

Guidance Note for Enhanced Integrated Framework Tier 1 pre-DTIS projects

ES/TFM: 13 October 2009

A. Introduction to the Guidance Note

1. The Enhanced Integrated Framework (EIF) became fully operational on 1 July 2009 when the first Tier 1 Support to NIAs projects were approved by the Board for two countries. New beneficiary countries under the EIF can – according to the Compendium – access Tier 1 funding before their diagnostic phase is completed to support in-country capacity and ownership of the EIF process. To that end, the pre-DTIS projects are supposed to fund activities such as stakeholder sensitization, input into the DTIS process, etc., up to US\$50,000. These guidelines for pre-DTIS project preparation, appraisal and approval process as well as conditions for the allocation of pre-DTIS funding take into account the relatively small size of the funding to be made available. The IF Interim Board, in its meeting of 16 September 2009, instructed the Executive Secretariat of the EIF (ES) and the Trust Fund Manager (TFM) to formulate simple pre-DTIS project guidelines. The Board endorsed a more limited fiduciary mandate for the TFM, including no audit obligations for the pre-DTIS allocated funds. The IF interim Board further decided that once reviewed, these guidelines should be implemented with a delegated authority to the ED to approve pre-DTIS projects. The sections of the guidelines relevant to the beneficiary countries are to be circulated to the stakeholders and will form the basis of any pre-DTIS proposals to be approved.¹

B. Pre-DTIS Projects

2. The pre-DTIS phase is the first phase of the EIF process in-country, starting after the country is admitted as an EIF beneficiary and ending with the validation of the DTIS. The pre-DTIS projects – like the DTISs, DTIS updates and Support to National Implementation Arrangement projects – are funded from the Tier 1 of the EIF Trust Fund (EIFTF).
3. This pre-DTIS phase aims at setting up the conditions for the country to make the arrangements for the DTIS to be conducted by a qualified partner, to set up the basic overall governance structure proposed by the EIF process and provide the conditions for the establishment of an institutional structure (Donor Facilitator (DF), Focal Point (FP) and National Steering Committee (NSC)). In other words, this pre-DTIS phase is crucial as it lays the foundation upon which the whole EIF process at country level will be built.

¹ Few countries have not yet prepared a DTIS; new beneficiaries are Afghanistan, Bhutan, Democratic Republic of the Congo, Haiti, Timor-Leste and Togo; the Technical Review is under preparation in Bangladesh; LDCs that have not yet applied to become beneficiaries are Myanmar and Somalia; and Eritrea has temporarily suspended its IF process. Thus, an estimated seven (maximum ten) pre-DTIS projects are considered.

4. According to the EIF Compendium, support available for the pre-DTIS phase is up to an aggregate of US\$50,000 per pre-DTIS project, with an expected duration of the project of up to 12 months. Although the Project may have several components, it should be requested in one single grant to cover all budget items.

C. Purpose and description of the pre-DTIS funding

5. The pre-DTIS funding has the following *purposes*²:
 1. To sensitize national stakeholders (FP, NSC potential members, key government, private sector and civil society representatives) about the EIF process and the link between trade and development/poverty reduction;
 2. To sensitize national stakeholders about the various roles and functions within the EIF structures (FP, NIU, NSC, DF, ES, TFM and Board), potentially leading to the selection of individuals/ entities as FP, DF and members of the NSC and prepare for the establishment of an NIU;
 3. To sensitize national stakeholders about the role of the DTIS and how to best ensure full country ownership and participation in the DTIS process; and
 4. To sensitize/ train national stakeholders (FP, NSC, DF and NIU (if already set up)) in managing, executing and monitoring achievement of the EIF objectives.
6. In view of the above, it should be added that four *main outputs* are expected from pre-DTIS funding:
 1. EIF process, structure and role of trade for development widely known among the relevant public and private stakeholders;
 2. Set up the basis of the institutional governance structure (NSC) and the technical/ executive structure (FP, DF and, if possible, NIU) for the EIF process at country level;
 3. Key stakeholders (FP, DF, NSC) trained in EIF process, institutional set-up, and EIF process management; and
 4. Country prepared to undertake the DTIS and to select an entity to work on the DTIS; Relevant stakeholders provide input into the DTIS process to ensure full ownership.
7. Four *types of expenses* are considered for pre-DTIS funding:
 1. Procurement of equipment for the FP, NSC and NIU (if already set up);
 2. Remuneration for services by the FP, the NIU or consultancy services for setting up IF operations;
 3. Missions/ travels and attendance at, or organization of, meetings and training workshops (at national, regional or global/Geneva levels) and/or study tours to EIF beneficiary countries; and
 4. Development of written and sensitization material and tools.

