statement that the goals and objectives are clear and easy to understand. In addition, thirty-four per cent of LDC respondents either disagree or responded “don’t know” to the statement “IF policies are clear and easy to understand”.

11) In 2000 the IF was revamped. Have the roles and responsibilities of your organization changed in any way as a result?



Discussion of Results

The IF programme was revamped in 2000 and significant changes were introduced. The information above suggests that the revised programme did not, in the eyes of the LDCs change their roles and responsibilities significantly and that the changes were more prevalent within the agency/donor communities. This is not surprising as the revamping exercise did have a more significant impact on agencies and donors, primarily because the LDC countries have been segregated into pre and post revamping categories and only now are the original five round table countries being encouraged to embrace the new approach dictated by the revamping exercise. The twenty-four per cent of agency/donor respondents, who did not know, may be indicative of the need for greater clarity on the roles and responsibilities of this group, especially at the field level.

12) IF definition: Please describe, in two to three sentences, your understanding of the IF and its goals and objectives?

Discussion of Results

Many respondents gave detailed answers to this open-ended question and many respondents identified more than a single goal or objective. It is interesting to note the similarity in views expressed by local stakeholders who stressed on the poverty alleviation, the IF to provide capacity building assistance for trade related areas, especially in the export sector, and to assist the beneficiary countries to build the requisite institutional infrastructures.

Section 3: Expectations from the IF process – IF delivery

Expectations and Implementation of IF - LDCs

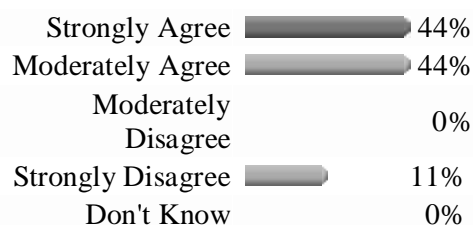
13) Are you aware of the Diagnostic Trade Integration Studies (DTIS)?



14) Has a DTIS Study been completed in your country?



15) The Diagnostic Trade Integration Studies (DTIS) can meet your country's needs in identifying trade related issues.



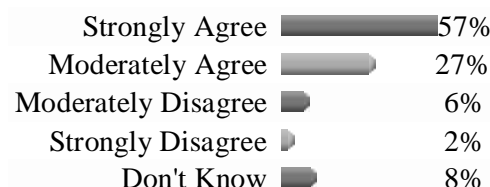
16) The DTIS can provide a roadmap for countries to address goals and objectives relative to trade and their participation in the world economy.



17) The DTIS can provide a vehicle to identify Trade-Related Technical Assistance (TRTA) needs.



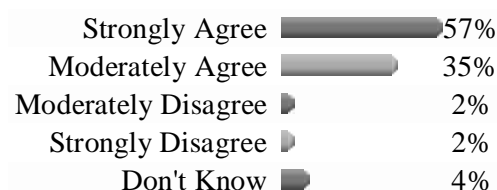
18) I think the IF has helped, or has the potential to help, my country build increased capacity.



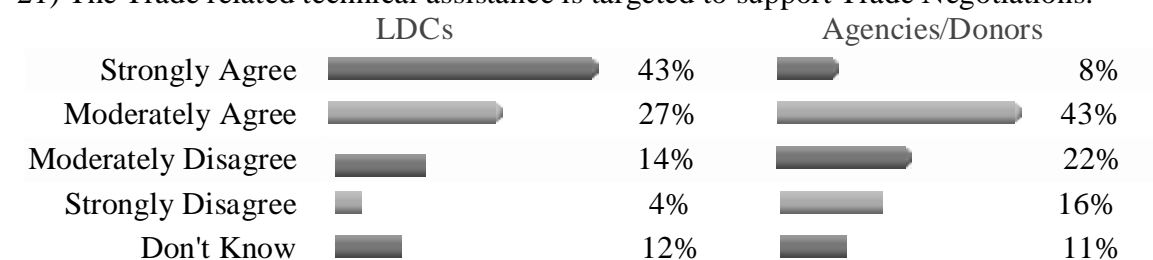
19) The trade related issues identified with IF have been or will be integrated into the development plans and poverty reduction strategies in my country.



20) I believe the IF can contribute to poverty alleviation.



21) The Trade related technical assistance is targeted to support Trade Negotiations:



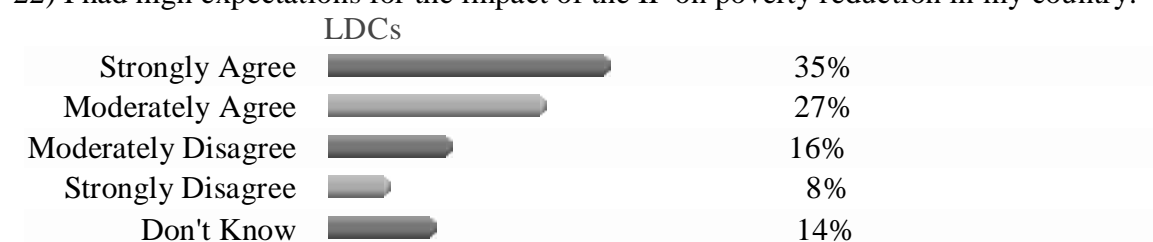
Discussion of Results

The results from question 22 below suggests that the level of expectations from the IF process is high among local stakeholders as sixty-two per cent of respondents agreed with the statement “I had high expectations for the impact of IF on poverty reduction in my country”.

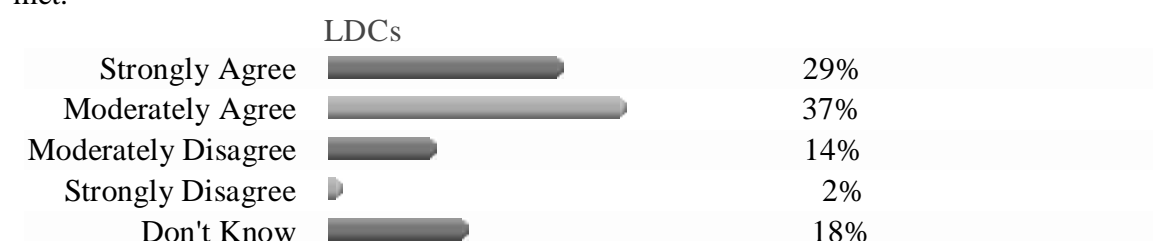
The results suggest that the DTIS process is also expected to produce results as more than eighty per cent of respondents agree that the DTIS can meet their countries’ need in identifying trade related issues, provide a roadmap to address goals and objectives relative to trade, provide a vehicle to identify Trade-Related Technical Assistance (TRTA) needs to improve participation in world economy.

