

**Integrated Framework Steering Committee  
Fourth Session**

**NOTE ON THE MEETING OF 8 MARCH 2002**

Chair: Ambassador Henrik Reé Iversen (Denmark)

- A. ADOPTION OF THE AGENDA
1. The Chairman welcomed members to the fourth meeting of the Integrated Framework Steering Committee, and proposed that the agenda be adopted.
  2. It was so agreed.
- B. REPORTS BY THE IAWG CHAIRMAN ON THE 29TH MEETING, 16-17 JANUARY 2002; THE JOINT AD HOC INFORMAL MEETING WITH THE DAC/OECD, 17-18 JANUARY 2002; THE SECOND MEETING OF THE IF HEADS OF AGENCY MEETING, 26 FEBRUARY 2002
3. The Chairman said that the report of the 29th meeting of the IAWG, and the joint meeting between the DAC/OECD and the IAWG were available in the room. Copies of a letter written jointly by the DAC Chairman and by the IAWG Chairman summarising, on their own responsibility, the main points of the meeting were also available in the room. Moreover, the Heads of the IF Agencies had met at the World Bank last week to discuss the IF and other related issues. The Chairman handed the floor to Mr. Osakwe, Director, Technical Cooperation Division, WTO, to report on these meetings.
  4. Mr. Osakwe said that he would draw attention in his presentation to some basic points contained in the reports before the IFSC. He added that the points covered in his presentation were also dedicated agenda items of the Fourth Session of the IFSC. Regarding the implementation of the IF Pilot Scheme, Mr. Osakwe drew attention to the completed Diagnostic Trade Integration Studies for Cambodia, Madagascar, and Mauritania. These reports contained prioritised matrices for technical assistance and capacity building. He said that the DTIS's had been very well executed, and consultations between bilateral donors and agencies had progressed at a desirable pace. He said that participants at the 29<sup>th</sup> and 30<sup>th</sup> meetings of the IAWG, at the joint DAC OECD/ IAWG meeting in Paris, and at the IF Heads of Agency Meeting, had expressed the view that follow-up had yet to be taken to a desirable stage. He drew attention to the letter he had sent out with Mr. Jean-Claude Faure, to which were annexed very specific recommendations that the IAWG had agreed would enhance implementation and follow-up in the pilot countries. He added that the need to ensure effective follow-up was reflected in paragraph 5 of the joint communiqué of IF Heads of Agencies (document WT/IFSC/1), which instructed the UNDP and World Bank representatives to enter into coordination with bilateral donors and LDC beneficiaries to identify lead donor responsibilities, to effect follow up in Pilot Countries.
  5. On appraisal of the IF Pilot Scheme, he recalled that it had been agreed that agencies should undertake an appraisal of the Pilot Scheme, and that following this, there should be a review of the

Pilot Project. He said that progress had been made on the IF, but that weaknesses remained. Some of the areas of weakness were:

- effective implementation of follow-up;
- absence of a clear designation of roles and responsibilities for agencies, donors, and beneficiary countries; and
- indicators for evaluating progress.

6. Mr. Osakwe noted that the state of documentation needed to be improved.

7. On the extension of the IF Pilot Scheme, he recalled that it had been agreed that the five IF "Roundtable LDCs"<sup>1</sup> were also part of the Pilot Project. He also recalled that at the last meeting, the IFSC had agreed to extend the IF to eleven LDCs: Burundi, Djibouti; Ethiopia, Eritrea, Guinea, Senegal, Lesotho, Malawi, Mali, Nepal and Yemen. He said that IF Heads of Agencies had, as recorded in paragraph seven of the communiqué issued following their meeting, reconfirmed the extension of the IF to these countries. Work had already commenced in Lesotho, Malawi, Senegal, and Yemen. Regarding the state of the IF Trust Fund, he said that there was a discrepancy between pledged contributions and actual remittances to the Fund, and this could affect the actual progress of work.

8. On the meeting of the IF Heads of Agencies, he said that the communiqué that had been issued consisted of three main parts. In the first four paragraphs, the Heads of Agencies welcomed the launch of the Doha Development Agenda, and stressed the importance of coherence between trade and development communities. The central importance of technical assistance was underlined, and it was emphasised that technical assistance and enhanced market access went hand in hand. The importance of integrating trade liberalisation into development frameworks was also stressed. In the second part of the communiqué, Heads of Agencies focussed on the need for effective follow up to the Pilot Project countries. They also agreed to extend the benefits of the IF to all LDCs, as far as possible, before the conclusion of the Doha Trade Round, on the basis of the agreed criteria. Heads of Agencies instructed the UNDP and World Bank representatives to enter into coordination with bilateral donors and LDC beneficiaries to identify lead donors who would be able to effect follow up in Pilot Countries. The third and last part of the communiqué was dedicated to identifying areas where heads of agencies would agree to work together to support the Doha Development Agenda. He said that each Head of Agency gave a precise list of what agencies could do to support LDCs and developing countries in the context of current negotiations. On the question of coherence and coordination between providers of technical assistance and capacity building, the Heads of Agencies explicitly endorsed the creation of a trade-related technical assistance database. He said the database would be predicated on agreed categories of trade-related technical assistance and capacity building, to which agencies and country providers would report.

9. The Chairman thanked Mr. Osakwe for his summary presentation. He said that he was somewhat unhappy with the state of documentation, notably in connection with the timeliness of distribution, and added that it was necessary to improve performance in this respect.

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<sup>1</sup> Bangladesh; Gambia; Haiti; Tanzania and Uganda

C. IMPLEMENTATION OF THE IF PILOT SCHEME IN CAMBODIA, MADAGASCAR AND MAURITANIA: FOLLOW -UP TO THE DIAGNOSTIC TRADE INTEGRATION STUDIES: (TECHNICAL ASSISTANCE MATRICES: DOCUMENTS TO BE ISSUED).

10. The Chairman said that the Diagnostic Trade Integration Studies for the three pilot countries – Madagascar, Mauritania, and Cambodia - were available in the room. The studies contained technical assistance matrices, which identified prioritised capacity building needs. They also contained policy recommendations aimed at enhancing the country's integration into the world economy. The studies had been discussed extensively in Integrated Framework Workshops held from 5-6 November 2002 in the case of Mauritania, and 19-20 November 2001 in Cambodia. The workshop for Madagascar was yet to be held.

11. The Chairman recalled that the DTIS responded to the need to create an adequate policy framework that would enable trade policy, and trade-related capacity building and technical assistance, to be "mainstreamed" into overall development strategies geared to the reduction of poverty. He congratulated the World Bank for taking the lead in the preparation of the studies, and other agencies and donors for their constructive engagement in the process. As the IF was still in a pilot phase, a number of aspects of the process could be strengthened. He believed that there was now a concrete menu of technical assistance and capacity building needs. As the Heads of the Six Core IF Agencies made clear in their recent communiqué, the onus was very much now on development partners to ensure that concrete follow up took place. For this reason, he believed that this agenda item was a critical one, which he expected to find at every single IFSC meeting henceforth.

