WORK IN PROGRESS

Update on the EIF Interim Facility (InFa)

PART 1: Background and general operational update

Background

With the end of EIF Phase Two and ongoing discussions around a future multilateral Aid for Trade (AfT) support mechanism for the least developed countries (LDCs), **Finland, Liechtenstein, Norway, Sweden, the United Arab Emirates and the United Kingdom** came forward and contributed with critical funding of USD 10.5 million to the EIF InFa, which principal objective is to maintain and build on the results of the EIF programme until any future support mechanism for the LDCs becomes operational. These invaluable contributions from the six Donors have been critical as the EIF InFa significantly helped minimize risks of disruption associated with a gap in support to the LDCs.

This report provides a brief update on the overall operational situation of the EIF InFa and focuses on EIF InFa results in specific thematic priority areas identified for the EIF InFa.

Summary of key achievements of the EIF InFa in 2024

- **Co-funding:** With the catalytic funding of the six EIF InFa Donors, the Facility has successfully garnered resources through the co-funding of ongoing EIF InFa projects and through the leveraging of resources from development partners and national governments financing other projects and trade-related activities. As of 31 December 2024, the EIF InFa's co-funding target of USD 5 million had been surpassed by 45%, reaching a total of USD 7.2 million, primarily contributed by LDC governments and some development partners.
- **Leveraging of additional AfT funds:** The leveraging target of USD 5 million in additional non-EIF resources managed by EIF National Implementation Units (NIUs) has been significantly exceeded. Again, the funding from Donors to the EIF InFa should be seen as truly catalytic here, and thanks to EIF InFa support for over 50 leveraging activities across the supported LDCs, NIUs have managed to mobilize and/or oversee projects worth USD 186 million from various development partners, such as the World Bank, the International Fund

for Agricultural Development (IFAD), the European Union (EU), the International Trade Centre (ITC), the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) and the United Nations Development Programme (UNDP), implementing 16 other AfT projects across 11 LDCs. This amount is 36 times greater than the USD 5 million target and 17 times greater than the EIF InFa fund of USD 10.5 million. Thus, for every USD 1 provided to the EIF InFa, USD 17 has been mobilized from other development partner.

- **Production, exports and market access:** The production volume generated in 2024 by past projects is positive, reaching 480,000 metric tonnes (MT). Export value also saw a positive increase, with monitoring data indicating an additional USD 158 million worth of goods and services exported. The number of international markets accessed also grew, with 38 new markets accessed by previous EIF Phase Two beneficiaries in 2024.

EIF InFa operational update

As of 10 March 2025, the funding from Donors to the Facility has enabled the financing **of 42 projects in 41 countries**.

The total budget allocation of funds to the 41 countries benefiting from the EIF InFa is USD 5.26 million, supporting activities across eight areas. In terms of funds distribution by area, the highest share of 31% is allocated to activities related to NIU sustainability, followed by activities related to monitoring and capturing impacts from past EIF projects (17%); trade-related capacity-building (15%); resource mobilization efforts (10%); support towards regional integration (9%); and accession/post-accession support activities (9%). The area with the lowest share of 1% relates to support on LDC graduation efforts.

As of January 2025, the overall average implementation rate of EIF InFa projects across different EIF InFa countries is about 69%, while the average time use at the same period was 50%, thereby indicating an efficient implementation of the EIF InFa. It is worth noting that there is a natural variation in terms of implementation rate across the 41 countries, where some countries have a high implementation rate and some have a lower implementation rate (for reasons such as a delay in signing the Memorandum of Understanding (e.g., Bangladesh, Malawi and Solomon Islands); delays in staff/consultant hiring (e.g., Tuvalu); and changes in ministry management leading to administrative delays (e.g., Uganda).

The EIF InFa logframe achievement rate is well on track, based on data collected in January 2025 covering all results achieved in 2024. Of the 34 main indicators of the EIF InFa programme logframe, 30 (88%) have achieved or exceeded their targets.

