



Enhanced Integrated Framework

Trade for LDC development



# Integrating trade in the sustainable development strategies of least developed countries

International trade can be a powerful tool for least developed countries (LDCs) to reduce poverty and achieve sustainable development. To harness this potential, the integration of trade in national development plans helps ensure coherence across government activities. But LDCs have limited capacity to mobilise resources to formulate, implement and monitor trade policies that are articulated within development strategies. Filling the knowledge gap on different approaches to this “mainstreaming” of trade is important to strengthen domestic policymaking and enhance the effectiveness of trade-related assistance - not least in the recovery from Covid-19. This brief gathers learnings from three LDCs who have implemented trade mainstreaming programmes with the assistance of the Enhanced Integrated Framework and puts forward a set of policy options.

## KEY POINTS

### **Least developed countries can learn from each other’s practices.**

Many LDCs have put into practice creative approaches to integrating trade in their development planning, suited to their own circumstances, from which there are underutilised opportunities to learn.

### **National ownership of the trade integration process is essential.**

Investment in human capacity and in the mechanisms that strengthen stakeholder dialogue and consultations across government consolidate the implementation of trade policy frameworks.

### **The purpose of integrating trade in development planning is to sustainably improve livelihoods.**

The allocation of resources to trade depends on evidence that trade contributes to sustainable development and helps extricate LDCs from the poverty trap.

<b>INTRODUCTION</b> .....	<b>2</b>
<b>CASE STUDIES</b> .....	<b>4</b>
<i>CAMBODIA</i> .....	4
<i>VANUATU</i> .....	6
<i>ZAMBIA</i> .....	8
<b>POLICY OPTIONS</b> .....	<b>10</b>

# INTRODUCTION

The majority of least developed countries seek to integrate trade in their national-level development strategies. The case for integrating trade in such development planning stems from the recognition that trade can help attain development objectives, including reducing poverty and developing sustainably, but that these benefits are not automatic. They require complementary policies and investments to realise this potential.

Mainstreaming trade is defined as “the process of integrating trade into national and sectoral development planning, policymaking, implementation and review in a coherent and strategic manner” (UNDP-EIF 2011). It takes place at the level of policy, institutions and international cooperation. Trade mainstreaming allows for consideration in trade policymaking of cross-cutting effects on an economy and of the social and environmental dimensions of economic integration. However, embedding trade-related policies, rules and negotiations into development planning is a challenging process.<sup>1</sup>

Key issues involved in mainstreaming include, for example, ensuring cross-agency coordination and assessing policy trade-offs. Priorities are determined based on upstream analysis and an evaluation of financing needs. This is realised through regular, and institutionalised, dialogue across government and with development partners, as well as stakeholders from the private sector and civil society.<sup>2</sup>

## THE ROLE OF THE ENHANCED INTEGRATED FRAMEWORK

A core mandate of the Enhanced Integrated Framework (EIF) – a multilateral aid for trade partnership between LDCs, donors and international agencies – is to support trade mainstreaming in national policies and institutions and in development initiatives (for example agricultural assistance from donors). This is pursued by managing the development of diagnostic trade integration studies (DTIS) with national governance bodies, strengthening organisational and implementation capacities in trade ministries and acting as a vehicle to leverage resources and coordinate donor support (EIF 2019a).

The DTIS and the action matrices developed alongside the analysis are envisioned as operational instruments in the mainstreaming process, providing the analytical base and prioritisation on which to develop a trade policy framework or roadmap. The approach is designed to ensure host governments own the process, establish trade coordination mechanisms and take the lead in implementation (Figure 1).

## INTEGRATING TRADE IN DEVELOPMENT PLANNING IS CHALLENGING

According to the WTO (2018), mainstreaming trade:

*“requires a deliberate effort to integrate trade into the various dimensions of government activity and policy making. It also requires public and private sector participation, creating and establishing statistical capacity to measure progress and many rounds of consultation to ensure trade, alongside finance and investment, technology and capacity building, all work towards creating the structure to allow a country to benefit from trade and to see social, economic and environmental improvements.”*

Figure 1. The diagnostic trade integration study and action matrix process



Note: The DTIS is often drafted by the World Bank or UN experts and led by ministries of trade. The process includes domestic consultations with public and private stakeholders and the engagement of development partners. The DTIS identifies constraints and opportunities to integrate the world economy, and the resultant action matrix is a tool to mainstream priorities in national development plans and in donor country programming. The report is the end-product of a process that starts at the initiation of a request from the LDC and culminates with the report's validation by national stakeholders and its subsequent integration in development planning. The DTIS process can be repeated to produce an update (DTISU).

