

**Trade and Development Board**

Fifty-fifth session

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Item 4 of the provisional agenda

**Review of progress in the implementation of the Programme of Action  
for the Least Developed Countries for the Decade 2001–2010****Progress report on the implementation of the  
Integrated Framework for Trade-related Technical  
Assistance to Least Developed Countries**

Note by the UNCTAD secretariat

**Introduction**

1. This report has been prepared by the UNCTAD secretariat pursuant to a decision of the Trade and Development Board at its sixteenth executive session, in which the secretariat was requested to inform the Board, on a regular basis, about progress in work on the design and the implementation of activities related to the Integrated Framework for Trade-related Technical Assistance to Least Developed Countries, adopted at the High-level Meeting on Integrated Initiatives for Least Developed Countries' Trade Development, held in October 1997. On 31 May 2008 the Integrated Framework was superseded by the Enhanced Integrated Framework (EIF). The Accra Accord stresses the importance of the EIF to LDCs (para. 76).
2. This report provides an update on developments related to the implementation of the Integrated Framework since the report submitted to the Board at its fifty-fourth session.

**I. The Enhanced Integrated Framework**

3. The United Nations Office for Project Services has been appointed as the new trust fund manager. The office has its headquarters in Copenhagen but will carry out its activities as trust fund manager with a fully dedicated staff in Geneva, with the support of regional offices in Bangkok, Dakar, Johannesburg and Nairobi. The process of recruiting an executive director to head the Integrated Framework secretariat is under way. National implementation arrangements and preparations for financing projects under both Tier 1 and Tier 2 of the trust fund are at various stages of completion in a number of countries. To facilitate this process, the Interim EIF Board, with help from the relevant WTO implementation unit, has recently made available some simple guidelines to assist countries in implementing the EIF.
4. In the meantime, the implementation of projects already approved under the old Integrated Framework should continue uninterrupted, with the old trust fund manager continuing to manage approved and committed funds and reporting to the Board.
5. As part of the dissemination of the EIF modus operandi among beneficiary countries, four regional workshops were organized in 2007 and 2008 for the

African, Asian and Pacific regions. A regional workshop was organized in July 2007 in Livingstone, Zambia, for English-speaking African least developed countries (LDCs); in October 2007 in Ouagadougou, Burkina Faso, for French-speaking African LDCs; in October 2007 in Port Vila, Vanuatu, for Pacific LDCs; and in January 2008 in Vientiane, Lao People's Democratic Republic, for Asian LDCs. UNCTAD took the lead in organizing the latter two workshops.

6. UNCTAD is already engaged in discussions with some of the countries that have begun to prepare project proposals for funding by the EIF trust fund.

## II. Review of progress

7. As of June 2008, 45 countries are participating in the Integrated Framework. Diagnostic Trade Integration Studies (DTIS) and validation workshops have been completed for 31 countries,<sup>1</sup> while 14 are at different stages of the DTIS process.<sup>2</sup> One country is undergoing technical reviews pending admission.<sup>3</sup>

8. UNCTAD has continued to participate actively in the DTIS process, either by providing substantive comments before completion of the studies or by participating in missions and preparing specific chapters of the DTIS, as it did for Cape Verde and the Comoros.

9. Although the Integrated Framework is in a period of transition, in-country activities have continued, with the support of UNCTAD. The activities undertaken were made possible thanks to financial support from bilateral partners (the Governments of Finland, France, Italy, the Republic of Korea and the United Kingdom of Great Britain and Northern Ireland). UNCTAD provided support from the preliminary stages of the process through to project implementation, in the form of pre-DTIS workshops, advisory missions and participation in Integrated Framework meetings. UNCTAD participated in and contributed to DTIS validation workshops in Vanuatu and the Comoros.

10. Missions were organized to the Comoros, the Lao People's Democratic Republic, Uganda and Vanuatu. These led to the formulation of projects based on the action matrix of the country concerned. UNCTAD assisted LDCs in the formulation of projects related to rules of origin (in the Lao People's Democratic Republic), improved capacity for trade policy formulation and trade information (in Sierra Leone), and, in partnership with the International Trade Centre (ITC), export development (in Benin, as part of the Programme of Export Development, or PADEx). Other projects in the pipeline include one to set up a national investment promotion agency and one on customs modernization in the Comoros; one to support the Maldives customs service in upgrading Asycuda; and, in Vanuatu, a project to review the National Priority Action Agenda and Trade Act, a project on an inland customs freight station and review of the Import Tariff Act, and a project on trade facilitation-related activities. In Sao Tome and Principe, UNCTAD worked on some components of the Window II "Capacity-building project for the Commerce Department", with funding from bilateral donors.

11. The Integrated Framework team in UNCTAD works closely with the UNCTAD divisions and has developed mechanisms for specific technical

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<sup>1</sup> Angola, Benin, Burkina Faso, Burundi, Cambodia, Central African Republic, Chad, Comoros, Djibouti, Ethiopia, Gambia, Guinea, Lao People's Democratic Republic, Lesotho, Madagascar, Malawi, Maldives, Mali, Mauritania, Mozambique, Nepal, Niger, Rwanda, Sao Tome and Principe, Senegal, Sierra Leone, United Republic of Tanzania, Uganda, Vanuatu, Yemen and Zambia.

<sup>2</sup> Afghanistan, Cape Verde, Democratic Republic of the Congo, Eritrea, Guinea-Bissau, Haiti, Kiribati, Liberia, Samoa, Solomon Islands, Sudan, Timor-Leste, Togo and Tuvalu.