12. The Chairman invited Mr. Ataman Aksoy from the World Bank to provide an update on "progress to date" on the implementation of the IF Pilot Scheme.

13. Mr Aksoy said he would begin by providing some background to the DTIS process. He said that it was an observed fact that over the last decade, tariffs in LDCs had fallen dramatically, quantitative restrictions had been almost all eliminated; and foreign exchange controls had been relaxed. There had thus been significant changes in LDC's trade regimes. However, if one compared trade and GDP data for middle income countries with data for LDCs (controlling for countries experiencing conflict), growth rates for LDCs were about half those for middle income countries. Thus, the response to liberalisation had been much lower than anticipated. When one sought an explanation for this phenomena, types of constraints on growth responses to liberalisation could be identified: first, there were the "behind the border" constraints, which had little to do with trade regimes *per se*, but which limited supply responses to liberalisation; and second, market access restrictions which were now beginning to be binding constraints on LDCs' growth. He referred to graphs he had prepared which showed that the tariffs faced by rich producers were lower than those faced by poor producers, despite preferential agreements. The reason was that principally the exports produced by the poor were concentrated in agricultural products and low-wage manufacturing products. He said that tariffs in these areas were roughly three times higher than tariff faced by most industrial goods.

14. Based on these facts, he said that the purpose of the DTISs was to respond to this new trade agenda. Consequently, the studies focused on global market access issues, on trade in services; on the regulatory framework for production; on trade facilitation; and conditions in key sub-sectors identified for each country. The DTIS then looked on the impact of the elimination of these constraints on poverty, and on this basis developed a matrix of identified TA priorities and policy issues. He said that the studies brought out the fact that policy issues were as important as technical assistance issues.

15. Turning to the work undertaken in the Pilot Countries, he said that missions to Mauritania and Madagascar had taken place in July 2001, and to Cambodia in August 2001. By the end of November, three reports had been completed, and national workshops had been held in Cambodia and Mauritania. He said that work had begun in Yemen, Lesotho, Malawi, and Senegal. He said that the mission to Senegal had taken place in February, the mission to Malawi in March; the mission to Lesotho would take place in April; and the mission to Yemen in May.

16. He said that the findings from the studies showed that constraints were country and sector specific. However, a few areas had come up regularly in the studies. Trade facilitation and transport were much more important constraints now that the trade regime was more liberalised. Second, preferential market access played an important role in trade expansion flowing from domestic reforms. He illustrated these points with examples from the Cambodia DTIS. Concerning trade facilitation, the study showed that export procedures and payments (legal or illegal) added about 15 per cent to the export price of rice. The simple elimination of this excess could increase the income of poor farmers by 2 to 6 per cent. Port charges in Cambodia were nearly four times higher than those in neighbouring Thailand. Nearly ninety-nine percent of trade firms interviewed identified customs procedures, export licences and procedures as their biggest constraint. The Mauritania DTIS showed that whereas it cost 2000 Dollars to ship a forty-foot container from Baltimore to Hong Kong, it cost over 7000 Dollars to ship the same container from Baltimore to Nouakchott. While a number of factors entered into play, some of these related to maritime rules and the existence of quasi cartels. The magnitude of the implicit tax involved was many times that of existing tariffs.

17. Mr. Aksoy said that while the studies were important, follow up in terms of technical assistance and policy action was also critical. Follow up required leadership by beneficiary countries, and the close involvement of agencies and donors. A number of challenges were faced in the follow up process. The first was managing expectations. There was a long lead time between the completion of the DTIS and their incorporation into the PRSP process. Furthermore, improved trade outcomes would manifest themselves mainly over the medium term. Quicker trade outcomes would be possible if there were to be improved market access in key areas of export interest, notably agriculture. Second, there was a need to maintain and manage partnerships with donors and agencies established over the past year.

18. The Chairman thanked Mr. Aksoy for his presentation, and handed the floor to the representatives of the three Pilot Project countries – Cambodia, Madagascar, and Mauritania, which had benefitted from the DTIS process.

19. The representative of Cambodia said that his country saw the IF as a way of drawing benefits from globalisation. One of the reasons for moving fast was that his government saw trade as a substitute for official development assistance. Over the last few years, Cambodia had doubled its trade. The government was aware of the importance of integrating trade and development policies, and of implementing a complementary reform agenda. He said that the principle of country ownership was an important spur to quick reforms. He said that a trade sector strategy had been presented to a Consultative Group meeting in June 2001. This provided the impetus to work on the DTIS, and to finalise a matrix of technical assistance in December 2001. He said that the DTIS focused on policy constraints, as well as constraints and opportunities in key sectors: rice, agriculture, fisheries, garments, tourism, and labour services. The report also looked at developments in trade policies in major export markets. He said lessons from the DTIS had helped Cambodia frame policy responses. Trade policy was now part of the five-year plan; and the Ministry of Commerce was an integral part of the PRSP team. He said that the development of a growth corridor between the capital and the deep sea port was being explored, as well as the establishment of a free trade zone with Thailand. Cambodia had also appointed a full time ambassador to the WTO. In response to the DTIS, port charges were being examined, as were export charges on rice.

20. The representative of Cambodia said that steps had been taken to ensure that trade policy formulation was a participatory process. He identified two broad categories of technical assistance: assistance for compliance with rules; and capacity building to enhance trade competitiveness. He said that the strength of the IF was to bring together the expertise of the six agencies in responding to these needs. His government had used the IF to draw support from various bilateral agencies. He said that the IF process had required a big investment of political capital, and it was therefore necessary to keep the momentum going. He said that in this respect he was happy that the 30<sup>th</sup> meeting of the IAWG had approved the first follow up project for Cambodia. He said that it was also important to ensure that political commitments made by ministers translated into a practical difference at the technical level. He pointed to Cambodia's recent experience at the second meeting of its working party on accession, at which he felt the political commitment made by ministers had not filtered down to the technical level. He said that concrete commitments, and not paper were needed.

21. The representative of Madagascar said that the government of Madagascar had participated in the Integrated Framework since its inception in 1997. An IF workshop was held in early 2000, and a trade strategy paper had been prepared. At this point, new arrangements for the Integrated Framework were developed following the inter-agency meeting held in July 2000. Following the initiation by Madagascar of efforts to integrate trade and sector strategies into an overall development framework, Madagascar was selected to participate in the IF Pilot Project. A Diagnostic Trade Integration Study was prepared in October 2000, but prevailing political conditions prevented the holding of a workshop. Nevertheless, the trade ministry was consulting with agencies and donors on how to ensure follow up to the DTIS. A delegation from the ministry of commerce was to visit agencies in Geneva from the 17 to 24 March 2002, in order to prepare a specific project document. Madagascar was conscious of the role of trade in development and poverty reduction. It counted on donors and agencies to work in partnership with Madagascar to ensure that the momentum created by the DTIS process was preserved.

