

**Integrated Framework Steering Committee  
Ninth Session**

**REPORT ON THE 9<sup>TH</sup> MEETING OF THE  
INTEGRATED FRAMEWORK STEERING COMMITTEE (IFSC)**

Friday 16 May 2003, WTO, Geneva

1. The Integrated Framework Steering Committee (IFSC) held its 9<sup>th</sup> meeting on 16 May 2003 at the WTO, Geneva. Of the adopted agenda, reproduced in Annex 1, it only considered the item on the clarification of the Terms of Reference for Window II of the Integrated Framework Trust Fund (IFTF).

**A. CLARIFICATION OF THE TERMS OF REFERENCE (TOR) OF WINDOW II**

2. The Chairman of the IFSC informed Members that since the IFSC's last meeting he had carried out informal consultations between the LDCs and donors. Based on the outcome of those consultations he submitted to the meeting a revised proposal on clarifications of the TOR for the use of Window II of the IFTF .

3. According to the Chairman, the clarification of the TOR for the use of Window II of the IFTF served as a necessary boost to the credibility and the effectiveness of the IF as a viable model for LDCs' trade development. Agreement on the clarification of the TOR for Window II would open a way for the IF to fund through its own Trust Fund concrete technical assistance/capacity building projects identified by the LDC as a priority in its Diagnostic Trade Integration Study (DTIS). The proposed clarification of the TOR of Window II attempted to respond to concerns expressed regarding the functioning of the IF. In particular, several delegations considered that the Integrated Framework's Trust Fund (IFTF) itself be used to fund, through its Window II, concrete projects addressing supply-side constraints as a possible alternative to funding such projects through the traditional bilateral channels as was currently foreseen in the IF process. This was without prejudice and in addition to the IFTF's function to fund the preparation of the Diagnostic Trade Integration Study (DTIS) through its Window I. As currently applied, the IF process would eventually lead to (bilateral/multilateral) funding of projects including those addressing supply-side constraints through the integration ("mainstreaming") of trade into a country's national development plan and as such reaching the traditional bilateral/multilateral donor channels such as Consultative Groups (CGs) or Donor Round Tables. However, the time lag between the completion of a country's DTIS, including the proposed matrix of prioritised actions, and the actual funding of the projects through such fora was considered often too long to be effective.

4. Delegations engaged in a lively exchange of views on the scope and nature of the projects which would be eligible for funding out of the Window II Fund. The discussions reflected on the one hand the view that projects addressing supply-side constraints be funded through Window II. On the other hand, views were expressed to the effect that the clarification of the TOR should reconfirm the principle that while Window II could fund concrete projects, it was a bridging mechanism aimed at assisting LDCs in integrating ("mainstreaming") trade priorities into their development plans such as

the Poverty Reduction Strategy Papers (PRSP) and accessing development assistance through the traditional channels such as CGs and Donor Round Tables.

5. The IF Steering Committee agreed that Window II funds could be used for priority projects during the phase between the completion of the DTIS and accessing funding through CGs, Round Tables and programme support. These projects should have the ultimate aim of helping the LDC to complete the mainstreaming process successfully but could be of diverse nature, according to the LDC's own priorities, and be expected to include project development and supply side (except physical infrastructure) as well as institutional strengthening. Procedures for accessing funding would be as simple and rapid as possible in order that Window II fulfil successfully its role as a quick-disbursing, bridging mechanism and to overcome the delays currently being experienced.

6. The IFSC adopted the clarification of the Terms of References for the use of the Integrated Framework Trust Fund (IFTF) Window II as contained in document WT/IFSC/4. Several Members expressed their intention to contribute to Window II.

## ANNEX 1

### INTEGRATED FRAMEWORK STEERING COMMITTEE

#### Agenda for the 9<sup>th</sup> Session of the IF Steering Committee Friday, 16 May 2003

1. The Integrated Framework Steering Committee will hold its Ninth Session on 16 May 2003, at the WTO, Room F. The meeting will start at 10:00 sharp.
2. The items proposed for the agenda are as follows:
  - (a) Adoption of the agenda
  - (b) Implementation process and results:
    - General assessment of progress in the 14 countries<sup>1</sup>: to which the revamped IF is applied, report by the World Bank and UNDP
    - Implementation of the follow-up activities to the IF Round Table Meetings in Bangladesh, the Gambia, Haiti, Tanzania and Uganda: highlights by ITC
  - (c) IF Trust Fund
    - (i) Financial report by UNDP
    - (ii) Clarification of the TORs of Window II: report by the Chairman of the IFSC
  - (d) IF Evaluation: report by UNDP and statement by the IF Secretariat
  - (e) Relationship between IF and JITAP
  - (f) Other business
    - High level meeting on trade and development in Denmark
    - Date next meeting

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<sup>1</sup>Burundi, Cambodia, Djibouti, Eritrea, Ethiopia, Guinea, Lesotho, Mali, Malawi, Madagascar, Mauritania, Nepal, Senegal, Yemen.