Moreover, seventy per cent of local stakeholders, as shown below, are convinced (43% of them strongly agree) that the Trade Related technical assistance to be provided by the process is targeted to support Trade Negotiations, while thirty-eight per cent of agencies/donors representatives disagree with this statement. There are two factors at play in this case. Those countries currently targeting WTO membership or at least accession are very focused on trade policy and negotiating. However, the disparity the response of the two groups may be a small indication of the apparent disparity between the perceptions of the two communities on the goals and objectives of the IF.

22) I had high expectations for the impact of the IF on poverty reduction in my country.



23) My expectations regarding the impact of the IF on poverty alleviation have or will be met.



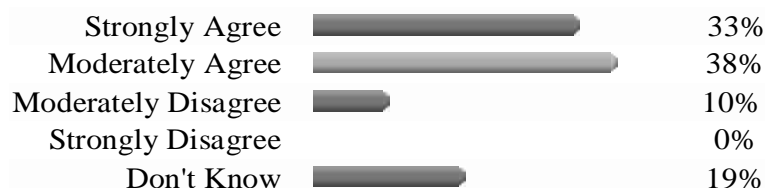
Discussion of Results

Furthermore, ninety-two per cent of LDCs participants believe IF can contribute to poverty alleviation and sixty two per cent as shown below, have high expectations for the impact of the IF on poverty reduction in their country and many (66%) believe these expectations will be met.

24) In which of the following ways, if any, has the IF changed or will change your company's business? Select all that apply - Private sector

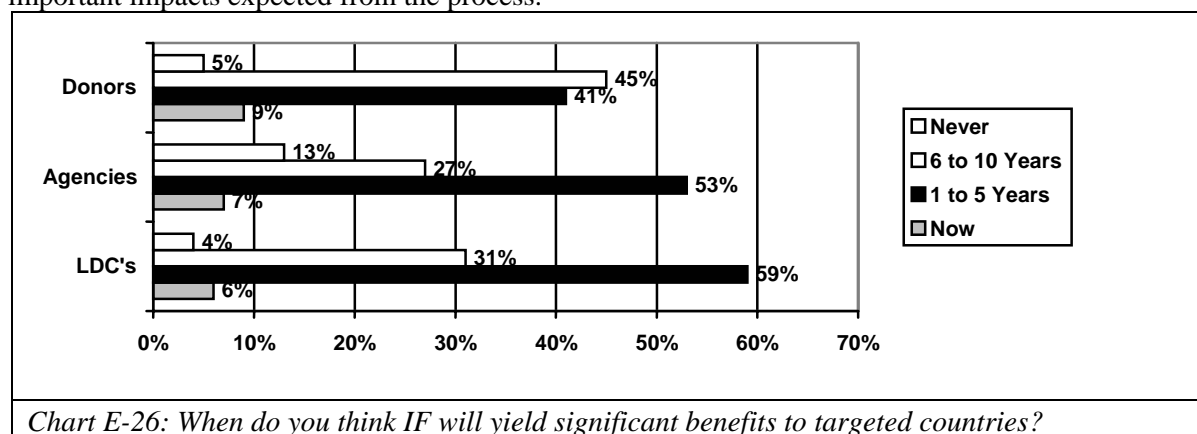


25) The IF has improved or will improve my company's business: (Private sector)



Discussion of Results

In addition, the majority of private sector community thinks that the IF has improved or will improve at least some aspect of their business and their exports. They stressed the increase in international trade opportunities, export, export facilitation and human resources skills improvement as the most important impacts expected from the process.



The high level of expectations is accompanied by a short timeline focus. Indeed, sixty-five per cent of local stakeholders expect the IF to yield significant benefits to targeted countries within 5 years. This per centage drops to fifty-four per cent among agencies and donor representatives but is still above 50 per cent.

27) The IF (LDCs)

	Agree	Disagree	Don't Know
a. In its revamped form, has been effective in significantly integrating the poverty alleviation concerns of LDCs	45%	14%	41%
b. Is analytically based, funded and built into my country's development plans	43%	20%	37%
c. Has improved local skills via technical assistance in my country	32%	27%	41%
d. Is a very complex programme which is difficult to implement	26%	52%	22%
e. Has increased trade opportunities in my country	26%	27%	47%
f. Has helped to alleviate poverty in my country	22%	41%	37%
g. Has facilitated access to technology and knowledge	18%	39%	43%

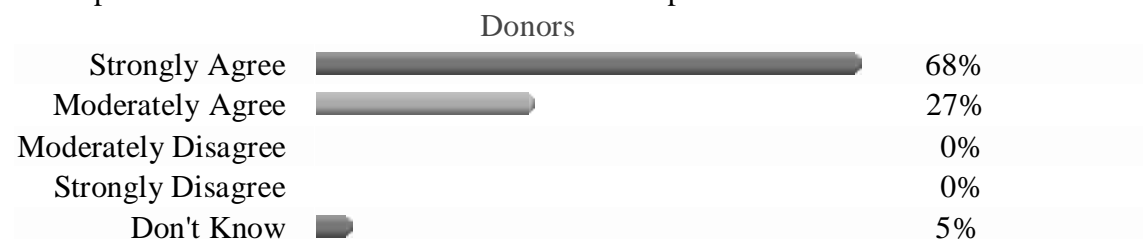
Discussion of Results

While fifty-two per cent of the local stakeholders disagree that the IF is a very complex programme which is difficult to implement and forty-five per cent agree that the revamped IF has been effective in significantly integrating the poverty alleviation concerns of LDCs, only twenty-six per cent agree that the process has increased trade opportunities or helped alleviate poverty in their countries. Moreover, less than 20% of respondents think that 47% of them have no idea about this issue. The proportion of people that appear to be unaware of these issues is high reaching forty-one per cent in cases and reflects the low visibility of IF in many countries.

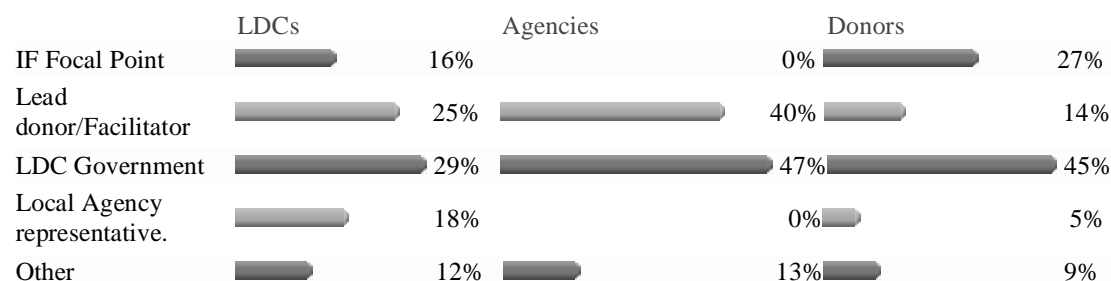
Expectations are very high making the delivery is seen ineffective pointing to a need for increased communication between all the IF partners to ensure a common perception of the goals and objectives and the scope and coverage of the IF process.