22. The representative of Mauritania underlined the importance given by his government to the Integrated Framework. He recalled that Mauritania had prepared a needs assessment under the old version of the IF, and that throughout 1999, the government had begun a comprehensive domestic process to integrate trade and development strategies. In January 2000, a high level meeting was held involving domestic stakeholders, agencies and donors, with a view to preparing an IF round table. In July 2000, heads of agencies decided to review the working of the IF, and Mauritania was selected as one of the Pilot Countries. In December 2001, the results of the DTIS process were presented to the Consultative Group meeting for Mauritania held in Paris. The government committed itself to integrating the findings of the DTIS into a poverty reduction strategy. The matrix of technical assistance needs clearly identified priority areas of action. He drew the attention of the meeting to a draft proposal developed in cooperation with the UNCTAD and the ITC, which – drawing on the matrix of TA needs- identified three project areas: a trade information centre; a centre to promote fisheries projects; and a programme for training for trainers in international trade matters. The government was looking forward, after four years of process and studies, to seeing the first concrete responses materialising on the field.

23. The Chairman said that the statements made were encouraging, and showed that the IF process could make a difference. He recalled the point made by the World Bank that the IF was not a quick fix, and that results would require perseverance.

24. The representative of the United Kingdom, speaking on behalf of bi-lateral donors, welcomed progress that was being made under the IF pilot programme and thanked the countries and agencies for their reports and presentations. Donors believed that it was important to remember that the primary objective of the new IF approach was to embed a trade agenda into the development strategy of a country and notably with respect to the PRSP and UNDAF process. Indeed in terms of appraisal of the pilot programme this had to be a key benchmark to monitor the success of the initiative.

Importantly, the close partnership of the IF process with a country's development strategy allowed for the presentation of the prioritised matrices of trade-related capacity building needs at the Consultative Group and Round Table meetings of the World Bank and UNDP respectively and to which the major donor resources for large-scale capacity building needs were made available. The resources committed to the IF trust fund by bilateral donors now exceeded \$ 9 million (or CHF 15 million). This was considerable given the short time that the new IF process had been in place (there were seventeen bilateral donors).

25. The representative of the United Kingdom stressed that the bilateral response had to be accompanied by multilateral agency action to the prioritised matrices. Equally a considerable element of the DTIS consisted of policy recommendations which if appropriately undertaken were of significant benefit to recipient countries. Besides donor activities in the CG and Round Table process and their contribution to the IF trust fund, in terms of "fast tracking" follow-up to the diagnostic studies, donors had strong sympathy with the idea of a "lead donor role" (as detailed in paragraph 5 of the Joint Communiqué of the Heads of Agencies). Indeed donors had already identified six of the countries where IF work is already being undertaken and where they were prepared to act as lead donors (of course subject to consultation with recipient countries), and were working hard to cover the other countries. However, it needed to be stressed that the role of lead donor was not to act as donor of last resort, but as one having a strong field presence, it allowed donors to play a catalytic role. By being engaged from the outset in the IF process in-country, this would facilitate good donor follow-up after the completion of the diagnostic studies. In this respect, donors believed that clear commitment to reform and effective follow-up action on the part of the pilot countries were fundamental. Local ownership was critical for successful capacity building. However, it was recognised that capacity to co-ordinate was limited in many least developed countries and needed to be facilitated and financed. Consideration needed to be given to using funds from the IF trust fund to assist countries to translate country action plans into concrete priorities and to co-ordinate with donors. Obviously, all parties needed to work together to specify guidelines in this regard.

26. The representative of the United Kingdom said donors believed that the matrix of capacity building needs which evolved from the process more easily attracted donor and multilateral agency responses than stand-alone initiatives, and could be met through the normal round table and consultative group process, bilateral donor country programmes, and according to the comparative advantage of activities, by the other multilateral agencies. In addition, bilateral donors recognised that they did not have country programmes in all of the IF pilot countries undertaken. To address this, support to implementing agencies such as UNCTAD and ITC was being considered, and already some donors had started discussions and identified funding to be provided to those agencies to support items listed in the prioritised matrices for the pilot countries. Finally, donors were very supportive of the philosophy of the "IF concept" as now currently crafted. The tripartite process of involving recipient and donors countries working with the multilateral agencies provided a very transparent mechanism to move ahead. They believed it provided a viable structure to ensure effective delivery of trade-related capacity building and co-ordination to avoid duplication and moreover to provide a coherent policy framework to ensure that the benefits of trade are realised by developing countries.

27. The representative of Canada said that the donors collectively had crafted the statement made by the United Kingdom, and wished to place on record Canada's positive assessment of the state-of play-in the IF process. She said that it was very important that once trade was mainstreamed that beneficiary countries raised the issue in capitals with donors.

28. The representative of the United States said that United States aid missions had been encouraged to expand trade-related capacity-building in their programmes. Several meetings had been held with the World Bank and the Pilot project countries, and responses to the matrix of prioritised TA were being identified. The United States government would implement these programmes as soon as possible. The United States was engaged with the government and the private

sector in Zambia to encourage trade mainstreaming in Zambia, and was also engaged in parallel IF activities in Mali and Mozambique. The United States was ready to assume the role of lead donor in Mali, and was looking into what role they could play in Burundi; Djibouti; Eritrea; Ethiopia; Guinea; Lesotho; Malawi; Senegal; and Yemen.

29. The representative of Denmark said that the government's basic policy document gave priority to trade-related capacity building, which was being integrated into bi-lateral programmes. Denmark was also prepared to continue its support of multilateral trade cooperation. As the latest budget in Denmark had yet to be passed, it was more difficult for him to provide any specific details on actual levels of commitment.

30. The representative of the European Communities said that ownership by beneficiary countries was critical. It was necessary that the governments of beneficiary countries should be fully behind the changes and actions that needed to be effected on the basis of the DTIS process. He complemented the government of Cambodia for its commitment to the process. He asked that the WTO Secretariat ensure that the final versions of the documents be prepared.

31. The representative of the Netherlands said that it was important to increase awareness of the Integrated Framework at the field level. He said that the Netherlands had taken steps to ensure that field officers and ambassadors were briefed on the IF.

32. The representative of Uganda said that it was pleased that lessons learnt from the past had yielded good results. He said there was a clear attempt to mainstream trade into development strategies. He said that if the IF failed, talk about coherence would remain a pipe dream. It was therefore refreshing to see that there was evidence of increased coherence on the part of donors and also of beneficiary countries. He said that the designation of lead donors in certain countries was welcome, and that lead donors would be useful in coordinating follow-up. He said there was value in the idea, first mooted at the IAWG meeting in Paris, of using Trust Fund money in assisting the beneficiary country to take the lead to ensure follow-up.

33. The Chairman invited the agencies to take the floor to present how they envisioned following up on the pilot projects.

34. The representative of the World Bank said his agency was working closely with the IMF on three dimensions: (i) getting country teams and governments to consider policy issues identified in the study in order to bring these issues into the country team's discussions with governments. (ii) working within PRSP teams to channel the DTIS findings into the PRSP (iii) using outstanding monies from the sum allocated from the IF Trust Fund for the DTIS to help implementing counterparts in beneficiary countries to articulate the projects and programmes identified.

