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**Integrated Framework Steering Committee  
Sixth and Seventh Sessions**

**REPORT ON THE 6<sup>TH</sup> AND 7<sup>TH</sup> MEETING OF THE  
INTEGRATED FRAMEWORK STEERING COMMITTEE (IFSC)**

Friday 17 January and Wednesday 29 January 2003, WTO, Geneva

1. The Integrated Framework Steering Committee (IFSC) held its 6<sup>th</sup> meeting on 17 January, and its 7<sup>th</sup> meeting on 29 January 2003 at the WTO, Geneva. The adopted agendas are reproduced in Annex 1.

**A. REPORTS BY THE IFWG CHAIRMAN ON THE 33<sup>RD</sup> MEETING OF THE IFWG HELD ON 17-18 OCTOBER 2002 AND THE 34<sup>TH</sup> MEETING, HELD ON 16 JANUARY 2003.**

2. In reporting on the main outcome of the two meetings of the Integrated Framework Working Group (IFWG), its Chairman made the following points: the most urgent challenge of the IF ahead was the elaboration of a credible, systematic and predictable process of follow up to the DTIS. General satisfaction had been expressed by the LDCs involved in the IF process. The leadership of the World Bank in the preparation of the DTIS was recognized. Further extension of the IF would only be considered after the forthcoming IF Evaluation. There was a need to establish clear criteria of eligibility for funds from Window II of the IF Trust Fund. The concrete linkages between the IF and the PRSP need to be shown and brought to the fore. The IFSC took note of the Reports made.

**B. IF TRUST FUND**

3. The representative of UNDP presented the financial report on the Integrated Framework Trust Fund (IFTF) which includes its current financial situation. The report showed that the financial situation in Window I was sufficient to cover expenditure of new Diagnostic Trade Studies, but that the situation as regards Window II pointed to the need for new resources to finance more follow-up activities. Bilateral consultations between the UNDP and Switzerland would be held in order to clarify a technical issue concerning the allocation of the Swiss contribution. The meeting took note of the Financial Report and of the statements made.

**C. IMPLEMENTATION PROCESS AND RESULTS: REPORT BY THE COUNTRY REPRESENTATIVES AND FACILITATORS ON BURUNDI, CAMBODIA, DJIBOUTI, ERITREA, ETHIOPIA, GUINEA, LESOTHO, MALLI, MALAWI, MADAGASCAR, MAURITANIA, NEPAL, SENEGAL, YEMEN**

4. In reviewing the stages of implementation in the fourteen countries to which the IF is currently extended, the representative of the World Bank reported on progress made in all countries where it had carried out IF-related activities while UNDP reported on Djibouti. A table of the current status of progress in each of the fourteen countries is in Annex 2.

5. Representatives of several least-developed countries and development partners made interventions. In particular the following:

Madagascar: need for institutional support from the Agencies to hold the national validation workshop at the beginning of the year.

Mauritania: follow - up mechanism to the National Workshop was being put in place by the government and would hold meetings once every trimester. The Facilitator should be involved from the beginning.

Ethiopia: a first workshop took place in November 2002, while a second one was scheduled for March 2003 to validate the DTIS.

Guinea: further clarification by the Agencies concerning the use of U\$S 300.000 allocated out of the IF Trust Fund for the preparation of the DTIS needed. The representatives of the World Bank would provide the clarification sought.

Bangladesh: concern that the relatively small amounts of money contributed to the IF Trust Fund would not be sufficient to deal with all the activities in all the countries involved in the IF process.

The Netherlands: important to maintain a coherent approach for allocations out of Window II of the IF Trust Fund and to avoid ad-hoc situations. Netherlands will be the Facilitator in Yemen. Government considering a second contribution to the IF Trust Fund.

European Commission: the Terms of Reference for each DTIS should fit the profile of the LDC concerned. Caution should be had to ensure that the LDCs keep ownership of the DTIS, not the Facilitator. Concern that little was known about the IF in the LDCs; more should be done to involve and inform the local stakeholders.

Zambia: need to increase funding and to continue to explain and publicize the IF process in each LDC capital among local authorities.

Canada: important to continue synergy-building between the IF and JITAP.

