

GLOBAL ENHANCED INTEGRATED FRAMEWORK FOCAL POINTS WORKSHOP

GENEVA, SWITZERLAND, July 8 – 10, 2009

Welcoming Remarks by H. E. Dr. Anthony Mothae Maruping, Ambassador and Permanent Representative of Lesotho to UN, WTO and Switzerland and Chair of the Interim EIF Board (July 8th, 2009)

Introduction:

Allow me to commence by saluting Hon Felix Mutati, Minister of Commerce, Trade and Industry of Zambia and to thank him for the statement which he delivered on behalf of the LDCs during the 2nd Global Review of Aid for Trade. We are still basking in the glow of that highly informative event that instilled so much hope. Permit me also to welcome the Vice Ministers here present. Special recognition has to be accorded the ITC ED Mme Patricia Francis and the Deputy Secretary General of UNCTAD, Mr. Petko Draganov, both of whom are here to commit by signature their respective organizations to the EIF as implementing agencies. Mia Horn af Rantzien deserves special welcome. She is one the great pioneers of the Enhanced Integrated Framework (EIF). It is a pleasure to have you Mia. EIF Focal Points from around the globe you are warmly welcome to this EIF launching workshop. Your presence in high numbers is a loud and clear message and undoubted testimony to your high expectations and eagerness to get started on the EIF process. It would be remiss of me if I did not salute in equal measure my ever so dedicated colleagues, the members of the Board, the EIF ED, the EIF Trust Fund Manager and their very able teams. May I also accord special recognition to the resource persons and facilitators as well as our valued guests.

This is a great day which will go down in history as the official launching of the EIF process. From this day forward the ball is in the court of the LDCs, and under LDCs leadership and acting in partnership, it is in the court of the implementing agencies and donor facilitators as well. The Board, the ES and TFM will be playing an enabling, nurturing and guiding role. Success of the EIF henceforth is in the hands of the LDCs. It is the turn of the LDCs to play an active, efficient and effective role towards achieving the objectives of EIF.

Objectives of EIF:

From the word go let us be reminded of what EIF seeks to achieve. It is meant to provide trade related technical assistance and sustainable capacity building; to mainstream trade in the national policies reflected in the strategic frameworks, in the action plans of and in

programmes of action including PRSPs, among others; and it is meant to integrate LDCs trade into the multilateral trade system. The EIF will enable LDCs to more meaningfully access the broader and better resourced Aid for Trade.

History in Brief:

Integrated Framework (IF) commenced in 1997. It was first reviewed in 2000 after a sluggish three years. Attempts were made to give it some boost and more accelerated *tempo*. It was reviewed again in 2003 after another reluctant performance. More measures were taken to strengthen it. The third review convinced the WTO membership that time was ripe for an overhaul to enhance effectiveness.

Hence the decision to transform IF into the EIF.

After drawing a broad outline of what EIF should be like a Task Force was set up to work on the details under the watchful eyes of the Steering Committee. The major tenets of the EIF, all of which were meant to overcome the weaknesses of IF, are that:

- . ownership by LDCs should be strengthened;
- . there should be more resources and that they be predictable;
- . it be more results focused;
- . there be improved accountability;
- . there be a more clearly defined and better co-ordinated, and therefore more efficient and effective, governance structure.

The Task Force performed its task and made recommendations which were accepted and adopted by the WTO membership. It remained for the Interim EIF Board to translate all those decisions into **concrete, functional, legally coherent and consistent** and **efficient machinery** and to put into place the necessary **operational structures** and to **launch** the EIF.

The Work of the Interim EIF Board:

It could be said that the Task Force was visionary and the Interim EIF Board was tasked to play the dual role of the architect and builder. The assignment of the Interim Board turned out to be a much more of a challenge than originally anticipated.

EIF is a complex partnership yet a practical one. There are 49 LDCs, of which only a few are not yet participants in the EIF process. There are, at the last count, some 23 donors who have pledged contribution to the EIF and about 15 who have actually disbursed. There are also six

core agencies and one observer agency. Interpretation of the decisions of the Task Force involved the process of synchronising different perspectives in order to arrive at similar understanding and treating the outcome in a manner that **gave comfort to all partners**. Frequent consultations with various relevant constituencies in the partnership became imperative. ON occasion open ended Board meetings had to be held to consult the stakeholders. It has been a painstaking, selfless job demanding a lot of personal sacrifice. It has meant missed summer holidays and weekends with family by Board members. That is why I sincerely feel so indebted to my colleagues in the Board.