35. The representative of the UNDP said it was necessary to distinguish between what could be done in terms of supporting the process, and the programmatic dimension. Supporting the process, the UNDP was active in financing workshops and studies. This was set to continue. In terms of financing the issues identified in the matrices, the review of the UNDP's multi-year programme would lead to a re-allocation of resources, especially in the area of linking trade and poverty reduction. In relation to Cambodia, he said that the UNDP could act at three levels. First, a regional programme on trade, investment and poverty reduction in Asia had been approved. From this programme, resources would be made available for Cambodia in the context of the programme's activities. Second, the UNDP- UNCTAD programme on policy advice and competitiveness would be used as a vehicle to finance activities in Cambodia. UNDP field officers had also participated in collaboration with the ITC in the development of a project which was to be funded by the Japanese funds in the Trust Fund earmarked for Cambodia.

36. The representative of UNCTAD said that UNCTAD had embarked on the preparation of technical assistance proposals based on the TA matrices found in the DTIS. He said that there was close consultation between UNCTAD and the beneficiary countries in the preparation of these proposals. He said that the proposals were being shared with partner agencies to identify complementarities in action. He said that proposals would also be shared with lead donors. Project documents had four components: (i) background and mandate (ii) brief project description relating the project to the TA matrix (iii) a timeframe for the implementation of the project; and (iv) an estimated budget. In the case of Cambodia, UNCTAD intended to present a project related to WTO accession; a review of preferential arrangements; projects related to assistance to the reform of ports; projects related to the training of port managers; projects related to ASYCUDA; and projects related to the tourism sector.

37. He said that in the case of Mauritania, the areas identified were: strengthening capacity in international trade; training in modern port management; improvements in the investment regime; support for the development of the tourism sector; and improvements to ASYCUDA. Finally, in relation to Madagascar, the areas identified were: training of trade negotiators; implementation of the advanced cargo information system; ASYCUDA; capacity-building in competition policy and law; capacity building in the information sector; capacity-building in the tourism sector. He said that UNCTAD was undertaking these activities within existing resources and capacity. It had devoted two full time staff to follow up the DTIS and to coordinate with partner agencies. He said that UNCTAD's capacity would need to be enhanced as the Integrated framework was extended to more LDCs.

38. The representative of the International Monetary Fund said that the IMF was not a project executing agency, but that its focus lay in ensuring the overall integrity of the project framework, and the consistency of the projects with the objectives of growth and poverty alleviation. The IMF also provided technical assistance on tariff policy and customs administration, which totaled 6 million dollars per year. Currently, 14 LDCs benefited from such assistance. For example, the IMF had placed a resident customs adviser in Cambodia. He said the DTIS had been circulated to country mission chiefs, who expressed their satisfaction with the work done.

39. The representative of International Trade Centre said that the ITC worked in close collaboration with the Agence Intergouvernementale de la Francophonie in assisting the three LDCs in the preparation of the DTIS. Regarding Mauritania, he said that the ITC had developed two project documents, which focused on two projects: a training centre; and centre for promoting fisheries exports. Regarding Madagascar, ITC was helping to organise a familiarisation visit in late March in Geneva, to help develop a project document. Regarding Cambodia, he said that there were two contributions; developing a national unit to monitor trade and poverty issues; and strengthening supply side responses in agriculture, fisheries and handicrafts.

40. The representative of the WTO said that follow-up to the IF was a prominent part of the Technical Assistance Plan. Regarding Mauritania, the technical assistance needs considered were those identified in the DTIS matrix, and raised in a separate letter to the Inter-agency Working Group by the Minister of Economic Affairs. One area for action was customs valuation and support in the area of customs administration constituted the priority axis of intervention by the WTO. Four areas of assistance could be identified: revision of the legislation and regulations in force; a draft revision of the customs code was in preparation; training of staff; information and sensitization on customs-related questions and problems; and setting up a national tariff and its proper implementation ( this was linked to the question of dealing with under-invoicing). The second area consisted of support for economic competitiveness and regional integration. This area of action would consist in providing information and training senior staff in various ministries dealing with trade-related issues to deepen their knowledge of the world trading environment. Priority sectors were: investment; intellectual

property; regionalism; trade and environment; trade negotiations; the interaction between WTO rules and the Cotonou process; and opportunities arising out of preferential market access schemes.

41. The WTO representative said that regarding Cambodia, the chief components were activities in the areas of customs and agriculture. More general requests in the matrix relating to services could be accommodated through regional events, such as for example the various regional workshops on GATS and GATS related issues to be conducted in the ESCAP/ASEAN region. On customs, the WTO could organise a technical mission or workshop on customs valuation. To maximise the outcome, this activity should be undertaken in collaboration with other agencies. Assistance for Cambodia in its process of accession was an overarching theme which encompassed the other specific issues. The WTO had already planned a specific technical mission to provide assistance in relation to commitments in agriculture.

42. The representative of the European Communities said that he was struck by the fact that the agencies had individually identified follow-up activities. He asked how the agencies envisioned coordination amongst themselves in the follow-up process, and also with donors. There needed to be a way to coherently disseminate information on a coordinated basis. This could be done on an in-country implementation basis, through a unit.

43. Mr Osakwe, speaking in his capacity of Chairman of the IAWG, said that the importance of coordination was recognised. One of the decisions taken was that without prejudice to individual statements, it was agreed that agencies would make a coordinated statement on follow up at the next meeting.

44. The Chairman said he would attempt to draw some conclusion on this agenda item that reflected what had been discussed, which he hoped would help the IF process produce tangible results. He concluded as follows:

- (i) First, as far as the three Pilot Countries were concerned, the diagnostic studies and the prioritised matrices for technical assistance had been a success. There was a clear picture of what was needed, and the impact that actions taken could have. Two countries had held IF roundtables (Cambodia and Mauritania), and the third, Madagascar, was to hold one as soon as the domestic situation permitted it. It was therefore necessary to proceed to the second stage;
- (ii) Second, the main responsibility of coordinating the follow up, following the logic of mainstreaming trade into development plans, clearly lay with the beneficiary countries in their capitals;
- (iii) Third, bilateral donors and agencies had made useful and positive statements, showing they were ready to move further. All of them had indicated that they would, within their respective capacities and mandates, contribute to the continuing endeavour. Recipient countries had taken this on board and appeared to have clear ideas as to whom they should address. Beneficiaries may express preferences as to which partner could play the role of lead donor (not donor of last resort) with them on coordinating follow-up;
- (iv) Fourth, while it was not possible to formally appoint lead donors or agencies at this stage, there were indications to suggest that there would be beneficiary countries that would be able to work in partnership with lead bilateral donor or multilateral agency, in order to carry the process to the next step; and,

- (v) Finally, the idea, suggested by some speakers, of using trust fund money to facilitate coordination in the second stage could be explored. This could be complicated as it involved financial rules, and it was necessary to determine if donors were willing to accept such a use of their contributions. But it was a good idea, and he would see if by the next meeting progress could be made on the matter.