Denmark: clarification of the Terms of Reference of Window II of the IF Trust Fund needed.

United States: interested in becoming Facilitator in Mozambique.

World Bank: as illustration of the Agency's total commitment to the IF, more staff had been assigned to work on the follow-up process and a request for additional funds to contribute to Window II had been made. Coordination between the agencies of the various steps in the IF process required burden sharing of bureaucratic requirements involved. Concrete results on the ground were the predominant indicators of success.

6. The IFSC took note of the statements made, welcomed the satisfaction expressed in general with the current progress, and reconfirmed its commitments to the IF Process. Based on experience with the IF so far, the IFSC reiterated the importance of involving national consultants throughout all stages of the process; the need for a systematic and predictable approach for the follow up stages; and the importance of continued dialogue between the national Ministers responsible for Trade and their counterparts responsible for matters of Finance and/or Development.

**D. SECOND EVALUATION OF THE INTEGRATED FRAMEWORK**

7. The Terms Of Reference (TORs) for the IF Evaluation agreed upon by the IFWG at its 34th meeting were considered by the IFSC at its 6<sup>th</sup> and 7<sup>th</sup> session and approved at its 7<sup>th</sup> session. Consensus was reached based on the TORs, agreed upon earlier by the IFWG and proposals made by the Least-Developed Countries. The IFSC authorised the Chair of the IFWG to finalise arrangements for the tendering process with UNDP, in line with the IFWG's decision on this matter. The tight schedule of the Evaluation process was recalled. The approved TOR are in Annex 3.

**E. EXTENSION OF THE IF**

8. The Chair of the IFWG recalled that the Heads of Agencies, at their second meeting, had noted that the launch of additional IF DTIS's would be preceded by a thorough evaluation of the IF. Accordingly, the IFWG had agreed that a decision on additional DTIS's would be deferred and taken within the context of the evaluation of the IF. The IFSC took note of the statement made and agreed to come back to this issue at its next meeting.

**F. INTERIM REPORT BY THE DIRECTOR-GENERAL OF THE WTO TO THE GENERAL COUNCIL**

9. The IFSC took note of the Interim Report (document WT/GC/W/485/Rev.1).

**G. RELATIONSHIP BETWEEN THE IF AND JITAP**

10. The IFSC was briefed by ITC on the proceedings and outcome of the JITAP CTF Steering Group Meeting of 19 December 2002 . The Chairman proposed that the IFSC would have a substantial discussion on this item at a subsequent date. It was so agreed.

**H. IMPLEMENTATION OF THE DECISION ON SUPPORT FOR THE IF NATIONAL ARRANGEMENTS**

11. The IFSC agreed to come back to this issue at its next meeting.

**I. IF WEBSITE**

12. The IFSC took note of the report of the World Bank and welcomed the domain name (www.integratedframework.com).

**J. THIRD HEADS OF AGENCY MEETING**

13. The IMF reiterated its offer to host the third Heads-of-Agency Meeting and suggested the date of 10 July 2003. The IFSC welcomed the offer by the IMF and took note of the statement made.

**K. IMPLEMENTATION OF THE FOLLOW-UP ACTIVITIES TO THE IF ROUND TABLE MEETINGS IN BANGLADESH, THE GAMBIA, HAITI, TANZANIA AND UGANDA**

14. The representative of the ITC gave an overview of progress made in the follow -up activities in each of the five LDCs. The IFSC welcomed the progress made and took note of the statements made.

**L. OTHER BUSINESS**

15. The representative of Mozambique requested that the IF be extended to her country. A formal request would be submitted to the WTO Secretariat shortly.

16. The IFSC agreed to hold its next meeting on 14 March 2003.

In the absence of any other business, the meeting was adjourned.

