

Modalities for EIF regional projects

May 2019

Background

1. The Programme Framework Document and the Compendium for Phase Two of the EIF lay the overall framework for the implementation of regional projects and the development of stronger relationships with regional partners. Furthermore, both the EIF Strategic Plan 2016-2018 and the EIF Strategic Plan 2019-2022 indicate the importance that the EIF should accord to develop and implement the regional dimension of the EIF programme in order to address the needs of the Least Developed Countries (LDCs), which encompasses various regional issues.
2. As such, the 26th EIF Board meeting held on 11 and 12 June 2018 approved the principles governing regional project modalities. Based on the approved principles, this document details further the principles and modalities to be applied to regional projects submitted for EIF funding.

Definition of a regional project

3. A regional project is a project financed through the EIF Trust Fund (EITF) and designed in a way to help the LDCs benefit from regional economic opportunities as well as address regional challenges with outcomes delivered in at least two EIF Countries.

Scope

4. Regional projects to be funded fully or partially by the EITF shall be in line with the EIF mandate and contribute to the achievement of its objectives.¹ The scope of EIF contribution will focus on:
 - Diagnostics on regional trade policy-related issues, regional analytical studies and capacity-building initiatives addressing common priority areas reflected in the Action Matrices of the Diagnostic Trade Integration Studies (DTISs) of the beneficiary countries or contributing to some cross-cutting global or regional goals and other sectoral focus areas of the EIF;
 - Trade facilitation through a reduction in trade costs and transport time to access markets;
 - Support to connectivity, regional integration and cross-border trade through projects aimed at contributing to inclusive trade; and
 - Development of regional value chains and mainstreaming of trade into regional priority sectors or national sectors with a regional dimension.

¹ As outlined in the Compendium for Phase Two of the EIF and the EIF Strategic Plans.

Eligibility and institutional linkages

5. The Executive Secretariat for the EIF (ES) and the EIF Trust Fund Manager (TFM) will work towards developing strategic partnerships and proactive projects with regional entities and/or organizations with regional mandates to increase the synergy of the EIF with regional processes. This will include a particular focus on the opportunities for leveraging regional funds; coordination and utilization of regional institutional frameworks and resources; and other relevant strategic advantages. Such strategic partners could include organizations that work for similar goals as the EIF, have a long-standing experience in working with a relevant geographic and thematic coverage and meet at least one of the following criteria:
 - a) An organization that is officially recognized as an essential partner at a regional, international or United Nations level, whose mandate is closely linked to the EIF's mandate and who is identified clearly as an inter-governmental organization serving a number of LDCs.
 - b) A regional or international apex or membership organization, which is registered at the regional or international level as a "not-for-profit" organization.
 - c) An organization with observer status in the EIF partnership and which is officially recognized as a regional or international organization.
 - d) An organization that is essential to delivering the EIF's mandate, and there are no viable alternatives.
6. Only EIF Countries can benefit from EIF funding for a regional project, while the coverage of regional projects could also include other countries, if need be.
7. The funding of a regional project by the EITF will not prejudice the funding of national projects.

Leveraging

8. Specific initiatives to increase the linkages and synergies of EIF processes to regional funds will be undertaken. Where appropriate, the EIF constituencies, including Main Implementing Entities (MIEs) will seek to leverage additional resources, including from the private sector, as well as local and international development funding strategic partners.

Budget

9. It is proposed that the following ceilings will apply to the funding of individual regional projects by the EITF:
 - a) Up to a maximum of US\$500,000 of EITF contribution for regional studies, trade policy facilitation, analytical work and capacity-building initiatives and limited to a maximum budget of US\$100,000² per participating country.
 - b) Up to a maximum of US\$2 million of EITF contribution, for project targeting production diversification, value chain promotion, sector promotion, taking into consideration that the budget shows clear value for money as per the EIF-approved Value for Money Action

² This threshold will be reviewed after six (6) months of the implementation of the modalities. In case the support requires more than US\$100,000 per participating country, a request and supporting justification can be submitted to the EIF Board for approval.

Matrix and leveraging as outlined in the EIF Phase Two Strategic Plan and the Tier 2 modality³.