The meeting took note of the statements made and endorsed the chairman's conclusions.

D. IMPLEMENTATION OF THE FOLLOW-UP ACTIVITIES TO THE IF ROUND TABLE MEETINGS IN BANGLADESH, THE GAMBIA, HAITI, TANZANIA AND UGANDA: REPORT BY ITC .

45. The Chairman recalled that under the old Integrated Framework, Bangladesh, the Gambia, Haiti, Tanzania, and Uganda had organised country round tables to generate responses to their needs assessments. He also recalled that subsequently, the IFSC at its first meeting had requested the Inter Agency Working Group to consult with the five Governments to examine the trade-related technical assistance projects presented at the round tables, and identify and prioritise those projects in support of mainstreaming. It was agreed that this list of prioritised projects would then be considered by the IF Steering Committee for funding through the IF Trust Fund within a ceiling of US\$300,000 for each country. At the 3<sup>rd</sup> session of the IFSC, the ITC had presented projects proposals for the five countries, and they had been approved by the Steering Committee at referendum. He invited the ITC to make a progress report on the implementation of the activities contained in the approved projects.

46. The representative of the ITC recalled that at the third session of the IFSC, the follow up projects to the five roundtables were approved. All projects submitted were designed to support governments in their efforts to mainstream trade into their national development plans, to provide linkages with export-led poverty reduction strategies, and to assist exporters integrate into the global trading system. He said the documents were submitted to the government for formal approval, as well as the UNDP, and became operational in January. The report containing details of developments in country projects are annexed to these minutes.

47. The representative of Haiti said that the fourth session of the IFSC demonstrated the progress that had been achieved on the Integrated Framework. First, he said that the report by the ITC accurately reflected the work undertaken in Haiti. He said that the IF had fostered much closer links between the government and the private sector. Secondly, he said that the ITC was in daily contact with the Haitian ministry of Trade to move the IF forward. A dialogue had been established between the Ministry of Trade, the Chamber of Commerce, the Inter-American Development Bank and the European Communities to develop specific projects for capacity building for both the government and the private sector. He said that the ITC was uniquely placed to assist both the public and private sectors. He said that it was important to continue to follow up on the five round table countries. He said that the 290,000 US Dollars initially devoted to follow-up activities had been utilised, and that Haiti would soon be soliciting additional support. There was now substantial momentum in the Integrated Framework, and he impressed on the development partners who were going to make contributions at the 11 March pledging conference that money devoted to trade-related capacity building was money well spent.

48. The representative of Uganda said that the five roundtable countries should also be considered to be Pilot Project countries, and that lessons drawn from the DTIS process be applied to the five roundtable countries. He said that Uganda was putting much emphasis on strengthening institutions that would foster cooperation between the private sector, the government, and civil society in terms of policy-making. He said that Uganda's inter-institutional IF committee also played a key role in economic policy-making overall. A national export strategy study was also being drafted. It was hoped that this would be mainstreamed into the poverty reduction strategy .

49. The representative of Bangladesh said that the ITC carried out an initial mission to initiate follow-up, and looked forward to concrete results.

50. The Chairman said that the key outstanding question related to how to proceed. He recalled that it had been discussed as to whether new diagnostic studies should be introduced to these countries. This had been considered to be too unwieldy. He said that the example of Uganda's export strategy being mainstreamed into the country's poverty reduction strategy was useful. He suggested that the ITC should look at projects that could assist the five countries in their mainstreaming endeavours.

51. The meeting took note of the statements made.

E. APPRAISAL OF THE IF PILOT SCHEME: REPORT BY THE IAWG CHAIRMAN

52. The Chairman said that Members had before them an informal document which compiled the views submitted by some of the IF agencies regarding the implementation of the IF Pilot Scheme, based on experience to date. He said it was necessary for the passage of time to draw the full lessons from the pilot project. However, an honest appraisal was welcome at this juncture, given the completion of the DTIS in Cambodia, Madagascar, and Mauritania, and the DTIS processes under way in some LDCs. He invited the Chairman of IAWG to make some brief introductory remarks on the reports.

53. Mr Osakwe said that the document contained the views of four organisations which had made written submissions: the IMF, UNCTAD, the World Bank, and the WTO. The appraisal document did not deal with the Integrated Framework in its entirety, but focused on the implementation of the Pilot Project. He said that there were several points that had been raised in the appraisal exercise, as follows:

- First, the DTIS's had been of very high quality;
- Second, trade-related technical assistance and capacity building did not work if it was not delivered within a coherent policy framework;
- Third, there was huge scope for improvement in terms of coordination. To begin with, improvement could be made to coordination within beneficiary countries: amongst various ministries and departments who needed to come to a common understanding on the role of trade in development. In this respect, a problem existed in the fact that the focal point for the Integrated Framework often was accommodated in a different ministry from the coordinating point for the PRSP and for national development plans. It was therefore clear that resources from the DTIS had to be properly linked to the PRSP process, and internalised by the ministry responsible for the PRSP or development plans. On the side of agencies, more needed to be done to coordinate responses;
- Fourth, there was a lack of clarity in the definition of the respective roles and responsibilities of beneficiaries, agencies, and donors. Steps had been taken to address this. The donors had agreed to designate lead donors to assist in coordinating follow up. He also referred to paragraph 5 of the joint communiqué by heads of agencies, which instructed the UNDP and the World Bank to enter into consultations with donors and beneficiaries to help identify lead donors. However, more thought was required in developing a systematic country follow up process;

- Fifth, it was recognised that the cycles of the DTI and the PRSP did not match. It was necessary, therefore, to consciously link the two cycles into a lock-step process;
- Sixth, it was necessary to ensure that pledged commitments were matched by disbursements. He said that some of the pledges were time-bound; and,
- Finally, it was necessary to develop indicators to rigorously evaluate the Pilot Project.

54. The representative for the World Bank said that the World Bank had initiated a number of changes to the way the DTIS process was conducted. A preliminary mission was put in place to ensure proper coordination with other agencies, donors and beneficiaries, from the start of the process. Second, there were time-lags in processes like the PRSP. It was necessary, therefore, to understand that adjustments could not be made overnight. He added that since May 2001, the amount of interaction between the World Bank and donors had increased greatly. He said that the follow up to the DTIS would determine the success of the process. This was not purely a question of the delivery of technical assistance: the DTIS process showed that 60 percent of the factors constraining the integration of LDCs into the world economy were policy issues. The success of the project needed to be measured not simply in terms of the quantum of technical assistance delivered, but also in terms of changes to the policy environment and in institutional capabilities.

55. The representative of the European Commission said that the World Bank was to be commended for the high quality of the studies. For its part, the European Commission wished to see greater attention given to the regulatory and institutional framework relating to international trade. Regarding the concept of lead donors, he said that it was important that beneficiaries were in agreement with the concept. He said that in the long run, the aim should be to ensure that beneficiary countries were in the driving seat.