Source: Adapted from EIF (2016).



A foundation for effective mainstreaming is a national trade policy framework (TPF) or roadmap (see Box).

LDCs have limited capacity to mobilise resources and institutions to create an integrated approach to trade reform. Beyond the validation of priorities identified during the diagnostic phase, the integration of trade requires sustained momentum through to the implementation and monitoring phases. Since mainstreaming often requires expending political capital to instigate institutional and policy change, the benefits of trade integration need to be demonstrated, with one of those benefits being sustainable productive capacity development (enabled through support projects). Alignment of trade-related assistance with national development priorities is therefore essential.

The next section extracts learnings from three case studies of LDCs that have integrated trade in their national development plans. Policy options are then identified based on these learnings and additional desk research.

*“Since integrating trade in national development strategies often requires expending political capital to instigate institutional and policy change, there is a key role for the active demonstration of the benefits of trade to support these changes.”*

### WHAT IS A TRADE POLICY FRAMEWORK OR ROADMAP?

A key starting point for mainstreaming is the elaboration of a trade policy framework (or trade policy roadmap) rooted in the findings of robust diagnostics – DTIS and other relevant inputs like WTO trade policy reviews. It should help identify, implement and monitor trade-related actions that support national development objectives. A TPF consists of two main pillars:

- a. A set of substantive trade policy objectives and the complementary policies required to pursue such objectives in a sustainable manner; and
- b. A strong and effective consultative process with key stakeholders, starting with properly coordinated inter-agency consultations within government and extending to institutionalised trade and development policy dialogue with the private sector, the donor community and key elements of civil society.

The policy framework should ensure that trade priorities and financing needs are identified so that they can be supported effectively by development partners through trade-related technical assistance and capacity building.

Source: Adapted from UNCTAD (2009).

**Table 1. Select indicators of case countries**

	Population (millions)	Gross national income per capita (current US\$)		Poverty headcount ratio (% of population)		Trade ratio (% GDP)	Human assets index*	Economic vulnerability index*
Cambodia	16.25 (2018)	750 (2010)	1,390 (2018)	23.9 (2009)	13.5 (2014)	125 (2018)	68.9 (2018)	34.8 (2018)
Vanuatu	0.29 (2018)	2,690 (2010)	3,160 (2013)	n.a.	n.a.	106 (2016)	78.5 (2018)	47 (2018)
Zambia	17.35 (2018)	1,340 (2010)	1,430 (2018)	54.7 (2010)	54.4 (2018)	76 (2018)	58.6 (2018)	40.5 (2018)

Note: These development indicators provide a comparative snapshot of the case countries.

Source: World Bank World Development Indicators; \*UN data (the LDC graduation threshold is above 66 for the human assets index and below 32 for the economic vulnerability index).

# CASE STUDIES

The experiences of Cambodia, Vanuatu and Zambia offer cross-learning opportunities. All three LDCs have elaborated trade policy frameworks or roadmaps based on relatively recent DTIS updates and action matrices developed with EIF support.

To evaluate the effectiveness of trade mainstreaming efforts in LDCs, UNCTAD (2016) suggests a useful set of three questions. Have they led to the development of a coherent trade policy framework? Have they fostered productive capacity development and transformation? Have they enhanced local ownership of the trade policy and development process? An added question in the context of this brief is whether they have led to trade development that is sustainable and inclusive.



## CAMBODIA

Cambodia has made huge strides in reducing poverty and achieving development objectives.

International trade and investment have played a major part in sustaining an average growth rate of 7.9% from 1997-2017. The main drivers have been construction, manufacturing (mainly garments, which account for 2/3rds of total exports), diversification into agricultural exports and, to a lesser extent, tourism. Before the damaging impact of the Covid-19 pandemic, the Southeast Asian nation was expected to meet, for the first time, two of the three criteria (national income and human assets) for graduation from the LDC category by 2021.

