

UNCTAD CONTRIBUTION TO THE ENHANCED INTEGRATED FRAMEWORK

SUPPORTING THE LEAST DEVELOPED COUNTRIES IN TACKLING CONSTRAINTS TO TRADE



GLOBAL CONTEXT

LDCs represent the poorest and most vulnerable segment of the international community. They comprise more than 980 million people, about 12 per cent of world population. Yet they account for less than 2 per cent of world gross domestic product and about 1 per cent of global trade in goods. Against this backdrop, the Istanbul Programme of Action recognized the critical importance of implementing “effective trade-related technical assistance and capacity-building in least developed countries on a priority basis, including by enhancing the share of assistance to least developed countries for Aid for Trade and support for the Enhanced Integrated Framework” (paragraph 66, section 3 (e)).

The Enhanced Integrated Framework is a multi-agency and multi-donor programme for the coordinated delivery of trade-related technical assistance and institutional capacity-building for LDCs. It aims to enable LDCs to mainstream trade into their national development plans, so that countries can mobilize the potential of trade to promote economic growth, sustainable development and poverty reduction at the domestic level and to become more active players in the multilateral trading system. In particular, the programme serves as a platform for LDCs to build productive capacities and start engaging in trade policymaking, among other activities, that can lead to creating employment and reducing poverty.

As one of the six core Enhanced Integrated Framework partner agencies, the focus and support of UNCTAD is on contributing towards strengthening the capacities of LDCs in trade policymaking and thus improving ownership of the Enhanced Integrated Framework process. Specifically, UNCTAD supports LDCs under the Enhanced Integrated Framework Programme through the formulation of Diagnostic Trade Integration Studies and their updates, and by drafting and piloting technical cooperation projects for implementation of the action matrix of Diagnostic Trade Integration Studies, in particular with regard to trade mainstreaming projects and tier 2 projects funded by the Enhanced Integrated Framework Trust Fund. The six core partner agencies that support the Enhanced Integrated Framework Programme are UNCTAD, the International Trade Centre, United Nations Development Programme, International Monetary Fund, World Bank and World Trade Organization, with the United Nations Industrial Development Organization and World Tourism Organization as observers.



WHAT KIND OF ASSISTANCE DOES UNCTAD PROVIDE?

UNCTAD provides tailored assistance in response to specific requests from countries participating in the Enhanced Integrated Framework. Such requests can result in the updating of Diagnostic Trade Integration Studies. Assistance can also focus on mainstreaming trade policy issues that are identified in countries' trade diagnostics and preparing and implementing national and regional tier 2 projects drawn from action matrices of Diagnostic Trade Integration Studies. In providing such assistance, UNCTAD uses a mix of national and international expertise to facilitate the exchange of knowledge and maximize results – the approach also contributes to national capacity-building.



PROGRAMME FACTS AND FIGURES

Start date: 2012

Countries assisted per year: 5 (average)

Countries assisted: 7 (Diagnostic Trade Integration Study updates)

Website: unctad.org/EIF



Sustainable Development Goals addressed:

Directly: 9 and 17

Indirectly: 1



RESULTS AND IMPACT AT A GLANCE

- A number of LDCs – for example, Benin, Burkina Faso, Djibouti, Ethiopia, the Gambia, Mali, Mozambique, the Niger and Senegal – have made progress, with support from UNCTAD, in mainstreaming trade policies into their national development plans, identifying trade-related priorities and implementing the action matrices of Diagnostic Trade Integration Studies.
- Senegal completed and validated its Diagnostic Trade Integration Study update in July 2013. UNCTAD then assisted the Government in preparing a tier 2 project on transforming and commercializing fruits from the Casamance region and organized a workshop on the subject in January 2014. A follow-up workshop on trade mainstreaming, held in February 2014, led to the identification of multiple constraints to mainstreaming trade. Together with the Government, a mainstreaming proposal was elaborated and shared with the Enhanced Integrated Framework secretariat in 2014.
- Under the Enhanced Integrated Framework, UNCTAD prepared and validated the Diagnostic Trade Integration Study updates for Djibouti and Ethiopia in 2015 and 2016, respectively. The trade policy, trade facilitation and transport components of the updates focused on making the trading environment of both countries more efficient, and recommended that improvements be made in the logistical performance of the Djibouti–Ethiopia corridor that links Addis Ababa with Djibouti and the ports of Djibouti. UNCTAD arranged a follow-up workshop for Djibouti and Ethiopia in November 2016, to discuss options to improve the logistics systems and trade facilitation. As a result, a Djibouti–Ethiopia corridor management authority study was elaborated, to analyse legislation and coordination instruments, infrastructure, trade and transportation mechanisms and operating procedures, together with a tier 2 project proposal to establish a Djibouti–Ethiopia corridor management authority.
- Strengthening productive and trade capacities. UNCTAD, together with the United Nations Industrial Development Organization and the International Trade Centre, is implementing a tier 2 project aimed at strengthening the productive and trade capacities of Benin. The project focuses on cotton, agro-industries and fisheries – three priorities identified in Benin’s Enhanced Integrated Framework-sponsored Diagnostic Trade Integration Study. As part of the project, UNCTAD is responsible for elaborating a national trade policy document and is providing technical assistance in building capacities of governmental entities and private sector, civil society and non-governmental organizations in the areas of trade integration, negotiations, rules of origin and market access.

“In the last decades, Ethiopia went through a significant reform programme and put in place important regulatory and institutional frameworks to improve the business environment. In relation to this, they realized the Diagnostic Trade Integration Study that focuses on trade policy, trade facilitation and transport. The study shows that these elements are relevant for Djibouti too. The focus paves the way for making the business environment more efficient and effective. As the main trade artery for the two countries, it is important that the Ethiopia–Djibouti corridor be conducive and guided by the principle of a win-win situation. It is the right time to solve all existing issues along the common corridor. The relations between the two countries have now reached the highest level as we have launched the new railway from Addis Ababa to Dire Dawa and onward to Djibouti. I would like to thank UNCTAD, [Enhanced Integrated Framework] and all donor partners for their relentless efforts.”

Mr. Bekele Bulado,
Minister of Trade, Ethiopia, 11 May 2017



DONORS/ FUNDING SOURCE

Past: Trust Fund for Least Developed Countries; Core Project (multi-donor: Austria, Belgium, Canada, Denmark, Finland, France, Greece, Ireland, Italy, Luxembourg, Norway, Portugal, the Republic of Korea, Sweden, Switzerland, Turkey, the United Kingdom, the Holy See and Common Fund for Commodities)