² See *Guidance Notes to the EIF Monitoring and Evaluation Framework* (see p.18)

D. Institutional and fiduciary process of application for pre-DTIS funding

(a) Initiating a request for pre-DTIS funding

8. The ES assists LDCs in identifying and selecting appropriate individuals/ entities to undertake pre-DTIS and DTIS roles. The Government through the relevant ministry (normally the Ministry of Trade) appoints the FP (by sending a formal communication to the ES), and the FP can then issue a request (on behalf of the Ministry/ Government represented) for pre-DTIS funding. The ES would confirm to the TFM that the FP has the legitimate and sole authority to issue the request.

(b) Implementing entity/ies

9. The request issued by the FP would have to identify and describe the mechanism through which the funds would be transferred, received and managed and how the activities would be implemented. Options as to the recipients of funds and implementing entities could be:
1. The Ministry of Trade directly or an entity identified by the Ministry of Trade;
 2. The Ministry of Finance, who will then pass the funds on to the relevant Ministry/ entity;
 3. One of the core EIF partner Agencies or another Donor/ development agency; and
 4. Another mechanism to be described by the FP and acceptable to the ES and TFM.
10. The recipient of funds may call upon the assistance of sub-recipients for the implementation of some of the planned activities.

(c) Format of the request

11. The request would normally be a letter of the FP stating briefly the purpose of the request (one page); including as attachment the document provided in Annex 1 duly filled in, a simple work plan and a budget according to the format provided in Annex 2. No logical framework is required. From the fiduciary perspective, the TFM may request prior or during the course of the activities some additional information such as TORs for staff or consultants, information on any planned missions, meeting and/or training workshops.
12. Pre-DTIS project proposals already submitted to the ES by the time of issuance of the guidelines in a format different from the one provided in Annex 1 will need to be revised only to the extent that information required in the format in Annex 1 is not yet contained in the proposal. However, the budget format should comply with the template attached to the present guidelines.

(d) Capacity review of recipient and project revision

13. The capacity review to be done by the TFM will be based on one or several of the following components as appropriate with regards to each particular country, the implementing entity and the size of the grant:
1. The mission and preliminary assessment conducted by the ES and the recommendations produced;
 2. A desk review of capacities of the recipients and of the project proposal; and

3. An implementation note in case of implementation by a partner agency (UN or development agency) – to be identified and approached by the FP with, if needed, the assistance of the ES/TFM.
14. In the case of pre-DTIS projects, the supervision role of the ES and TFM applies ex-ante: their role is to assist the LDC in establishing satisfactory conditions for the management of pre-DTIS funding and implementation of pre-DTIS activities, which would – later on – facilitate the operationalization of other Tier 1 and Tier 2 projects. An assessment mission of the TFM can be undertaken if and when appropriate at the request of the country and/or the ES. The ES will undertake a mission to countries newly acceding to the EIF in the context of a familiarization/sensitization workshop and/or the DTIS pre-mission.

(e) Approval process

15. In-country, the pre-DTIS project proposal is approved by the FP and addressed to the ES. The request is to be approved by the Executive Director (ED) of the ES on the basis of the authority delegated by the Board. The ES and TFM will prepare the Summary Sheet, the ES Recommendations Memo and a Fiduciary Assessment review as applicable to inform the decision of the ED.

(f) Guidelines regarding agreements and disbursements

16. A basic model agreement between the TFM and the beneficiary LDCs or an exchange of letters with the concerned Agency will be prepared in due time by the TFM for pre-DTIS projects. In case of implementation by a private entity, a service contract will be signed. Disbursements will normally take place in two installments throughout the pre-DTIS process with a final report at the end of the project.

(g) Reporting requirements

17. Given the small size of the funding and the short time span for the implementation of the activities, the principle of proportionality is applied. Quarterly financial reports, signed by the FP, will be provided and a final report (narrative and financial) upon project completion. A mid-term narrative report may be requested by the TFM or ES if the project's duration is extended beyond one year. The format for reporting will be similar as for Tier 1 projects, though lighter. The reporting format will be part of the model agreement mentioned in paragraph 16 above.
18. The reporting process will ensure (i) that the Outputs listed above have been achieved; and (ii) that the Tier 1 process at country level is sustainable and sustained.
19. The implementing entity will provide the TFM with certified financial statements, issued by the comptroller of the relevant ministry, at the end of the project or at the end of each calendar year for projects with duration of more than 12 months. If deemed necessary, the TFM can require an internal or external audit at the expense of the EIFTF, though it is envisioned that these activities could also be audited as part of the Tier 1 project. An amount of up to US\$4,000 in addition to the US\$50,000 per pre-DTIS project will be made available if and when necessary to cover such additional cost.