## ANNEX 1

### INTEGRATED FRAMEWORK STEERING COMMITTEE

#### Provisional Agenda for the 6<sup>th</sup> Session of the IF Steering Committee Friday, 17 January 2003

1. The Integrated Framework Steering Committee will hold its Sixth Session on 17 January 2003, beginning at 10 a.m., in the Centre William Rappard.
2. The items proposed for the agenda are as follows.
  - (a) Adoption of the agenda
  - (b) 33<sup>rd</sup> and 34<sup>th</sup> meetings of the Integrated Framework Working Group (IFWG): report by the Chairman of the IFWG;
  - (c) IF Trust Fund
    - (i) Financial report by UNDP
    - (ii) Clarification of the TORs of Window II: report by the Chairman of the IFWG
  - (d) Implementation process and results: report by Lead Facilitators and country representatives on: Burundi, Cambodia, Djibouti, Eritrea, Ethiopia, Guinea, Lesotho, Mali, Malawi, Madagascar, Mauritania, Nepal, Senegal, Yemen:
    - (i) DTIS, national trade integration seminars and Action Matrices;
    - (ii) Established Linkage to PRSP and/or Consultative Group; and
    - (iii) Donors Round Table
  - (e) Implementation of the decision on support for the IF national arrangements: report by UNDP
  - (f) Implementation of the follow-up activities to the IF Round Table Meetings in Bangladesh, the Gambia, Haiti, Tanzania and Uganda: report by ITC.
  - (g) Extension of the IF:
    - Technically reviewed requests from Benin, Chad, Sao Tome and Principe, and Togo: report by the World Bank
    - Technical review of the requests from Angola, Laos, Maldives and Zambia: report by the World Bank
    - New requests from Burkina Faso and the Gambia
  - (h) Evaluation of the Integrated Framework: report by the Chairman of the IFWG

- (i) Interim report by the DG of the WTO to the General Council: paragraph 43 of the Doha Ministerial Declaration report by the Chairman of the IFWG (WT/GC/W/485/Rev.1)
- (j) Relationship between the IF and JITAP: statement by ITC
- (k) IF website: report by the World Bank
- (l) Third Heads of Agency meeting: report by the IMF
- (m) Report of the 2<sup>nd</sup> IFWG-DAC meeting, November 2002.
- (n) Joint IF seminar "Trade Mainstreaming and Enhancing the IF Approach" 31 October – 1 November 2002: report by the Chairman of the IFWG
- (o) Other business
  - Date next meeting

**INTEGRATED FRAMEWORK STEERING COMMITTEE**

Provisional Agenda for the 7<sup>th</sup> Session of the IF Steering Committee  
Wednesday, 29 January 2003

1. The Integrated Framework Steering Committee will hold its Seventh Session on 29 January 2003, beginning at 11 a.m., in the Centre William Rappard.
2. The items proposed for the agenda are as follows.
  - (a) Adoption of the agenda;
  - (b) Terms of Reference for the Evaluation of the Integrated Framework;
  - (c) Any other business.

**ANNEX 2: INTEGRATED FRAMEWORK – STATUS OF LDCS**

**INTEGRATED FRAMEWORK – STATUS OF LDCs  
As of January 10, 2003**

COUNTRIES	IF STATUS	PRE-MISSION	MISSION	Delivery to LDC	WORKSHOP	DONOR AGENCY/FACILITATOR
Angola	Review complete					
Benin	Review complete					
Burundi	Work initiated	30/11/2002	28/02/2003	30/04/2003	30/05/2003	France
Cambodia	IF study completed		01/08/2001	01/11/2001	02/02/2002	
Chad	Review complete					
Djibouti	Preparing activities	14/12/2002	02/2003	08/2003		Consultations by LDC Representatives.
Eritrea	Work initiated	15/10/2002	TBC <sup>1</sup>	TBC		
Ethiopia	Work initiated	26/08/2002	15/11/2002	30/02/2003		European Commission
Guinea	Work initiated	15/09/2002	15/12/2002	15/03/2003		Consultations by LDC Representatives.
Lao PDR	Review complete					World Bank (?)
Lesotho	IF study completed	24/11/2001	22/03/2002	15/09/2002		United Kingdom
Madagascar	IF study completed		01/07/2003	01/10/2003	TBC	World Bank
Malawi	If study completed	28/03/2002	27/04/2002	30/12/2002		Norway (TBC)