- c) Up to a maximum of US\$3 million of EIFTF contribution in cases of projects that have total budgets exceeding the maximum limit of US\$2 million above. In such cases, 50% of the remaining budget balance exceeding the US\$2 million threshold of the EIFTF contribution is matched by a written pledge⁴ from the MIEs, donors and/or partners. The matching contribution should be effective before the signature of the project Memorandum of Understanding (MOU).

Project identification, formulation, endorsement and approval

10. The project ideas could be identified through national or regional cooperation and/or an ES-led proactive consultation process. It should be firmly anchored through priorities in regional strategic documents, national DTISs and/or Medium-term Strategic Plans for EIF Phase Two and/or global and/or regional goals.

11. The project formulation, endorsement and approval should follow these steps:

- a) Preparation of the regional project proposal by a lead LDC or potential MIEs, such as agencies, regional institutions, think tanks, business associations, academia institutions, not-for-profit organizations or a strategic partner, in close consultation with the beneficiary countries, the ES and the TFM. The following project template should be used for project development and submission:
 - Project template for regional studies and capacity-building initiatives up to US\$500,000 (Annex 1); and
 - Project template for project above US\$500,000 (Annex 2).
- b) Submission of the proposal by the potential MIEs/lead LDC to the respective EIF Focal Points (FP) in the beneficiary countries and the ES and the TFM via email. The respective FPs, the ES and the TFM may provide comments within 15 working days⁵ upon reception of the proposal.
- c) **For regional studies and capacity-building initiatives up to US\$500,000:** if no comments are received within 20 working days, the project proposal is nationally endorsed and may be submitted to the ES and the TFM as detailed under point f) below.
For projects up to US\$1.5 million: if no comments are received, the proposal will follow the national endorsement procedure described under e) below.

³ In case where resource contributions from other partners, including the private sector, cannot be confirmed at the time of the project proposal, the MIE and/or lead LDC could include in the project proposal information about when and on which occasion (consultative group meeting, round table meeting, special trade round table, etc.) the donor community and partners have been asked to contribute resources (financial/human resources/expertise) to the project and their responses. This could be considered as leveraging activities.

⁴ For example, a project with a total budget of US\$3 million may be funded up to US\$2.5 million by the EIFTF if there is a written pledge by the MIE, donors and/or partners of a minimum of US\$500,000. For a project with a total budget of US\$4 million, the maximum EIFTF contribution will be of US\$3 million, if there is a pledge of at least US\$1 million.

⁵ Unless otherwise indicated, 'working days' refers to business days in Geneva, Switzerland.

- d) In the case where comments have been made under (b) above, the potential MIE/lead LDC will submit the revised proposal to the respective FPs for national endorsement within 20 working days from the receipt of the (revised) proposal.
- e) The national endorsement procedure will be as follows:
- **For regional studies and capacity-building initiatives up to US\$500,000:** No objection from beneficiary countries. The potential MIEs and/or lead LDCs should inform the FPs and NIU Coordinators (NIUCs) of the beneficiary countries about the project proposal for comments and/or silent approval within 20 working days;
 - **For projects with a total value between above US\$500,000 and up to US\$1.5 million, where the average value of the project per beneficiary country is less than or equal to US\$500,000 per country:** Endorsement by the FPs upon due consultation with relevant local stakeholders through a letter of support. Where applicable, the FPs can delegate authority to the NIUC and/or the person responsible for the EIF implementation team in the country to sign the letter of support;
 - **For projects exceeding US\$1.5 million, where the average value of the project per beneficiary country is greater than US\$500,000 per country:** Endorsement by the EIF National Steering Committees (NSCs) and/or Technical Appraisal Committees (TACs) expressed in a letter of support.⁶

A letter of support may be conditional on the incorporation of any comments into the final project document. If the letter of support is conditional on the incorporation of comments, the final version of the regional project proposal incorporating those comments will be resubmitted within 20 working days by the lead LDC and/or potential MIE(s). If no further comments are received within 10 working days after receipt of the revised proposal by the FPs/NSCs and/or TACs, as applicable, the proposal shall be considered to have been accepted.

