

Strengthening EIF Donor coordination at country level: Guidance Note for EIF National Implementation Arrangements (NIAs)

October 2019

Background

This Guidance Note facilitates the donor coordination and engagement in EIF activities at country level. With an approach focused increasingly on EIF visibility, leveraging and the emphasis on the framework nature of the EIF, this Guidance Note provides further clarity on role, responsibility and mechanisms for the NIAs¹ to engage and strengthen donor coordination for EIF activities and Aid for Trade (Aft). It complements the current Guidance on the Terms of Reference (TOR) for the EIF Donor Facilitator (DF), the National Implementation Unit (NIU), the EIF Focal Point (FP) and the EIF National Steering Committee (NSC) as presented in the Compendium of EIF documents².

Overview of EIF Donor coordination

As a global framework, the EIF contributes towards an increased availability of Aft resources and improved efficiency and effectiveness of Donor and Agency programming in the least developed countries (LDCs). This is both through encouraging effective linkages and coordination of donors engaged in trade and private sector development and ensuring the effective utilization of collective investments through the EIF. It is also important to ensure that donor interventions are well coordinated to avoid overlaps and duplication.

At the programme level, the EIF governance structure involves representatives from the EIF Donor constituency, and coordination has been done through Geneva-based EIF Donor Group meetings, EIF Board meetings held twice a year and through the EIF Steering Committee.

The Executive Secretariat for the EIF (ES) also organizes periodic Donor visits to EIF beneficiary countries (including previous visits to Cambodia, Lao PDR, Nepal and Rwanda) to facilitate EIF Donor programming and appreciation of the results achieved and the realities on the ground. As part of the annual missions to EIF Countries, the ES Coordinators and the EIF Trust Fund Manager meet with the DFs, development partners, FPs and NIUs to update on donor activities and EIF implementation.

The ES, as part of its outreach activities, also reaches out to Donors and development partners to exchange views on EIF country-specific programme and cooperation initiatives.

At the country level, the NIAs are instrumental for donor coordination. The DF participates in the periodical NSC meetings and updates other Donors on EIF activities. The NIU and the FP regularly meet with the DF to promote the donor-government dialogue on trade issues and Aft.

¹ The NIA at the country level includes: EIF Donor Facilitator, EIF Focal Point, EIF National Implementation Unit and EIF National Steering Committee.

² <https://www.enhancedif.org/en/guidelines>

In view of strengthening donor coordination and engagement on the ground in a systematic manner, the roles and responsibilities of key EIF actors are elaborated as follows:

The role of the NIAs

1. EIF Focal Point

Having one core Donor counterpart as a link to the broader trade-related support assists the EIF Countries to engage more efficiently with the donor group. In this connection, the FP, in consultation with the NSC, is required to identify a DF in the country as part of the EIF in-country governance structure. The DF is a representative of a donor active in supporting the LDCs' trade agenda and is identified by the government and other donors. As a general rule, the DF should be an important donor for AfT and/or support for supply-side capacity-building.

Where an existing mechanism exists for the coordination of trade-related donors, such as a trade or trade and private sector working group, it is strongly recommended that the incumbent donor chair of this group undertake the role of the DF. This would avoid potentially duplicating and undermining existing in-country structures. Where such a group does not exist, it is recommended that one be established.

Should there be strong mitigating circumstances to deviate from the above process, it is recommended that the role of the DF be undertaken by a lead trade or private sector development-related donor in the country who would advocate for trade issues. In such cases, there should be a clear working relationship and linkage between the DF and the relevant donor coordination group. In the absence thereof, another donor (in-country, or where none is available in the country, then a donor who is located in another country and who has a mandate for donor activities in the relevant EIF Country) could be appointed.

In exceptional cases, where a donor cannot be identified to take up the role of the DF, the FP may propose that an agency present in the country fulfil the role, provided that the agency is not in charge of the implementation of EIF-funded projects.

The FP is expected to work closely with the DF and other donors/development partners to ensure that trade priorities are mainstreamed into the national development plan and donors' country programming.

The FP, in carrying out his/her role of chairing the Tier 1/Tier 2/Regional project Appraisal Committee, ensures that the DF is invited to the meeting and has sufficient time to review the project proposal, including to consult with other donors. Views of the DF should be fully taken into account in the development and finalization of the project proposal before submitted it to the EIF.

In the Diagnostic Trade Integration Study (DTIS)/DTIS Update (DTISU) process as well as in project development, the FP should frontload the consultation with the DF at the early stage of the project identification to ensure effective ongoing coordination efforts.