Section 4: Coordination and cooperation among IF partners

28) Efforts are being made to identify a Lead Donor/Facilitator in LDC countries. This development will contribute to increased donor cooperation and coordination:



29) In your opinion, who should be responsible to coordinate donors within LDC countries?



Discussion of Results

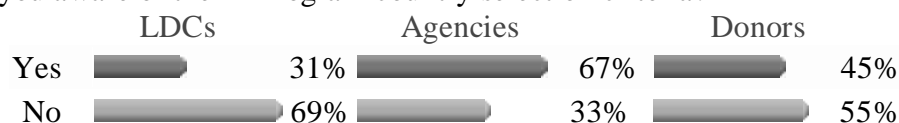
It is interesting to note that ninety-five per cent of donors agree that a Lead Donor/Facilitator will contribute to increased donor cooperation and coordination. While all three groups support the notion that donor coordination should be done by the LDC country, (LDC-45%: Agencies- 47% and donors (72%)) there is a disparity between who should be responsible. The LDC respondents place more emphasis on the Lead/donor facilitator as being responsible, the majority within all three groups point to the LDC government.

Many interesting comments were collected from stakeholders concerning this issue using an open ended question. The notion that the LDC government should be responsible seems to prevail although many respondents indicate that LDCs will certainly need assistance from donors in facilitating the process because they often lack the capacity themselves.

Local stakeholders in selected countries recommend that the role of coordination should be given to a local based core agency that fully understands the issues, does not have a high level of staff turnover, and can deliver long term focused support.

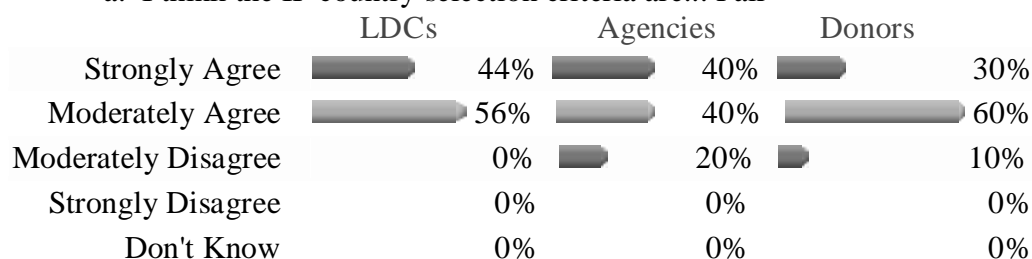
Section 5: IF country selection criteria

30) Are you aware of the IF Program country selection criteria?

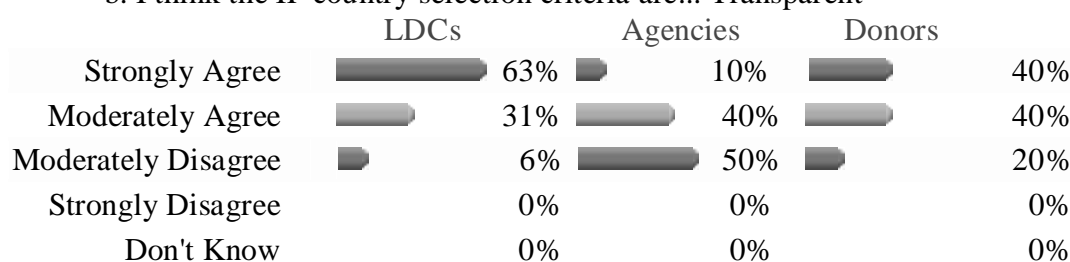


For those who said yes only:

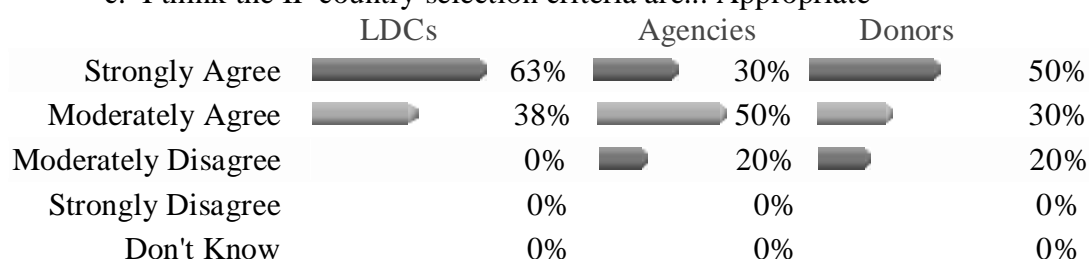
a. I think the IF country selection criteria are... Fair



b. I think the IF country selection criteria are... Transparent



c. I think the IF country selection criteria are... Appropriate








Discussion of Results

Although the majority of the people who are aware of the criteria find them fair, transparent and appropriate, only fifty-four per cent of agencies/donor representatives are aware of the country selection criteria; this percentage drops to less than one third for LDCs. But, it's striking to note that the agencies/donors representatives seem more conservative on this issue than local stakeholders as twenty three per cent of non- LDC stakeholders disagree with the statement that these criteria are fair, transparent and appropriate only 2% of local stakeholders think so.






Section 6: Governance of the IF

31) I am very satisfied with the current administration of the IF at the country level.

LDCs

Strongly Agree		14%
Moderately Agree		41%
Moderately Disagree		22%
Strongly Disagree		8%
Don't Know		16%

32) The revamped IF included changes in the overall management structure of the IF and the changes have increased the effectiveness of the IF. LDCs

Strongly Agree		6%
Moderately Agree		37%
Moderately Disagree		20%
Strongly Disagree		2%
Don't Know		35%

33) There are a number of factors that might be important to the success of the IF in your country. Listed below are some of these potential factors. For each one, please rate how important you think that factor is to the success of the IF in your country. LDCs

	Percentage of Statements		
	Very Important	Important	Total
a. The participation of all stakeholders in the process	90%	2%	92%
b. Government-wide support	78%	12%	90%
c. Integration of trade into development plans	71%	22%	93%
d. Management of the IF	69%	22%	91%
e. The capacity to manage IF activities	69%	24%	93%
f. Trade-related technical assistance	63%	20%	83%
g. A National Steering Committee	59%	27%	86%
h. Addressing supply side constraints	51%	24%	75%
i. Coordination with other countries involved	33%	39%	72%

Discussion of Results

LDCs are moderately satisfied with the current administration of the IF at the country level and mildly agree that the revamped IF has increased the effectiveness of the process. Nevertheless, 35% of the surveyed people don't know which again may be indicative of a low level of in-depth awareness within LDCs.

