
Integrated Framework Steering Committee

**JOINT COMMUNIQUÉ BY THE SIX CORE AGENCIES OF THE
INTEGRATED FRAMEWORK – IMF, ITC, UNCTAD, UNDP, WORLD BANK AND WTO**

*The Heads and Representatives of the six core agencies of the Integrated Framework -
Ms. Anne O. Krueger, First Deputy Managing Director of the IMF,
Mr. J. Denis Bélisle, Executive Director of ITC,
Mr. Rubens Ricupero, Secretary-General of UNCTAD,
Mr. Zéphirin Diabré, Associate Administrator of the UNDP,
Mr. James D. Wolfensohn, President of the World Bank, and
Deputy Director-General of the WTO, Dr. Kipkorir Aly Azad Rana -
met at the International Monetary Fund Headquarters in Washington D.C.
on 10 July 2003 and issued the communiqué which follows:*

1. We reaffirm our commitment to assist in the effective integration of least-developed countries (LDCs) into the multilateral trading system and the global economy. We believe that trade is an important means to achieve economic growth and poverty reduction. Focused and well-coordinated trade-related capacity-building and technical assistance are central to realizing the development benefits of trade. This requires a major effort to assist LDCs to build their capacity to formulate policy, to negotiate, and to tackle supply-side challenges in responding to new market access opportunities.
2. In this context, substantial progress has been made in the initial phase of the Integrated Framework for Trade-Related Technical Assistance to Least-Developed Countries (the IF). Collaboration among our agencies, donors, and IF countries has strengthened. This has established a sound basis for raising the volume, relevance, and efficiency of trade-related capacity-building for our LDC partners. The principles of the IF - strong country ownership and a commitment to integrate trade into national development plans, such as Poverty Reduction Strategies - are central to enhancing the role of trade in development and leveraging increased development assistance for trade.
3. The efforts and commitment of LDC participants in the IF must be matched by a pro-development outcome in multilateral trade negotiations. The Doha Declaration placed development and the needs and interests of developing countries at the heart of the negotiating agenda. It is expected that WTO Members will deliver on these commitments. The forthcoming 5th Ministerial Conference in Cancún will be an important benchmark of progress. In particular, increased efforts are needed to resolve issues of major concern to developing countries, including LDCs. Diagnostic studies under the IF have demonstrated the great potential that exists in many LDCs, if faced with a more supportive trade environment, for strengthening and diversifying agricultural and manufactured exports.

Progress on the IF

4. The IF is moving from a diagnostic stage to the implementation of action plans. Diagnostic trade integration studies (DTIS) have been completed or are near completion for the 13 LDC countries that entered the initial phase of the IF. The diagnostic studies have provided a sound policy basis for the delivery of technical assistance and capacity-building on trade, and have contributed to greater coordination among trade, finance and other ministries. What started as an inter-agency process is

now embedded in a clear set of trade priorities and activities at the country level. The LDC governments have taken an active role in managing this process. There are encouraging signs of progress in implementing projects based on diagnostic action plans.

5. Since the last Heads of Agency Meeting, donor and agencies' financial contributions to the Integrated Framework have continued to grow. We welcome the adoption of the Terms of Reference for a bridging mechanism to finance concrete, modest, and priority technical assistance projects under Window II of the IF Trust Fund. Eventually, trade-related assistance needs must be integrated into donor and multilateral development agency programmes *at the country level* in order to ensure their sustainable funding.

6. On this basis we strongly reaffirm our commitment to the IF as a viable model for LDCs' trade development, as endorsed by WTO Ministers in Paragraph 43 of the Doha Declaration. We underscore that building capacity and institutions is a development process that takes time.

Moving Forward

7. To build on this progress, the challenge now is to implement what we have started. To maintain momentum we commit to the following:

- We will step up our efforts to help countries integrate their diagnostic studies into national development plans such as poverty reduction strategies. This requires embedding trade into existing national consultative processes with the development community, the private sector and civil society.
- We will further integrate the IF activities into the work of our respective agencies.
- We will continue to improve the IF process, on which we await the outcome of the IF evaluation. We will seek ways to make the IF process more flexible in the diagnostic phase and accelerate the implementation of DTIS action plans.
- We support the extension of the IF to further LDCs, following completion of the evaluation of the IF now underway. In the meantime, we will provide assistance to help LDCs prepare the ground for their participation in the IF through pre-DTIS activities.
- We will continue our efforts to increase synergies and complementarity between the Integrated Framework, the Joint Integrated Technical Assistance Programme for Africa (JITAP) and other trade-related technical assistance programmes, both at the country level and between institutions.

8. More broadly, and in the context of the Doha Development Agenda, we stand ready to help developing countries and LDCs engage in the multilateral trading system. Removing supply-side constraints to trade is important in generating a response to market access opportunities. We will step up assistance on trade-related infrastructure, private sector development and institution-building to help countries to expand their export base. Within our respective competencies, we will assist LDCs in meeting social, fiscal, balance of payments, and other adjustment needs that might arise from trade liberalization.

9. We express our appreciation to the International Monetary Fund for hosting the meeting and providing hospitality.