<sup>1</sup> TBC: To be confirmed

Maldives	Request received					
Mali	Work initiated	01/2003	01/04/2003	15/07/2003		United States
Mauritania	IF study completed		07/2001	10/2001	11/2001 11/2002	European Commission
Nepal	Work initiated	26/08/2002	30/09/2002	15/02/2003		United Kingdom
Sao Tome/Principe	New govt to reconfirm interest					
Senegal	IF study completed	28/11/2001	04/02/2002	30/08/2002	16/12/2002	The European Commission
Togo	Review complete					
Yemen	IF study completed	13/02/2002	15/05/2002	30/08/2002	TBC	Netherlands
Zambia	Review complete					
Bangladesh	Roundtable follow -up	N/A <sup>2</sup>	N/A	N/A	N/A	
Gambia	Roundtable follow -up	N/A	N/A	N/A	N/A	
Haiti	Roundtable follow -up	N/A	N/A	N/A	N/A	
Tanzania	Roundtable follow -up	N/A	N/A	N/A	N/A	
Uganda	Roundtable follow -up	N/A	N/A	N/A	N/A	

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<sup>2</sup> N/A: Non Applicable

ANNEX 3

# WORLD TRADE ORGANIZATION

WT/IFSC/3/Rev.1  
4 February 2003

(03-0706)

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**Integrated Framework Steering Committee**

## TERMS OF REFERENCE FOR THE IF EVALUATION

### Revision

#### **1. BACKGROUND: MANDATE FOR THE IF EVALUATION**

1. The functioning of the IF for the LDCs is due for an evaluation. The mandate for the evaluation is embedded in several decisions already taken by agencies, trade ministers, and several requests by recipient countries and donors for a review.

- (a) In the last paragraph of the Communiqué by the Heads of Agency, New York, July 2000, Agency Heads agreed to re-visit the issue of “enlargement” after two years within the framework of determining whether improvements to the IF were working;
- (b) As part of the adoption of the IF Pilot Scheme, 12 February 2001, WTO Members agreed (following extensive consultations with core agencies) that as the Pilot Scheme was being implemented, progress would be monitored and reviewed, including on a country-by-country basis;<sup>3</sup>
- (c) In paragraph 43 of the Doha Ministerial Declaration, Ministers urged the six core agencies, in coordination with development partners, to explore the enhancement of the IF with a view to addressing the LDCs’ supply-side constraints, the extension of the model to all LDCs, the appraisal of the Pilot Scheme in three LDCs, and to review the IF;
- (d) In paragraph 7 of the Heads of Agency Communiqué, 26 February 2002, Agency Heads agreed to the extension of the IF to be preceded by a thorough review; and,
- (e) At the 31<sup>st</sup> meeting of the IAWG, the Group agreed that an external evaluation of the IF was desirable and necessary, and that this evaluation should be undertaken in 2003, but before the Fifth WTO Ministerial Conference. The Group agreed that it would develop the TORs. To this end, agencies, donors and LDCs’ representatives were requested to forward inputs to the Chairman who would propose draft TORs to the Group at its 33<sup>rd</sup> meeting.

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<sup>3</sup> WT/LDC/SWG/IF/13

## OBJECTIVES OF THE EVALUATION

2. The evaluation should focus on six clear objectives:
  - (a) the impact of the Integrated Framework in linking trade, development and poverty reduction and in mainstreaming trade into PRSPs and/or development plans and its effectiveness as a model for trade capacity building. The lessons learned in this regard;
  - (b) the Impact of the Integrated Framework as a means of generating coordinated donor support and sufficient funding to a government-owned trade capacity building programme;
  - (c) reviewing the roles and responsibilities of agencies, donors and the LDCs, with a view to further clarifying the extent to which they have implemented these roles and responsibilities under the re-vamped Integrated Framework;
  - (d) addressing the urgent challenge of a systematic and predictable implementation and follow-up process in the post-DTIS stages;
  - (e) 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,
  - (f) recommendations on all aspects of these TORs<sup>4</sup>.