LDC respondents (92%) ranked the participation of all stakeholders in the process as very important in the success of the IF, followed by government wide support (78%).

LDCs stakeholders generally believed that Integration of trade into development plans, management of the IF and the capacity to manage IF activities are also very important to the success of the IF. Between sixty-nine and seventy-eight per cent of local stakeholders believed it was absolutely important, while a further fifty-one to sixty-three per cent placing a high degree of importance upon trade-related technical assistance, National Steering Committee and addressing supply side

constraints. Coordination with other countries involved in the process is shown to be of much lesser importance.

Some LDCs stakeholders (33%) stressed other factors they considered might help the success of the IF included consideration of local realities, private sector transparency, the follow up process, Government's commitment, people's willingness and the participation of local experts.

34) The following statements focus on issues related to the IF process? Please rate your level of agreement or disagreement with each of the following statements. LDC

	Agree	Disagree	Don't Know
a. The IF is a good mechanism to link trade, development and poverty reduction	95%	3%	2%
b. The Lead donor/facilitator is playing an effective support role within the IF process	68%	8%	24%
c. There is support and active participation in the planning and implementation of the IF by government in my country	66%	22%	12%
d. The revamped IF is achieving its expected results of mainstreaming trade into development plans and poverty reduction strategies	51%	18%	31%
e. The IF is achieving its expected result in facilitating the delivery of necessary technical assistance	51%	24%	25%
f. The coordinating institutional structure (e.g. NSC, focal point, etc.) is in place and well staffed in my country	41%	45%	14%
g. Donors pledge funds in a timely manner	31%	42%	27%
h. All IF partners (Co-ordinating Agencies, LDC's, Donors) have streamlined their respective procedures to facilitate the rapid/timely implementation of IF activities	31%	28%	41%
i. The IF Trust Fund disburse funds to the IF in a timely manner	24%	33%	43%

Discussion of Results

LDC respondents are generally convinced (95%) that the IF is a good mechanism to link trade, development and poverty reduction and that the Lead donor/facilitator is playing an effective support role (66%) and there is support and active participation (66%) in the planning and implementation of the IF by government in their countries.

However, only fifty-one per cent of respondents felt that the revamped IF is achieving its expected results in mainstreaming trade into development plans or poverty reduction strategies and facilitating the delivery of necessary technical assistance.

A further forty-five per cent do not believe that the coordinating institutional structure (e.g. NSC, focal point, etc.) is in place and well staffed in their country and less than thirty-one per cent felt satisfied with the funding.

35) There are a number of potential obstacles or barriers that could undermine the success of the IF. Below is a list of some potential obstacles. For each one, please identify the extent to which you think this is an obstacle or barrier to the success of the IF. LDCs

Potential obstacles/barriers to the success of the IF	Major barrier
a. Bureaucracy	80%
b. Insufficient cooperation between government, the private sector and civil society in the LDC country	76%
c. Lack of a vision or strategy	73%
d. Access to knowledge and technology	71%
f. Lack of clearly defined priorities in the LDC country	71%
g. Lack of understanding of LDCs' needs	69%
h. Lack of capacity to manage IF	67%
i. Lack of donor support	67%
j. Lack of infrastructure	65%
k. Lack of coordination between agencies	59%
l. Lack of donor coordination	51%
m. Supply-side constraints	51%
n. Management of the IF in the LDC	45%
o. Supervision of projects in the LDC country	41%

Discussion of Results

Bureaucracy is ranked by local stakeholders (80%) as a major potential obstacle or barrier to the success of the IF, while insufficient cooperation between government, private sector and civil society in the LDC country (76%) is second.

Lack of a vision or strategy, access to knowledge and technology, lack of clearly defined priorities in the LDC country and a lack of understanding of LDCs' needs are ranked lower but still considered as relative to success.

36) Please rate your level of agreement or disagreement with each of the following statements.

	Agree		Disagree		Don't Know	
	Agencies	Donors	Agencies	Donors	Agencies	Donors
a. LDC governments commit the necessary resources to carry out the IF within their countries	27%	32%	66%	54%	7%	14%
b. IF priorities are mainstreamed within LDCs and within the budgetary planning and allocation processes	40%	32%	47%	59%	13%	9%
c. There is enough national commitment to the IF in LDCs among the private sector, the academic community, workers, and NGOs	34%	32%	46%	59%	20%	9%
d. LDC missions in Geneva are on top of trade issues and the IF, are in tune with local needs/priorities, to secure their government's support for IF	40%	36%	34%	41%	26%	23%
e. The IF goal as “a mechanism to deliver trade-related technical assistance”, is a realistic objective	80%	82%	7%	4%	13%	14%
f. There is active participation and involvement by LDCs in the planning and implementation of the IF in their countries	73%	63%	20%	28%	7%	9%

Discussion of Results

A majority of agencies/donors representatives are convinced that the IF goal as “a mechanism to deliver trade-related technical assistance”, is a realistic objective (81%) and stated that LDCs are actively involved in the planning and implementation of the IF in their countries. However, they have no common position on many issues in the IF process as shown below.

A majority of agencies/donors representatives are convinced that the IF goal as “a mechanism to deliver trade-related technical assistance”, is a realistic objective (81%) and stated that LDCs are actively involved in the planning and implementation of the IF in their countries. However, they have no common position on many issues in the IF process.

Section 6: Recommendations (by Respondents)

37) In your view, what are the two most important things needed to improve the implementation of the IF?

Local ownership of the IF process is the recommendation that appeared most often among survey respondents. The visibility of the IF process and the clarity of its objectives was clearly an issue as well. Indeed, most participants stated that an in country pre-sensitization before the IF process starts would raise the awareness about the process and ensure a common understanding of its goals and objectives among all stakeholders.

Encouraging participation by all stakeholders including the private sector and academia in the IF decision making process was particularly emphasized as was the capacity building issue. Respondents insisted especially on the necessity to assist the beneficiary countries to build the requisite institutional infrastructure and capacity for the implementation of the IF. A clearer definition of the roles, tasks and responsibilities of each stakeholder, a call for the timely release of funds and increased access to trade related information were also a theme of many responses.