*“The new set of indicators in the trade roadmap directly connected to national development plans and sustainable development goals is an example of how mainstreaming should work: the strategy must contribute to broader development objectives.”*

**Sven Callebaut**

Senior Adviser to the Government of Vietnam and CTISU (2019-2023) team leader

### *Creative sector-wide approach*

Cambodia has been creative in mainstreaming trade into its development planning. It transformed the action matrix of its second DTIS in 2007 into an integrated trade sector roadmap. The strategy, backed by high-level political commitment and developed by the Cambodian Ministry of Commerce with donor support, is termed the trade sector-wide approach (Trade SWAp).<sup>3</sup> The framework, and the institutional restructuring that came with it through the establishment of technical and coordinating bodies, is considered an example of good practice.

The fourth and latest iteration of the DTIS – the Cambodia Trade Integration Strategy (CTISU) 2019-2023 – amplifies the link between the trade strategy and the country’s broader development agenda, including by exploring new sources of growth like the digital transformation. A new set of goals and indicators are included in the action matrix that are connected to the mid-term objectives in the National Strategic Development Plan 2019-2023 and Rectangular Strategy 2019-2023,<sup>4</sup> as well as the long-term vision supporting LDC graduation and the achievement of the Sustainable Development Goals.

### *Consultation mechanisms*

In formulating its trade strategy, the Cambodian government has endeavoured to be inclusive, with different perspectives given voice in stakeholder consultations. For the latest CTISU, consultations were conducted through 12 thematic focus groups (for example agri-business value chains or education and skills) chaired by the Ministry of Commerce and involving over 250 stakeholders from the private sector, civil society,

<sup>3</sup> The Trade SWAp is a mechanism to plan and coordinate the human, institutional and financial resources of the Cambodian government, national stakeholders and development partners for the purpose of strengthening trade sector development. The mechanism is based on a single strategy (the DTIS) and a set of shared objectives (three pillars) consisting of reforms and cross-cutting issues, sector-specific export promotion and capacity building. The SWAp is guided and monitored by the Sub-Steering Committee on Trade Development and Trade-Related Investment under the leadership of the Ministry of Commerce.

<sup>4</sup> The Rectangular Strategy frames the direction of Cambodia’s national development plan. It is a dynamic document centred around governance reform that responds to socio-economic challenges identified as relevant to the planning cycle.



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government ministries and donors. For the first time, a representative of the Ministry for Women Affairs was present in each group to help ensure that the gender dimension of trade reform is duly considered.

Another good practice was the country's engagement of development and knowledge partners (for example UNDP, UNCTAD and the WTO) in programming at an early stage through the drafting and review of various chapters of the CTISU. This facilitates the commitment of resources to priorities identified in the roadmap.

However, the mechanisms through which sustainable development objectives are embedded in trade policy could be perfected, especially given the level of maturity Cambodia has reached in integrating trade in development planning. There is scope to instigate more structured assessments of the impacts of trade reforms on inclusivity and sustainability criteria.

#### **Alignment with the planning cycle and human capacity**

Cambodia was the first country to launch a DTIS in 2002. The process is now repeated every five years in line with the mid-term national development planning cycle. This alignment has had a dynamic effect on sector strategies and productive capacity building. A good example can be found in the country's diversification into agricultural exports (particularly rice) with investments from donors helping to catalyse this development.

Cambodia has consistently sought to be creative as it moved through successive generations of trade integration strategies and roadmaps. This iterative approach is apparent in the latest CTISU which, for example, incorporates the growing importance of (foreign) private investment and domestic public revenues in fuelling development, and the changing nature of trade-related assistance needs as the economy diversifies.

A lesson that can be drawn from Cambodia's experience is the importance of investment in human capacity. Executing a sector-wide approach to trade mainstreaming is complex. The technical knowledge acquired by local staff over the years across key administrative bodies – and professional management in the lead implementation agency – have enabled Cambodia to build the institutional capacities to operationalise an effective model in the context of the country's economic development.