PART 2: Results on EIF InFa priority areas

At the design stage of the EIF InFa, eight priority areas were identified together with the LDCs for support through EIF InFa projects in the countries:

NIU sustainability: Supporting NIUs to remain integrated within governments and to stay relevant and operational amidst ongoing discussions on future multilateral AfT support mechanisms for the LDCs.	**Trade mainstreaming:** Promoting the integration of trade into national development plans, sectoral strategies and policies.
Accession and post-accession: Assisting the LDCs currently engaged in the WTO accession process or post-accession activities.	**Regional integration:** Enabling the LDCs to fully benefit from regional trade agreements.
LDC graduation: Supporting the LDCs scheduled for graduation.	**Resource mobilization:** Helping the LDCs mobilize resources from development partners, governments and the private sector to finance their trade development priorities.
Monitoring of past EIF projects: Facilitating the LDCs' efforts in monitoring and reporting on the impacts of past EIF projects to leverage further AfT resources.	**Capacity-building:** Providing trade and investment-related capacity-building and training for LDC officials and private sector actors.

We have highlighted three of the eight priority areas, showcasing overall progress and specific country results.

NIU integration and sustainability

The EIF's approach to trade-related technical assistance (TRTA) is grounded in unique values, such as national ownership and in-country coordination of AfT implementation. By integrating NIUs within national government agencies and ensuring that they are owned and directed by the national government, we create a robust framework for the strategic alignment of trade and investment priorities. To assess the depth of NIU integration, the EIF uses a set of five criteria[1]. This integration guarantees long-term impact and strengthens the overall capacity of national governments to lead their trade agenda.

However, integrating an NIU into the government without ensuring its long-term sustainability after EIF support is insufficient for ensuring long-term success. Therefore, in addition to supporting NIU integration, the EIF closely assesses, monitors and supports actions that will lead to NIU sustainability on institutional, human capacity and financial fronts. The EIF does this by evaluating the likelihood of NIU sustainability based on a set of parameters that provide an indication, rather than a factual statement, of future sustainability. These parameters include:

1. *The proportion of NIU personnel costs covered by the EIF compared to the government and other stakeholders.*

2. *The proportion of NIU operational costs funded by the EIF versus the government and other stakeholders.*

3. *The proportion of project funds managed by the NIU provided by the EIF compared to the government and other development partners.*

NIUs are rated based on their average sustainability score: *Low Sustainability* applies when the sum average EIF contribution across all parameters is greater than 80%; *Medium Sustainability* applies when the sum average EIF contribution is greater than 50% but less than 80%; and *High Sustainability* applies when the sum average EIF contribution to all three parameters is equal to or less than 50%.

On NIU integration, EIF InFa beneficiary countries have on average gained 0.31 point on their integration score compared to the baseline (end of EIF Phase Two). Based on the most recent assessment, the average NIU integration score for EIF InFa beneficiary countries is 5.24 compared to 4.93 at baseline. The EIF InFa logframe target to improve the integration score of 5 NIUs has therefore been achieved.

Regarding NIU sustainability, despite the reshuffling of countries ranked as low, medium or high likelihood of sustainability, the overall sustainability status has been maintained. Initially, we had 18 NIUs ranked as High (3 points), 14 as Medium (2 points) and 8 as Low (1 point). The current assessment, which includes Guinea-Bissau, which previously did not have an NIU, shows 18 NIUs as High, 16 as Medium and 7 as Low. Overall, the EIF InFa's performance towards achieving the goal of improving the sustainability rating of five countries has been exceeded, with seven countries

[1] The EIF uses a set of five (+1) criteria. A country is considered integrated if it meets 4 out of the following 5 criteria: 1) Whether the NIU is hosted by the ministry; 2) whether there is a formal decision/decree integrating the NIU or the NIU is part of the official organigramme of the ministry; 3) whether the NIU staff composition comprises civil servants; 4) whether the NIU coordinates TRTA; 5) whether the NIU facilitates trade-related intersectoral bodies; and (+1) whether the NIU undertakes any other core ministry function not covered by the criteria.

improving their ratings from the previous assessment.[2] Meanwhile, the target of ensuring that 100% of supported NIUs do not worsen their sustainability rating was achieved only by 85%, as 6 NIUs experienced a drop in their sustainability likelihood scores.[3] One of the main reasons for this drop across the countries has been the absence of other non-EIF-funded trade-related projects, financed by either development partners or national governments, that are designed, managed or coordinated by the NIU. However, most NIUs are currently engaging thanks to EIF InFa support with development partners and national governments to mobilize non-EIF resources.