Annex F

Results-Based Checklist for Country Progress Tracking

Table F-1
Checklist for Status Summary, Round Table Countries, by Expected Results and Performance Measures, Assumptions and Risks

Table F-2
Checklist for Status Summary, Revamped IF (Pilot) Countries, by Expected Results and Performance Measures, Assumptions and Risks

Table F-3
Checklist for Status Summary, Non-Pilot Countries, by Expected Results and Performance Measures, Assumptions and Risks

Table F-1
Checklist for Status Summary, Round Table Countries,
by Expected Results and Performance Measures, Assumptions and Risks

<i>Expected Results, Performance Measures, Assumptions and Risks</i>	Bangladesh	Gambia	Haiti	Tanzania	Uganda
Sub-Table F-1-A: Impact Results (Long-term)					
<i>Expected Results, Performance Measures, Assumptions and Risks</i>					
Expected Results, Performance Measures					
<i>1.0 Trade is an important driver of LDC economic growth, employment, and poverty reduction</i>					
1.0.1 There is evidence that economic growth, attributable to trade, has contributed to poverty reduction					
1.0.2 LDC exports increase					
1.0.3 The trade sector is an integral part of the LDC country development plans					
<i>2.0 Low income populations raise their income levels</i>					
2.0.1 There is evidence that low income populations have raised their income levels through trade related activities					
<i>3.0 LDCs increasingly participate in international trade</i>					
3.0.1 There is evidence that LDCs are increasingly integrated into the international and regional trading systems					
3.0.2 There is evidence that LDCs are becoming, or are eligible to become, WTO members					
3.0.3 LDC share of world exports increases					
Assumptions					
A.2 LDCs will maintain IF as a priority in their national development strategy					
A.4 LDC governments are committed to good governance and to the creation of an open and stable business environment					
A.5 Low income populations (men and women) are targets of trade related activities					
Risks					
R.1 LDC exports are at risk, unless a more supportive trade environment is created, and improved market access is achieved					
Assumptions					

<i>Expected Results, Performance Measures, Assumptions and Risks</i>	Bangladesh	Gambia	Haiti	Tanzania	Uganda
A.2 LDCs will maintain IF as a priority in their national development strategy					
A.4 LDC governments are committed to good governance and to the creation of an open and stable business environment					
A.5 Low income populations (men and women) are targets of trade related activities					
Risks					
R.1 LDC exports are at risk, unless a more supportive trade environment is created, and improved market access is achieved					
Sub-Table F-1-B: Outcome Results (Medium-term)					
<i>2.2 Business and trade development support services are being offered</i>					
2.2.1 The degree to which business and trade development support services are increasing					
<i>3.1 LDC governments have the capacity to implement trade related priorities</i>					
3.1.1 The degree to which LDC governments have the capacity to implement trade-related priorities					
<i>3.2 IF trade related technical assistance trust funds support the effective launch of LDC's IF programmes (LDC view)</i>					
3.2.1 The degree to which IF trust funds are strategically targeted to support the successful launch of prioritized action plans					
Assumptions					
A.6 LDC policy, leadership and direction support the inclusion of trade in national development plans and/or PRSPs					
A.7 Donors are willing to align their priorities to the LDC stated priorities (LDC point of view)					
A.8 LDCs are able to translate policy prescriptions into actionable projects					
A.9 Political expectations for support from civil society are realistic					
A. 10 LDC governments choose to promote broadly based economic activities involving both labour and capital intensive projects to increase export-based revenues					
A.11 Business and trade support services for urban and rural exporters meet the needs of businesses, including exporters					

<i>Expected Results, Performance Measures, Assumptions and Risks</i>	Bangladesh	Gambia	Haiti	Tanzania	Uganda
A.12 Business and trade support services are being delivered by public and private service providers					
A.13 Senior LDC leadership and direction in policy matters are provided to support trade as a priority					
A.14 LDC governments are committed to enhance human resource capacity, as required, to implement trade-related priorities					
A.15 LDC governments are committed to ensuring that the necessary resources (human and financial) are available to implement trade-related priorities					
A.17 All IF participants are fully committed to a common set of goals and objectives requiring a results-based approach					
Risk					
R.2 Core agency, donor, and LDC IF related objectives conflict, or are not sufficiently harmonized (LDC point of view)					
Sub-Table F-1-C: Output Results (Short-term)					
<i>Expected Results, Performance Measures</i>					
<i>1.1.1 DTISs or needs analyses are completed</i>					
1.1.1.1 The degree to which IF country governments have completed their DTIS or needs analyses					
1.1.1.2 The degree to which IF country governments have linked their DTIS or needs analyses to national development plans and/or PRSPs					
<i>1.1.2 The country's trade priorities have been defined through broad consultations</i>					
1.1.2.1 The degree to which the relevant government Ministries and agencies have participated in the setting of the country's trade priorities					
1.1.2.2 The degree to which the private sector has participated in the setting of the country's trade priorities					
1.1.2.3 The degree to which the academic community has participated in the setting of the country's trade priorities					
1.1.2.4 The degree to which workers have participated in the setting of the country's trade priorities					

<i>Expected Results, Performance Measures, Assumptions and Risks</i>	Bangladesh	Gambia	Haiti	Tanzania	Uganda
1.1.2.5 The degree to which other stakeholders have participated in the setting of the country's trade priorities					
<i>1.2.1 LDC governments implement IF</i>					
1.2.1.1 The degree to which LDC governments have developed, prioritized, and costed an Action Plan					
1.2.1.2 The degree to which each LDC government implements its Action Plan					
1.2.1.3 The degree to which IF country trade priorities are mainstreamed within each LDC's programme and budgetary planning and allocation process					
1.2.1.4 The degree to which each LDC government commits the necessary organizational resources to carry out the agreed IF priorities within its country					
1.2.1.5 The degree to which donors' funds responds to LDC IF priorities (LDC point of view)					
1.2.1.6 The degree to which lead donors/facilitators are playing an effective support role in the development and implementation of LDC IF plans					
<i>2.1.1 Identified low income populations are included in trade priorities</i>					
2.1.1.1 The degree to which low income populations (men and women) benefit from IF trade initiatives					
2.2.1 Mechanisms for including the low income populations in business and trade initiatives have been enhanced					
2.2.1.1 The degree to which mechanisms are in place to ensure low income populations can access business and trade initiatives					
<i>3.1.2 Co-ordinating institutional structure (e.g., NSC, focal point, etc.) is in place with the necessary capacity in terms of human and financial resources to manage and implement the IF</i>					
3.1.2.1 The degree to which country specific human resource functions and corresponding skills have been validated					
3.1.2.2 The degree to which country specific competency based training is available to stakeholders					