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## VANUATU

A majority of the population in the archipelagic nation of Vanuatu live in rural areas where subsistence

farming, fishing and cash crops are the main sources of livelihood. The traditional (*kastom*) economy, based on principles of egalitarianism and joint ownership of productive assets, plays an important role. Prior to the Covid-19 pandemic, tourism and tourism-related services were the mainstay of the formal economy. The Pacific nation reached an important milestone in 2020 by graduating from LDC status. Vanuatu, however, is one of the most at-risk countries in the world to the effects of climate change and natural disasters.<sup>5</sup>

*“Consistency in policy development and implementation creates a narrative where trade becomes an important topic for national development that is visible for domestic stakeholders and donors.”*

**Andrea Giacomelli**

*Adviser at the Permanent Delegation of the Pacific Islands Forum in Geneva and TPF (2019-2025) team leader*

### *Governance dimension and sustainability*

The policy and institutional frameworks that guide Vanuatu’s approach to mainstreaming were endorsed by the Council of Ministers in 2012. The council ensures that trade is properly considered in national development planning.

Vanuatu’s Trade Policy Framework 2019-2025 – updated from a 2012 version that replaced the DTIS – contributes towards achieving the goals contained in the National Sustainable Development Plan (NSDP) 2016-2030. The policy is complemented by an Implementation Matrix that is monitored three times per year by the National Trade Development Committee (NTDC) – the body established under the Ministry of Tourism, Trade, Commerce and Ni-Vanuatu Business to coordinate trade policy decision-making.<sup>6</sup>

Vanuatu’s trade policy ecosystem has reached a considerable degree of maturity. The TPF 2019-2025 takes a multi-sectoral approach to mainstreaming. It distils across departments the trade-related aspects of sectoral issues to help ensure that the trade division’s robust monitoring mechanism can serve the needs of the whole government and enhance joint implementation of the framework over the seven-year policy cycle.

The latest TPF brings a creative approach to sustainability by including a section on the relationship between trade development and the *kastom* economy – a critical aspect of resilience in Vanuatu. The Implementation Matrix uses seven criteria to evaluate the positive or negative impacts of TPF recommendations.<sup>7</sup>

The TPF 2019-2025 is also the first to include a chapter dedicated to trade and sustainable development. Its starting point is to ask what sustainable trade means in the context of Vanuatu and to identify how sustainability concepts can benefit

<sup>6</sup> The NTDC is chaired by the Minister of Trade (who is usually also the deputy Prime Minister) and brings together ministries, the private sector, civil society and donors. The committee develops policy recommendations for government and informs development cooperation decisions.

<sup>7</sup> Criteria-setting was subject to consultation and includes, among others, the potential to generate dispute within the community around the ownership of land, impacts on income inequality and the effect on traditional conservation areas.

<sup>5</sup> The country’s economic and environmental vulnerability indicator is far higher than the maximum threshold for LDC graduation (see Table 1).



Port Vila, Vanuatu

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trade development. In an area of importance to Vanuatu, the TPF also recommends that the linkages between trade and natural disasters are regularly discussed at the NTDC meetings.

#### *Managing complexity and strengthening institutional processes*

The TPF update is more comprehensive than its predecessor, which was designed as a concise document that national stakeholders could utilise in the context of a mainstreaming programme which, at the time, was still in its infancy. The new TPF gives rise to challenges that hinge around the capacity to coordinate and monitor a more ambitious and technical product. This will need to be done as Vanuatu negotiates post-LDC graduation international support measures with donors, which could affect available funding for implementation of the trade policy.

The latest TPF recommends approval of a Trade Governance Act giving legal status to the decisions of the NTDC. The objective is to secure formal means of cooperation with other departments and the assurance that committee decisions are duly considered for implementation by the government. The act would also set out a procedure for the NTDC to establish technical sub-committees in the form of advisory public-private working groups.

#### *Overarching framework with consistent goals*

The TPF provides a mechanism to anchor DTIS recommendations into policy, and serves as an overarching framework that helps direct other national policies in productive sectors like agriculture. An important factor behind this success has been the investment put into a national implementation unit (the body responsible for coordinating EIF projects) to service the NTDC and help ensure it delivers value.

Consistency in the trade mainstreaming programme's objectives has been key to nurturing domestic ownership of the trade and development policy agenda and building trust with donors. The leadership backed institution building,

objectives were monitored and talented staff were trained and recruited to manage funds. As a result, the programme has received considerable support within government and from donors, with disbursements aligned with the needs identified by Vanuatu in areas like agricultural value chains and tourism infrastructure.