## TERMS OF REFERENCE

3. The two objectives of the redesigned IF are: (i) the use of the IF as a mechanism to mainstream trade into development plans and/or poverty reduction strategies; and, (ii) the use of the Integrated Framework as a mechanism to deliver trade-related technical assistance. These two consensus objectives and donor/agency coordination as prioritized by the partner country remain fundamental.<sup>5</sup> Initial application of the revamped IF began, on a pilot basis, in Cambodia, Mauritania and Madagascar. Beyond the three pilots, the IF has now been extended in a non-pilot stage to 11 other LDCs.<sup>6</sup> Eight (8) other LDCs have applied to benefit from the extension of the IF to their countries.<sup>7</sup>

4. While the principles of the revamped IF remain sound, implementation and follow-up to the DTIS are critical. This issue is now at core of the IF. Implementation and follow-up explicitly involve two elements namely, (i) implementation of the priority TA recommendations for human, institutional and infrastructure capacity building; and (ii) implementation of the priority policy recommendations to enable a LDC integrate into the trading system and global economy. On these two elements, the process requires clarity. The specific linkages to the development setting of PRSPs, development plans, Consultative Group meetings and Round Tables, remain very much unclear. These are the current and most immediate experiences from the on-going functioning of the IF. They are the basis for the evaluation.

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<sup>4</sup>WT/LDC/SWG/IF/2

<sup>5</sup>WT/LDC/SWG/IF/2

<sup>6</sup>Burundi, Djibouti, Eritrea, Ethiopia, Guinea, Lesotho, Malawi, Mali, Nepal, Senegal and Yemen.

<sup>7</sup>Angola, Benin, Chad, Laos PDR, Maldives, Sao Tome and Principe, Togo and Zambia.

**A.** SCOPE OF THE EVALUATION

5. The evaluation team will work with stakeholders at all levels, including the six core agencies (IMF, ITC, UNCTAD, UNDP, World Bank, and the WTO), donors, LDCs' governments, the private sector and civil society. The evaluation will focus, *inter alia*, on

- status of implementation of recommendations in the first IF Review;
- the status of the old IF 5 Round Table Countries (Bangladesh, The Gambia, Haiti, Tanzania, and Uganda);
- the process of country selection in the re-vamped IF;
- the procedures for applying the Integrated Framework to selected countries;
- procedures and process for preparing the diagnostic trade integration studies; quality of the DTIS; selection of consultants; the involvement of core agencies, LDCs' beneficiaries, donors;
- defined roles of agencies, donors and Least-Developed Countries;
- stable and predictable mechanisms for the follow-up of the recommendations in the DTIS;
- linkages of the Integrated Framework to existing development architecture: e.g. PRSPs, Country Consultative Groups, and Donor Round Tables;
- its potential in addressing supply-side capacity building; and,
- performance criteria/benchmarks for on-going evaluation.

**B.** IMPLEMENTATION

6. Evaluation of implementation will focus on:

- (a) the development of an action plan that results from the DTIS and national workshops;
- (b) roles of Facilitating Donor, LDC recipients, and agencies in implementing the results of the DTIS;
- (c) linkages of the process and results of the DTIS into development plans such as PRSPs<sup>8</sup> and CGs/RTs;
- (d) re-focusing of core agency programmes for trade-related technical assistance for the specific implementation of the results of the DTISs, in programmes for regional and country operations of the six core agencies and bilateral donors;

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<sup>8</sup> PRSPs are, *inter alia*, the basis for Bank/Fund policy lending.

- (e) partner country ownership and commitment, such as through the establishment of an institutional structure for implementation, including for activities and follow-up: national implementation arrangements;
- (f) involvement and association of the main regional development banks in the implementation and follow-up to the results of the DTIS; and, the involvement of other specialized relevant agencies in implementation and follow-up to the results of the DTIS;

**C. GOVERNANCE**

- (a) The adequacy of the IF management structure, currently incorporating overall governance (IFSC); day-to-day management (IFWG); fund management (UNDP); trade mainstreaming (World Bank); and the IF Secretariat (WTO);

**D. FUNDING**

- (a) If funding, modalities, and replenishment cycles;

**E. METHODOLOGY**

7. The Evaluators will at all times work in close coordination with the Donor Group, the Agencies, and the Partner Governments concerned. Their approach will be inclusive and participatory. At country level, the Evaluators will need to work with a range of senior government officials in Trade, Finance and other Ministries/Departments, the PRSP Committees, donors, civil society, including academia. In the event that it is not possible to visit all the 19 LDCs to which the Integrated Framework is currently extended, the Evaluation Team will visit a selection of countries to be visited. The countries to be visited will be justified and agreed in consultations between the Evaluation Team, and the IFSC.