As a good practice, it is recommended that the FP hold periodical meetings (every three months) with the DF to provide an update on donor and government activities related to trade and AfT.

2. National Implementation Unit and National Steering Committee

The NIU is to work closely with the DF and development partners for the preparation of a DTIS/DTISU and the formulation of EIF project proposals as well as other AfT initiatives. Consultation with the DF should be frontloaded at the early stage of the project preparation.

The NIU is expected to work closely with line ministries, the private sector and the DF to ensure the smooth coordination of all aspects of the EIF process in the country.

Together with the FP, the NIU is expected to meet regularly, ideally on a quarterly basis, with the DF office to provide an update on the EIF programme and other trade-related activities.

The NSC, as per its role of monitoring the overall EIF process and activities in the country, should ensure that NSC members, including the DF, line ministries, the private sector, civil society and other EIF stakeholders share information and discuss ongoing AfT-related initiatives in their respective areas to ensure transparency and coordination across sectors and institutions.

3. EIF Donor Facilitator

The DF works with the FP to facilitate donor coordination and the donor-government dialogue on trade issues and AfT. DFs play a key role in engaging donor partners at the national level of the EIF.

The principal objectives of having DFs at the country level are to:

- Help mainstream trade into country policies and programmes and into donor programming;
- Support resource mobilization efforts to address priority needs, particularly in relation to the timely implementation of the Action Matrix of the DTIS/DTISU;
- Link the donor community and other in-country EIF stakeholders;
- Represent the EIF Donors in EIF project preparation and monitoring at country level; and
- Advocate for the role of trade and development and promote the tools and mechanisms of the EIF in-country.
- Coordinate and consult with the wider donor community during appraisal of EIF projects

Furthermore, with respect to projects financed directly through the EIF Trust Fund (EITF), the DF also plays a key role in promoting accountability and the visibility of Donors to the EITF. Projects³ submitted to the EITF require the consent of both the EIF Country representative and the chair of the multi-stakeholder NSC, as well as that of the DF. The role of the DF in particular is to ensure the inclusion of the local donor community in the project development and appraisal process as well as in the monitoring of ongoing implementation.

Broader points for coordination

The scope and extent of support and involvement will vary depending on the specific country context. In recognition of the need for flexibility at the national level, the coordination would be focused on the following three areas to:

³ Tier 1 and Tier 2 projects. This criterion does not apply to other smaller projects, such as feasibility studies or DTISs.

- Assist in the coordination of donors active in the area of trade and private sector development in the country. This may include arranging consultation and coordination possibilities for development partners and providing regular updates on the EIF and related matters;
- Review, advise on and sign, where necessary, project proposals submitted to the EIFTF; and
- Support the objectives of the EIF partnership and programme in the country, including raise awareness of key EIF and trade-related support issues at high political levels.

The FP and the DF may agree to specific TOR to outline the responsibilities and the engagement of the DF in the country, drawing on the additional points below.

Apart from the above focus areas, the DF will assist the country to achieve the objectives of the EIF. This could be achieved through a variety of processes as may be applicable at the country level, and possibly in cooperation with other donors and agencies.

As example, this support could include aspects such as:

- Regularly meeting with EIF-related counterparts to promote the EIF objectives in the country. This could be complemented by quarterly meetings with the NIU and an annual review and stocktaking between the DF and the FP;
- Encouraging a central focus for trade-related interventions around the DTIS Action Matrix or the relevant medium-term programme;
- Encouraging national processes to mainstream trade issues into the national and sectoral planning, linking trade in other sector groups, such as agriculture;
- Increasing the effectiveness of trade coordination mechanisms, such as through encouraging the consolidation and/or utilization of existing committees, rather than separate project or issues-based new committees;
- Actively being involved in the DTIS/DTISU processes, promoting the EIF work and ensuring that other development partners have an opportunity to contribute and comment;
- Encouraging donors to draw on the EIF work (e.g., DTIS Action Matrix) to inform their country programming in relation to private sector development/trade/economic growth; and
- Encouraging donors as a standing procedure to involve existing AfT coordination points (such as the NIU).

Further resources and tools

The ES will look to support the DFs through the provision of a DF pack for new DFs as well as the regular provision of information on good practice.

A tool pack is available on the EIF website to reference the key documents for the DFs. This includes:

- The EIF DF Guidance Note;
- A short overview of the EIF and its resources (EIF Strategic Plans and Compendium for EIF Phase Two, 2016-2022);
- The EIF Resource Mobilization Toolkit; and
- The relevant contact points at the ES and the EIF Countries.