Below are a few country examples related to NIU integration and sustainability.

Benin's move from low to high likelihood of NIU sustainability

Benin has achieved some of the greatest gains in terms of sustainability moving from Low sustainability at baseline to High sustainability currently since the end of EIF Phase Two and thanks to the continuity of support provided through the EIF InFa. While it had achieved a high integration score, the likelihood of NIU sustainability was rated as Low. Some of the key reasons that led to this low rating included the fact that EIF funding accounted for more than half of all NIU-managed funds; the NIU was unable to mobilize non-EIF AfT resources or manage the implementation of other AfT projects besides EIF projects; and because over half of the NIU's operational cost were paid by the EIF. Thanks to the EIF's continuous engagement through the EIF InFa, the NIU's mandate was enhanced, establishing it as the principal AfT management structure of the Ministry of Trade and Industry.

The strategic enhancement process made possible through the EIF InFa has enabled the NIU to secure substantial AfT resources beyond the EIF. By December 2024, the NIU managed an impressive USD 2.25 million, with EIF funding at just 6.6% (USD 150,000), while the majority of resources were leveraged from IFAD and the Government of Benin. Additionally, the share of NIU staff costs earlier covered by the EIF has been eliminated, thanks to financing from the Government and IFAD.

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[2] *Countries that improved their rating: **Benin** from Low to High; **Burkina Faso** from Medium to High; **Haiti** from Low to Medium; **São Tomé and Príncipe** from Low to Medium; **Sierra Leone** from Medium to High; **South Sudan** from Medium to High; and **Zambia** from Low to Medium.*

[3] *These include **Djibouti** from High to Medium; **Ethiopia** from High to Low; **Timor Leste** from Medium to Low; **Togo** from High to Medium; **Tuvalu** from Medium to Low; **Uganda** from High to Medium.*

Sierra Leone's move from medium to high likelihood of NIU sustainability

Sierra Leone has made significant strides in its integration and sustainability ratings under the EIF InFa. The NIU has achieved a full integration score of 5 (+1), an improvement from 5 under EIF Phase Two, primarily due to the deepening and expansion of the NIU's role within core areas of the Ministry of Trade and Industry (MTI). The NIU has been integrated into the Directorate of Export Promotion, ensuring the sustainability of EIF-supported activities. Staff within the Directorate have been assigned specific roles to coordinate and monitor EIF-supported initiatives, aligning them with national trade frameworks. This integration ensures that EIF activities are embedded within all trade policies and programmes of the MTI, serving as a key mechanism for implementing Sierra Leone's national trade programmes. All NIU staff costs are now financed by the Government, and the NIU has also been able to successfully mobilize non-EIF funds amounting to USD 305,000 from the Economic Community of West African States, the EU and UNDP. This has contributed to reducing the share of the EIF's combined contribution to the operations, staffing and project financing to less than 50%, hence achieving a high sustainability likelihood rating.

Supporting the LDCs to mobilize AfT resources

Overall, EIF InFa country performance in resource mobilization during the EIF InFa in 2024 has been outstanding. With the catalytic funding of the six EIF InFa Donors, the Facility has successfully garnered resources through the co-funding of ongoing EIF InFa projects and through the leveraging of resources from development partners and national governments financing other projects and trade-related activities.

On 31 December 2024, the EIF InFa's co-funding target of USD 5 million had been surpassed by 45%, reaching a total of USD 7.2 million, primarily contributed by LDC governments and some development partners. This co-funding achievement represents a leveraging ratio of 1:1.38 compared to the USD 5.2 million disbursed by the EIF InFa to countries for the ongoing 42 projects. Thus, for every USD 1 disbursed by the EIF, USD 1.38 was matched by LDC governments and development partners.