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## ZAMBIA

Zambia is a landlocked LDC with stubbornly high levels of poverty. Agriculture provides a livelihood to over two-thirds of the population. To sustain growth, its economy is largely reliant on copper production, which constitutes over 70% of export earnings. This dependence on a single commodity has led successive governments to prioritise diversification in order to attain the objectives outlined in Vision 2030 – the country's long-term national development agenda.

*“The integration of trade in development planning does not guarantee effective mainstreaming unless domestic and external resources are committed to the implementation of trade-related policies and programmes.”*

**Griffin Nyirongo**  
EIF Coordinator at the Zambia Ministry of Commerce,  
Trade and Industry

### *Industrialisation agenda*

Vision 2030 is operationalised through mid-term development plans, the latest being the Seventh National Development Plan 2017-2021, in which trade is embedded across various strategic areas and centred on economic diversification and job creation.

Zambia's trade policy framework is outlined in various documents that include the National Trade Policy 2018 and National Industrial Policy 2018, led by the Ministry of Commerce, Trade and Industry.<sup>8</sup> The underlying focus of the trade policy and its implementation plan is to support the industrialisation agenda. Zambia's DTISU in 2014 noted that the country had made good progress with mainstreaming trade into national policies, with a number of elements in the 2005 action matrix included in subsequent mid-term development plans.

Following ratification of the WTO Trade Facilitation Agreement, Zambia set up a National Trade Facilitation Committee in 2018. The committee provides a forum to apply for funding with development partners for implementation of the agreement. To avoid duplication of efforts, the committee has also taken the lead in identifying gaps and coordinating financing needs for the 2014 DTISU action matrix.<sup>9</sup>

### *National dialogue and demonstration of trade benefits*

Inadequate coordination between the central and the provincial levels is one of the issues identified in the 2014 DTISU as having undercut efforts to more effectively integrate trade into Zambian policymaking. Zambia has a mechanism in place to deepen the policy dialogue, with stakeholder consultations around trade undertaken at the national level and also at the provincial and district level, especially in the context of the formulation of the National Development Plan.

<sup>8</sup> With trade and industry housed under a joint ministry, synergies can be developed between policy domains. The African Continental Free Trade Area provides an example: complementarities can be found between the Department of Foreign Trade responsible for negotiations and that of industry, which seeks to identify opportunities and provide support for the private sector to participate effectively in the regional agreement.

<sup>9</sup> The committee is enacted under the 2018 Border Management Act and chaired at a high level by the Secretary to the Cabinet.



Zambia is currently decentralising various government functions, which exposes challenges. First, ensuring that the technical capacities to assess and integrate trade-related issues are instilled at that level of governance. Second, sustainable results depend on the availability of financial resources that accompany the empowerment of decentralised structures.

This feeds into a broader issue. The inclusion of trade in development frameworks does not lead to effective mainstreaming unless it is adequately funded in the national budget and through resource mobilisation from development partners. Zambia's implementation efforts have consistently hit a resource gap.

Beyond the narrow tax base (due to a small formal sector and capital flight from the mining sector), a key reason is the question of whether the trade agenda has justified its worth in fostering productive capacity development. The economy remains highly concentrated and generates little value addition. Resources should accrue when there is greater demonstration of trade's potential to help extricate the country from poverty.

### **Coordination and policy consistency**

Mainstreaming trade has a cost that needs to be met by commitments in public spending. Zambia relies on external financing and coordination of the scarce capital is critical. To improve coherence, the trade ministry, with the support of EIF's national implementation unit, is working with the Ministry of National Development Planning, which oversees national donor projects, to consolidate information on trade-related activities and programmes conducted under different portfolios.

Policy consistency also stands out as a lesson from Zambia's mainstreaming experience. An example can be found in maize, the country's staple food. The misalignment between agricultural and trade policies can send conflicting signals for value chain actors. Regular export bans act as disincentives for increased investments in maize, and more generally in agriculture, which has been identified as having strong regional export growth potential given the country's fertile land and

water. Other distortions undermine this goal while seeking to address important national policy goals like food security.

Complementary measures could be envisaged that sustainably support these mutual objectives. This entails coordination across ministries and, importantly, quality market information and analysis covering developments on the ground for an evidence-based approach to trade and development policymaking.