56. The representative of the United States said that the United States was impressed by the commitments made by agencies in the joint communiqué issued by heads of agencies. It was vital that multilateral agencies and bi-lateral donors make commitments to address urgent trade-related capacity building needs, and to begin preparations for long term capacity building, infrastructure needs and policy reforms. She encouraged the agencies to investigate mechanisms for creating other operational trade programmes. Concerning the DTIS, she suggested that they be put on-line to facilitate access. Concerning lead donors, she asked if it was possible to get feedback from beneficiaries regarding the concept.

57. The Chairman recalled that a first discussion had taken place earlier under the item on follow up to the pilot projects.

58. The representative of Lesotho said that capacity in capitals was an issue regarding follow-up. Assistance was required to put into place the structures to derive benefit from the IF. He said that it was a good idea to have lead donors to coordinate the process. He said that as part of the Investment Policy Review with UNCTAD, a lead donor had been identified, and thus a similar exercise could be undertaken in the IF. It was necessary that the lead donor chosen had an understanding of the dynamics in the beneficiary countries.

59. The representative of Uganda said that the pilot projects represented an improvement over the old IF. He underlined the importance of follow-up. He said that the idea of a lead donor was a good one, provided it was understood that it would not be a donor of last resort, but would focus on coordinating follow-up. He said that in some cases it was necessary to develop institutional capacity amongst donors to coordinate follow-up.

60. The representative of Haiti said it was necessary to consult with his capital on the concept of lead donors. It was important to look carefully at what donor would play the lead role.

61. The representative of the United States thanked beneficiaries for their input. She recalled that lead donors could be either bilaterals or multilaterals. The role of the lead donor was indeed related to coordination, and ensuring consistency in the process.

62. The meeting took note of statements made.

F. EXTENSION OF THE IF PILOT SCHEME: PROGRESS REPORT BY THE WORLD BANK.

63. The Chairman recalled that, pursuant to Paragraph 11 of the framework document of the IF Pilot Scheme, the Inter-Agency Working Group (IAWG) at its 27th Meeting, 6-7 September 2001, reviewed the on-going implementation of the Pilot Scheme in the LDCs and considered its extension to other LDCs. As a result, the IAWG agreed that the following eleven LDCs be considered for the next phase of the IF Pilot Scheme: Burundi, Djibouti, Ethiopia, Eritrea, Guinea, Lesotho, Malawi, Mali, Nepal, Senegal and Yemen. The Steering Committee took note of the list of the pilots at its third session, and the extension was confirmed by the Heads of IF Agencies at their meeting in February. The chairman invited Mr. Ataman Aksoy from the World Bank to present a progress report on the extension of the IF Pilot Scheme.

64. Mr. Aksoy said that when the eleven countries had come forward expressing an interest in the IF, the World Bank had consulted with its country teams and with governments about the timing, organisation, and structure of missions. At the last IFSC meeting, clearance had been given to go ahead with four of the countries. He said that work on the other seven countries would begin.

65. Mr. Osakwe clarified that the extension of the IF to eleven Pilot Project countries had been confirmed by the Heads of Agencies at their meeting in February 2002, and this was recorded in paragraph 7 of the joint communiqué.

66. The representative of Burundi said his government welcomed the support given by agencies and donors to the IF. Burundi was happy to be on the list of pilot project countries. He said that, following a request by the government, the UNDP had initiated together with UNIDO an assistance programme for the formulation of the integrated framework, and for industrial and commercial re-deployment. Two studies had been carried out: one on the elements of industrial strategy; and the other on the legal, institutional, administrative, and regulatory framework of the industrial and trade sector. He said that the two studies were finalised in November 2000, and some recommendations had emanated from it. First, identification of projects that could be put into practice by private operators. Second, evaluation of the institutional, legal, and administrative framework for the promotion of the industrial and private sectors. Third, the aim of producing a diagnostic study that would serve to support the rehabilitation of Burundian industry and its integration into world markets. Fourth, putting in place support framework for export crops. Finally, developing projects that would be highly labour intensive in order to raise the purchasing power of the population at large.

67. He said that the participants at the finalisation workshop had taken note that the integrated framework process tied in with the national development strategy through the development of the private sector. Consequently, a further project would be aimed at fostering the links between the integrated framework and the private sector, to enable private sector agents to identify areas of export interest. An administrative unit already exists, drawing on the expertise of the World Bank, the UNIDO, the UNDP, and the ITC. This unit already supported a private operator in the area of essential oils for agro-alimentary, pharmaceuticals, and cosmetic purposes. The other areas of interest were flowers, fruit and vegetables, textiles, confectionery and cereals. Terms of reference had been

drawn up to examine the impact of transport conditions and the institutional framework, on the development of non-traditional exports. This same study would also look at small and medium scale enterprises, and the strengthening of standards. There would also be a section devoted to services and mining. All this would lead to a national strategy and implementation timetable. For all these reasons, Burundi looked forward to the implementation of the DTIS phase of the IF pilot project.

68. The representative of Benin said that his delegation had followed with interest discussions on the integrated framework. He said that the integration of trade into national development plans for poverty reduction was a universally shared goal. In the light of the positive experience of the pilot project countries, Benin requested to be included in the next list of least developed countries to be covered by the IF.

69. The representative of Yemen said that the World Bank had conducted a preliminary mission to Sanaa in February and that this had been fully satisfactory. He said that with regard to the question of lead donors, his delegation would consult with its capital.

70. The representative of Ethiopia said Ethiopia was pleased to be included in the second phase of the pilot programme. She said the World Bank had consulted with authorities as to how to proceed. Referring to the long lead time between the preparation of the DTIS and its incorporation into the PRSP, she said that her country was busy with the PRSP process, and would finalise this in the course of the year. The question remained as to how to integrate the DTIS into the PRSP.

71. The representative of Guinea said that Guinea had been participating in the IF since September 1997, the date at which it had formally submitted to the six agencies its needs assessment. She said the implementation of follow up activities was supposed to enhance the contribution of trade to development. She said that a delegation from Guinea had taken part in an informal roundtable in Geneva at the WTO, with development partners. A multi-year strategy document was presented. Following this meeting, the authorities had initiated, in collaboration with the UNDP and the UNIDO, a process of reflection regarding the development of the private sector, and this included a chapter on trade. The government had benefitted from technical assistance from the ITC. This process had led to the identification of the strategic priorities for the development of trade, and a document setting out a poverty reduction strategy focusing on trade was developed. In October 2000, an intermediary PRSP had been drafted. This draft had emphasised the role of trade in poverty reduction. All these different actions were highlighted in document WT/IFSC/W/9. For these reasons, the six agencies had proposed Guinea take part in the IF pilot project. Guinea had sent officials from governments and participants from the private sector to better understand the working of the Integrated Framework. The representative of Guinea had also travelled to Conakry to follow up with the delegation that had gone to Mauritania, and to consult with agencies and development partners. On 4 March 2002, the government had written to the six agencies to say that all the conditions for participation in the DTIS were brought together. The government was ready to integrate the findings of the DTIS into the PRSP which would be finalised later in 2002. Guinea was ready to welcome the mission led by the World Bank from 5-8 April 2002. Guinea called for the support of all partners in the IF process to keep the momentum of the IF going in Guinea.