<i>Expected Results, Performance Measures, Assumptions and Risks</i>	Bangladesh	Gambia	Haiti	Tanzania	Uganda
<i>3.3.4 Monitoring and evaluation systems exist that review progress and feed back into planning and budgetary processes</i>					
3.3.4.1 The degree to which monitoring and performance measures are results based					
Assumptions					
A.21 The senior LDC leadership sustains commitment, support and interest					
A.22 The Focal Point is effective, acting as leader, co-ordinator, clearinghouse for information and views in the implementation of the IF					
A.23 All LDC stakeholders are actively involved in the design, implementation, and monitoring of IF activities					
A.24 Local funding is available to support IF activities (including organizational changes) to which the LDC has committed					
A.25 LDC governments will undertake necessary organizational changes to support IF planning and implementation activities.					
A.26 Donor country plans for IF countries make provision to support priority IF activities, especially those included in PRSP's					
Risks					
R.7 Communication with stakeholders is insufficient to assure effective buy-in					
R.8 Execution of the projects might be at risk, if there is insufficient continuity and succession planning at the country level					
R.9 Absorptive capacity within LDCs lags the potential implementation pace of IF initiatives					
R.10 DTIS and the associated Action Matrices may not fully reflect the considered views of LDC governments and stakeholders and may not provide clear prioritization and guidance for further action.					

Table F-2
Checklist for Status Summary, Revamped IF (Pilot) Countries,
by Expected Results and Performance Measures, Assumptions and Risks

Sub-Table F-2-A: Impact Results (Long-term)

<i>Expected Results, Performance Measures, Assumptions and Risks</i>	Cambodia	Madagascar	Mauritania
<i>Expected Results, Performance Measures</i>			
<i>1.0 Trade is an important driver of LDC economic growth, employment, and poverty reduction</i>			
1.0.1 There is evidence that economic growth, attributable to trade, has contributed to poverty reduction			
1.0.2 LDC exports increase			
1.0.3 The trade sector is an integral part of the LDC country development plans			
<i>3.0 Low income populations raise their income levels</i>			
2.0.1 There is evidence that low income populations have raised their income levels through trade related activities			
<i>3.0 LDCs increasingly participate in international trade</i>			
3.0.1 There is evidence that LDCs are increasingly integrated into the international and regional trading systems			
3.0.2 There is evidence that LDCs are becoming, or are eligible to become, WTO members			
3.0.3 LDC share of world exports increases			
<i>Assumptions</i>			
A.2 LDCs will maintain IF as a priority in their national development strategy			
A.4 LDC governments are committed to good governance and to the creation of an open and stable business environment			
A.5 Low income populations (men and women) are targets of trade related activities			
<i>Risks</i>			
R.1 LDC exports are at risk, unless a more supportive trade environment is created, and improved market access is achieved			
<i>Expected Results, Performance Measures</i>			
<i>1.3 LDCs integrate trade within national development plans and/or PRSPs</i>			
1.1.1 The degree to which LDC governments have integrated trade within national development planning and/or PRSPs			
<i>1.2 LDCs implement trade related priorities</i>			

<i>Expected Results, Performance Measures, Assumptions and Risks</i>	Cambodia	Madagascar	Mauritania
1.2.1 The degree to which on-going mechanisms are in place to implement trade related priorities			
1.2.2 The degree to which LDC governments are able to co-ordinate donor support effectively			
1.2.3 The degree to which LDC governments are able to mobilize sufficient funds (internally and externally) for an identified and prioritized set of activities or projects			
<i>2.1 Broadly based economic activities are being undertaken</i>			
2.1.1 The degree to which broadly based economic activities are increasing			
2.1.2 The degree to which labour-intensive economic activities are increasing			
<i>2.2 Business and trade development support services are being offered</i>			
2.2.1 The degree to which business and trade development support services are increasing			
<i>3.1 LDC governments have the capacity to implement trade related priorities</i>			
3.1.1 The degree to which LDC governments have the capacity to implement trade-related priorities			
<i>3.2 IF trade related technical assistance trust funds support the effective launch of LDC's IF programmes (LDC view)</i>			
3.2.1 The degree to which IF trust funds are strategically targeted to support the successful launch of prioritized action plans			
Assumptions			
A.6 LDC policy, leadership and direction support the inclusion of trade in national development plans and/or PRSPs			
A.7 Donors are willing to align their priorities to the LDC stated priorities (LDC point of view)			
A.8 LDCs are able to translate policy prescriptions into actionable projects			
A.9 Political expectations for support from civil society are realistic			
A. 10 LDC governments choose to promote broadly based economic activities involving both labour and capital intensive projects to increase export-based revenues			
A.11 Business and trade support services for urban and rural exporters meet the needs of businesses, including exporters			
A.12 Business and trade support services are being delivered by public and private service providers			

<i>Expected Results, Performance Measures, Assumptions and Risks</i>	Cambodia	Madagascar	Mauritania
A.13 Senior LDC leadership and direction in policy matters are provided to support trade as a priority			
A.14 LDC governments are committed to enhance human resource capacity, as required, to implement trade-related priorities			
A.15 LDC governments are committed to ensuring that the necessary resources (human and financial) are available to implement trade-related priorities			
A.17 All IF participants are fully committed to a common set of goals and objectives requiring a results-based approach			
Risk			
R.2 Core agency, donor, and LDC IF related objectives conflict, or are not sufficiently harmonized (LDC point of view)			
<i>Expected Results, Performance Measures</i>			
<i>1.1.1 DTISs or needs analyses are completed</i>			
1.1.1.1 The degree to which IF country governments have completed their DTIS or needs analyses			
1.1.1.2 The degree to which IF country governments have linked their DTIS or needs analyses to national development plans and/or PRSPs			
<i>1.1.2 The country's trade priorities have been defined through broad consultations</i>			
1.1.2.1 The degree to which the relevant government Ministries and agencies have participated in the setting of the country's trade priorities			
1.1.2.2 The degree to which the private sector has participated in the setting of the country's trade priorities			
1.1.2.3 The degree to which the academic community has participated in the setting of the country's trade priorities			
1.1.2.4 The degree to which workers have participated in the setting of the country's trade priorities			
1.1.2.5 The degree to which other stakeholders have participated in the setting of the country's trade priorities			
<i>1.2.1 LDC governments implement IF</i>			
1.2.1.1 The degree to which LDC governments have developed, prioritized, and costed an Action Plan			
1.2.1.2 The degree to which each LDC government implements its Action Plan			
1.2.1.3 The degree to which IF country trade priorities are mainstreamed within each LDC's programme and budgetary planning and allocation process			