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# POLICY OPTIONS

Building on the discussion of trade mainstreaming experiences in Cambodia, Vanuatu and Zambia, a set of policy options for consideration by LDC governments and the international community are presented in this section. The options, which should not be seen as supporting generalised policy conclusions, are mutually reinforcing and sensitive to country specificity – i.e. options may not be applicable in the same form to all LDCs. They are grouped into three categories: knowledge, ownership and sustainability.

## ENHANCING KNOWLEDGE

### Option 1. Create a repository of trade mainstreaming practices

A knowledge bank could centralise fragmented information on LDC approaches to trade mainstreaming and help nurture South-South learning and cooperation. A regional dimension to this initiative could also be considered. As seen in the example countries, LDCs bring creative ideas (at the level of policy, institutions and resourcing) to the process of mainstreaming trade that can provide valuable insights for policymakers, donors and researchers. The repository could be hosted by EIF, a partner agency and/or a regional entity.

### Option 2. Encourage data-driven analysis of trade policy reforms

Digital technologies can support an evidence-based approach to trade and development policymaking. The example of agriculture in Zambia shows that data-driven market analysis performed in LDCs could strengthen mainstreaming processes

by identifying comparative advantages, chokepoints, priority areas of intervention, policy inconsistencies and potential misalignments between trade and other policy objectives. Solid and up-to-date analytics also bolster monitoring efforts. Partnerships between LDCs, development partners and domestic and international research institutions can lead this effort, which could initially focus on key sectors like agriculture.

## PROMOTING NATIONAL OWNERSHIP

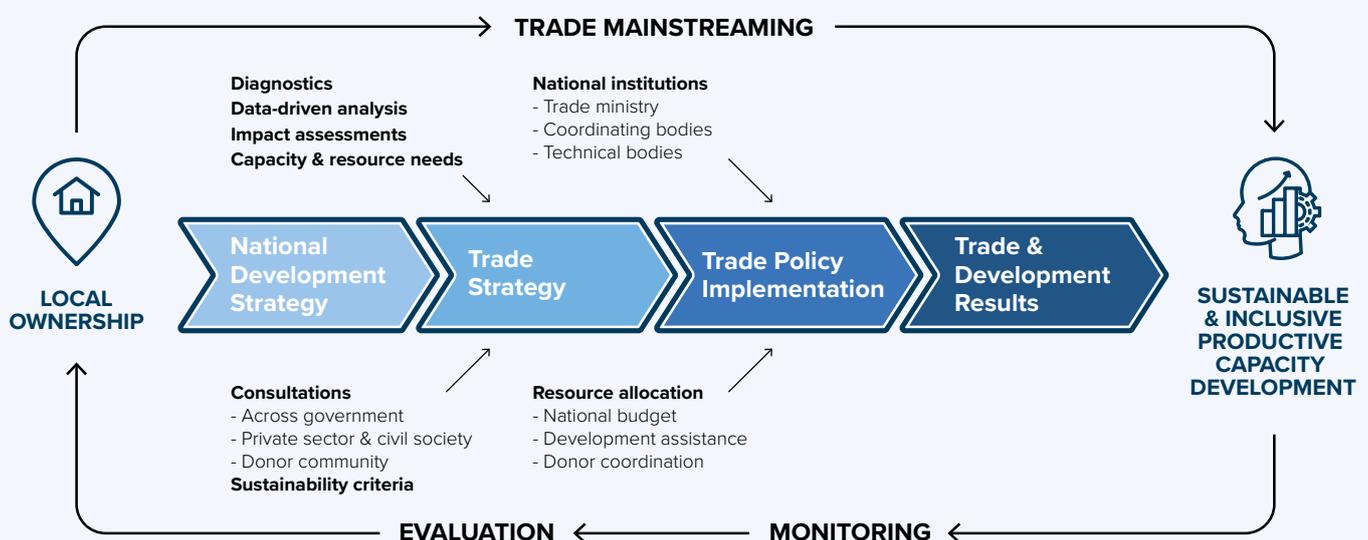
### Option 3. Lay emphasis on investment in human capacity

Gradual investment in human capacity, including supporting teams to service government agencies, is key to the long-term success of mainstreaming efforts. Many LDCs have invested in the creation of formal trade units with full-time employees complimented by donor-funded staff. Cambodia and Vanuatu, in particular, demonstrate the value of such investment to build national institutions that are consistent in their approach, sustainable over time and endowed with growing technical capabilities to manage the complexity that arises with integration and economic diversification. This option underlines the importance for LDC governments and donors of sustaining programmes focused on acquiring technical knowledge and investing in people.