72. The representative of Uganda said that paragraph 7 of the joint communiqué by Heads of Agencies demonstrated the political commitment at the highest level to the integrated framework, and confirmed the extension of the IF to eleven new pilot project countries. This was to be welcomed.

73. The representative of Canada said that the question of extension had arisen in previous meetings. At first, Canada had been hesitant regarding extension, but given the results of the DTIS process in the three initial pilot studies, Canada welcomed the extension to eleven new countries. She said the designation of lead donors and their inclusion in the process from the outset would facilitate follow up.

74. The representative of the United States concurred with the Canadian statement, and was interested in knowing what preparations had been underway on the part of the World Bank.

75. The representative of the European Communities endorsed the statements made by the US and Canada, and welcomed the elaboration of a detailed calendar for extension. He recalled that at the last meeting of the IFSC, the IAWG had proposed the extension of the pilot phase to eleven new countries. There had been initial hesitation, but no objection had been stated within the two week time-frame the members of the IFSC had prepared themselves for comments. Therefore the extension had been approved.

76. The representative of Zambia asked whether it was possible for the steering committee to study the positive lessons learnt from the pilot studies, so that LDCs not participating in the IF could learn from the lessons.

77. The representative of Nepal said that his government looked forward to the IF mission, and enquired as to the precise state of the preparations.

78. The representative of the IMF said his organisation had always been concerned to preserve the integrity of the IF, and supported the extension of the IF to the eleven countries. He said that paragraph 7 of the joint communiqué of heads of agencies said that the lessons had to be drawn from the pilot projects; that the extension of the IF should be done on the basis of agreed criteria; and, that any further extension should proceed on the basis of a review of the IF.

79. The representative of the World Bank said the World Bank had been ready in October to extend the Pilot Project to all eleven countries. At the time, formal clearance was needed from the IFSC to proceed with the extension to all 11 countries, so a full timetable had not been drawn up. The World Bank was happy to continue and set up a timetable as soon as possible, and the interaction with countries had been kept up through country teams. It was therefore possible for the World Bank to revert to the IFSC with a timetable within a short space of time. He said that despite the increase in capacity at the World Bank to manage the IF process, it was not possible to conduct all the DTIS simultaneously. The World Bank would develop a timetable that would ensure that enough time and capacity were devoted to the studies, and which provided time for discussion by all partners.

80. The Chairman said there was no doubt as to where the process lay, and that everyone was agreed that the IF should be extended to all eleven countries. He said that this was clearly indicated in the joint communiqué by the six heads of agencies, and that those who had been doubtful about the extension of the IF project were now enthusiastically in favour of the extension. He said that the IFSC welcomed the preparation of a new timetable for the extension of activities to all eleven countries.

81. Mr. Osakwe recalled that the position of heads of agencies in favour of extending the Pilot Project to all eleven countries, and which was reflected in paragraph 7 of the joint communiqué, was not a matter for interpretation. Heads of agencies had unambiguously committed to the extension. He said that the points referred to by the representative of the IMF did not in anyway qualify the clear commitment to extend the IF to eleven countries. The reference to a thorough review of the IF related to the general extension of the IF beyond the eleven Pilot Project countries.

82. The representative of the United States thanked the World Bank for its positive attitude, and recalled that senior members of her government had written to the World Bank outlining their views, and that these had been accommodated. She said that the criteria that were set for extension covered aspects of progress that were desirable in pilot project countries. The criteria were therefore not impediments to extension. The United States looked forward to a timetable for the extension.

83. The representative of the European Communities recalled that the decision to extend the IF Pilot Project to eleven other countries had been taken at the third session of the IFSC.

84. The Chairman said that while there had been hesitations, the process had led to a universal endorsement of the decision to extend the IF to the 11 new least-developed countries.

85. The meeting took note of statements made.

#### G. REVIEW OF THE IF- INDICATORS FOR ASSESSING AND MONITORING PROGRESS IN THE IF

86. The Chairman said that owing to the lack of time, and because this item was not urgent, that the IFSC would revert to this agenda item at a subsequent meeting.

#### H. FINANCIAL REPORT BY UNDP ON THE IF TRUST FUND.

87. The Chairman said that the report was contained in document WT/IFSC/W/7/Add1. Due to time constraints, the IFSC would have a substantial discussion on this item at a subsequent date.

#### I. RATIONALISATION OF ACTIVITIES UNDER JITAP AND IF

88. The Chairman recalled that the current phase of the JITAP was drawing to a close at the end of the year, under the terms that had been agreed for its operation. The main question that needed to be answered was how to build on the successes of the JITAP; and, maximise the synergies with the Integrated Framework. He also recalled, in paragraph 39 of the Doha Ministerial Declaration, that Ministers instructed the Director-General to consult with the relevant agencies, bilateral donors, and beneficiaries to identify ways of enhancing and rationalising the IF and the JITAP.

89. The representative of Tunisia said the guidelines for the rationalising of JITAP and IF activities were in paragraph 31 of the Doha Ministerial Declaration. He said that there was little comparison between the two programmes. While certain actions undertaken under the programme were similar, the beneficiary countries – whether potential or current – were not identical. JITAP covered developing countries as well as LDCs. The implementation of the ministerial directive in paragraph 31 would need to focus on refining the type of actions conducted under the JITAP, but could not in any circumstance mean that the two programmes would be merged, or that one would substitute for the other. He said that the JITAP programme was a success, and this was borne out by the mid-term review, which had described the JITAP programme as a pioneer exercise that was unique in its kind. He said that for this reason, 25 other African countries had requested participation in the programme. One way of improving and rationalising the programme would be through a phase of extension and follow up, which would consist of the consolidation of the gains to date, capacity building efforts geared to strengthening integration into the multilateral trading system; and, strengthening export capacities through sector strategies.

90. The representative of Uganda said that discussions under this item should be conducted when the review of the JITAP was completed.

91. The representative of Canada said that the evaluation would be completed in May, and she encouraged parties to put their ideas on paper.

92. The Chairman proposed that IFSC await the completion of the evaluation of the JITAP, to consider the topic formally.

93. The meeting took note of the statements and agreed to the Chair's proposal.

J. JOINT IF SEMINAR "TRADE MAINSTREAMING AND ENHANCING THE IF APPROACH": REPORT BY THE CHAIRMAN OF THE IAWG.

94. The Chairman recalled that at the last meeting, the possibility of holding a second seminar on mainstreaming was discussed. Initially, this had been planned for February 2000, but a variety of factors, including the pressures of work for the six agencies concerned, meant that the Inter-agency Working Group decided to postpone the holding of this seminar. He said that the target date was for sometime in the autumn, and that the precise details would be announced nearer the time.