Even more impressive is the leveraging by NIUs – i.e., the amount mobilized by NIUs for other AfT projects. The leveraging target of USD 5 million in additional non-EIF resources managed by NIUs has been exceeded. Again, the funding from Donors to the EIF InFa should be seen as truly catalytic, and thanks to the EIF InFa's support to over 50 leveraging activities across beneficiary countries, NIUs have succeeded to mobilize and manage USD 186 million in 2024 from various development partners, such as the EU, GIZ, IFAD, ITC, UNDP and the World Bank, for implementing 16 other AfT projects across 11 countries. This amount is 36 times greater than the USD 5 million target and 17 times greater than the EIF InFa fund of USD 10.5 million. Thus, for every USD 1 provided to the EIF InFa, USD 17 has been mobilized from other development partners.

 

Below, we highlight a few country cases demonstrating the NIU's efforts toward resource mobilization.

Cambodia

In Cambodia, following the successful implementation of the EU's ARISE Plus project during EIF Phase Two, the NIU built on this to mobilize additional EUR 9.9 million (about USD 10.5 million) from the EU and Germany for its second phase renamed the EU Global Access for Trade Expertise (EU GATE) 2024-2028. The project, which aims at strengthening trade policy, digital economy, trade facilitation and trade competitiveness of small- and medium-sized enterprises is being implemented and coordinated by the NIU at Cambodia's Ministry of Commerce.

Rwanda

In Rwanda, the NIU, also known as the Single Implementation Unit (SPIU), secured USD 26 million to implement a component of a World Bank-funded project ("Kigali Logistics Platform Connectivity Development Project"). The project aims to improve resilient and safe connectivity along the regional logistics corridors and support local and regional economic activities. It will also contribute to greater sustainability of the NIU function by funding core SPIU staff positions over the next six years.

Lesotho

In Lesotho, leveraging the strengthened integration of the NIU within the Planning Department of the Ministry of Trade and Industry, along with its extensive experience in implementing EIF projects and the earlier World Bank Competitiveness and Financial Inclusion Project, the NIU has mobilized an additional USD 16 million from the World Bank. This funding is designated for implementing Component 2, which focuses on regional trade integration of Lesotho's Integrated Transport, Trade and Logistics project. The NIU has played a pivotal role in this project, contributing from its design phase through to its implementation and coordination.

Monitoring impacts of past EIF projects

An essential aspect of the EIF InFa's role as a bridge between EIF Phase Two and any future AfT programme for the LDCs is the monitoring of, and follow-up on, past EIF projects. This process is crucial for capturing the results, impacts and learnings from previous interventions, ensuring that future projects are more relevant and effective. Additionally, these insights serve as valuable communication resources for various efforts in leveraging support and resources, as EIF InFa projects have supported 47 impact monitoring actions across EIF countries, exceeding the logframe target of 20 actions for the monitoring actions indicator.

This section highlights the significant impacts emerging from EIF Phase Two projects, captured during monitoring missions with support from the EIF InFa. While the eight EIF InFa priority areas focus more on institutional type support, we take advantage of this section to showcase impacts from previous Tier 2 interventions – such as impacts on production, exports, access to markets, jobs and the like – which have not been the focus of the EIF InFa.

Based on impact monitoring data collected, thanks to the EIF InFa, the overall programme achievements in relation to logframe indicator targets on production volumes, export value and number of market access are noteworthy. In line with the logframe targets, production volume generated in 2024 by past projects reached 480,000 MT. Export value also saw a positive increase, with monitoring data indicating an additional USD 158 million worth of goods and services exported. The number of international markets accessed also grew, with 38 new markets accessed by previous EIF Phase Two beneficiaries in 2024. These accomplishments underscore the positive impact of EIF InFa projects on production, exports and market access, demonstrating the programme's effectiveness in supporting the LDCs' productive capacity-building. Noteworthy examples include:

Tanzania impact monitoring on micro-, small- and medium-sized enterprise (MSME) competitiveness project

This project, for which EIF support ended in September 2023, aimed to enhance MSME competitiveness in the value chains of anchovy, seaweed, spices and horticulture, leading to increased revenue and market access.