### Option 4. Strengthen mechanisms designed to engage stakeholders

Any trade strategy must stem from a nation’s goals regarding its development path and the type of society its citizens wish to create. While approaches can differ depending on governance structures, domestic political economy and culture, most LDC governments, like the three case countries, have mechanisms in place that allow for stakeholder dialogues to facilitate the formation of consensus around trade priorities. Implementation

Figure 2. Schematic overview of the mainstreaming process



Source: Author

can be a challenge, however. This option involves continued investment on the part of LDCs and development partners into consultation mechanisms and dedicated bodies built around the objective of stakeholder dialogue.

#### **Option 5. Foster a cross-government approach to trade policy development**

There is often a gap between the diagnostic phase of trade mainstreaming and implementation. Well-structured inter-agency consultations in government can reduce this gap by generating ownership among line ministries, enhancing sectoral coordination, strengthening monitoring mechanisms and avoiding inconsistent regulations. It also ensures that trade is financially supported in the national budget. As seen in the three cases, creating and anchoring the institutional processes to put this approach into operation takes time and resources. Consistency in the mainstreaming programme's goals, professional management in the lead agency and high-level government linkages above that of trade minister are among the factors that drive this option.

### **REALISING SUSTAINABLE DEVELOPMENT**

#### **Option 6. Build bridges between policy communities**

Reconciling trade and sustainable development perspectives involves building bridges between different policy communities if the integration of trade in development planning is to assimilate the social and environmental dimensions of sustainability. As briefly described in the case of Cambodia (gender), Vanuatu (traditional economy) and Zambia (decentralisation), mechanisms will differ depending on local contexts but the guiding principle is to bring trade policy closer to communities. LDC governments and development partners could look into options that enhance interaction among various policymaking bodies and further embed sustainability concepts in the diagnostic process. Tools could include environmental

and other impact assessments that inform the validation of action matrices and trade policy roadmaps.

#### **Option 7. Monitor the impacts of trade-related policy recommendations**

LDCs can and should bring their own approaches to the inclusion of sustainability criteria in mainstreaming processes. Criteria-setting should be established through domestic consultation (discussed for example in relation to Vanuatu's traditional economy) and grounded in an evaluation of the potential risks and benefits to nature and society at large, especially the most vulnerable. The subsequent inclusion and monitoring of indicators related to these criteria in trade policy implementation frameworks can serve valuable functions like validating ex ante assessments, ensuring policy consistency and integrating sustainability in aid for trade. LDC governments and donor agencies can partner with domestic and international research institutions for criteria-setting and the development of monitoring frameworks.

#### **Option 8. Maintain the focus on outcomes**

Integrating trade in development planning is about lifting constraints to the transformation of economies in order to sustainably improve livelihoods. Mainstreaming has a cost which needs to be met by commitments in public spending. The allocation of scarce domestic and external funding to trade depends on evidence regarding its potential to help extricate LDCs from the poverty trap and embark on a path to sustainable development. All three country cases underscore that the political capital consumed in institutional and policy reform must be backed by demonstrable results.<sup>10</sup> This option is the shared responsibility of all the national stakeholders and external partners engaged in the integration of trade in development planning.

<sup>10</sup> This is recognised in the latest EIF (2019b) Strategic Plan 2019-2020 with a focus on productive support projects that are tied to specific goals and indicators.

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#### **Additional resources**

- [EIF least developed country information platform](#)
- [OECD Aid for Trade portal](#)
- [UNCTAD Trade and Development Report series](#)

- [UN Department of Economic and Social Affairs](#)
- [WTO Aid for Trade portal](#)
- [WTO E-Learning Technical Assistance programme](#)
- [WTO Trade Policy Reviews portal](#)

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*EIF's series of policy briefs aims to promote knowledge-sharing from aid for trade experiences and support the design and implementation of trade policy that fosters sustainable development in LDCs.*



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