K. ELECTION OF THE CHAIRMAN OF THE IF STEERING COMMITTEE

95. The Chairman said that he had understood that his position would be limited to one year, and was more than happy to pass on the position to somebody else.

96. The representative of Lesotho recalled that the terms of reference on the IFSC specified that the initial chairmanship would go to a developed country, and then subsequently to a least developed country, which would have been Lesotho. However, for a number of reasons, Lesotho preferred not to take the chairmanship at that time, and proposed that Denmark continue to chair the IFSC, given the good work to date.

97. The representative of Yemen endorsed the proposal made by Lesotho.

98. The representative of Uganda endorsed the proposal made by Lesotho.

99. The representative of Zambia agreed that Denmark should continue to Chair, but said that the question of the vice-chairmanship remained open. This was an internal problem for the LDCs, and they would consult amongst themselves.

100. The representative of Guinea said that she endorsed the proposal made by Lesotho.

101. The representative of Canada supported the proposal made by Lesotho.

102. The representative of Lesotho said that LDCs would consult amongst themselves to identify the vice-chair.

103. The representative of Uganda said there was unanimity regarding the Chairmanship, and he would, as coordinator for the LDCs, report back to the IFSC with the result of their consultations on the vice-chairmanship.

104. The Chairman said he accepted to continue to chair the IFSC.

L. ANY OTHER BUSINESS

105. There being no other business, the meeting was adjourned.

## ANNEX I

### Status Report on the Implementation of Follow -up Activities to the Round Tables in Bangladesh, the Gambia, Haiti, Tanzania and Uganda

*Report by the International Trade Centre, 8 March 2002*

At the Third Session of the Integrated Framework Steering Committee held on 12 October 2001, the five projects to follow -up on Round Tables held under the old IF scheme were approved, in principle.

Subsequently, project documents were submitted for formal approval to UNDP and the concerned LDCs. The five documents, with a budget of US\$ 291,000 each, were all signed by end 2001 and became operational upon receipt of the funds by ITC in January 2002. Preparatory activities to ensure a rapid kick-off were undertaken since November 2001 and the situation as of today is as follows:

**Bangladesh:** The project aims at raising awareness amongst leather sector entrepreneurs of global market opportunities, customer preferences, quality standards and design requirements, in order to maximize export revenue. Capacity building is at the core of project activities. Access to market intelligence and improved promotional skills are other building blocks.

The national team responsible for project implementation is being established and a review of the leather sector was initiated. A first ITC mission took place, as planned, in February to take stock of all available information materials, discuss priorities of sectoral requirements with all concerned stakeholders and establish detailed implementation modalities. The "IF" label of the project was a facilitating factor during the mission in obtaining full support by the international agencies represented in Bangladesh and for mobilizing synergies in project implementation. A forthcoming presentation of a project work plan with details of capacity building events is expected to consolidate those synergies and create project momentum.

**The Gambia:** The two main focus areas of the project are to assist in the preparation of sub-sector strategies for products having good export potential and to strengthen the capacities of the Department of State for Trade, Industry and Employment (DOSTIE) and of the Gambia Investment Promotion and Free Zone Authority (GIPFZA) to provide efficient trade and invest promotion related services. Detailed work plans have been prepared for the two project modules. Recruitment of two national consultants is under way for the sub-sector analysis and it is expected that a first short-list of sub-sectors having good export potential will be ready by end April 2002. The preparation of diagnostic studies on the selected sub-sectors is expected to be completed by July 2002, which will be followed by market orientation tours for selected exporters.

On the trade information module, initial consultations have been held with DOSTIE and GIPFZA and a plan of work has been agreed upon. A first technical mission is planned for April 2002. It has been agreed with the Government of the Gambia that the activities being executed under the IF project should result in the formulation of a full-fledged export development project in the country with a special emphasis on poverty reduction. A multi-agency programming mission will be proposed to this effect for the second half of 2002.

**Haiti:** The project objectives are to: Improve the legal framework for trade and build the capacity of lawyers to draw up international contracts; Strengthen the capacity of the Ministry of Commerce through the analysis of the institutional restructuring plan and the development of human resource capacities in trade information and trade negotiation; and prepare a diagnostic study on the

export supply potential to support the formulation of an export promotion and development strategy. Within the framework of the first objective a joint ITC/WTO mission was organized in December 2001 to advise the Government of Haiti on implementation issues and to review of the Code of Commerce and arbitration procedures. Two training seminars on international contracts for 40 lawyers are scheduled in April 2002 in Port-au-Prince. A workshop on trade information for 12 participants, from public and private sectors, will be held in mid-March under the second objective.

Other activities programmed in spring 2002 include the formulation of a road map aimed at strengthening the Ministry of Commerce in the delivery of business advisory services and the preparation of the diagnostic study on the export supply potential.

**Tanzania:** The main focus of the project is to assist in the preparation of sectoral export strategies for products having good export potential applying the « coaching » and « do it yourself » approach. It also aims at providing assistance for strengthening the Inter-Institutional Committees established under the JITAP programme. After a series of consultations with stakeholders it has been decided that sector strategies will be prepared for the fish and horticulture sectors. In particular, the focus will be on sub-sectors, which have high impact on poverty reduction in rural areas. Products that will receive particular attention are mushrooms and green beans. A detailed work plan will be ready by mid-March which is expected to cover activities for strategy formulation as well as activities which have a direct impact on the export readiness of mushroom and green bean producers. An international consultant has been identified to provide assistance in mushroom production technology and group formation.

Activities carried out under this project are expected to provide pilot examples of how trade can help reduce poverty. This is expected to have two implications. Firstly, such pilot cases will help to mainstream trade issues in future updates of the PRSP and second, it is expected that the IF project will help attract further resources being made available to Tanzania under the HIPC initiative for the purpose of funding export-led poverty reduction activities.

**Uganda:** As in Tanzania, the main focus of the project is to assist in the preparation of sectoral export strategies for products having good export potential, applying the « coaching » and « do it yourself » approach, followed by the formulation of a national export strategy. It also aims at providing assistance for strengthening the Inter-Institutional Committees and the network of trainers established under the JITAP programme.

The Government of Uganda is currently finalising a plan of work for the preparation of export strategies for two product sectors to be covered by the project for silk and legumes (including herbs and beans). The focus of the activities will not only be on the preparation of the sector strategies but also on executing activities which will provide tangible benefits to silk and legume producers and thus help reduce poverty in rural areas. It is expected that the activity plan will be finalised by mid-March 2002.

In addition, comprehensive terms of reference have been prepared for the compilation of a diagnostic trade study. A suitable national consultant has been selected to undertake the study, which is expected to be ready by June 2002.

A detailed concept paper has been prepared defining the approach, the scope and the methodology for the formulation of the National Export Strategy (NES). The launch workshop for the NES process is planned for April 2002. The NES process being proposed has its basis in the Regional Executive Forum on Export Strategies organised by ITC on the occasion of the Africa Trade Week in Nairobi in November 2001