Expected Results, Performance Measures, Assumptions and Risks	Cambodia	Madagascar	Mauritania
1.2.1.4 The degree to which each LDC government commits the necessary organizational resources to carry out the agreed IF priorities within its country			
1.2.1.5 The degree to which donors' funds responds to LDC IF priorities (LDC point of view)			
1.2.1.6 The degree to which lead donors/facilitators are playing an effective support role in the development and implementation of LDC IF plans			
<i>2.1.1 Identified low income populations are included in trade priorities</i>			
2.1.1.1 The degree to which low income populations (men and women) benefit from IF trade initiatives			
2.2.1 Mechanisms for including the low income populations in business and trade initiatives have been enhanced			
2.2.1.1 The degree to which mechanisms are in place to ensure low income populations can access business and trade initiatives			
<i>3.1.2 Co-ordinating institutional structure (e.g., NSC, focal point, etc.) is in place with the necessary capacity in terms of human and financial resources to manage and implement the IF</i>			
3.1.2.1 The degree to which country specific human resource functions and corresponding skills have been validated			
3.1.2.2 The degree to which country specific competency based training is available to stakeholders			
<i>3.3.4 Monitoring and evaluation systems exist that review progress and feed back into planning and budgetary processes</i>			
3.3.4.1 The degree to which monitoring and performance measures are results based			
Assumptions			
A.21 The senior LDC leadership sustains commitment, support and interest			
A.22 The Focal Point is effective, acting as leader, co-ordinator, clearinghouse for information and views in the implementation of the IF			
A.23 All LDC stakeholders are actively involved in the design, implementation, and monitoring of IF activities			
A.24 Local funding is available to support IF activities (including organizational changes) to which the LDC has committed			

<i>Expected Results, Performance Measures, Assumptions and Risks</i>	Cambodia	Madagascar	Mauritania
A.25 LDC governments will undertake necessary organizational changes to support IF planning and implementation activities.			
A.26 Donor country plans for IF countries make provision to support priority IF activities, especially those included in PRSP's			
Risks			
R.7 Communication with stakeholders is insufficient to assure effective buy-in			
R.8 Execution of the projects might be at risk, if there is insufficient continuity and succession planning at the country level			
R.9 Absorptive capacity within LDCs lags the potential implementation pace of IF initiatives			
R.10: DTIS and the associated Action Matrices may not fully reflect the considered views of LDC governments and stakeholders and may not provide clear prioritization and guidance for further action.			

TABLE F-3
Checklist for Status Summary, Non-Pilot Countries,
by Expected Results and Performance Measures, Assumptions and Risks

<i>Expected Results, Performance Measures, Assumptions and Risks</i>	Burundi	Djibouti	Ethiopia	Guinea	Lesotho	Malawi	Mali	Nepal	Senegal	Yemen
Sub-Table F-3-A										
Impact Results (Long-term)										
<i>Expected Results, Performance Measures</i>										
<i>1.0 Trade is an important driver of LDC economic growth, employment, and poverty reduction</i>										
1.0.1 There is evidence that economic growth, attributable to trade, has contributed to poverty reduction										
1.0.2 LDC exports increase										
1.0.3 The trade sector is an integral part of the LDC country development plans										
<i>4.0 Low income populations raise their income levels</i>										
2.0.1 There is evidence that low income populations have raised their income levels through trade related activities										
<i>3.0 LDCs increasingly participate in international trade</i>										
3.0.1 There is evidence that LDCs are increasingly integrated into the international and regional trading systems										
3.0.2 There is evidence that LDCs are becoming, or are eligible to become, WTO members										
3.0.3 LDC share of world exports increases										
Assumptions										
A.2 LDCs will maintain IF as a priority in their national development strategy										
A.4 LDC governments are committed to good governance and to the creation of an open and stable business environment										

[illegible]

Expected Results, Performance Measures, Assumptions and Risks	Burundi	Djibouti	Ethiopia	Guinea	Lesotho	Malawi	Mali	Nepal	Senegal	Yemen
<i>trade related priorities</i>										
3.1.1 The degree to which LDC governments have the capacity to implement trade-related priorities										
3.2 <i>IF trade related technical assistance trust funds support the effective launch of LDC's IF programmes (LDC view)</i>										
3.2.1 The degree to which IF trust funds are strategically targeted to support the successful launch of prioritized action plans										
Assumptions										
A.6 LDC policy, leadership and direction support the inclusion of trade in national development plans and/or PRSPs										
A.7 Donors are willing to align their priorities to the LDC stated priorities (LDC view)										
A.8 LDCs are able to translate policy prescriptions into actionable projects										
A.9 Political expectations for support from civil society are realistic										
A.10 LDC governments choose to promote broadly based economic activities involving both labour and capital intensive projects to increase export-based revenues										
A.11 Business and trade support services for urban and rural exporters meet the needs of businesses, including exporters										
A.12 Business and trade support services are being delivered by public and private service providers										
A.13 Senior LDC leadership and direction in policy matters are provided to support trade as a priority										
A.14 LDC governments are committed to enhance human resource capacity, as required, to implement trade-related priorities										
A.15 LDC governments are committed to ensuring that										

[illegible]

<i>Expected Results, Performance Measures, Assumptions and Risks</i>	Burundi	Djibouti	Ethiopia	Guinea	Lesotho	Malawi	Mali	Nepal	Senegal	Yemen
1.2.1.2 The degree to which each LDC government implements its Action Plan										
1.2.1.3 The degree to which IF country trade priorities are mainstreamed within each LDC's programme and budgetary planning and allocation process										
1.2.1.4 The degree to which each LDC government commits the necessary organizational resources to carry out the agreed IF priorities within its country										
1.2.1.5 The degree to which donors' funds responds to LDC IF priorities (LDC point of view)										
1.2.1.6 The degree to which lead donors/facilitators are playing an effective support role in the development and implementation of LDC IF plans										
<i>2.1.1 Identified low income populations are included in trade priorities</i>										
2.1.1.1 The degree to which low income populations (men and women) benefit from IF trade initiatives										
2.2.1 Mechanisms for including the low income populations in business and trade initiatives have been enhanced										
2.2.1.1 The degree to which mechanisms are in place to ensure low income populations can access business and trade initiatives										
<i>3.1.2 Coordinating institutional structure (e.g., NSC, focal point, etc.) is in place with the necessary capacity in terms of human and financial resources to manage and implement the IF</i>										
3.1.2.1 The degree to which country specific human resource functions and corresponding skills have been validated										
3.1.2.2 The degree to which country specific competency based training is available to stakeholders										
<i>3.3.4 Monitoring and evaluation systems exist that review progress and feed back into planning and budgetary</i>										