The Interim EIF Board :

- raised funds in the autumn of 2007 (in Stockholm) with the assistance of many well wishers among the development agencies, some donors that played the lead role and the WTO. About USD170mln in total was pledged of which about USD108mln was for the first two years of EIF; Hon Minister of Finance and Development Planning was present representing the LDCs.
- Had to draw Terms of Reference for ED, ES, TFM, NSC, NIU etc.;
- Saw to the appointment of the ED and TFM and established the ES;
- Worked on the Monitoring and Evaluation Framework (M&E Framework);
- Produced Tier 1 Projects guidelines;
- Updated the DTIS template;
- Approved two Tier 1 projects (Yemen and Sierra Leone) with about eight already in the pipeline;

Still ongoing is the conclusion and signing of the partnership agreement between the EIF TFM and the implementing agencies. UNIDO has already signed. ITC and UNCTAD are signing at the end of this statement according to the programme. That will be symbolic of the launching of EIF. The World Bank and UNDP have assured us that they are vigorously gearing up to signing an agreement which will enable the EIF TFM to perform full fiduciary responsibility as envisaged by the Board and within the limits of costs set by the Board. There should also be a signing of MOU between EIF TFM and each of the participating LDC.

All that remains to be done, while Tier 1 projects are already being implemented, are:

- . Development and approval of the Tier 2 guidelines;

- . Development and adoption of the **log frames** which dovetail with the now adopted M & E Framework;
- . Ensuring **legal consistency** of the new and updated **compendium of documents**.

Key Messages:

Key words in EIF are: **Ownership (by LDCs), Partnership, Results.**

Ownership means that EIF is the demand driven and needs based process. LDCs are in the driver's seat.

Partnerships are at all levels: The Board, ES and TFM work in partnership. The Board itself is the partnership among the LDCs, the Co-operating Development Partners and the Core Agencies. In the field is the Partnership among the Government, the Private Sector and the Civil Society as well as the implementing agency and the donor facilitator. There will have to be partnership among relevant Ministries in the country as well as among relevant departments/divisions within Ministries. Effective co-ordination among partners at every level is the key to success.

EIF emphasizes **results. Performance** and satisfactory **accountability** are the focus. Hence the **Monitoring and Evaluation Framework** and the **log frames** mentioned earlier. **Merit** is the name of the game in EIF. **No entitlements** as in IF. Good results will go a long way towards helping attract additional funds needed to supplement the meagre USD170mIn raised so far.

Projects preferred are those that not only address poverty reduction by generating employment, but should also be sustainable and trigger formation of other productive activities in the economy.

EIF beneficiaries are urged to factor in **Gender, Youth and Environment** in all EIF activities.

Private sector development and involvement in EIF process will be crucial. It is the private sector that produces and trades. The government enables, facilitates and nurtures.

EIF beneficiaries should, as part of South – South co-operation, periodically share experiences and exchange ideas. Workshops such as this one could be held every two years or so.

A number of DTISs and accompanying action matrices are old and have become stale. Programmes are still projects focused. There is need to update such DTISs and action matrices and to develop sector wide approach programmes.

EIF process could not be more timely and imperative at this dark hour in the development effort of LDCs. The current financial and economic crisis has set the clock back in economic growth which is needed to underpin socio-economic development and progress towards the achievement of the MDGs and poverty reduction. Some analysts expect the current crisis to result in much deeper saucerpan like shape of a recession (i.e. deeper and longer lasting recession) in LDCs unlike a U – shaped recession for developing countries and a V shaped recession for developed countries.

New EIF Beneficiaries:

Let it be known that Bangladesh and Bhutan have applied to be participants in the EIF process. As we anticipate no hurdles on the way of these two LDCs into becoming EIF beneficiaries it is quite in order to express jubilation in the face of this development.

Conclusion:

My task was not to be exhaustive but simply to warmly welcome participants, resource persons and guests. There is a line-up of very competent and highly inspiring resource persons, moderators and facilitators, who will keep your interest up and prove to be most informative. They will also challenge you to work hard. After-all it is a **workshop**.

It is the wish of the Board to organize inaugural workshops such as this one but at the regional level so as to accommodate more key individuals in the delegations. The hope is that such an approach will enable faster and more profound permeation of EIF key messages and implementation logistics right from the beginning.

Mine now is to once again express deep gratitude to those development co-operating partners that have contributed substantially to the EIF. We invite other potential donors to contribute as well since the resources available are not sufficient for the purpose intended given the high number of LDCs and enormous needs on the ground. Profound gratitude also goes to the pioneers of EIF such as Mia and Don Stephenson and others. WTO is worthy of recognition for its unrelenting support during all trials and tribulations in the formative stages of EIF. Once again I salute my colleagues in the Interim EIF Board for their dedication and high degree of the sense of purpose. We thank the sponsors of this timely Global EIF Focal Points Workshop. Gratitude goes to the organizing sub-committee of the Board and the ES for working so hard to make this workshop a reality. I thank you for your kind attention.