In the seaweed value chain in Zanzibar, EIF-supported interventions led to a 58% increase in seaweed production, rising from 10,530.8 tonnes in 2021 to 16,652.9 tonnes in 2023, as confirmed by the Zanzibar Statistics Abstract (2024). The project also significantly boosted yield per acre by over 100%, from 817.2 kg in 2021 to 1,772 kg per acre in 2024 across targeted areas. Additionally, the price of seaweed increased significantly by 60-100%, depending on the variety, from TZS 600 to TZS 1,000 per kg for Spinosum and from TZS 1,000 to TZS 2,100 per kg for Cottonian, reflecting improved market access and increased incomes for farmers.

In the anchovy value chain, production saw substantial growth, with the Zanzibar Statistical Abstract (2024) highlighting a 62% increase from 13,433 tonnes in 2021 to 21,827 tonnes in 2023. Exports also rose by about 33%, from 6,068 tonnes in 2021 to 8,107 tonnes in 2023, generating USD 4.5 million in 2023. The monitoring team noted a significant increase in employment within the seaweed production and processing value chain. Employment in the production value chain rose from 157 (81% female) in 2022 to 320 (78% women and 70% youth) in 2024 in the intervention areas. In the processing value chain, a total of 657 jobs (51% female and 25% youth) were created, with 163 specifically for youth in 2024.

Overall, the project interventions have significantly contributed to increased productivity, improved market access and enhanced employment and incomes for seaweed farmers and anchovy processors in Zanzibar.

Bhutan e-infrastructure for trade and services development

The project, for which the EIF support ended in June 2022, aimed to create a dynamic information and communication technology (ICT) ecosystem for trade development by accelerating access to ICT for targeted sectors (goods and services), improving data availability, facilitating information-sharing and enhancing business opportunities through an improved electronic platform. The EIF provided catalytic support to the Food Corporation of Bhutan (FCB) to establish an online potato auction and a potato grading facility in Southern Bhutan. This facility has the capacity to grade (sort, inspect and categorize potatoes by quality), package and store produce in the FCB warehouse, allowing farmers to obtain a receipt that can be traded online on the commodity trading platform.

Thanks to this system, farmers can now grade a truck of potatoes within hours compared to four days. The instant receipt provided, which can be traded online, enables farmers to receive payment within a day through the online platform, as opposed to more than a week in conventional auctions. This innovation has led to a significant increase in online potato trading, from 1.1 MT in 2017 to 18.8 MT in 2023, and helped farmers to make a saving of up to USD 420 per truckload of potato. The success of this initiative in Southern Bhutan has prompted FCB to replicate the model in Central Bhutan, with support from the Government, the Global Environment Facility LDC Fund, UNDP and the Food and Agriculture Organization, amounting to approximately USD 900,000.

These advancements have greatly enhanced the efficiency and profitability of potato trading for farmers in Bhutan, demonstrating the impactful results of the project.

Niger sesame sector development project

The project, for which EIF support concluded in December 2022, aimed to enhance the competitiveness of the sesame sector by establishing a functional, interprofessional organization; strengthening production and processing capacity; and improving access to national, regional and international markets. The impact monitoring exercise conducted in 2024 revealed significant achievements. Sesame production reached 25,000 MT in 2023, which more than doubles the 10,000 MT target that was set to be achieved by 2022. In terms of exports, sesame generated USD 36.6 million in revenue, surpassing the target of USD 6.5 million. Products were successfully exported to four markets in 2024 – both regionally and globally – including Burkina Faso, China, India and Nigeria.

These results highlight the project's substantial impact on the sesame sector, demonstrating enhanced production, increased revenue and expanded market access.