**F. IF AND JITAP AND OTHER TRADE CAPACITY BUILDING INITIATIVES**

- (a) Relationship of the IF and JITAP and other trade capacity building initiatives for human and institutional capacity building;

**G. STRENGTHENING THE ROLE OF PARTICIPATING AGENCIES**

- (a) The role of participating agencies should be examined, particularly with a view to greater involvement of all Agencies that are in the core Group. Explore the association with other UN Agencies, as appropriate.

**TIMING AND PROCESS FOR ADOPTING REVIEW RESULTS**

8. The review will take place over a period of five months. However, the Evaluation Team is required to provide interim reports to meetings of the IFSC, as its work progresses. These front-loaded reports will enable the Integrated Framework Working Group (IFWG) to undertake immediate corrections and adjustments as necessary. The initial interim report is expected by April of 2003. Reports will be addressed to the Integrated Framework Steering Committee (IFSC) through its Chairman. (The IFSC is a tripartite body of the 6 agencies, bilateral donors, and 6 representatives of the LDCs, participating on the basis of equality).

9. The following calendar will apply:

Action	Date
<b>Selection of Evaluation Team by Selection Board</b>	End February 2003
Preparation of a draft review by Evaluation Team	March – July 2003
Country visits by Evaluation Team/organization stakeholders consultations selected LDCs	End April 2003
Interim Report to the IFSC	April 2003
Comments by agencies, donors and LDCs to the Evaluation Team	15 May 2003
Feedback – The Evaluation Team will ensure a feedback from LDCs to the draft report, through the medium of the LDCs' Reps. in the IFWG	May/June
Revised final evaluation report by Evaluation Team to IFWG	15 June 2003
IFWG finalises and adopts the report for presentation to IFSC	30 June 2003
Consideration of evaluation results by IFWG Heads of Agency	3 <sup>rd</sup> Meeting of the IF Heads of Agency meeting, (July) 2003
Circulation of Report to WTO 5 <sup>th</sup> Ministerial Meeting and Governing Boards/Councils of Core Agencies	September – December 2003

#### **FRONT-LOADED REPORT/INTERIM RECOMMENDATIONS**

10. Within the scope of these TORs, by end April 2003, the Evaluation Team will present an Interim Report identifying the most immediate challenges to the Integrated Framework, with recommendations on how to address them. Recommendations on a systematic and predictable follow-up process to the post-DTIS stage, will be one such urgent and priority challenge.

11. In consultation with the LDCs' Representatives in the IFWG, the evaluators will be responsible for ensuring a feedback from the Least-Developed Countries on the draft report before final submission. This procedure will contribute to ownership by the LDCs' partners and to building consensus on the outcome of the review and hence support to any follow-up actions that the evaluation may recommend.

## FUNDING

12. Funding for the evaluation will be provided from the Integrated Framework Trust Fund. The budget for the review will be prepared by the IF Secretariat, in consultation with the leader of the Evaluation Team that will be selected. At the conclusion of the evaluation, a detailed financial report will be circulated to the IFWG.

## EVALUATORS

13. The Evaluation Team for the IF Review will be composed of a team of 4 trade and development experts, including an expert with LDC experience. The team will function independently. It will be composed of a lead evaluator, who will have final responsibility for the report to be submitted to the IFSC. The evaluation team will operate on the basis of these agreed Terms of Reference.

<b>Evaluator</b>	<b>Name</b>
Lead Evaluator	
Evaluator – private sector	
Evaluator – donor community	
Evaluator – LDC community	

14. The process of selecting the Evaluators, including the lead evaluator will be based on a selected tendering process to be managed by a selection board. The Selection Board will be composed of three members namely, the Chairman of the IFWG, who will chair the board; a representative of the donor community and a representative of the LDCs to be selected by the LDCs. The selection process will be completed by the end of February 2003. The selection of the evaluators by the Selection Board will be based on criteria to be pre-agreed with the IFWG including an LDC Member to be selected by the LDCs and circulated in advance of the tendering process.

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