<sup>3</sup> Equatorial Guinea.

cooperation projects such as competition projects that adopt a global strategy. Projects are being prepared for Uganda and the United Republic of Tanzania with a view to utilizing EIF resources later in 2008.

### **III. Strengthening capacity for Integrated Framework ownership at the country level and at the regional level**

12. UNCTAD continued to assist LDCs by providing advisory services and implementing trade-related projects not only at the national level but also at the regional level.

13. UNCTAD assisted Rwanda and Samoa in different phases of the Integrated Framework process. In the case of Samoa, which is in the preliminary phase, UNCTAD organized an awareness-raising workshop in January 2008. The workshop was held back-to-back with the DTIS pre-mission, in which both the United Nations Development Programme (UNDP) and the Programme Implementation Unit for the Integrated Framework participated. The workshop focused on Rwanda's preparedness to address the challenges stemming from greater integration into the multilateral trading system, but also stressed the need for political commitment and country ownership to ensure the success of the EIF process. The workshop also gave participants an opportunity to highlight the challenges and opportunities in various economic sectors which could be taken up in the diagnostic study. The study is now under way.

14. In June 2008, as part of the follow-up to and implementation of the Rwanda DTIS action matrix, UNCTAD organized a workshop in Rwanda on "Trade development and productive capacity, with special emphasis on horticultural, handicrafts and leather products". The objective of the workshop was to validate the findings and recommendations contained in two studies commissioned by UNCTAD at the request of the Rwandan Government. Two international experts in the three above-mentioned sectors prepared studies and assisted at the workshop. The discussions resulted in concrete policy recommendations for overcoming the constraints identified and exploiting the potential in the three sectors. The Government undertook to establish a local follow-up mechanism to ensure that the recommendations were implemented.

15. In the context of the EIF, several Integrated Framework countries from West Africa decided to set up a group to coordinate the implementation of projects identified in their respective action matrices at the regional level rather than at the national one. As these countries face the same constraints, they can benefit from a regional approach, as the adoption of coherent and harmonious policies will allow greater regional integration and better trade-mainstreaming at the regional level. UNCTAD will assist this group on the trade-related issue of dealing with the mango fly, which affects the West African region. Other projects related to trade facilitation are also under discussion.

16. In addition, UNCTAD has developed a partnership with the West African Economic and Monetary Union (UEMOA) to coordinate the delivery of technical assistance to its members. The partnership will help meet the national needs of the West African countries identified in their action matrices by implementing projects at the regional level, creating synergies between national and regional strategies.

#### **IV. Contribution of UNCTAD in the transition to the Enhanced Integrated Framework**

17. As an EIF participating agency, UNCTAD has always actively contributed to the transition process. Its contribution included the organization of two regional workshops to ensure the early dissemination of the EIF organizational arrangements and guidelines to Integrated Framework countries. With financial support from donors, UNCTAD also organized an EIF workshop for Pacific LDCs in Port Vila, Vanuatu, in October 2007 and one for Asian countries in Vientiane, Lao People's Democratic Republic, in January 2008.

18. These workshops were a response to one of the recommendations of the Transition Team on the need to improve information-sharing through an outreach programme. The workshops were designed to provide stakeholders with practical advice and tools to enable them to begin implementing the EIF as soon as it became operational.

19. UNCTAD also actively participated in a seminar on the gender dimension of the EIF, held in Geneva in April 2008. The seminar was organized by the Governments of the Lao People's Democratic Republic and Zambia, the World Trade Organization and ITC. It addressed women's role in trade development strategies, the contribution of women to economic growth and ways to mainstream gender into the EIF process, particularly by promoting and supporting women entrepreneurs. Participants were mostly women working in the business sector. Some of them were national focal points for the Integrated Framework.

#### **V. The Enhanced Integrated Framework and Aid for Trade**

20. The Accra Accord states that Aid for Trade is needed to support developing countries "to better integrate into and adjust to the world trading system, and to build productive capacity, trade-related infrastructure and competitiveness", and that the Enhanced Integrated Framework is important in that context (para. 76). Both initiatives are based on a demand-driven and needs-based approach and respond to the principles of the Paris Declaration on Aid Effectiveness. The Enhanced Integrated Framework is the operational mechanism of the Aid for Trade initiative for the delivery of technical assistance to LDCs. The monitoring and evaluation framework developed under the EIF takes this into account.

#### **VI. The Enhanced Integrated Framework and the "Delivering as One" initiative**

21. In 2005 the United Nations launched the "Delivering as One" initiative<sup>4</sup> with eight pilot countries<sup>5</sup> to overcome the fragmentation of the United Nations and better serve the needs of the countries in achieving the Millennium Development Goals. Four of the pilot countries are members of the Enhanced Integrated Framework.<sup>6</sup> Therefore, with a view to improving coordination and coherence, strong relationships have been established between the UNCTAD technical cooperation services contributing to the One United Nations initiative and the Integrated Framework team, to ensure that the needs identified in the action matrix of the DTIS for each of these countries are listed as key activities in the One United Nations programme.

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<sup>4</sup> See [www.undg.org](http://www.undg.org).

<sup>5</sup> Albania, Cape Verde, Mozambique, Pakistan, Rwanda, the United Republic of Tanzania, Uruguay and Viet Nam.

<sup>6</sup> Cape Verde, Mozambique, Rwanda and the United Republic of Tanzania.