- f) Submission of the final project proposal, via email and through the EIF Management Information System, and of all endorsement letters as well as other supporting documents, if need be, by the designated MIEs to the ES, with a copy to the TFM for appraisal. All projects will undergo ES and TFM technical and fiduciary due diligence assessment, following the ES and TFM procedures and timeline, before submission to the EIF Board/EIF Board delegated authority for approval.
- g) The ES and the TFM will undertake the review of the project and their due diligence within 20 working days upon receipt of the email submission or provide reasons of rejection and/or comments for revision to the lead LDC/MIE(s).
- h) The EIF Board approval will be mandatory for projects with a value above US\$1.5 million. The delegated authority of the Executive Director of the ES (ED) will apply for projects up to US\$1.5 million, except as provided in other guidelines approved by the Board.

⁶ Idem [for what?]. Such a letter of support may include the request for incorporation of comments into the final project document. The final version including comments will be resubmitted according to the national procedure described under paragraph 11. If no further comments are received within 10 Switzerland business days, the proposal is considered as accepted.

Implementation arrangements, monitoring and evaluation

12. The governance of the EIF projects is institutionalized around EIF National Implementation Arrangements (NIAs) at the country level. The NSCs, FPs, EIF Donor Facilitators and NIUCs, if applicable, play a central role in the prioritization, implementation and monitoring of projects.
13. The project proposal should include specific implementation arrangements, capitalizing on the existing NIAs in the EIF beneficiary countries.
14. An NIU in participating countries and/or an institution meeting one of the criteria listed in paragraph 5 above could be selected as the MIE for a regional project, taking into account the EIF Value for Money Framework and its Action Matrix and the prospect of institutional linkages for strategic partnership development. The project proposal should include a section explaining how the selection of the MIE was conducted.
15. With respect to the monitoring of, and reporting on, projects, each regional project should include a clear link to an existing regional committee (if any) for oversight, or in specific cases establish a dedicated steering committee in which the FP, NIUC and/or representative from the NSC of the beneficiary countries are members. In addition, the standard reports should be sent to the FPs of all beneficiary countries for onward transmission to the NSCs.
16. By submitting a request for funding to the EIFTF, the MIE recognizes and accepts that the proposal if approved will be subject to the EIF's financing and fiduciary rules and procedures. Following the approval of the proposal, the MIE will enter into a contractual arrangement with the TFM using the relevant legal instrument (MOU or Letter of Agreement) cleared by the EIF Board and which is applicable to each category of MIE. The fiduciary conditions of benefitting from and utilizing EIF resources and the reporting requirements will be according to the rules and procedures cleared by the EIF Board, as indicated in the EIF contract agreement to be signed with the TFM.

Sustainability

17. The proposal should capitalize on existing regional mechanisms and the national EIF structures for coordination and post-project follow-up activities in order to ensure the sustainability of the proposed project (for projects up to US\$500,000) and/or a sustainability plan (for projects above US\$500,000).
18. Post-project follow-up activities should describe how selected ideas emanating from the analytical work will be developed into project ideas that could help countries mobilize additional resources. The sustainability plan should describe how the results of the project will be made to last beyond the life of the project. See details in the templates annexed.

Annex 1: Template

REGIONAL PROJECT (Project up to US\$500,000)

Indicative areas of support: Analytical work, awareness-raising and capacity-building

Project title:

Main Implementing Entity:

Estimated project budget:

- *EIF funding sought.*
- *Other sources of funding for the project: (government, private sector or development partners).*

Implementing period:

Target countries and stakeholder groups:

Partners: *(if applicable)*

Background: (max. 200 words)

- *Context.*
- *Link to global/regional/national priorities or DTIS Action Matrix and/or medium-term plan, if applicable.*

Objectives: (max. 100 words)

- *Briefly indicate the project objectives.*

Results framework:

- *Expected results contributing to the set objectives.*
- *Link to relevant EIF Results Framework indicator, if applicable.*

Project results	Indicators	Means of Verification
Project Outcome 1:		
Output 1.1:		
Key activities:		

Stakeholder interests and support: (max. 150 words)

- *Indicate the intended use of the project results.*
- *Interest and support from development partners, government and local stakeholders to support the implementation of project results.*

Work plan and budget (as per EIF template as relevant):

- *Propose the starting date and a time-bound plan of activities linked to the expected results.*
- *Propose a budget plan based on planned activities, indicating administrative/overhead fees as applicable.*

Post-project follow-up activities:

- *Describe how selected ideas emanating from the analytical work will be developed into project ideas that could help countries mobilize additional resources.*

Endorsement by EIF beneficiary countries (by separate letter of endorsement):

Annex 2: Template

REGIONAL PROJECT (Project above US\$500,000)

Indicative areas of support: Regional integration, value chains,
trade facilitation, productive capacity-building

Project title:

Main Implementing Entity (MIE):

Estimated project budget:

- *EIF funding sought.*
- *Other sources of funding for the project: (government, private sector or development partners).*

Implementing period:

Target countries and stakeholder groups:

Partners:

SECTION I: Project accountability arrangements	
I.1 Project title	Succinct statement of the project's purpose.
I.2 Grant recipient entity	Name, nature (public, private or other), national or international.
I.3 Implementing entity (if different from grant recipient entity)	Name, nature (public, private or other), national or international.
I.4 Project duration	Number of years, months, indicating expected start date and end.
I.5 Total project costs	In US\$.
I.6 EIF funding sought	In US\$.
I.7 Other sources of funding for the project (from government, private sector or development partners)	In US\$.
I.8 Leveraging activity	Summarize measures taken to mobilize resources from other sources besides the EIF to fund the project.
I.9 Objective of the project	Brief (one paragraph) summary of III.1 below.
I.10 Results statement	Short summary of III.2 below.
I.11 Brief description of the project	Which sector is addressed? What are the main activities under the project?
I.12 Endorsement by and date	EIF Focal Points (FPs)/Chairs of the EIF National Steering Committees, MIEs.

SECTION II: Strategic context (length about 2,000 words)

II.1. Overall context

II.2. Link to regional priorities/national DTIS Action Matrix and/or medium-term plan/national development plan/sector strategies, if applicable.

II.3 Status of sector targeted by the project (if applicable): Summary description of sector targeted by the project; highlight constraints, including those that the project will address.

SECTION III: Project description

III.1 Overall objective and specific project purpose	State the project's overall objective with reference to the impact to be obtained and the specific purpose with a reference to the outcomes to be obtained.
III.2 Results	State the specific results (outputs and outcomes) that the project seeks to achieve; this section has to be congruent with the logframe in VI.1 below.
III.3 Key activities	List the key activities under the project for each of the outputs to be achieved with these activities. These outputs must be sufficient to reach the outcomes identified in III.1.
III.4 Summary budget, specifying other sources of funding	Mention the main budget items and other funding (according to the Summary of project budget per account template provided below).
III.5 Fundraising and leveraging plan	Summarize when and on which occasion the donor community/development partners and/or stakeholders, including the private sector, have been asked to fund the project contained in this proposal; fill out Questionnaire 1. Describe how additional resources will be leveraged (from the government, the private sector and/or development partners) throughout the implementation of the project. The leveraging plan should include targets, milestones and key activities related to leveraging.
III.6 Communications plan	Indicate outreach and dissemination activities planned to support the project implementation and ensure the project visibility at national, regional and global levels (stakeholder sensitization and mobilization, promotion of the project in regular communications through the media, web, social media and/or other tools, branding). Include activities linked to III.5 (leveraging) and V.2 (national ownership).
III.7 Sustainability plan	Describe how the results of the project (see III.2 above) will be made to last beyond the life of the project. The sustainability plan should include specific benchmarks, milestones and timeframes related to sustainability and a link with the leveraging plan in III.5.
III.8 Exit plan	What happens at the end of the project? What happens to capital goods purchased under the project?
III.9 Poverty, gender and environment assessment	Questionnaire 2 should be addressed.