[illegible]

Annex G

Coherent Trade-Related Technical Assistance Approach: Technical Background

This Annex provides technical background for section 3.4.1 “A Coherent TRTA Approach”, which includes:

- Main features of the DACUM Method
- Planning DACUM Functional analysis
- Prior Learning Assessment
- Planning an Orientation Programme for IF-related Managers
- The Action Learning Approach
- Personal Competencies

Main features of the DACUM Method

DACUM is a total system for organizing, delivering instruction and managing the learning process. It has been developed in Canada in the late sixties and is now being used extensively in the education as well as in the business and industry sectors in several countries on all continents.³¹ Features of a DACUM functional analysis:

- it essentially relies on the involvement and input provided by a group of individuals who are actual practitioners of the occupation or function being analysed;
- it is "consensus-based", i.e. each competency statement is the reflection of a consensus reached by the committee, and ...
- competency-based, meaning that each generated statement must be application oriented and phrased in such a way that it will be measurable and/or observable.

The competency-based DACUM approach is highly useful in the IF context, when local consultants aspire to participating in available IF related consulting. Since DACUM is capable of identifying *sub-occupational* or *sub-professional* skills, it is of critical importance when assessing the availability of qualified resources anywhere, and particularly in LDCs. The reason is that *occupational* or *professional* qualifications tend to be global and comprehensive, while *sub-occupational* and *sub-professional* skills tend to be segmented and modular. Certain locally available consultants may be excluded, if the criteria of the selection process call for full-blown occupational or professional qualifications, whereas they might be included, if the criteria call for segmented or modular skills.

³¹ <http://www.capra.net/publications/occasional/OccasionalPaper4Dacum.pdf>. Capra International Inc., in collaboration with the Canadian Vocational Association, has used this method to train Facilitators and Trainers of Facilitators for Brazil's National Industrial Training Service (SENAI) and the Ministry of Labour and Employment, in support of Brazil's new occupational classification to define the skill competencies of about 300 occupational families.

Planning a DACUM Functional Analysis

If the DACUM method should be selected for the purpose of undertaking an IF functional analysis, it would entail: (1) organizing two workshops, of three to five days' duration each, (a) to identify *consulting research functions*, and (b) to identify *IF-related management functions*, inviting 8-10 **practicing** functional specialists for each group and appointing an experienced DACUM Facilitator for each group; (2) validating the functional profiles that result from the workshop in a convenient manner, which might include electronic polling; (3) soliciting IFWG approval of the validated profiles; and (4) publishing the approved profiles for use in consultant recruitment and in IF-related management orientation programmes.

Prior Learning Assessment (PLA)

PLA is a system whereby individuals can use knowledge and skills learned outside formal academic or training programmes — including on-the-job-experience, volunteer work, hobbies, or self study — to gain exemption for particular courses or for other qualification requirements. Such a method could be used to assess - on the basis of the functional analyses described in the preceding paragraph - the level of competence of entry-level local candidates for consulting assignments.

Planning an Orientation Programme

Planning an Orientation Programme would involve:

1. design a modular curriculum, based on the technical and personal competency profile described in C2.1 for use in a variety of instructional environments, which could include traditional seminars and short-courses, corresponding courses, or internet-based study, all expected to require only a few days of effort;
2. based on the competency profile, assess potential IF managers to determine the extent to which they already possess the required IF-related competency level, also using, if desired, the Prior Learning Assessment process;
3. certify persons who are already able to demonstrate the required level of competency;
4. enrol potential IF managers who demonstrate IF-related knowledge and ability gaps, allowing them to select the preferred instructional method;
5. certify their competency upon successful completion of the instructional process; and
6. appoint them to the IF-related function once competency has been demonstrated. This individual learning approach, can, upon its completion, be enhanced through group learning, say at the level of the *National Steering Committee*, by employing such approaches as *Action Learning*, which focuses on learning by doing.

Action Learning

Action learning is both a process and a powerful programme that involves a small group of people (for instance, an NSC) solving real problems while at the same time focusing on what they are learning and how their learning can benefit each group member and the organization as a whole. The components of an *Action Learning* programme are:

- *A Problem* - Action Learning is built around a problem (project, challenge, issue, or task), the resolution of which is of high importance to an individual, team, and / or organization.
- *The Group* - The core entity in action learning is the *Action Learning Group*. The group is usually composed of four to eight individuals who examine an organizational problem that has no easily identifiable solution.

- *The Questioning and Reflection Process* - Action Learning tackles problems through a process that involves first asking questions, to clarify the exact nature of the problem, and then reflecting and identifying possible solutions before taking actions.
- *The Resolution to Take Action* - For Action Learning advocates, there is no real learning unless action is taken, for one is never sure the idea or plan will be effective until it has been implemented.
- *The Commitment to Learning* - In action learning, the learning is as important as the action. Action Learning places equal emphasis on accomplishing the task and on the learning / development of individuals and organizations.
- *The Facilitator* - The facilitator is very important in helping participants reflect both on what they are learning and how they are solving problems.³² (Marquardt 1999)

Action learning has the capability of being applied to important needs facing organizations today, such as:

- *Problem Solving* - Action Learning programmes are notorious in their ability to find solutions to organizational problems
- *Organizational Learning* - Action Learning teams serve as model and an impetus for individual, group and organization-wide learning
- *Leadership Development* - Action learning has become the premier way for training future and current managers in organizations throughout the world because it prepares and develops leaders to deal with real problems
- *Team Building* - Action learning helps develop strong teams and build skills for individuals to work effectively in future teams
- *Professional Growth and Career Development* - High levels of self-awareness, self- development, and continuous learning are gained via action learning. (1)

Personal Competencies

It is being widely recognized that workplace-oriented human resource development must focus not only on professional, technical and clerical skills, but also on personal skills. Personal skills can be classified in the following four broad categories: (a) managing self, (b) communicating, (c) managing people and tasks, and (d) mobilizing innovation and change.³³

³² Michael J. Marquardt . *Action Learning in Action. Transforming Problems and People for World-Class Organizational Learning*. Davies Black Publishing, 1999

³³ The concepts are described in: Fredrick T. Evers, James C. Rush and Iris Berdrow. *The Bases of Competence: Skills for Lifelong Learning and Productivity*. San Francisco: Jossey-Bass Publishers, 1998, 273 pp.