ANNEX 1

ENHANCED INTEGRATED FRAMEWORK	Pre-DTIS PROJECT PROPOSAL	
SECTION I: Summary Page		
1. Project Title:	Encapsulated description of project aim and focus	
2. Grant Recipient Entity	Name, nature (public, private, other), national or international	
3. Implementing Entity (if different from grant recipient entity)	Name, nature (public, private, other), national or international	
4. Project Duration	Months, years indicating expected start date	
5. Total Project Costs	In US\$ by year	
6. EIF Funding sought	In US\$ by year	
7. Other Sources of Funding (including counterpart funding if applicable)	In US\$ by year; in kind listed separately	
8. Brief description of the main results and activities	Summary of 12 and 13 below	
9. Approved by and date	Focal Point and ES	
SECTION II: Project Description		
10. Context	Brief summary of trade policy regime, role of trade in overall development strategy and summary of IF process so far (application, TR, planned DTIS coverage and timeframe if applicable)	
11. Objective	State the project objective, which should include preparing the ground for the EIF process to be successfully implemented in the country and thus trade mainstreamed, support to the trade agenda be delivered in a coordinated fashion and trade capacity improved.	
12. Results	List the specific results the project seeks to achieve to realize the objectives stated above; these should include: <ul style="list-style-type: none"> • familiarization of stakeholders with the EIF and with trade-growth-poverty links • establishment of EIF NIAs (FP, NSC, DF, NIU) in-country • training of key stakeholders in EIF process and institutional set-up • providing input into DTIS and DTIS process 	

13. Key Activities and Outputs	<p>List the key activities under the project and the outputs to be achieved with these activities; these outputs should contribute to realizing the results above. The activities and outputs would include:</p> <ul style="list-style-type: none"> • familiarization workshops (number, location, audience); • outreach activities to sensitize national stakeholders (brochure, radio or TV programs, press articles); • setting up EIF institutional framework (appointment of DF, NSC members, NIU process); • timetable for setting up EIF NIA in-country; • training events (local or participation in regional workshops or study tours to experienced EIF beneficiary countries); • timetable and work plan for DTIS input (workshops/ meetings to provide input for concept, draft chapters, and draft report; meetings with DTIS team during concept and main fact-finding stage); and • other activities and outputs (to be described):
14. Sustainability	<p>Describe how the results of the project will be made to last beyond the life of the project. Note that except for the DTIS-related results, all will be continued under further Tier 1 projects to support the NIAs.</p>
SECTION III: Project Implementation Arrangement	
15. Selection and description of the Implementing Entity	<p>Description of the selection process and nature of the Implementing Entity, experience in providing services as requested, references, etc.</p>
16. National Ownership Approach	<p>Description of how the project will realize the national ownership principle.</p>
SECTION IV: Project Operational Settings	
17. Work Plan	<p>Provide a month-by-month work-plan for the activities listed above.</p>
18. Budget	<p>Provide a detailed budget (see Annex 2).</p>
SECTION V: Project Accountability Arrangements	
19. Legal Status of Implementing Entity	<p>Legal personality and fiscal identification:</p>
20. Fiduciary Responsibilities	<p>Organization of the project and description of roles and functions of key staff assuming fiduciary responsibilities:</p>
21. Financial and Fiduciary Management	<p>Description of procedures for accounting, financial management, etc.</p>
22. Reporting Scheme	<p>Types of reports, frequency, signatory staff.</p>
23. Audit Requirements	<p>Description of audit procedures.</p>

Country:
 Project Title:
 Detailed Budget in US\$:

Starting Date:
 Project Duration

Budget Account	Expenditure Account	Category	Description	Unit	Units	Unit Cost	Total Cost	Comments
71200	71205	Int'l Experts	Int'l Consultants	Month	0	0	-	
71300	71305	Support Staff	Administrative Support	Month	0	0	-	
71400	71410	National Experts	National Consultants	Month	0	0	-	
71600	71615	Travel & Missions	Travel DSA	Days	0	0	-	
71600	71610	Travel & Missions	Travel Air Tickets	Tickets	0	0	-	
71600	71635	Travel & Missions	Travel Other	Travel	0	0	-	
63400	63405	Learning Costs	Misc Costs	Training	0	0	-	
63400	63406	Learning Costs	Ticket Costs	Training	0	0	-	
63400	63407	Learning Costs	Subsistence Allowance	Training	0	0	-	
63400	63408	Learning Costs	Subcontracts	Training	0	0	-	
72100	72120	Subcontracts	DTIS activities	Contract	0	0	-	
72100	72125	Subcontracts	Research & Studies	Contract	0	0	-	
72100	72145	Subcontracts	Services	Contract	0	0	-	
72100	72155	Subcontracts	Secretariat Cost	Contract	0	0	-	
72200	72205	Equipment	Equipment	Lump sum	0	0	-	
72200	72220	Equipment	Office Furniture	Each	0	0	-	
74200	74215	Communication	Info Comm. & Coord	Month	0	0	-	
74100	74110	Prof Services	Auditing	Audit	0	0	-	
73100	73125	Premises	Rent & Maintenance	Month	0	0	-	
74500	74525	Sundries	Misc Expenses	Month	0	0	-	
Total							-	