SECTION IV: Risk and mitigation strategy	
IV.1 Identify technical, programmatic and fiduciary risks for project delivery and/or project results	Risks should be categorized into those that are integral to the project, i.e., those that the project design can address, and other risks outside of the project scope and outside of the influence of the project.
IV.2 Describe how the risks under IV.1 will be mitigated	For risks integral to the project, show how the project design intends to mitigate the risks; for risks outside of the project scope, describe what mitigation strategy the government has.
SECTION V: Project implementation arrangements	
V.1 Description of the implementing entity	Nature of the implementing entity, experience in providing services as requested, references, etc.
V.2 National ownership	Description of how the project will ensure national ownership.
V.3 Implementation arrangements (if applicable)	Description of internal supervision arrangements adopted by the EIF National Implementation Unit (or government division implementing EIF activities) while implementing and/or coordinating activities to be undertaken by other government entities.
SECTION VI: Logical framework, work plan and budget	
VI.1 Logical framework	<p>Fill in a logical framework including the overall impact, results, indicators and sources of verification and assumptions for the project.</p> <p>The project logical framework should be aligned, to the largest extent possible, with the EIF Phase Two Logical framework, which can be found at the following link: http://www.enhancedif.org/en/document/eif-phase-two-logframe-explanatory-note-note-explicative-sur-lutilisation-du-cadre-logique</p>
VI.2 Work plan	Provide a work plan for the activities listed above following the work plan template below.
VI.3 Budget	Provide an activity-based budget following the detailed budget template provided below.
SECTION VII: Project accountability arrangements	
VII.1 Legal status of the implementing entity	Legal personality and fiscal identification.
VII.2 Fiduciary responsibilities	Organization of the project and succinct description of roles and functions of key staff/unit assuming fiduciary responsibilities.
VII.3 Financial and fiduciary management	Detailed description of procedures for recruitment, procurement, accounting, etc.
VII.4 Audit requirements	Description of internal audit procedures and external audit requirements.
VII.5 Monitoring and evaluation (M&E)	Summarize the monitoring and evaluation (M&E) mechanism of the project, including a clear identification of who performs the various tasks. Must be consistent with the logframe.

VII.6 Safeguard measures

Describe safeguard measures that exist or are to be established against sexual harassment, abuse of authority, conflict of interest and for transparency.

Questionnaire 1: Documenting leveraging

1. Summary description of government-donor coordination forum for trade (e.g., sector working group).
2. When and on which occasion (consultative group meeting, round table meeting, special trade round table, etc.) was the project presented to the donor community?
3. Role of the EIF Donor Facilitator (DF).
4. Outcome of the presentation to the donor community.
5. Minutes of the meeting (signed by co-chairs if it was a sector working group or technical group; signed by the FP and the DF if the meeting was organized especially for the project).

Questionnaire 2: Poverty, gender and environmental assessment questions

3.1 Questions to be addressed as part of the poverty assessment if applicable:

1. Do the objective, purpose or results of the project have an explicit commitment to poverty reduction and inclusiveness?
2. Does the project include poverty-related and inclusiveness-related indicators?
3. Are the beneficiaries of the project selected in a manner to promote the inclusiveness of vulnerable groups?
4. Are baseline data collected in an income-disaggregated way and for vulnerable groups?
5. Are the beneficiaries of the project selected according to their income or to their vulnerability?
6. Is the project part of the government's overall strategy for poverty reduction and for inclusiveness of vulnerable groups?

3.2 Question to be addressed as part of the gender assessment

1. Do the objectives, purpose or results of the project have an explicit commitment to promoting gender equality?
2. Does the project include gender-related indicators?
3. Are baseline data collected in a gender-disaggregated way?
4. Are the beneficiaries of the project selected in a manner to promote gender equality?
5. Have women and men participated in the design, implementation, M&E of the project?
6. Is the project part of the government's overall strategy for promoting or achieving gender equality?

3.3 Questions to be addressed as part of the environmental assessment

1. Does the project contribute to environmental sustainability and/or climate change control?
2. If the answer to 1 is yes: Is the project part of the government's strategy for environmental sustainability and climate change control?
3. If the answer to 1 is no: Identify activities conceived to promote environmental sustainability and/or climate change control.
4. If there are negative environmental impacts, explain how they will be mitigated.

Work plan template

Outcome and Output	Indicator Reference	Activity Reference	Description of Activity	Inputs*	Year 1				Year 2				Year 3				Budget*	Budget Code	Notes
					Q 1	Q 2	Q 3	Q 4	Q 1	Q 2	Q 3	Q 4	Q 1	Q 2	Q 3	Q 4			
Outcome 1: <i>[Name/description as indicated in the project logframe and/or EIF Logframe]</i>																			
<i>Outcome Indicator 1**</i>	O1-ID1	O1.1-ID1-A1																	
		O1.1-ID1-A2																	
		...																	
<i>Outcome Indicator 2**</i>	O1-ID2	O1-ID2-A1																	
																		
...																	
Output 1.1: <i>[Name/description as indicated in the project logframe and/or EIF Logframe]</i>																			
<i>Output Indicator 1**</i>	O1Op1-ID1	O1Op1-ID1-A1																	
		O1Op1-ID1-A2																	
		...																	
	O1Op1-ID2	O1Op1-ID2-A1																	
...																	
<i>Output Indicator 2**</i>																	
Output 1.2: <i>[Name/description as indicated in the project logframe and/or EIF logframe]</i>																			
<i>Output Indicator 1**</i>	O1Op2-ID1	O1Op1-ID1-A1																	
		O1Op1-ID1-A2																	
<i>Output Indicator 2**</i>																	
Outcome N: <i>[Name/description as indicated in the project logframe and/or EIF Logframe]</i>																			
<i>Outcome Indicator 1**</i>	O(n)-ID1	O(n)-ID1-A1																	
...																	
Output N.1: <i>[Name/description 1 as indicated in the project logframe and/or EIF logframe]</i>																			

Output Indicator 1**	O(n)Op1-ID1	O(n)Op1-ID1-A1																	
...																	
Project Management and operation																			
	Management	Management																	
																	

* The same as the budget plan.

**Name/description as indicated in the project logframe and/or EIF Phase Two Logframe.

1. Indicator reference should be listed in the following manner: Outcome number – Indicator number.

Example:

Indicator reference:

O1-ID1

Meaning: Indicator 1 linked to Outcome 1 in the logframe.

2. Activity reference at OUTCOME indicator level:

Numbering activity reference in the following order: Outcome number – Indicator number – Activity number.

The reference for each activity must be unique and the same as in the budget plan for conciliation.

Activity/ies must be directly linked to Outcome indicator(s) and should be limited to maximum four (4) activities per Indicator.

Example:

Activity reference:

O1-ID1-A1

Meaning: Activity linked to Indicator 1 of Outcome 1 in the logframe

3. Activity reference at OUTPUT indicator level:

Numbering activity reference in the following order: Outcome number – Output number – Indicator number – Activity number.

The reference for each activity must be unique and the same as in the budget plan for conciliation.

Activity/ies must be directly linked to Output indicator(s) and should be limited to maximum four (4) activities per Indicator.

Example:

Activity reference:

O1Op1-ID1-A1

Meaning: Activity linked to Indicator 1 of Output 1 under Outcome 1 of the logframe.

4. Project management and operation:

All activity references under this category should be named as "management".

...	...														
Subtotal: O1-ID2															
O1Op1-ID1	71200	International expert	Consultant for training on trade policy	Month											
	72200	Equipment	Material for training	L.S.											
	72100	Subcontracts	Training facility	L.S.											
..	...														
Subtotal: O1Op1-ID1															
Management	71300	National staff	Project Manager	Month											
Management	71300	National staff	Finance Officer	Month											
Management	71600	Travel	Project visit	L.S.											
Management	72200	Equipment	Purchase of computers	Piece											
Management	74000	Operating costs	Office rent	Month											
Management	74100	Prof. services	Audit	L.S.											
Subtotal: Management															
TOTAL															

- * Same as the work plan.
- ** As per the list of available accounts below. Account codes can be repeated in cases where more than one line is required; for example, for staff cost, there should be separate lines for each position.
- *** For each input, there should be details to each input account and linked to the description of the activity in the work plan.

List of available accounts

Input Account	Input Account Title
71200	International expert
71300	National staff
71600	Travel and missions
72100	Subcontracts
72200	Equipment
72600	Grants
74100	Professional services
74000	Operating costs

Summary of project budget per account template

Country: XXXX
 Project title: XXXX
 Funded by: XXXX

Input Account	Input Account Title	Budget per (Calendar) Year				Remarks
		Year 1	Year 2	Year 3	Total	
71200	International expert	-	-	-	-	
71300	National staff	-	-	-	-	
71600	Travel and missions	-	-	-	-	
72100	Subcontracts	-	-	-	-	
72200	Equipment	-	-	-	-	
72600	Grants	-	-	-	-	
74100	Professional services	-	-	-	-	
74000	Operating costs	-	-	-	-	
Total		-	-	-	-	